2024

Annual U.S. Disclosure Document

for the fiscal year ended 30 September 2024

Australia and New Zealand Banking Group Limited ABN 11 005 357 522

The date of this 2024 Annual U.S. Disclosure Document is 20 November 2024.

Annual U.S. Disclosure Document

Fiscal year ended 30 September 2024

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All references in this document to the “U.S. Disclosure Document” refer to the 2024 Annual U.S. Disclosure Document of Australia and New Zealand Banking Group Limited for the fiscal year ended 30 September 2024 (the “2024 fiscal year” or “2024”), including Annex A attached hereto, and we refer to prior fiscal years in a similar fashion. References to the “September 2024 half” refer to the fiscal half year ended 30 September 2024 and references to the “March 2024 half” refer to the fiscal half year ended 31 March 2024. References in this document to the “2023 Annual U.S. Disclosure Document” refer to the 2023 Annual U.S. Disclosure Document for the fiscal year ended 30 September 2023.

Where information for the comparative periods has not been restated, as identified by footnotes or commentaries, the financial information presented for those periods is not comparable to the financial information presented in the 2024 fiscal year, and where relevant, the 2023 fiscal year.

This U.S. Disclosure Document is dated 20 November 2024. All references in this document to “the date of this U.S. Disclosure Document” are to 20 November 2024.

The following references in this U.S. Disclosure Document are defined as below:

- “Group”, “we” and “our” means Australia and New Zealand Banking Group Limited and each of its subsidiaries.
- “ANZBGL” or “the Company” means Australia and New Zealand Banking Group Limited.
- “ANZGHL” means ANZ Group Holdings Limited, a non-operating holding company listed on ASX and the ultimate parent entity of ANZBGL.
- “ANZ Group” means (i) prior to 3 January 2023, Australia and New Zealand Banking Group Limited and each of its subsidiaries, and (ii) on or after 3 January 2023 means ANZGHL and each of its subsidiaries.

Information contained in or accessible through any website referred to in this U.S. Disclosure Document does not form part of this document unless we specifically state that it is incorporated by reference and forms part of this U.S. Disclosure Document. All references in this document to websites are inactive textual references and are not active links.

This U.S. Disclosure Document has been prepared in order to provide U.S. investors with certain information regarding the Group’s business and operations, as well as its financial position, as at 30 September 2024, and the results of operations for the fiscal year then ended. Except to the extent stated herein, all financial information disclosed in this U.S. Disclosure Document relates to the Group.

Attached to this U.S. Disclosure Document as Annex A are the following extracts of the Group’s 2024 Annual Report, as prepared by the Company and filed with the Australian Securities Exchange (“ASX”) in accordance with its rules:

- The 2024 Remuneration Report of the Group;
- The 2024 Financial Report of the Group and the Company (comprising the financial statements, notes to the financial statements and directors’ declaration) (hereafter referred to as the “2024 Financial Report”); and
- The Independent Auditor’s Report on the audit of the 2024 Financial Report.

Attached to this U.S. Disclosure Document as Annex B are the following extracts of the Group’s 2023 Annual Report, as prepared by the Company and filed with the ASX in accordance with its rules:

- The 2023 Remuneration Report of the Group;
- The 2023 Financial Report of the Group and the Company (comprising the financial statements, notes to the financial statements and directors’ declaration) (hereafter referred to as the “2023 Financial Report”); and
- The Independent Auditor’s Report on the audit of the 2023 Financial Report.

FORWARD-LOOKING STATEMENTS

This U.S. Disclosure Document may contain forward-looking statements or opinions including statements and opinions regarding the Group's intent, belief or current expectations with respect to the Group's business operations, market conditions, results of operations and financial condition, capital adequacy, sustainability objectives or targets, specific provisions and management practices and transactions that the Group is undertaking or may undertake. Those matters are subject to risks and uncertainties that could cause the actual results and financial position of the Group to differ materially from the information presented herein. When used in this U.S. Disclosure Document, the words "forecast", "estimate", "goal", "target", "indicator", "plan", "pathway", "ambition", "modelling", "project", "intend", "anticipate", "believe", "expect", "may", "probability", "risk", "will", "seek", "would", "could", "should" and similar expressions, as they relate to the Group and its management, are intended to identify forward-looking statements or opinions. Those statements and opinions: are usually predictive in character; or may be affected by inaccurate assumptions or unknown risks and uncertainties; or may differ materially from results ultimately achieved. As such, these statements and opinions should not be relied upon when making investment decisions. There can be no assurance that actual outcomes will not differ materially from any forward-looking statements or opinions contained herein. For further discussion, including regarding certain factors that will affect the forward-looking statements or opinions contained herein, refer to "Risk Factors Summary" below and "Risk Factors" in "Section 2: Information on the Group".

These statements and opinions only speak as at the date of publication and no representation is made as to their correctness on or after this date. The Group does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date of this U.S. Disclosure Document or to reflect the occurrence of unanticipated events.

RISK FACTORS SUMMARY

Risks to the Group's activities that can adversely impact its business, business model, operations, results of operations, reputation, prospects, liquidity, capital resources, financial performance and financial condition (together, the "Group's Position"), which the Group believes are material are summarised below and described under "Risk Factors" in "Section 2: Information on the Group" of this U.S. Disclosure Document. These risks include, but are not limited to, the following:

- changes in political and economic conditions, particularly in Australia, New Zealand, the Asia Pacific region, the United Kingdom ("UK"), Europe and the United States ("U.S.");
- competition in the markets in which the Group operates;
- the Group's ability to complete, integrate or separate and process acquisitions and divestments;
- changes in the real estate markets in Australia, New Zealand or other markets where the Group does business;
- sovereign risk events that may destabilise global financial markets;
- market risk events;
- changes in exchange rates;
- pandemics and other public health crises;
- the Restructure of the Group that established a non-operating holding company;
- credit risk;
- challenges in managing the Group's capital base;
- changes to the Group's credit ratings;
- liquidity and funding risk events;
- changes in the valuation of some of the Group's assets and liabilities;
- changes to the Group's accounting policies;
- regulatory changes or a failure to comply with laws, regulations or policies;
- litigation and contingent liabilities;
- significant fines and sanctions in the event of breaches of law or regulation relating to anti-money laundering, counter-terrorism financing and sanctions;
- changes in monetary policies;
- the impact of ongoing significant compliance costs with respect to the evolving and extensive Automatic Exchange of Information obligations imposed by global customer tax transparency regimes;
- unexpected changes to the Group's license to operate in any jurisdiction;
- the impact of future climate events, nature loss, human rights, geological events, plant, animal and human diseases, and other extrinsic events;
- risks associated with lending to customers that could be directly or indirectly impacted by climate risk;
- the effectiveness of the Group's risk management framework;
- non-financial risk events;
- human capital risk relating to the inability to attract, develop, motivate and retain the Group's people to meet current and future business needs;
- reputational risk events, including as a result of operational failures and regulatory compliance failures;
- conduct risk events;
- disruption of information technology systems or failure to successfully implement new technology systems;
- risk associated with the Group's information security including from cyber-attacks;
- risk associated with data management;
- risk associated with the models that the Group relies on for material business decisions;
- risks associated with use of artificial intelligence ("AI"); and
- various other factors beyond the Group's control.

BASIS OF PREPARATION

The summary of condensed consolidated income statements and selected ratios for the fiscal years ended 30 September 2024, 2023, 2022, 2021 and 2020, and the summary of condensed consolidated balance sheets and selected ratios as of 30 September 2024, 2023, 2022, 2021 and 2020, have been derived from the Group's financial statements. The 2024 Financial Report is contained within the Group's 2024 Annual Report (extracts of which, including the 2024 Financial Report, are attached to this U.S. Disclosure Document as part of Annex A). The 2023 Financial Report is contained within the Group's 2023 Annual Report (extracts of which, including the 2023 Financial Report, are attached to this U.S. Disclosure Document as part of Annex B).

The Group's financial statements and the financial information included herein, except where otherwise noted, have been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards ("AASs"), issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001(Cth)* (the "Corporations Act"). International Financial Reporting Standards ("IFRS") are standards and interpretations issued by the International Accounting Standards Board ("IASB"). IFRS forms the basis of AASs. The Group's financial statements and the financial information included herein comply with the recognition and measurement requirements of IFRS. For further information concerning the basis of preparation of the 2024 Financial Report, refer to Note 1 of the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A).

Amounts in this U.S. Disclosure Document are presented in Australian Dollars ("$", "AUD" or "A$") unless otherwise stated. Amounts reported in United States Dollars ("US$", "USD" or "U.S. dollars") have been translated at the 30 September 2024 Noon Buying Rate in New York City for cable transfers in Australian Dollars as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate"), which was US$0.6934 = A$1.00. For further information on the currency of presentation in this U.S. Disclosure Document, refer to "Currency of presentation and exchange rates" in "Section 2: Information on the Group". References to "NZD", "EUR" and "JPY" in this U.S. Disclosure Document are to New Zealand dollars, Euros and Japanese Yen respectively. References throughout this U.S. Disclosure Document to "$B" and "$M" are to billions and millions of Australian Dollars (or, if specified, such other currency), respectively.

SUNCORP BANK ACQUISITION

On 31 July 2024, the Group acquired 100% of the shares in SBGH Limited (ABN 83 145 980 838), the immediate holding company of Norfina Limited (ABN 66 010 831 722) (referred to herein as "Suncorp Bank", and formerly known as Suncorp-Metway Limited). Norfina Limited has a licence from Suncorp Group Limited (ABN 66 145 290 124) to use the Suncorp Bank brand under a five (plus two) year brand licence.

Suncorp Bank provides banking and related services to retail, commercial, small and medium enterprises and agribusiness customers in Australia. The transaction was undertaken to accelerate the growth of the Group's retail and commercial businesses while also improving the geographic balance of its business in Australia.

Suncorp Bank remains an authorised deposit-taking institution ("ADI") licensed and regulated by APRA and holder of an Australian credit licence and operates as a stand-alone company under the ownership of the ANZ Group. At a future point, Suncorp Bank will no longer be an ADI and some or all of its business, assets and liabilities will be transferred to ANZBGL. The ANZ Group will be undertaking a process for Suncorp Bank's obligations to be transferred to ANZBGL under the voluntary transfer procedures in the *Financial Sector (Transfer and Restructure) Act 1999 (Cth)* when Suncorp Bank ceases to be an ADI. The details, nature, timing and approvals of such transfer, are uncertain at this time. Under APRA's prudential standards, ANZBGL is not permitted to guarantee obligations of Suncorp Bank.

The reported results for the 2024 fiscal year include 2 months results for Suncorp Bank from the date of acquisition, presented as Suncorp Bank division throughout this U.S. Disclosure Document.

The Group is currently completing the purchase price allocation exercise to identify, measure and recognise the acquired tangible and intangible assets and assumed liabilities at their acquisition date fair values. At 30 September 2024, all values have been recognised on a provisional basis pending completion of this exercise.

For further information on the assets acquired and liabilities assumed, refer to Note 34 of the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A).

Suncorp Bank acquisition related adjustments

Suncorp Bank's divisional results for the 2024 fiscal year include the following acquisition related adjustments recognised by the Group post transaction completion, with an after tax charge of $196 million:

- Collectively assessed credit impairment charge of $244 million ($171 million after tax) for Suncorp Bank's performing loans and advances. In accordance with Australian Accounting Standards requirements, the Group consolidated Suncorp Bank's loans and advances on 31 July 2024, however the Group was not permitted to recognise an allowance for ECL on the performing loans and advances, leading to a proportional reduction in acquisition-related goodwill that would otherwise have been recognised. Subsequently, the Group was required to recognise a collectively assessed allowance for ECL estimated using the Group's ECL methodologies, with a corresponding collectively assessed credit impairment charge recognised in the Group's Income Statement.
- Accelerated software amortisation expense of $36 million ($25 million after tax) on alignment to the Group's software capitalisation policy.

DISCONTINUED OPERATIONS

There are no discontinued operations in the 2024 or 2023 fiscal years. Profit/(Loss) from discontinued operations in the 2022 and 2021 comparative periods relate to immaterial residual operational costs on separation of the divested wealth businesses and partial recovery of certain costs based on transition service agreements, which ceased in April 2022. Profit/(Loss) from discontinued operations in the 2020 comparative period relates to the financial results of the divested wealth businesses and associated Group reclassification and consolidation impacts.

The information presented in the summary of condensed consolidated income statements set forth in Section 1 and otherwise disclosed in this U.S. Disclosure Document and selected ratios for the fiscal years ended 30 September 2022, 2021 and 2020 show discontinued operations separately from continuing operations in the “Profit/(Loss) after income tax from discontinued operations” line item.

RESTATEMENT OF PRIOR PERIOD COMPARATIVE INFORMATION

Accounting standards adoption

The Group adopted AASB 17 *Insurance Contracts* (“AASB 17”) on 1 October 2023. Although the overall profit recognised in respect of insurance contracts will not change over the life of contracts, the timing of revenue recognition will change. The Group applied AASB 17 effective from 1 October 2022 and restated the 2023 comparative information accordingly. This resulted in a decrease in opening retained earnings of $37 million on 1 October 2022, an increase in profit after tax (2023 fiscal year: $8 million), an increase in total assets (2023 fiscal year: $22 million), and an increase in total liabilities (2023 fiscal year: $51 million) in the Australia Retail division. These adjustments were primarily driven by the impact of changes in the pattern of recognition of revenue on insurance contracts issued, changes in the pattern of recognition of the net cost of reinsurance, and the valuation of profit commissions on reinsurance contracts held.

Divisional results presentation

The presentation of divisional results was also impacted by the following changes during the 2024 fiscal year:

- Divisional comparative information was restated to reflect a number of cost reallocations across and within the divisions.

Comparative information for the 2023 fiscal year has been restated to reflect these changes with no impact to Group results. 2022 fiscal year comparatives have not been restated.

NON-IFRS FINANCIAL MEASURES

The Group measures the performance of operating segments on a cash profit basis, a non-IFRS measure which represents how the segments are managed internally. To calculate cash profit, the Group excludes items from profit after tax attributable to shareholders. For the current and prior fiscal years, the adjustments relate to impacts of economic hedges and revenue and expense hedges which represent timing differences that will reverse through earnings in the future. Information presented on a cash basis should not be considered as an indication of, or as a substitute for, statutory measures of the financial performance of the operating segments. For further information, including a reconciliation of cash profit to profit after income tax, see “Section 3: Operating and Financial Review and Prospects – Results by Division”.

SUMMARY OF CONDENSED CONSOLIDATED INCOME STATEMENTS AND SELECTED RATIOS - INCLUDING DISCONTINUED OPERATIONS

Condensed Consolidated Income Statement	**Years ended 30 September**					
	2024 USD M[1]	**2024 $M**	**2023 $M[5]**	**2022 $M**	**2021 $M**	**2020 $M**
Interest income	**42,074**	**60,678**	49,929	23,609	19,529	24,426
Interest expense	**(30,954)**	**(44,641)**	(33,361)	(8,735)	(5,368)	(10,377)
Net interest income	**11,120**	**16,037**	16,568	14,874	14,161	14,049
Other operating income[2]	**3,109**	**4,484**	3,910	4,552	3,259	3,588
Operating income	**14,229**	**20,521**	20,478	19,426	17,420	17,637
Operating expenses	**(7,398)**	**(10,669)**	(10,087)	(9,579)	(9,051)	(9,383)
Profit before credit impairment and income tax	**6,831**	**9,852**	10,391	9,847	8,369	8,254
Credit impairment (charge)/release[3,4]	**(282)**	**(406)**	(245)	232	567	(2,738)
Profit before income tax	**6,549**	**9,446**	10,146	10,079	8,936	5,516
Income tax expense	**(1,953)**	**(2,816)**	(2,945)	(2,940)	(2,756)	(1,840)
Profit after tax from continuing operations	**4,596**	**6,630**	7,201	7,139	6,180	3,676
Profit/(Loss) after tax from discontinued operations	**-**	**-**	-	(19)	(17)	(98)
Profit for the year	**4,596**	**6,630**	7,201	7,120	6,163	3,578
Profit attributable to non-controlling interests	**(24)**	**(35)**	(28)	(1)	(1)	(1)
Profit attributable to shareholders of the Company	**4,572**	**6,595**	7,173	7,119	6,162	3,577

[1] *The USD amounts are disclosed for information purposes only. There is no assurance that the AUD amounts could be translated at the 30 September 2024 Noon Buying Rate applied in this U.S. Disclosure Document.*

[2] *Includes Other operating income, Net income from insurance business and Share of associates' profit/(loss) as presented in the Income Statement in the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A) and the 2023 Financial Report (attached to this U.S. Disclosure Document as part of Annex B).*

[3] *The credit impairment charge/(release) represents the aggregation of the individually and collectively assessed credit impairment charges/(releases).*

[4] *Includes Suncorp Bank acquisition related collectively assessed credit impairment charge of $244 million. Refer to "Section 3: Credit risk" for further information.*

[5] *On 1 October 2023, the Group adopted AASB 17 Insurance Contracts and restated 2023 fiscal year comparative information. Refer to "Section 1: Restatement of prior period comparative information" for further information.*

	Years ended 30 September					
	2024 USD[1]	**2024**	**2023**	**2022**	**2021**	**2020**
Selected ratios						
Other operating income as a percentage of operating income - including discontinued operations	**21.9%**	**21.9%**	19.1%	23.8%	19.0%	20.1%
Net interest margin (%) - including discontinued operations	**1.57%**	**1.57%**	1.70%	1.63%	1.64%	1.63%
Operating expense to operating income ratio (%) - including discontinued operations	**52.0%**	**52.0%**	49.3%	49.7%	52.3%	54.5%
Dividends paid on ordinary shares ($M)[2]	**3,652**	**5,267**	5,559	3,965	2,928	2,922

[1] *The USD amounts are disclosed for information purposes only. There is no assurance that the AUD amounts could be translated at the 30 September 2024 Noon Buying Rate applied in this U.S. Disclosure Document.*

[2] *Dividends paid to ordinary equity holders of the Company during the corresponding fiscal period. 2023 fiscal year includes $1,000 million special dividend paid in January 2024 to ANZBGL's intermediate holding company, ANZ Bank HoldCo, a wholly owned subsidiary of ANZGHL.*

SUMMARY OF CONDENSED CONSOLIDATED BALANCE SHEETS AND SELECTED RATIOS - INCLUDING DISCONTINUED OPERATIONS

	As at 30 September					
	2024 USD M[1]	2024 $M	2023 $M	2022 $M	2021 $M	2020 $M
Share capital and reserves attributable to shareholders of the Company	**47,144**	**67,989**	68,563	65,907	63,665	61,287
Subordinated debt[2]	**27,504**	**39,665**	33,678	27,328	25,279	21,061
Unsubordinated debt	**80,936**	**116,723**	82,336	66,406	75,775	98,607
Deposits and other borrowings	**627,642**	**905,166**	815,203	797,281	743,056	682,333
Gross loans and advances	**560,064**	**807,707**	711,240	675,989	633,764	622,074
Less: Individually assessed provision for credit impairment	**(210)**	**(303)**	(366)	(533)	(666)	(851)
Less: Collectively assessed provision for credit impairment	**(2,338)**	**(3,372)**	(3,180)	(3,049)	(3,379)	(4,130)
Net loans and advances	**557,516**	**804,032**	707,694	672,407	629,719	617,093
Total assets	**852,594**	**1,229,585**	1,106,064	1,085,729	978,857	1,042,286
Net assets	**47,678**	**68,760**	69,085	66,401	63,676	61,297
Risk weighted assets	**309,660**	**446,582**	433,327	454,718	416,086	429,384
Capital adequacy ratios (Level 2):						
Common Equity Tier 1	**12.2%**	**12.2%**	13.3%	12.3%	12.3%	11.3%
Tier 1	**14.0%**	**14.0%**	15.2%	14.0%	14.3%	13.2%
Tier 2	**6.5%**	**6.5%**	5.8%	4.2%	4.1%	3.3%
Total capital ratio	**20.6%**	**20.6%**	21.0%	18.2%	18.4%	16.4%

	Years ended 30 September					
	2024 USD[1]	2024	2023	2022	2021	2020
Selected ratios						
Profit attributable to the shareholders of the Company as a percentage of:						
Average total assets[3]	**0.56%**	**0.56%**	0.64%	0.69%	0.59%	0.34%
Average ordinary shareholders' equity excluding non-controlling interests[3]	**9.7%**	**9.7%**	10.7%	11.4%	9.9%	5.9%
Average ordinary shareholders' equity excluding non-controlling interests as a percentage of average total assets[3]	**5.8%**	**5.8%**	6.0%	6.1%	6.0%	5.7%

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[1] *The USD amounts are disclosed for information purposes only. There is no assurance that the AUD amounts could be translated at the 30 September 2024 Noon Buying Rate applied in this U.S. Disclosure Document.*

[2] *For the composition of subordinated debt, refer to Note 16 of the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A).*

[3] *Averages are calculated using predominantly daily averages.*

SUMMARY OF CREDIT RISK DATA

	As at 30 September			
	2024 USD M[1]	2024 $M	2023 $M	2022 $M
Gross impaired assets				
Impaired loans[2]	611	881	1,037	1,043
Restructured items[3]	545	786	437	376
Non-performing commitments, contingencies and derivatives[2]	18	26	47	26
Total gross impaired assets	**1,174**	**1,693**	**1,521**	**1,445**
Allowance for expected credit losses[4]				
Individually assessed provision - impaired loans	210	303	366	533
Individually assessed provision - non-performing commitments, contingencies and derivatives	3	5	10	9
Collectively assessed provision	2,945	4,247	4,032	3,853
Total allowance for expected credit losses	**3,158**	**4,555**	**4,408**	**4,395**
Total gross loans and advances[5]	**560,064**	**807,707**	**711,240**	**675,989**
Credit risk weighted assets[6]	250,446	361,185	349,041	359,442
Collectively assessed provision as a percentage of credit risk weighted assets[6]	1.18%	1.18%	1.16%	1.07%
Gross impaired assets as a percentage of gross loans and advances	0.21%	0.21%	0.21%	0.21%
Individually assessed provision as a percentage of gross impaired assets	18.2%	18.2%	24.7%	37.5%
Individually assessed provision for impaired loans as a percentage of impaired loans	34.4%	34.4%	35.3%	51.1%
Total allowance for expected credit losses as a percentage of:				
Gross loans and advances[5]	0.6%	0.6%	0.6%	0.7%
Credit risk weighted assets[6]	1.3%	1.3%	1.3%	1.2%

[1] *The USD amounts are disclosed for information purposes only. There is no assurance that the AUD amounts could be translated at the 30 September 2024 Noon Buying Rate applied in this U.S. Disclosure Document.*

[2] *Impaired loans and non-performing commitments, contingencies and derivatives do not include exposures that are collectively assessed for Stage 3 Expected credit losses ("ECL"), which comprise unsecured retail exposures of 90+ days past due and defaulted but well secured wholesale and retail exposures.*

[3] *Restructured items are facilities where the original contractual terms have been modified for reasons related to the financial difficulties of the customer and are collectively assessed for Stage 3 ECL. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk.*

[4] *Includes allowance for ECL for Net loans and advances - at amortised cost, Investment securities - debt securities at amortised cost and Off-balance sheet commitments - undrawn and contingent facilities. For Investment securities - debt securities at fair value through other comprehensive income ("FVOCI"), the allowance for ECL is recognised in Other comprehensive income with a corresponding charge to profit or loss.*

[5] *Consists of loans and advances and capitalised brokerage and other origination costs less unearned income.*

[6] *2024 and 2023 balances relate to credit RWA calculated under revised APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk and APS 112 Capital Adequacy: Standardised Approach to Credit Risk methodologies effective 1 January 2023. 2022 balance relates to Credit RWA calculated under the previous APRA Basel 3 methodology.*

OVERVIEW

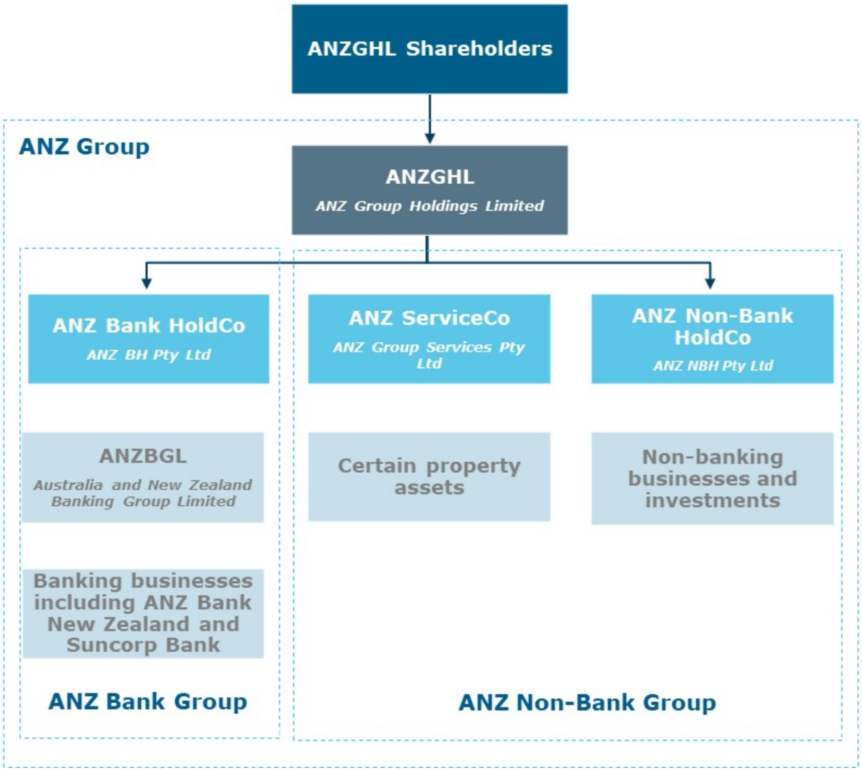
The Group is one of the four major banking groups headquartered in Australia. ANZBGL is a public company incorporated and domiciled in Australia with debt listed on securities exchanges. ANZBGL's registered office is located at Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia, and the telephone number is +61 3 9683 9999. ANZBGL’s Australian Business Number is ABN 11 005 357 522.

The Group provides a broad range of banking and financial products and services to retail, small business, corporate and institutional customers. Geographically, operations span Australia, New Zealand, a number of other countries in the Asia-Pacific region, the United Kingdom, France, Germany and the United States.

As at 30 September 2024, the Group had total assets of $1,229.6 billion and share capital and reserves attributable to shareholders of the Company of $68.0 billion. In terms of total assets among banking groups, the Group ranked second in Australia[1] as at 30 September 2024 and first in New Zealand[2] as at 30 September 2024.

The Group is part of the ANZ Group. The ultimate parent company of the Group is ANZGHL. On 3 January 2023, ANZBGL established by a scheme of arrangement, a non-operating holding company, ANZGHL, as the new listed parent holding company of the ANZ Group and subsequently implemented a restructure to separate the ANZ Group’s banking and certain non-banking businesses into the ANZ Bank Group and ANZ Non-Bank Group (the “Restructure”). The ANZ Bank Group comprises the majority of the 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 composition of the ANZ Group is set out in the diagram below:



It should be noted that ANZGHL:

- Does not guarantee ANZBGL’s obligations generally or in connection with debt securities issued by ANZBGL;
- Does not have any obligations under the terms and conditions of senior debt issued by ANZBGL; and
- Does not have any obligations under the terms and conditions of Tier 2 capital securities or Additional Tier 1 capital securities issued by ANZBGL, except to the extent that such securities are convertible into ANZGHL’s ordinary shares as provided for in the terms and conditions of such securities.

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[1] *Source: Commonwealth Bank of Australia results announcement for the year ended 30 June 2024; National Australia Bank results announcement for the year ended 30 September 2024; Westpac Banking Corporation results announcement for the year ended 30 September 2024.*

[2] *Source: Reserve Bank of New Zealand Bank Financial Strength Dashboard (https://bankdashboard.rbnz.govt.nz/summary) for the quarter ending 30 June 2024.*

BUSINESS MODEL

The Group’s business model primarily consists of raising funds through customer deposits and the wholesale debt markets and lending those funds to customers. In addition, the Group operates a Markets business which earns revenue from sales, trading and risk management activities. The Group also provides payments and clearing solutions.

The Group’s primary lending activities are personal lending covering residential home loans, credit cards and overdrafts, and lending to corporate and institutional customers.

The Group’s income is derived from a number of sources, primarily:

- Net interest income - represents the difference between the interest income the Group earns on its lending activities and the interest paid on customer deposits and wholesale funding;
- Net fee and commission income - represents fee income earned on lending and non-lending related financial products and services. It includes net funds management income;
- Share of associates’ profits - represents the Group’s share of the profit of an entity over which the Group has significant influence but not control; and
- Other income - includes revenue generated from sales, trading and risk management activities, net foreign exchange earnings, gains and losses from economic and revenue and expense hedges, and gains or losses from divestments and business closures.

STRATEGY

The ANZ Group’s strategy is focused on improving the financial wellbeing and sustainability of its customers; by providing excellent services, tools and insights that engage and retain customers and help positively change their behaviour.

In particular, the ANZ Group wants to help customers:

- save for, buy and own a liveable home;
- start or buy and sustainably grow their business; and
- move capital and goods around the region and sustainably grow their business.

The ANZ Group’s aspiration is to build a simpler, better, more purpose-driven bank through:

- Purpose-led propositions and partnerships that improve financial wellbeing, access to housing and sustainability for its target segments.
- Automated business-services supported by modern, cloud-based technology that is more open, resilient and compliant.
- An agile operating model that encourages innovation and makes it easier for its people to deliver value for customers quickly.
- Disciplined allocation of resources, enhanced delivery capabilities, and an alignment of systems and incentives.

PRINCIPAL ACTIVITIES

The Group operates on a divisional structure with seven divisions: Australia Retail, Australia Commercial, Institutional, New Zealand, Suncorp Bank, Pacific, and Group Centre.

The divisions reported below are consistent with operating segments as defined in AASB 8 *Operating Segments* and with internal reporting provided to the chief operating decision maker, being the Chief Executive Officer.

As at 30 September 2024, the principal activities of the Group's seven divisions were:

Australia Retail

The Australia Retail division provides a full range of banking services to Australian consumers. This includes Home Loans, Deposits, Credit Cards and Personal Loans. Products and services are provided via the branch network, home loan specialists, contact centres, a variety of self-service channels (digital and internet banking, website, ATMs and phone banking) and third-party brokers.

Australia Commercial

The Australia Commercial division provides a full range of banking products and financial services, including asset financing, across the following customer segments: SME Banking (small business owners and medium commercial customers) and Diversified & Specialist Businesses (large commercial customers, and high net worth individuals and family groups). It also includes run-off businesses (Central Functions).

Institutional

The Institutional division services institutional and corporate customers and governments across Australia, New Zealand and International (including Papua New Guinea ("PNG")) via the following business units:

- Transaction Banking provides customers with working capital and liquidity solutions including documentary trade, supply chain financing, commodity financing as well as cash management solutions, deposits, payments and clearing.
- Corporate Finance provides customers with loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance, and sustainable finance solutions.
- Markets provides customers with risk management services in foreign exchange, interest rates, credit, commodities and debt capital markets in addition to managing the Group's interest rate exposure and liquidity position.
- Central Functions consists of enablement functions that help deliver payments services, operational support and digital capability across both the Institutional division and the wider enterprise.

New Zealand

The New Zealand division comprises the following business units:

- Personal provides a full range of banking and wealth management services to consumer and private banking customers. It delivers services via internet and app-based digital solutions and network of branches, mortgage specialists, private bankers and contact centres.
- Business & Agri provides a full range of banking services, through its digital, branch and contact centre channels, and traditional relationship banking and sophisticated financial solutions through dedicated managers. These cover privately-owned small, medium and large enterprises, the agricultural business segment, government and government-related entities.
- Central Functions includes treasury and back-office support functions.

Suncorp Bank

The Suncorp Bank division provides banking and related services to retail, commercial, small and medium enterprises, and agribusiness customers in Australia.

Pacific

The Pacific division provides products and services to retail and commercial customers (including multi-nationals) and to governments located in the Pacific region, excluding PNG, which forms part of the Institutional division.

Group Centre

Group Centre division provides support to the operating divisions, including technology, property, risk management, financial management, treasury, strategy, marketing, human resources, corporate affairs, and shareholder functions. It also includes minority investments in Asia.

RECENT DEVELOPMENTS

There have been no significant developments since 30 September 2024 to the date of this U.S. Disclosure Document.

COMPETITION

Australia

The Australian banking system is concentrated and highly competitive. As at 30 September 2024, the four major banking groups in Australia (Australia and New Zealand Banking Group, Commonwealth Bank of Australia, National Australia Bank and Westpac Banking Corporation) held approximately 72%1 of the total Australian lending assets of ADIs that conduct business in Australia. The operations of the smaller regional banks have an emphasis on retail and business (Commercial) banking. A number of international banks also provide banking services in Australia and typically focus on specific segments of the retail, business or institutional markets, holding a minority position in these segments.

The deregulation of the Australian financial system during the early 1980s led to a proliferation of bank financial institutions and non-bank financial institutions that compete in selected markets. Non-bank financial intermediaries, such as building societies and credit unions, compete principally in the areas of accepting deposits and residential mortgage lending. Some large building societies have been granted banking authorisations under the Banking Act. Specialist non-bank residential mortgage lenders and direct (non-branch) banking operators also compete in the residential mortgage sector.

Competition has historically been greater in the housing lending market, which initially resulted from the rise of mortgage originators, and subsequently from growth in the mortgage broker industry and increased activity from non-ADI lenders (non-bank lenders). Providers of housing lending, including ADIs, compete aggressively in both the new lending and refinance markets by offering significant discounts below the advertised rate and offering home loan switching promotions.

The retail deposit market in Australia is also competitive, particularly in times of higher credit growth to support funding and increased lending demand. An Australian Government Guarantee for retail customer bank deposits was introduced in 2008 during the global financial crisis, which led to increased deposits with the major Australian banks and a decrease in deposits with other deposit fund providers. The Australian Government Guarantee refers to temporary arrangements announced by the Australian Government to enable the provision of a guarantee for the deposits and wholesale funding of Australian deposit-taking institutions. In addition, changes in the financial services sector have made it possible for non-banks to offer through various distribution channels (physical and online), products and services traditionally provided by banks.

In the commercial banking segment, competition remains intense across the major and regional banks and other commercial banking providers with a focus on protecting and developing customer relationships, competing on lending, deposits and other banking product and service offerings.

In the institutional market, we believe competitors gain recognition through the quality of their client base, perceived skill sets, structured solutions and pricing, client insights, digital capabilities, reputation, and brands. In Australian domestic markets, competitors at the large corporate and institutional customer level are generally the major Australian banks, some global investment banks, some Asian banks and the boutique operations of large multi-national banking conglomerates with a focus on niche areas.

The banking industry continues to evolve with new digital products and service solutions to meet customer needs and changing customer preferences. Demand for innovative, digital solutions is contributing to further competition from existing and new entrants to the banking industry, particularly in retail banking.

In addition, future economic conditions may have the effect of further impacting the number of financial intermediaries in the markets in which the Group operates over the medium term (for details refer to “Section 2: Information on the Group - Risk Factors – Risks related to the Group’s business activities and industry - Competition in the markets in which the Group operates may adversely affect the Group’s Position”). However, this may not lead to any medium-term reduction in the level of competition.

Open Banking laws in Australia seek to improve consumers’ ability to compare and switch between products and services. This may reduce barriers to new entrants into the banking industry in Australia and increase competition. For further information on Open Banking, including the risks it may pose to the Group, see “Section 2: Information on the Group - Risk Factors – Legal and regulatory risk – Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group’s position”.

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[1] *Source: APRA monthly authorised deposit-taking institution statistics September 2024 (published 31 October 2024).*

New Zealand

The New Zealand financial services sector in which the Group operates is subject to competition. ANZ Bank New Zealand's principal competitors are: ASB Bank Limited, Bank of New Zealand, Westpac Banking Corporation/Westpac New Zealand Limited and Kiwibank Limited.

ASB Bank Limited, Bank of New Zealand and Westpac Banking Corporation/Westpac New Zealand Limited are each a subsidiary or branch of a major Australian bank, participating across all customer segments from individuals to large corporates. The key area in which we compete with Kiwibank Limited is in the retail customer segment.

Competition also exists in specific segments from other banks. Rabobank New Zealand Limited is active in retail deposits and agricultural lending markets. Regional banks, such as Heartland Bank Limited and TSB Bank Limited, are competitive in the retail segment. International banks such as The Hong Kong and Shanghai Banking Corporation Limited and MUFG Bank Ltd compete in the institutional market. Since late 2013, New Zealand has also seen Industrial and Commercial Bank of China Limited, China Construction Bank Corporation and Bank of China Limited incorporate subsidiaries as registered banks in New Zealand (since 2017 each bank has also established branches to provide banking services in New Zealand). Their focus appears to be in housing and business lending. However, their market share remains small in these segments.

Historically, the deposit market in New Zealand has been highly competitive. However, competition for deposits moderated as the Large Scale Asset Purchase (“LSAP”) program, introduced by the RBNZ to support New Zealand’s economic recovery from the COVID-19 pandemic, increased the amount of money circulating in the New Zealand banking system. The RBNZ commenced the gradual reduction of the LSAP program in 2022, and as a result, competition for deposits may increase as the LSAP program gradually unwinds. As at 30 September 2024, lending to the residential mortgage market accounted for over half[1] of the lending in New Zealand by registered banks and this market is a key area of competition.

While non-bank originators have become more active in New Zealand, the growth rate in their total assets has been lower compared to offshore markets, such as Australia, in recent years. Customers continue to move away from physical outlets towards online and digital services, which could prompt the rise of new competitors in the financial services sector. The non-banking sector constituted approximately 3%[1] of total financial system assets as at 30 September 2024.

Potential future economic disruptions, or increased customer demand for personal financial management services in response to inflationary pressures, could impact competition in the New Zealand financial services sector over the medium-term due to changes to regulation and monetary policy, funding cost and credit provision increases, liquidity levels and changes to business strategies.

The New Zealand Commerce Commission conducted a market study into personal banking in New Zealand, releasing its final report on 20 August 2024. The final report includes 14 recommendations that, together, aim to support new entry and expansion, to reduce the regulatory barriers to competition and to empower consumers to get better prices and services. These recommendations may result in the implementation of regulations that increase competition in the New Zealand banking sector.

Asia

Banking in Asia is highly competitive. There are many global banks and regional banks operating in the region in addition to the local banks in each market.

The Group currently operates in multiple countries, focused on institutional banking and delivering financial solutions to customers driven by regional trade and capital flows. We believe the Group’s geographic coverage, strength in its domestic markets of Australia and New Zealand, and targeted focus on customers, industries and product specialisation (including Markets and Transaction Banking) enables the Group to differentiate itself from its competitors across the region.

Competition remains robust and a large number of banks have shown a willingness to commit portions of their balance sheet in support of growth opportunities in the region. This has contributed to the net interest margin on institutional lending in Asia being generally lower than that of similar lending in Australia and New Zealand.

While the Group provides a broad suite of financial services to institutional customers, it does not seek to be a bank to the retail or commercial markets in Asia.

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[1] *Source: Reserve Bank of New Zealand. September 2024 (Released 31 October 2024)*

SUPERVISION AND REGULATION

As a major banking group, the Group (being ANZBGL together with its subsidiaries) is subject to extensive regulation by regulatory agencies and security exchanges in each of the major markets where it operates. The Group is part of the ANZ Group (being ANZGHL together with its subsidiaries). ANZGHL is a non-operating holding company authorised by the Australian Prudential Regulation Authority ("APRA") under the Banking Act (an "authorised NOHC") and the listed parent company of the ANZ Group. This section provides an overview of the regulation and supervision of the Group in Australia, New Zealand and the United States, as well as the ANZ Group. Except to the extent stated herein, all information disclosed in this "Supervision and Regulation" section relates to the Group.

OVERVIEW

APRA

ANZBGL and ANZGHL are APRA-regulated entities, with obligations under the Banking Act and APRA prudential and reporting standards.

A summary of APRA's regulation of the ANZ Group is set out below.

- ANZGHL: is an authorised NOHC. It is required to comply with the conditions of its authorisation, which are summarised below and include specific capital requirements. As an authorised NOHC, it is also subject to regulation under the Banking Act and certain APRA prudential standards. As the head of a Level 3 group, it is required to ensure certain APRA prudential standards are applied appropriately throughout the ANZ Group (including the ANZ Bank Group and relevant members of the ANZ Non-Bank Group).
- ANZ Bank Group: includes the ANZ Group's entities that conduct banking business (including ANZBGL, Suncorp Bank, ANZ Bank New Zealand and the other entities in the Group). ANZBGL and Suncorp Bank are ADIs and the ANZ Bank Group is subject to the full suite of APRA prudential and reporting standards for ADIs, including standards in relation to capital adequacy and liquidity. Refer to "Australia" below for more information on the role of APRA as it applies to the ANZ Bank Group.
- ANZ Non-Bank Group: comprises the ANZ Group's entities that are not within the ANZ Bank Group. Subject to those requirements relating to APRA's authorisation of ANZGHL as an authorised NOHC under the Banking Act, these entities are not subject to ADI-specific regulation, such as bank capital adequacy and liquidity requirements currently applied to ANZBGL. As noted above, ANZGHL is required to apply certain APRA prudential standards appropriately throughout the ANZ Group, including to relevant members of the ANZ Non-Bank Group being those where ANZGHL considers it appropriate to do so to protect the ANZ Group or its customers or where APRA has required ANZGHL to do so.

ANZGHL is required to hold adequate capital to reflect the risks of the whole ANZ Group, including both the ANZ Bank Group and ANZ Non-Bank Group. The ANZ Bank Group's capital requirements, including those applicable to ANZBGL, are determined by existing APRA requirements.

APRA's authorisation of ANZGHL as an authorised NOHC under the Banking Act is subject to certain conditions, including the following:

- ANZ Bank HoldCo and ANZBGL must have at least one independent director who is not on the board of ANZGHL or any ANZ Non-Bank Group entity;
- ANZGHL itself must not undertake any activities other than for example, providing executive leadership across the ANZ Group, holding investments in subsidiaries, raising funds to invest in or support subsidiaries or to conduct its own activities or other activities required to achieve compliance with its prudential obligations, or other activities approved by APRA;
- ANZGHL must obtain APRA's no-objection confirmation prior to starting material activities in ANZ Non-Bank Group;
- ANZBGL must retain ownership of, or access to, all functions critical to its operations;
- non-regulated businesses of the ANZ Group must be financially and operationally separable from ANZBGL; and
- ANZGHL must ensure that the ANZ Non-Bank Group does not carry on any activities that pose excessive risk to the ADI (and ensure that the ANZ Bank Group transfers to the ANZ Non-Bank Group any activities that APRA notifies in writing to constitute an undue risk to the ADI).

APRA has the ability to review and modify these conditions at any time if it considers it appropriate to do so.

RBNZ

For a discussion of the regulation of ANZBGL and ANZ Bank New Zealand (or ANZ Bank New Zealand's subsidiaries) by RBNZ, refer to "Australia" and "New Zealand" below. ANZGHL is not an RBNZ regulated entity.

Other

A number of other regulators maintain oversight and regulation of the ANZ Group (including both the ANZ Bank Group and ANZ Non-Bank Group). In Australia, these regulators include:

- Australian Securities and Investments Commission ("ASIC") – in relation to corporations and securities matters;
- Australian Competition and Consumer Commission ("ACCC") – in relation to competition, fair trading and consumer protection matters;
- Australian Transaction Reports and Analysis Centre ("AUSTRAC") – in relation to anti-money laundering and counter-terrorism financing laws; and
- the Office of the Australian Information Commissioner ("OAIC") – in relation to privacy and freedom of information law.

In the United States, these regulators include the United States Federal Reserve and the Office of the Comptroller of the Currency.

AUSTRALIA

Prudential and Regulatory Supervision

The Supervisory Role of APRA

Since 1 July 1998, APRA has been responsible for the prudential and regulatory supervision of Australian ADIs, which include banks (including ANZBGL), credit unions, building societies, insurance companies and superannuation funds. Prior to this, the Australian banking industry was regulated by the Reserve Bank of Australia (“RBA”). The RBA has retained overall responsibility for monetary policy, financial system stability and payments system regulation. APRA draws authority from the *Australian Prudential Regulation Authority Act 1998* of Australia. APRA is also responsible for prudential regulation and supervision of various other regulated entities, such as authorised NOHCs (including ANZGHL).

APRA requires ADIs to meet certain prudential requirements that are covered in a range of APRA prudential standards.

APRA discharges its responsibilities in part by requiring ADIs subject to its supervision to regularly provide it with reports that set forth a broad range of information, including financial and statistical data relating to their financial position and information in respect of prudential and other matters. APRA gives special attention to capital adequacy, liquidity, earnings, credit quality and associated loan loss experience, concentration of risks, maturity profile of assets and liabilities, operational risks, market risks, interest rate risk in the banking book (“IRRBB”), exposures to related entities, outsourcing, funds management, governance, business continuity management, recovery and resolution planning, audit and related matters, securitisation activities and international banking operations. APRA may also exercise certain investigative powers if an ADI fails to provide information about its financial condition. Where APRA considers that an ADI may become unable to meet its obligations or may suspend payment (among other circumstances), APRA can take control of the ADI's business (including by appointment of a Banking Act statutory manager). APRA also has power to direct the ADI not to make payments in respect of its indebtedness. In addition, APRA has powers under the *Financial Sector (Transfer and Restructure) Act 1999* of Australia to require the compulsory transfer of some or all of an ADI's assets and liabilities or its shares to another body specified by APRA (which need not in all cases be an ADI). Broadly, APRA may require such a transfer in circumstances including where the relevant Australian Minister declares that the transfer should occur, or APRA is satisfied that there has been a contravention of the Banking Act or regulations or instruments made under it or the ADI has informed APRA that it is likely to become unable to meet its obligations or is about to suspend payment, and certain other criteria are met, including that APRA is satisfied that the transfer is appropriate having regard to the interests of the financial sector as a whole. A counterparty to a contract with an ADI cannot rely solely on the fact that a Banking Act statutory manager is in control of the ADI's business or on the making of a direction or compulsory transfer order as a basis for denying any obligations to the ADI or for accelerating any debt under that contract, closing out any transaction relating to that contract or enforcing any security under that contract.

In carrying out its supervisory role, APRA supplements its analysis of statistical data collected from each ADI with selective “on site” visits and formal meetings with the ADI's senior management and the external auditor. APRA has also formalised a consultative relationship with each ADI's external auditor, with the agreement of the ADIs. The external auditor provides additional assurance to APRA that the information sourced from an ADI's accounting records and included in the ADI's APRA reporting is, in all material respects, reliable and in accordance with the relevant APRA prudential and reporting standards. The external auditor also undertakes targeted reviews of specific risk management areas as selected by APRA. In addition, the board of directors of an ADI must make an annual declaration to APRA on risk management of the ADI in the form specified by applicable prudential standards.

Other Australian Regulators

In addition to APRA and its prudential and regulatory supervision, ANZBGL and its Australian subsidiaries are supervised and regulated in some respects by other regulators including ASIC, ACCC, AUSTRAC, OAIC and various securities exchanges.

ASIC is Australia's corporate, markets, financial services and consumer credit regulator. It regulates Australian companies, financial markets, financial services organisations and professionals who deal in and advise on investments, superannuation, insurance, deposit-taking and credit. As the consumer credit regulator, ASIC licenses and regulates people and businesses engaging in consumer credit activities (including banks, credit unions, finance companies, and mortgage and finance brokers). ASIC ensures that licensees meet required standards, including those related to responsibilities to consumers that are set out in the *National Consumer Credit Protection Act 2009* of Australia. As the markets regulator, ASIC assesses how effectively authorised financial markets are complying with their legal obligations to operate fair, orderly and transparent markets. Since 1 August 2010, ASIC has had responsibility for the supervision of trading on Australia's domestic licensed equity, derivatives and futures markets. As the financial services regulator, ASIC licenses and monitors financial services businesses to ensure that they operate efficiently, honestly and fairly. These businesses typically deal in superannuation, managed funds, shares and company securities, derivatives and insurance. ANZBGL provides products and participates in markets regulated by ASIC.

The ACCC is an independent Commonwealth statutory authority that promotes competition and fair trading in the Australian marketplace to benefit consumers, businesses and the community. It also regulates some national infrastructure services. Its primary responsibility is to ensure that individuals and businesses, including the Group, comply with the Australian competition, fair trading and consumer protection laws.

AUSTRAC is Australia's financial intelligence agency and its anti-money laundering and counter-terrorism financing regulator. The Group is required to comply with certain anti-money laundering and counter-terrorism financing legislation and regulations under Australian law, including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* of Australia (the “AML/CTF Act”). The AML/CTF Act is administered by AUSTRAC.

The OAIC is an independent agency within the Australian Attorney General's portfolio. Its primary functions are privacy, freedom of information and government information policy, with responsibilities including conducting investigations, reviewing decisions, handling complaints, and providing guidance and advice.

Secrecy obligations may apply from time to time under or in connection with applicable laws including, without limitation, anti-money laundering, whistleblowing and banking and prudential laws and regulations. Information subject to such secrecy obligations may not be publicly disclosed.

Capital and Liquidity

Capital

The common framework for determining the appropriate level of bank regulatory capital is set by the Basel Committee on Banking Supervision ("BCBS") under a framework that is commonly known as "Basel 3".

For calculation of minimum capital requirements under Pillar 1 ("Capital Requirements") of the Basel Accord, the Group has been accredited by APRA to use the advanced internal ratings based methodology for credit risk weighted assets and APS 115 *Capital Adequacy: Standardised Measurement Approach to Operational Risk* ("APS 115") for operational risk weighted assets.

APRA has adopted the majority of Basel 3 capital reforms in Australia. APRA views the Basel 3 reforms as a minimum requirement and hence has not incorporated some of the concessions proposed in the Basel 3 rules and has also set higher requirements in other areas. As a result, Australian banks' Basel 3 reported capital ratios are not directly comparable with international peers. The APRA Basel 3 reforms include: increased capital deductions from CET1 capital, an increase in capitalisation rates (including prescribed minimum capital buffers, fully effective from 1 January 2023), tighter requirements around new Additional Tier 1 ("AT1") and Tier 2 securities and transitional arrangements for existing AT1 and Tier 2 securities that do not conform to the new regulations.

For further discussion regarding capital regulatory developments, see "Regulatory Developments – Capital and Liquidity" below.

Liquidity

ANZBGL's liquidity and funding risks are governed by a detailed ANZBGL Board-approved policy framework. The management of the liquidity and funding positions and risks is overseen by the Group Asset and Liability Committee. ANZBGL's liquidity risk appetite is defined by the ability to meet a range of regulatory requirements and internal liquidity metrics mandated by ANZBGL's Board. The metrics cover a range of scenarios of varying duration and level of severity. This framework helps:

- provide protection against shorter-term but more extreme market dislocations and stresses;
- maintain structural strength in the balance sheet by ensuring that an appropriate amount of longer-term assets are funded with longer-term funding; and
- ensure no undue timing concentrations exist in the Group's funding profile.

A key component of this framework is the Liquidity Coverage Ratio ("LCR"). The LCR is a severe short term liquidity stress scenario mandated by banking regulators including APRA. It was introduced as part of the Basel 3 international framework for liquidity risk measurement, standards and monitoring.

Additionally, since its introduction on 1 January 2018, the Group has complied with APRA's Net Stable Funding Ratio ("NSFR") requirement. The Group's Level 2 NSFR was 116% as at 30 September 2024 (30 September 2023: 116%). ANZBGL seeks to observe strictly its prudential obligations in relation to liquidity and funding risk as required by APRA's APS 210 *Liquidity* ("APS 210"), as well as the prudential requirements of overseas regulators on ANZBGL's offshore operations.

Capital Management and Liquidity within APRA's Regulations

For further details of the Group's capital management and liquidity see "Liquidity and capital resources" set out in Section 3: Operating and Financial Review and Prospects.

Financial Accountability Regime

The *Financial Accountability Regime Act 2023* of Australia (the "FAR Act") establishes an accountability framework for certain entities in the banking, insurance and superannuation industries that are regulated by APRA, and persons who hold certain positions or have certain responsibilities within those entities ("Financial Accountability Regime" or the "FAR"). The FAR Act sets out a staged timeline for different types of entities that fall within the definition of "accountable entities" for the purposes of the FAR to be regulated directly by the FAR.

Currently, the FAR applies to the following accountable entities and their significant related entities (if any):

- ANZGHL (as an authorised NOHC of an ADI);
- ANZBGL (as an ADI); and
- Suncorp Bank (as an ADI).

From 15 March 2025, the FAR will extend to apply to any APRA regulated insurance or superannuation trustees within the Group.

The FAR is jointly administered by APRA and ASIC.

Under the FAR, accountable entities and certain individuals, including senior executives and directors, are subject to, or impacted by, accountability obligations. For example, under the FAR, accountable entities are required, amongst other things, to:

- identify and register accountable persons for itself as an accountable entity and for any of its subsidiaries whose business and activities materially and substantially affect the accountable entity (a "significant related entity");
- provide APRA and ASIC with an accountability map which clearly shows its significant related entities and the names, responsibilities and reporting lines of all its accountable persons;
- take reasonable steps to:
    - conduct its business with honesty and integrity, and with due skill, care and diligence;
    - deal with APRA and ASIC in an open, constructive and cooperative way;
    - prevent adverse effects on its prudential standing or prudential reputation;

  - ensure that its accountable persons meet the above standards of conduct, and take reasonable steps to ensure compliance with applicable laws; and
  - ensure that related entities whose business and activities materially and substantially affect the accountable entities in the ANZ Group comply with the FAR in the same way as the accountable entities themselves;
- have in place a remuneration policy that sets out certain matters and ensures that if part of the variable remuneration of an accountable person is to be reduced due to a failure to comply with that person's accountability obligations, the amount of such reduction is not paid or otherwise transferred; and
- notify APRA and ASIC where it has reasonable grounds to believe that it, or an accountable person of itself or its significant related entity has failed to comply with one or more accountability obligations.

ANZGHL, ANZBGL and Suncorp Bank may be liable for substantial penalties for failing to comply with their respective FAR obligations, as may any other accountable entities in the Group in respect of their own FAR obligations. Where accountable persons do not meet their accountability obligations APRA and ASIC are empowered to disqualify those individuals as senior executives or directors without a court order (but subject to a right of administrative review in accordance with the FAR).

Crisis Management

Under the Banking Act, APRA has power to facilitate the orderly resolution of the entities it regulates (and certain of their subsidiaries and holding companies) in times of distress. Powers which could impact the Group include oversight, management and directions powers in relation to ANZBGL and other ANZ Group entities (including ANZGHL) and statutory management powers over regulated entities within the ANZ Group (including ANZGHL). The Banking Act includes provisions which are designed to give statutory recognition to the conversion or write-off of regulatory capital instruments (the "Statutory Conversion and Write-Off Provisions").

The Statutory Conversion and Write-Off Provisions apply in relation to regulatory capital instruments issued by certain financial sector entities (including ADIs, of which ANZBGL is one) that contain provisions for conversion or write-off for the purposes of APRA's prudential standards. Where the Statutory Conversion and Write-Off Provisions apply to an instrument, that instrument may be converted in accordance with its terms. This is so despite any law (other than specified laws, currently those relating to the ability of a person to acquire interests in an Australian corporation or financial sector entity), the constitution of the issuer or the conversion entity for the instrument, any contract to which the issuer is a party or the conversion entity for the instrument, and any listing rules, operating rules or clearing and settlement rules applicable to the instrument. In addition, the Banking Act includes a moratorium on the taking of certain actions, such as denying any obligation, accelerating any debt, closing out any transaction or enforcing any security, on grounds relating to the operation of the Statutory Conversion and Write-Off Provisions.

Regulatory Developments - Capital and Liquidity

RBNZ Capital Requirements

The RBNZ has revised its bank capital adequacy requirements applying to New Zealand locally incorporated registered banks, which are set out in the Banking Prudential Requirements ("BPR") documents. The new capital adequacy requirements are being implemented in stages during a transition period from October 2021 to July 2028. The key requirements still being implemented are as follows:

- ANZ Bank New Zealand's Tier 1 capital requirement will increase to 16% of risk-weighted assets ("RWA"), of which up to 2.5% can be in the form of AT1 capital. ANZ Bank New Zealand's Total Capital requirement will increase to 18% of RWA, of which up to 2% can be Tier 2 capital. The increased capital ratio requirements are being implemented progressively until 1 July 2028.
- AT1 capital must consist of perpetual preference shares, which may be redeemable. Tier 2 capital must consist of long-term subordinated debt.

The net impact on the Group's Level 1 CET1 capital, by the end of the transition period in 2028, will be dependent on the additional capital required by ANZ Bank New Zealand to comply with the increased capital requirements. Whether the additional capital requirement for ANZ Bank New Zealand results in financial implications for ANZGHL will also depend on whether the Group's Level 1 CET1 ratio is lower than the Group's Level 2 CET1 ratio in 2028. Given the level of uncertainty of these outcomes, the future financial impact of the RBNZ's revised capital adequacy requirements is not able to be quantified currently.

See "Supervision and Regulation - New Zealand - New Zealand Regulatory Developments - Bank capital adequacy requirements" for more information.

Capital Requirements – An Unquestionably Strong Framework

APRA implemented its final Basel 3 requirements in relation to capital adequacy and credit risk for ADIs on 1 January 2023. In June 2024, APRA released final prudential standards that contained minor amendments to the capital framework for ADIs. One update related to Prudential Standard APS 112 Capital Adequacy: Standardised Approach to Credit Risk ("APS 112"), which became effective on 30 September 2024 and applies to the ANZ Group on a Level 2 basis. ADIs calculate RWA under both the IRB RWA approach and the standardised RWA approach. When the standardised RWA multiplied by 72.5% is greater than the IRB RWA, the difference is added as an adjustment to the total IRB RWA. APRA's revised APS 112 methodology, for general corporate exposures, includes an option (subject to APRA approval) to differentiate between 'investment grade' and 'non-investment grade' exposures allowing ADIs to assign an 85% risk weighting to "investment grade" and 110% risk weighting to "non-investment grade" exposures. The ANZ Group has received formal approval from APRA to apply the revised methodology from 30 September 2024.

In July 2024, APRA released final IRRBB standards for implementation from October 2025. ANZ Group's IRRBB models are currently subject to approval from APRA and therefore the final impact of these standards is currently uncertain.

In addition, APRA continues to consult and finalise revisions to a number of remaining prudential standards, being market risk and counterparty credit risk. Given the number of items that are yet to be finalised by APRA, the aggregate final outcome from all changes to APRA's prudential standards relating to their review of ADIs 'unquestionably strong' capital framework remains uncertain.

APRA Total Loss Absorbing Capacity Requirements

On 2 December 2021, APRA finalised its loss-absorbing capacity requirements for Australian domestic systemically important banks ("Australian D-SIBs"), including ANZBGL, requiring an increase to their minimum total capital requirement by 4.5% of RWA by January 2026. APRA expects the requirement to be satisfied predominantly with additional Tier 2 capital with an equivalent decrease in other senior funding. The amount of the additional total capital requirement will be based on the Group's actual RWA as at January 2026.

APRA Discussion Paper on Additional Tier 1 Capital in Australia

In September 2024 APRA issued a discussion paper proposing to phase out the use of AT1 capital and to replace it with Tier 2 capital and CET1 capital, with transitional arrangements to come into effect from 1 January 2027. APRA has sought feedback from stakeholders on the framework design, expected impacts, and other implementation considerations relevant to the proposed approach. APRA indicated that it plans to provide an update on the consultation process in late 2024 and formally consult on specific changes to prudential standards in 2025.

APRA's proposed approach, applicable to large, internationally active banks such as the Group which have received APRA approval to use the Internal Ratings-based Approach to credit risk capital requirements ("Advanced" banks), would:

- replace the existing 1.5% AT1 capital requirement with 0.25% CET1 capital and 1.25% Tier 2 capital;
- increase the minimum CET1 capital requirement from 4.5% to 6.0%, but offset this increase by removing the Advanced portion of the capital conservation buffer ("CCB") of 1.25% in order to maintain a minimum Tier 1 capital ratio of 6.0% and a minimum 2.5% CCB in line with the Basel minimum standards; and
- retain the total capital requirement plus CET1 capital buffer level of 13.75% by increasing the minimum total capital ratio to 9.25% as a result of the additional Tier 2 capital.

At this stage, it is not possible to confirm what impact APRA's proposal may have on the Group. If APRA's proposal is implemented, the impacts could include, but are not limited to, the Group being required to incur additional Tier 2 debt, impacts on the Group's cost of funding and/or credit rating impacts. For further information, refer to "Section 2: Information on the Group – Risk Factors – Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position", "Section 2: Information on the Group – Risk Factors – The Group's credit ratings could change and adversely affect the Group's ability to raise capital and wholesale funding and constrain the volume of new lending, which may adversely affect the Group's Position" and "Section 2: Information on the Group – Risk Factors – Liquidity and funding risk events may adversely affect the Group's Position".

Revisions to Related Entities Framework

In January 2022, APRA's amendment to APS 222 to reduce the limits for Australian ADIs' individual entity exposure to related ADIs (or overseas equivalents) from 50% of Level 1 Total Capital to 25% of Level 1 Tier 1 capital, and aggregate exposures from 150% of Level 1 Total Capital to 75% of Level 1 Tier 1 capital came into effect. The reduction in the above limits did not result in a material impact on the Group. See "Restrictions on ANZBGL's ability to provide financial support" below for more detail.

Restrictions on ANZBGL's ability to provide financial support

Effect of APRA's Prudential Standards

APRA's current or future requirements may have an adverse effect on ANZBGL's business, results of operations, liquidity, capital resources or financial condition.

APS 222 sets minimum requirements for ADIs in Australia, including ANZBGL, in relation to the monitoring, management and control of risks which arise from associations with related entities and also includes maximum limits on intra-group financial exposures.

Under APS 222, ANZBGL's ability to provide financial support to related entities (including ANZ Bank New Zealand) is subject to the following restrictions:

- ANZBGL should not undertake any third party dealings with the prime purpose of supporting the business of related entities;
- ANZBGL must not hold unlimited exposures (i.e. should be limited as to specified time or amount) to related entities (e.g. not provide a general guarantee covering any of the obligations of related entities) either in aggregate or at an individual entity level;
- ANZBGL must not agree to cross-default provisions whereby a default by a related entity on an obligation (whether financial or otherwise) triggers or is deemed to trigger a default of ANZBGL on its obligations; and
- the level of exposure, net of exposures deducted from capital, of ANZBGL's Level 1 Tier 1 capital base:
  - (i) to related ADIs or equivalents, such as ANZ Bank New Zealand, should not exceed 25% on an individual exposure basis or 75% in aggregate to all related ADIs or equivalents;
  - (ii) to other related entities:
    - a) in the case of a regulated related entity, should not exceed 25% on an individual exposure basis; or
    - b) in the case of any other (unregulated) related entity, should not exceed 15% on an individual exposure basis; and
    - c) should not exceed in aggregate 35% to all non-ADIs or equivalent related entities.

ANZBGL's exposure to ANZ Bank New Zealand at 30 September 2024 is compliant with the APS 222 limits.

In addition, APRA has confirmed that, from 1 January 2021, no more than 5% of ANZBGL's Level 1 Tier 1 capital base can comprise non-equity exposures to its New Zealand operations (including its subsidiaries incorporated in New Zealand, such as ANZ Bank New Zealand, and ANZBGL's New Zealand branch) during ordinary times. This limit does not include holdings of capital instruments or eligible secured contingent funding support provided to ANZ Bank New Zealand and its subsidiaries (ANZ Bank New Zealand together with its subsidiaries, the "ANZ Bank New Zealand Group") during times of financial stress.

APRA has also confirmed that contingent funding support by ANZBGL to its ANZ Bank New Zealand operations during times of financial stress must be provided on terms that are acceptable to APRA. At present, only covered bonds meet APRA's criteria for contingent funding. APRA also requires that ANZBGL's total exposures to its New Zealand operations must not exceed 50% of ANZBGL's Level 1 Tier 1 capital base.

Effect of the Level 3 framework

In addition, certain requirements of APRA's Level 3 framework relating to, among other things, group governance and risk exposures became effective on 1 July 2017. This framework also requires the Group to limit its financial and operational exposures to subsidiaries (including ANZ Bank New Zealand).

In determining the acceptable level of exposure to a subsidiary, ANZBGL's Board of Directors should have regard to:

- the exposures that would be approved for third parties of broadly equivalent credit status; and
- the potential impact on ANZBGL's capital and liquidity positions and ability to continue operating in the event of a failure by the subsidiary.

These requirements are not expected to place additional restrictions on ANZBGL's ability to provide financial or operational support to its subsidiaries, including ANZ Bank New Zealand.

Regulatory Developments - Other

Non-financial risk management

Following the 2018 Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, the ANZ Group commenced a major program to strengthen non-financial risk (“NFR”) management across the ANZ Group, including greater standardisation of risk tolerance, processes and reporting. In practice, NFR refers to the risks that the ANZ Group faces from managing its operations, its processes and systems as well as how it conducts itself.

In 2022 the ANZ Board elevated its review of progress and accountability for the NFR program. At the time, steps included reinforcing the Executive Committee’s accountability and upgrading the technology platform underpinning the new program. The ANZ Board also appointed an independent external expert to monitor and report on progress.

As of late financial year 2024, the program was making good progress and meeting key milestones, while staff using the new systems were reporting an improved NFR capability.

However, events associated with the Markets business (see Section 2: Information on the Group – Risk Factors – “Litigation and contingent liabilities may adversely affect the Group’s Position”) highlighted the need for an ongoing uplift in the ANZ Group’s NFR processes and drew a response from APRA including a risk capital overlay. APRA has required the ANZ Group (at Level 1 and Level 2) to hold an additional operational risk capital overlay of $250m (total $750m) from 30 September 2024.

In addition to ensuring delivery of the existing NFR program, the ANZ Board is also requiring further focus from Management on strengthening risk culture and embedding the new NFR processes across the ANZ Group.

The ANZ Board considers the final delivery of the NFR program, combined with the additional focus on embedding NFR controls, will provide the required outcome. The ANZ Group will continue to report on its progress to regulators.

Residential mortgage lending practices

APRA closely monitors residential mortgage lending practices and takes steps aimed at strengthening residential mortgage lending standards across the banking industry.

The minimum interest rate buffer as outlined by APRA, requires ADIs to use a buffer of at least 3% over the loan interest rate when assessing the serviceability of home loan applications. APRA has informed ADIs that they must have the ability to limit the extent of lending in the following loan types:

(a) lending with a debt-to-income ratio greater than or equal to four times or six times;

(b) lending with a loan-to-valuation ratio greater than or equal to 80 per cent or 90 per cent;

(c) lending for the purposes of investment;

(d) lending on an interest-only basis; and

(e) lending with a combination of any two of the types specified in (a) to (d).

Changes in classifications for residential mortgage loans

The current classification of ANZBGL's residential mortgage loans, as reported to regulators and the market, is generally determined during the loan origination process (i.e. loan application, processing and funding), based on information provided by the customer or subsequently when a customer requests changes to the loan.

Classification of residential mortgage loans may change due to:

- incorrect classification at origination: to the extent that customers inaccurately advise ANZBGL of their circumstances at origination, there is a risk that loans may be incorrectly classified, and such loans may be reclassified;
- changes in customer circumstances: ongoing appropriateness of a given classification relies on the customer's obligation to advise ANZBGL of any changes in the customer's circumstances and on ANZBGL's ability to independently validate the information provided by its customers. To the extent that customers advise of any changes in their circumstances or when ANZBGL makes such a determination based on its verification processes, a loan may be reclassified;

- regulatory or other changes: the criteria for loan classifications, and their interpretation, may change for one or more reporting purposes, which may affect the classification of certain loans; and
- changes in ANZBGL's systems and processes.

Incorrect classification or re-classification of loans may affect a customer's ability to meet required repayments, such as when an owner-occupied property loan is re-classified to an investment property loan, which may attract a higher interest rate. The inability of customers to meet repayment obligations on re-classified loans may increase the risk of default on such loans, which may adversely affect the Group's Position.

Other

For further information on regulatory developments, including the risks they pose to the Group, see “Section 2: Information on the Group – Risk Factors - Legal and regulatory risk - Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position”.

NEW ZEALAND

The supervisory role of the RBNZ

The *Banking (Prudential Supervision) Act 1989* (the "BPS Act") requires the RBNZ to exercise its powers of registration of banks and prudential supervision of registered banks (including ANZ Bank New Zealand) for the purposes of:

- promoting the maintenance of a sound and efficient financial system; and
- avoiding significant damage to the financial system that could result from the failure of a registered bank.

The main elements of the RBNZ's supervisory role include:

- requiring all banks to comply with certain minimum prudential requirements, which are applied through conditions of registration. These include constraints on connected exposures, minimum capital adequacy requirements and minimum standards for liquidity risk management, and are set out in more detail below;
- monitoring each registered bank's financial condition and compliance with conditions of registration, principally on the basis of published half-yearly disclosure statements and monthly reporting submitted privately to the RBNZ. This monitoring is intended to ensure that the RBNZ maintains familiarity with the financial condition of each bank and the banking system as a whole, and maintains a state of preparedness to invoke crisis management powers should this be necessary;
- consulting the senior management of registered banks;
- using crisis management powers available to it under the BPS Act to intervene where a bank distress or failure situation threatens the soundness of the financial system;
- assessing whether a bank is carrying on business prudently;
- issuing guidelines on overseeing banks' compliance with anti-money laundering and countering financing of terrorism requirements;
- monitoring banks' outsourcing arrangements to determine whether a registered bank's risks associated with outsourcing are appropriately managed;
- issuing guidelines on banks' internal capital adequacy process and liquidity policy;
- issuing guidelines on corporate governance; and
- maintaining close working relationships with parent bank supervisors (such as APRA in Australia) on bank-specific issues, policy issues and general matters relating to the condition of the financial system in New Zealand and in the countries where parent banks are domiciled.

Registered banks are required to issue half-yearly disclosure statements that contain comprehensive details, together with full financial statements at the full-year, and unaudited interim financial statements at the half-year. The financial statements are subject to full external audit at the end of each financial year and a limited scope review at the end of each financial half-year. Each bank director is required to sign their bank's disclosure statements and to make certain attestations. If the information in the bank's disclosure statement is found to be false or misleading, the bank and its directors may incur criminal or civil penalties.

The RBNZ publishes a quarterly "dashboard" of key information on registered banks on its website. The dashboard aims to improve the public's and market participants' ability to understand and act on information about registered banks' financial strength and risk profile. The information is sourced from private reporting that banks provide to the RBNZ. Information relating to the ANZ Bank New Zealand Group published in the dashboard is not incorporated by reference herein and does not form part of this U.S. Disclosure Document. In some cases, information relating to the ANZ Bank New Zealand Group published in the dashboard has been classified and presented differently to the presentation in the ANZ Bank New Zealand consolidated financial statements.

New Zealand-incorporated banks are required to comply with the Basel 3 capital adequacy requirements, as modified to reflect New Zealand conditions. The RBNZ also requires domestic systemically important banks, including ANZ Bank New Zealand, to maintain a prudential capital buffer of 4.5% of RWA above the minimum ratios or face restrictions on distributions. This prudential capital buffer is progressively increasing to 9% of RWA in July 2028. See "New Zealand Regulatory Developments - Bank capital adequacy requirements" below for further information.

New Zealand-incorporated banks (including ANZ Bank New Zealand) are required to comply with the RBNZ's Liquidity Policy ("BS13"). BS13 requires that New Zealand-incorporated banks meet a minimum core funding ratio ("CFR") of 75% ensuring that at least a minimum proportion of bank funding is met through customer deposits, term wholesale funding and Tier 1 capital.

The RBNZ requires all registered banks to obtain and maintain a credit rating from an approved organisation and publish that rating in their disclosure statements.

In addition, the RBNZ has wide-reaching powers to obtain further information, data and forecasts in connection with its supervisory functions, and to require that information, data, and forecasts be audited.

It also possesses a number of crisis management powers. Those powers include recommending that a bank's registration be cancelled, investigating the affairs of a registered bank, requiring that a registered bank consults with the RBNZ, giving directions to a registered bank, removing, replacing or appointing a director of a registered bank or recommending that a registered bank be subject to statutory management.

If a registered bank is declared to be subject to statutory management, no person may, among other things:

- commence or continue any action or other proceedings including proceedings by way of counterclaim against that bank;
- issue any execution, attach any debt, or otherwise enforce or seek to enforce any judgment or order obtained in respect of that bank;
- take any steps to put that bank into liquidation; or
- exercise any right of set off against that bank.

As part of the RBNZ's supervisory powers, a person must obtain the written consent of the RBNZ before giving effect to a transaction resulting in that person acquiring or increasing a "significant influence" over a registered bank. "Significant influence" means the ability to appoint 25% or more of the board of directors of a registered bank or a qualifying interest (e.g., legal or beneficial ownership) in 10% or more of its voting securities.

New Zealand Regulatory Developments

Bank capital adequacy requirements

The RBNZ has revised the capital adequacy requirements that apply to New Zealand locally incorporated registered banks, which are set out in the RBNZ's Banking Prudential Requirements documents. As a result, ANZ Bank New Zealand is materially increasing the level of capital it holds over the transition period from October 2021 to July 2028. The key requirements still being implemented are:

- ANZ Bank New Zealand's total capital requirement will progressively increase to 18% of RWA, including Tier 1 capital of at least 16% of RWA. Up to 2.5% of the Tier 1 Capital requirement can be made up of AT1 capital, with the remainder of the Tier 1 requirement made up of CET1 capital. AT1 capital must consist of perpetual preference shares, which may be redeemable. The total capital requirement can also include Tier 2 Capital of up to 2% of RWA. Tier 2 Capital must consist of long-term subordinated debt.
- The Tier 1 Capital requirement will include a CET1 prudential capital buffer of 9% of RWA. This will include: a 2% domestic, systemically important bank capital buffer; a 1.5% "early-set" counter-cyclical capital buffer (which can be temporarily reduced to 0% following a financial crisis, or temporarily increased); and a 5.5% capital conservation buffer.
- Contingent capital instruments will no longer be treated as eligible regulatory capital. As at 30 September 2024, ANZ Bank New Zealand had one NZ$1,938 million AT1 instrument that will progressively lose eligible regulatory capital treatment over the transition period to July 2028.

Replacement of the BPS Act

Since 1989, prudential supervision and regulation of banks has been governed by the BPS Act. However, the BPS Act is in the process of being replaced by two separate pieces of legislation:

- The *Reserve Bank of New Zealand Act 2021* commenced in July 2022, replacing parts of the BPS Act that relate to the RBNZ's high-level objectives, powers, functions, governance and funding arrangements. Among other things, the *Reserve Bank of New Zealand Act 2021*:
  - establishes a new statutory governance board responsible for all decision-making, except decisions made by the Monetary Policy Committee; and
  - introduces an overarching financial stability objective of protecting and promoting the stability of New Zealand's financial system (in addition to the economic objectives and central bank objective).
- The *Deposit Takers Act 2023* ("Deposit Takers Act") will, among other things:
  - create a single regulatory regime for all bank and non-bank deposit takers;
  - introduce a depositor compensation scheme ("DCS") which will protect up to NZ$100,000 of eligible deposits per depositor, per licensed deposit taker, if a pay-out event is triggered;
  - strengthen accountability requirements for directors of deposit takers;
  - broaden the RBNZ's supervision and enforcement tools; and
  - strengthen and clarify the RBNZ's crisis resolution framework (which in substance carries over the key statutory management powers from the BPS Act but places those powers (where practicable) directly in the hands of the RBNZ as resolution authority).

Until the Deposit Takers Act commences, the current regulatory framework for banks is continuing under the BPS Act.

The DCS will be funded by collecting levies from deposit takers, including ANZ Bank New Zealand, and is targeted for initial implementation on 1 July 2025, ahead of the rest of the Deposit Takers Act coming into effect in 2028.

Conduct regulations for financial institutions

The *Financial Markets (Conduct of Institutions) Amendment Act 2022* ("FMCIA") will come into force on 31 March 2025, and will require certain financial institutions (including ANZ Bank New Zealand and ANZBGL's New Zealand branch) to:

- obtain a license under Part 6 of the *Financial Markets Conduct Act 2013*;
- comply with a fair conduct principle (requiring them to treat consumers fairly, including by paying due regard to their interests);
- establish, implement, maintain and comply with an effective fair conduct program to operationalise the fair conduct principle, and publish a summary of the fair conduct program; and
- comply with regulations that regulate sales incentives for staff and others who are involved in providing a relevant service.

The FMCIA Act will implement a broad conduct regime that can be expanded over time with further obligations on regulated entities. In September 2024, the New Zealand Government released several policy decisions in connection with the FMCIA Act. The decisions include altering the requirements for financial institutions' fair conduct programmes, providing the Financial Markets Authority with broader investigatory powers, and consolidating market service licences. Any amendments to the FMCIA Act are likely to commence in calendar year 2026.

RBNZ review of BS13

The RBNZ is undertaking a comprehensive review of BS13.

The RBNZ's key policy decisions related to the review include:

- the retention of the RBNZ's existing quantitative liquidity metrics with modifications, rather than the adoption of the Basel III's liquidity framework;
- the tightening of eligibility requirements for liquid assets in New Zealand; and
- the establishment of a committed liquidity facility for currently eligible liquid assets that do not meet the new eligibility requirements.

An updated liquidity policy is currently scheduled to be published in early 2027 as a core standard under the Deposit Takers Act.

Cyber resilience guidance and information sharing consultation

The RBNZ released new cyber resilience reporting requirements in March 2024.

Under these requirements, ANZ Bank New Zealand (as a regulated entity with more than NZ$2 billion in total assets) is required to:

- report all material cyber incidents to the RBNZ within 72 hours after detection;
- report all cyber incidents to the RBNZ, regardless of materiality, on a six-month basis with the first report due on 30 April 2025; and
- respond to the RBNZ's survey on the cyber capability of regulated entities based on the RBNZ's cyber resilience guidance on an annual basis with the first report due and submitted in September 2024.

Debt serviceability restrictions

From July 2024, new debt-to-income ("DTI") restrictions have applied to registered banks (including ANZ Bank New Zealand) in respect of new lending for residential properties in New Zealand. DTI restrictions set limits on the portion of lending that banks can provide to residential borrowers relative to their income (i.e. with a DTI ratio above a certain threshold). A borrower's (either an individual or household) DTI is calculated by dividing their total debt by total annual income. The RBNZ has set the DTI restrictions so that banks' residential loans to owner-occupiers with a DTI greater than 6 cannot exceed 20% of their residential loans; and their residential loans to investors with a DTI greater than 7 cannot exceed 20% of their residential loans.

Loan-to-value ratio restrictions

In conjunction with the DTI restrictions, see "Debt serviceability restrictions", from July 2024, updated loan-to-value ratio ("LVR") restrictions have applied to registered banks (including ANZ Bank New Zealand) in respect of new lending for residential properties in New Zealand. LVR restrictions set limits on the portion of lending that banks can provide to residential borrowers relative to the value of the residential property provided as security (i.e. with a LVR ratio above a certain threshold). A borrower's (either an individual or household) LVR is calculated by dividing their total loan value by the total value of the property provided as security. The updated LVR settings allow banks to lend:

- up to 20% (from 15% previously) of the total value of their new owner-occupier lending to borrowers with an LVR of over 80%; and
- up to 5% of the total value of their new investor lending to borrowers with an LVR of over 70% (from 65% LVR previously).

Climate-related disclosures

The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 requires ANZ Bank New Zealand, as a "climate reporting entity", to annually prepare, seek independent assurance for and make public disclosures in accordance with climate-related disclosure standards issued by the New Zealand External Reporting Board. The first disclosures for ANZ Bank New Zealand will be due for the fiscal year ending 30 September 2024.

Other

For further information on regulatory developments, including the risks they pose to the ANZ Bank New Zealand Group, see "Risk Factors - Risks related to the Group's business activities and industry - Competition in the markets in which the Group operates may adversely affect the Group's Position" and "Risk Factors - Legal and regulatory risk - Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position".

UNITED STATES

ANZBGL is an indirect subsidiary of ANZGHL and a direct subsidiary of ANZ Bank HoldCo. ANZGHL is the non-operating holding company of ANZBGL. Each of ANZBGL, ANZGHL and ANZ Bank HoldCo has elected to be treated as a "Financial Holding Company" (a "FHC") by the Board of Governors of the Federal Reserve System (the "FRB"). A FHC is allowed to engage, or acquire companies engaged, in the U.S. in activities that are determined by the FRB and the Secretary of the Treasury to be financial in nature or incidental thereto, and, with FRB approval, activities that are determined by the FRB to be complementary to financial activities.

Under the *Bank Holding Company Act of 1956* (the "BHC Act"), the activities of a FHC are subject to restrictions if it is determined that the FHC (including its U.S. branches and agencies and U.S. depository institution subsidiaries) ceases to be "well managed" or "well capitalised" as defined in FRB regulations, the FHC is the subject of an enforcement action requiring it to maintain a specific level of capital, or any U.S. depository institution subsidiary of the FHC fails to maintain at least a "Satisfactory" or better rating under the *Community Reinvestment Act*. The FRB is the "umbrella" supervisor with jurisdiction over FHCs, including ANZBGL, ANZGHL and ANZ Bank HoldCo.

Each of ANZBGL, ANZGHL and ANZ Bank HoldCo is subject to U.S. federal laws and regulations, including the *International Banking Act of 1978* (the "IBA"). Under the IBA, all branches and agencies of foreign banks in the United States, including ANZBGL's New York branch ("New York Branch"), are subject to reporting and examination requirements similar to those imposed on domestic banks that are owned or controlled by U.S. bank holding companies. As a federally-licensed branch regulated primarily by the Office of the Comptroller of the Currency in the United States (the "OCC"), the New York Branch can engage in activities permissible for national banks, with the exception that the New York Branch may not accept retail deposits. As the New York Branch does not accept retail deposits (although it does accept institutional and corporate deposits), the New York Branch is not subject to the supervision of the Federal Deposit Insurance Corporation ("FDIC"). ANZBGL, ANZGHL and ANZ Bank HoldCo are subject to the BHC Act. An FHC's activities as FHC would become subject to restrictions if it does not meet the "well managed" or "well capitalised" requirements or if it were to become the subject of an enforcement action requiring it to maintain a specific level of capital.

Under the IBA, the FRB has the authority to impose reserve requirements on deposits maintained by U.S. branches and agencies of foreign banks, including the New York Branch. The New York Branch must maintain its accounts and records separate from those of ANZBGL, ANZGHL and ANZ Bank HoldCo and must comply with such additional requirements as may be prescribed by the OCC. The IBA and the BHC Act also affect the ability of ANZBGL, ANZGHL and ANZ Bank HoldCo to engage in non-banking activities in the United States.

Under the IBA, a federal branch of a non-U.S. bank is subject to receivership by the OCC to the same extent as a national bank. The Comptroller may take possession of the business and property of a federal branch. The Comptroller has at its disposal a wide range of supervisory and enforcement tools for addressing violations of laws and regulations, and breaches of safety and soundness, which can be imposed upon federal branches. The Comptroller may remove federal branch management and assess civil money penalties. In certain circumstances, the Comptroller may also terminate a federal branch license at its own initiative or at the recommendation of the FRB.

Each of ANZBGL, ANZGHL and ANZ Bank HoldCo is subject to certain provisions of the *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010* ("Dodd-Frank"). Dodd-Frank regulates many aspects of the business of banking in the United States and internationally.

Section 13 of the BHC Act and its implementing regulations, commonly referred to as the "Volcker Rule", among other things, generally prohibit banks and their affiliates from engaging in certain "proprietary trading" (but allow certain activities such as underwriting, market making-related and risk-mitigating hedging activities) and limit the sponsorship of, and investment in, certain private funds (including private equity funds and hedge funds), subject to certain important exceptions and exemptions.

Other Dodd-Frank regulations impose minimum margin requirements on uncleared swaps and security-based swaps, require the central execution and clearing of standardised over the counter ("OTC") derivatives on regulated trading platforms and clearing houses, set limits on the size of positions in certain types of derivatives, require the reporting of transaction data to regulated swap and security-based swap data repositories, and provide for heightened supervision of dealers and major market participants in the derivatives markets. ANZBGL is a registered swap dealer under the *Commodity Exchange Act* and Commodity Futures Trading Commission ("CFTC") regulations. While ANZBGL is not a registered security-based swap dealer with the U.S. Securities and Exchange Commission ("SEC"), it may register at such time as it is required or that it considers appropriate. In addition, other affiliated entities within the Group could become subject to swap dealer or security-based swap dealer registration, depending on the level of their swap or security-based swap dealing activities with counterparties that are U.S. persons and certain other categories of counterparties. Even if not required to be registered with the CFTC or the SEC, such entities are potentially subject to certain of the CFTC's or SEC's regulatory requirements, in connection with transactions that they enter into with counterparties that are U.S. persons and certain other categories of counterparties.

The CFTC adopted rules regarding cross-border transactions which, among other things, permit "substituted compliance" by swap dealers located in non-U.S. jurisdictions with regulatory schemes determined by the CFTC to be comparable to its own. The CFTC had made such a determination with respect to certain aspects of Australian law and regulation pursuant to guidance issued by the CFTC, and that determination has continued to remain in effect under the 2020 rules. Pursuant to that determination, ANZBGL is able to rely on substituted compliance with certain Australian rules in lieu of compliance with corresponding CFTC rules.

U.S. prudential regulators, the CFTC and the SEC have implemented rules imposing initial and variation margin requirements on transactions in uncleared swaps and security-based swaps. As ANZBGL is a swap dealer supervised by the FRB and operates the New York Branch that is regulated by the OCC, it is required to comply with the uncleared swap margin rules promulgated by the FRB, Farm Credit Administration, FDIC, Federal Housing Financial Agency and the OCC. These rules impose requirements to collect and post initial and variation margin in respect of in-scope trading with in-scope counterparties. The rules of the prudential regulators and the CFTC also allow non-U.S. swap dealers, such as ANZBGL, to comply with the applicable laws of non-U.S. jurisdictions in lieu of compliance with their margin rules if the prudential regulators make a determination of comparability with respect to such non-U.S. jurisdictions, or otherwise not to comply with U.S. margin rules, with respect to certain categories of transactions and counterparties.

As required by Dodd-Frank and implementing regulations, ANZBGL submitted its most recent triennial U.S. resolution plan to the FRB and the FDIC in June 2022, which was prior to the Restructure. Now, post Restructure, ANZ Group will submit U.S. resolution plans to the FRB and the FDIC under the tailored requirements on resolution planning and a modification of the enhanced prudential standards applicable to foreign banking organisations, depending on the size of their U.S. operations and their risk profile. Accordingly, ANZ Group will be required to submit a resolution plan by 1 July 2025. Each of ANZBGL, ANZGHL and ANZ Bank HoldCo is subject to "enhanced prudential regulations" under Reg. YY, Subpart N, which was adopted pursuant to Dodd-Frank Section 165, and which requires quarterly and annual certification of compliance with the financial and risk oversight requirements thereof.

ANZGHL conducts its debt capital markets activities in the United States through ANZ Securities, Inc. (“ANZSI”). ANZSI is a broker-dealer licensed by the SEC and supervised by the SEC and the Financial Industry Regulatory Authority (“FINRA”). ANZSI is also licensed in the states and territories where it does business. The SEC and FINRA have extensive compliance requirements that apply to ANZSI, including record-keeping, transaction and communications monitoring, supervision of ANZSI staff, internal policies and procedures, and many others that govern the day-to-day business of ANZSI. ANZSI is subject to periodic reviews of its operations by the SEC and FINRA.

The U.S. *Foreign Account Tax Compliance Act* (“FATCA”) requires financial institutions to undertake specific customer due diligence and provide information on account holders (including substantial owners for certain entities) who are U.S. citizens or tax residents to the United States Federal tax authority, the Internal Revenue Service, either directly or via local tax authorities. If the required customer data collection due diligence and provision of account holder information is not undertaken and provided in a manner and form meeting the applicable requirements, the Group and/or persons owning assets in accounts with Group members may be subjected to a 30% withholding tax on certain amounts. While such withholding may currently apply only to certain payments derived from sources within the United States, no such withholding will be imposed on any payments derived from sources outside the United States that are made prior to the date that is two years after the date on which final U.S. regulations defining the term “foreign passthru payment” are enacted. There is currently no proposed or final definition of “foreign passthru payment” (though legislative requirements and timeframes may be subject to change) and it is therefore impossible to know whether certain payments could possibly be treated as foreign passthru payments.

The discussion above reflects proposed U.S. regulations that eliminate withholding on certain gross proceeds payments and delay the effective date for withholding on payments from sources outside the United States. The U.S. Treasury Department has indicated that taxpayers may rely on the proposed regulations. The discussion assumes that the regulations will be finalised in their current form and will be effective retroactively.

In addition to FATCA, the U.S. may require the Group in certain circumstances to provide certain information to U.S. payers (withholding agents, custodians, etc.), and the Group and/or its customers may face withholding if the Group does not provide such information in compliance with the applicable rules and regulations. Moreover, even if the Group does provide the required information, withholding may still be applicable to certain U.S. source payments.

In the event that any country in which ANZBGL operates does not have or enforce an Intergovernmental Agreement with the United States, and that country has local law impediments preventing compliance with FATCA, the Group may also be subject to broader compliance issues, significant withholding exposure and other operational impacts.

A major focus of U.S. governmental policies affecting financial institutions has been combating money laundering, terrorist financing and violations of U.S. sanctions. The *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (the “Patriot Act”) substantially broadened the scope of U.S. anti-money laundering laws by imposing significant compliance and due diligence obligations, identifying crimes and stipulating penalties and expanding the extra-territorial jurisdiction of the U.S. The U.S. Treasury Department has issued a number of regulations implementing various requirements of the Patriot Act, and other U.S. laws with respect to sanctions that apply to U.S. financial institutions, including certain U.S. non-bank subsidiaries and U.S. bank subsidiaries and branches of foreign banks, such as ANZSI and the New York Branch.

Those regulations require financial institutions operating in the United States to maintain appropriate policies, procedures and controls to detect, prevent, and report money laundering and terrorist financing and to verify the identity of their customers. They also require financial institutions in the United States to operate in compliance with U.S. sanctions regimes. In addition, the U.S. bank regulatory agencies have imposed heightened standards and U.S. law enforcement authorities have been taking a more active role, resulting in intensified enforcement of such matters. Recent resolutions of enforcement actions involving other global financial institutions have involved the payment of substantial penalties, agreements with respect to future operation of their businesses and actions with respect to relevant personnel. Failure of a financial institution to maintain and implement adequate policies and procedures to combat money laundering and terrorist financing, and to comply with U.S. sanctions regimes, could have serious legal and reputational consequences for the financial institution, as well as result in the imposition of civil, monetary and criminal penalties.

In January 2021, the *Anti-Money Laundering Act of 2020* (“AMLA”) was enacted in the United States. The AMLA is intended to comprehensively reform and modernise U.S. anti-money laundering laws. Among other things, the AMLA codifies a risk-based approach to anti-money laundering compliance for financial institutions, requires the development of standards by the U.S. Department of the Treasury for evaluating technology and internal processes for anti-money laundering compliance and expands enforcement and investigation-related authority, including a significant expansion in the available sanctions for certain violations. Many of the statutory provisions in the AMLA will require additional rulemakings, reports and other measures, and the effects of the AMLA will depend on, among other things, rulemaking and implementation guidance. The Financial Crimes Enforcement Network, a bureau of the U.S. Department of the Treasury, has issued the priorities for anti-money laundering and countering the financing of terrorism policy, as required under the AMLA. The priorities include corruption, cybercrime, terrorist financing, fraud, transnational crime, drug trafficking, human trafficking and proliferation financing.

OTHER REGULATORS

The Group has securities listed on certain securities exchanges in Australia and overseas, including debt securities listed on the ASX and the London Stock Exchange. The Group must comply with the listing requirements applicable to issuers of securities listed on those exchanges.

In addition to the prudential capital oversight that APRA conducts over ANZBGL and its branch operations and the supervision and regulation described above, local banking operations in all of the ANZBGL offshore branches and banking subsidiaries are subject to host country supervision by their respective regulators, such as the RBNZ, the OCC, the FRB, the UK Prudential Regulation Authority (“PRA”), the Monetary Authority of Singapore, the Hong Kong Monetary Authority, the National Administration of Financial Regulation of the PRC (formerly the China Banking and Insurance Regulatory Commission) and other financial regulatory bodies in those countries and in other relevant countries. These regulators, among other things, may impose minimum capitalisation requirements on those operations in their respective jurisdictions.

The Group is also required to comply with certain anti-money laundering and counter-terrorism financing legislation and regulations under the local laws of all the countries in which it operates.

RISK FACTORS

Introduction

The Group's activities are subject to risks and uncertainties that can materially and adversely impact its business, business model, operations, results of operations, reputation, prospects, liquidity, capital resources, financial performance and financial condition (together, the "Group's Position"). These risks and uncertainties may be financial or non-financial and may result from external factors over which the Group may have little or no control. The risks and uncertainties described below are not the only ones that the Group may face. Additional risks and uncertainties that the Group is unaware of, or that the Group currently does not consider material, may also become important factors that affect it. If any of the specified or unspecified risks and uncertainties actually occur (individually or collectively), the Group's Position may be materially and adversely affected, with the result that the trading price or value of the Group's equity or debt securities could decline and investors could lose all or part of their investment. The risk factors below should be considered together with "Forward-Looking Statements" and "Risk Factors Summary" included herein.

Risks related to the Group's business activities and industry

1. Changes in political and economic conditions, particularly in Australia, New Zealand, the Asia Pacific region, the United Kingdom ("UK"), Europe and the United States (the "Relevant Jurisdictions"), may adversely affect the Group's Position

The Group's financial performance is influenced by the political, economic and financial conditions in the countries and regions in which the Group, its customers and its counterparties carry on business. The Group can give no assurances as to the likely future conditions in the economies of the Relevant Jurisdictions where the Group has its main operations or other jurisdictions in which the Group operates or obtains funding.

The political, economic and financial conditions in the Relevant Jurisdictions may be impacted by a range of factors including, but not limited to, domestic and international economic events, the stability of the banking system and any related implications for funding and capital markets, other changes in financial markets, global supply chain developments, political developments, pandemics and natural disasters.

Instability in political conditions may result in uncertainty, declines in market liquidity and increases in volatility in global financial markets and may adversely impact economic activity in the Relevant Jurisdictions, which could in turn adversely affect the Group's Position. Recent examples include the conflict in Ukraine, conflicts in the Middle East – including the possibility of these expanding into a wider regional conflict, the implementation of economic security-related legislation, sanctions and trade restrictions in various markets, and heightened tensions between the United States and China, including with respect to the status of Taiwan.

Although the Group does not operate in and does not currently have any material direct exposure to Israel, Gaza, Iran, Lebanon, Russia or Ukraine, any prolonged market volatility or economic uncertainty could adversely affect the Group's Position. Tensions between the United States and China also have the potential to adversely impact the markets in which the Group operates and the Group's Position. These geopolitical issues have led to the implementation of economic security-related legislation and trade restrictions in many markets, including enhanced inbound and outbound investment screening mechanisms, anti-coercion instruments, sanctions, export controls and security-related industrial policy.

Inflationary pressure remains relatively high in many economies, including in the Relevant Jurisdictions. Excessively strong demand for goods and services, geopolitical tensions, and global economic challenges, such as supply chain issues, weather conditions in agricultural regions, high energy prices, high food prices and tight labour markets, have contributed to high inflation, which has increased the cost of living and reduced disposable income for consumers. Persistently high inflation may exacerbate market volatility, further slow economic growth and increase unemployment, each of which may cause further declines in business and investor confidence and increase the risk of customer defaults, which could adversely affect the Group's Position.

China is one of Australia's and New Zealand's major trading partners and a significant driver of commodity demand and prices in many of the markets in which the Group and its customers operate. Any heightening of geopolitical tensions and the occurrence of events that adversely affect China's economic growth and Australia's and New Zealand's economic relationship with China, including the implementation of additional tariffs and other protectionist or economic security-related trade policies, including sanctions, could adversely affect Australian or New Zealand economic activity and, as a result, could adversely affect the Group's Position. Furthermore, in recent periods, the growth of the Chinese economy has slowed. If there were a broad-based and sustained economic slowdown in China, the health of the Chinese financial system may be adversely impacted, which could have negative effects on the global financial system and economy. This could result in an economic downturn, counterparties defaulting on their obligations, countries introducing capital controls, and could adversely affect the Group's Position. Refer to risk factor 4 "*Changes in the real estate markets in Australia, New Zealand or other markets where the Group does business may adversely affect the Group's Position*".

There has been a rise in investor caution across global commercial real estate markets as investors are reallocating to other investment classes or waiting for greater certainty regarding inflation and interest rates, particularly as a result of weakening sentiment in the United States and Europe. A global liquidity constraint could compound the effects of weakening fundamentals on valuations and refinance risk in commercial real estate markets. Negative developments in commercial real estate markets could lead to increased credit losses from business insolvencies, increased financial stress and defaults from higher leveraged borrowers, which could adversely affect the Group's Position. Refer to risk factor 4 "*Changes in the real estate markets in Australia, New Zealand or other markets where the Group does business may adversely affect the Group's Position*".

If economic conditions deteriorate in the Relevant Jurisdictions, asset values in housing, commercial or rural property markets could decline, unemployment could rise and corporate and personal incomes could decline. Deterioration in global markets, including equity, property, currency and other asset markets, may impact the Group's customers and the security the Group holds against loans and other credit exposures. This may impact the Group's ability to recover loans and other credit exposures. In addition, the failure of another bank or financial institution, whether as a result of a deterioration in economic conditions or otherwise, could result in instability in the financial banking system, which could result in disruptions to markets or changes to capital and other regulatory requirements applicable to the Group and affect the Group's Position. Should any of these occur, the Group's Position could be adversely affected. Refer to risk factor 10 "*Credit risk may adversely affect the Group's Position*".

2. Competition in the markets in which the Group operates may adversely affect the Group's Position

The markets in which the Group operates are highly competitive. Competition is expected to continue to increase. Competitors include other banks (both traditional and online), foreign/offshore financial service providers who expand in Australia and/or New Zealand, new non-bank entrants and smaller providers. Examples of factors that may affect competition and negatively impact the Group's Position include:

- entities that the Group competes with, including those outside of Australia and New Zealand, could be subject to lower levels of regulation and regulatory activity. This could allow them to offer more competitive products and services, because those lower levels of regulation may give them a lower cost base and/or the ability to attract employees that the Group would otherwise seek to employ;
- digital technologies and business models are changing customer behaviour and the competitive environment. Competitors are increasingly utilising new technologies including AI and disrupting existing business models in the financial services sector, and an inadequate adoption of AI or other new technologies within the Group's business processes or customer offerings could pose a strategic disadvantage to the Group relative to its competitors;
- companies from outside of the financial services sector are directly competing with the Group by offering products and services traditionally provided by banks. This includes new entrants obtaining banking licenses and partnering with existing competitors, private credit funds, insurance companies, mutual funds, hedge funds, securities brokerage firms, financial technology companies, digital platforms and large global technology companies;
- consumers and businesses may choose to transact using, or to invest or store value in, new forms of currency (such as cryptocurrencies, which are largely unregulated, or central bank digital currencies) in relation to which the Group may choose not, or may not be able, to provide financial services, competitively. A new form of currency could change how financial intermediation and markets operate and, with that, may adversely impact the competitive and commercial position of the Group; and
- the Australian and New Zealand Governments may consider implementing policies that further increase competition in the banking market. For example:
  - In June 2024, the Australian Government announced measures concerning rates on mortgages and savings accounts. These included making banks inform customers when interest rates change on transaction or savings accounts.
  - The Australian Government simultaneously announced a review into the challenges faced by small and medium sized banks that will consider the role they play in competition in the market.
  - In August 2023, the Australian Government separately commenced a review of its competition laws and institutions which is expected to last at least two years. As part of this process, the Australian Government has introduced legislation to the Australian Parliament to amend merger laws. If passed, this legislation may make it harder to gain clearance for mergers.
  - In August 2024, legislation to establish action initiation within the Consumer Data Right ("CDR") passed the Australian Parliament. The legislation establishes a framework under which the Minister can declare an action that can be initiated under the CDR. CDR consumers could then direct accredited persons, such as the Group's competitors to instruct a declared action on their behalf. No action has yet been declared in respect of banks. If such an action were declared, competitors could offer services to the Group's customers, such as the initiation of payments using the Group's platforms, that would weaken the relationship between the Group and those customers.
  - In May 2024, the New Zealand Government introduced the Customer and Product Data Bill ("CPD Bill") to Parliament which, if passed, will establish a consumer data right that will seek to improve consumers' ability to compare and switch products. The Ministry of Innovation Business and Employment is currently consulting on a proposal to designate the banking industry under the CPD Bill once it is passed to further the development and deployment of open banking. It is proposing that ANZ Bank New Zealand would be subject to the designation from 1 December 2025. Submissions on the proposals were due on 10 October 2024.
  - In August 2024, the New Zealand Commerce Commission (the "Commerce Commission") published its recommendation to the Minister of Commerce and Consumer Affairs to designate the interbank payment network under the Retail Payment System Act 2022. If the interbank payment network is designated this will enable the Commerce Commission to use its regulatory powers to promote competition and innovation in the retail payment system. No decision by the Minister on designation has yet been announced but a decision is expected in the last quarter of calendar year 2024.
  - In August 2024, the Commerce Commission published its final report on its market study into competition for personal banking services in the New Zealand retail banking sector. The final report, includes 14 recommendations that aim to support new entry and expansion, to reduce the regulatory barriers to competition and to empower consumers to get better prices and services. For example, with work already underway on the CPD Bill, the Commerce Commission has recommended that the New Zealand Government commit to ensuring open banking (which allows banks to share a customer's financial data with third parties only if the customer instructs them to do so) is fully operational by June 2026.
  - On 14 August 2024, the New Zealand Parliament's Finance and Expenditure Committee called for submissions on an inquiry into banking competition. The terms of reference include consideration of the state of competition in banking (including profitability), barriers preventing competition in banking, any possible impact of the regulatory environment on competition and efficient access to lending, rural banking and lending to Maori asset-holders, organisations, businesses, and individuals. Submissions were due on 25 September 2024. The Finance and Expenditure Committee has been tasked with preparing a report which will inform future policy decisions by the New Zealand Government. The report is expected to be issued in 2025.

While these recommendations, policy initiatives or regulatory measures may result in the implementation of regulations designed to increase competition in the banking market, the impact of these recommendations, policy initiatives or regulatory measures on the Group remains unclear.

The impact on the Group of an increase in competitive market conditions or a technological change that puts the Group's business platforms at a competitive disadvantage, especially in the Group's main markets and products, could lead to a material reduction in the Group's market share, customers and margins and adversely affect the Group's Position. Increased competition for deposits may increase the Group's cost of funding. If the Group is not able to successfully compete for deposits, the Group may be forced to rely on less stable and/or more expensive forms of funding, or to reduce lending. This may adversely affect the Group's Position. Geopolitical and economic disruptions could have a significant impact on competition and profitability in the financial services sector due to funding cost and credit provision increases, changes in interest rates, insufficient liquidity, implementation of business continuity plans, changes to business strategies and regulatory safe harbours. A low-growth environment may lead to heightened competitive intensity and margin compression.

3. Acquisitions and divestments may adversely affect the Group's Position

The Group regularly examines a range of corporate opportunities, including acquisitions and divestments, to determine whether those opportunities will enhance the Group's strategic position and financial performance. Integration (or separation) of an acquired (or divested) business can be complex and costly. It sometimes includes combining (or separating) accounting and data processing systems, technology platforms and management controls, as well as managing relationships and contracts with employees, customers, regulators, counterparties, suppliers and other business partners. The loss of key relationships and personnel from an acquisition or divestment could have an adverse effect on the Group's Position.

There is no assurance that any due diligence undertaken in respect of an acquisition was conclusive, and that post-acquisition all material issues and risks in respect of any such acquisition have been identified and avoided or mitigated, therefore, there is a risk that issues or risks may arise that may adversely impact the Group post-acquisition. There is also no assurance that any acquisition (or divestment) will have the anticipated positive results around synergies, cost or cost savings, time to integrate (or separate) and overall performance, as the underlying assumptions for the acquisition (or divestment) may not prove to be accurate or achievable. Any acquisition (or divestment) may also impact the Group's credit ratings, cost of funds and access to further funding, which could in turn adversely affect the Group's funding and liquidity positions.

Integration (or separation) efforts could create inconsistencies in standards, controls, procedures and policies, as well as diverting management attention and resources. There is a risk of counterparties making claims in respect of completed or uncompleted transactions against the Group that could adversely affect the Group's Position. All or any of these factors could adversely affect the Group's ability to conduct its business successfully and impact the Group's operations or results. There is no assurance that employees, customers, counterparties, suppliers and other business partners of newly acquired (or retained) businesses will remain post-acquisition (or post-divestment). Further, there is a risk that completion of an agreed transaction may not occur whether in the form originally agreed between the parties or at all, including due to failure of the Group or the counterparty to satisfy completion conditions or because other completion conditions such as regulatory, shareholder or other approvals are not satisfied. Should any of these integration or separation risks occur, this could adversely affect the Group's Position.

If for any reason any announced acquisition or divestment, is not completed, the Group's ongoing business may be adversely impacted and the Group may be subject to a number of risks. These risks include:

- financial markets may react negatively, resulting in negative impacts on the Group's securities and other adverse impacts;
- the Group may experience negative reactions from its customers, vendors, employees and wider stakeholders;
- the Group may have incurred expenses and may be required to pay certain costs relating to the acquisition, whether or not the acquisition is completed, such as legal, accounting, investment banking, and other professional and administrative fees; and
- matters relating to the acquisition may require substantial commitments of time and resources by the Group, which could otherwise have been devoted to other beneficial opportunities.

4. Changes in the real estate markets in Australia, New Zealand or other markets where the Group does business may adversely affect the Group's Position

Residential and commercial property lending, together with real estate development and investment property finance, are important businesses of the Group. Major sub-segments within the Group's lending portfolio include:

- residential housing loans (owner occupier and investment); and
- commercial real estate loans (investment and development).

Whilst Australian residential property prices have generally remained resilient to date, the scale and pace of interest rate rises have resulted in commercial property prices declining in Australia and New Zealand since 2021 and in some segments the full extent of such property price declines may not have yet been evidenced in softening market demand and valuations. In New Zealand, median prices for residential property peaked in November 2021, before declining in the 2022 calendar year and early 2023 calendar year. The extent of future property price changes will depend on, among other things, the future level of interest rates or persistently high interest rates and their impact on the economy.

APRA included credit-based macroprudential policy measures within its Prudential Standard APS 220 Credit Risk Management ("APS 220") with effect from 1 January 2023. These may be used by APRA to address systemic risks if needed. Future changes to these measures by APRA could restrict the Group's flexibility and impact the profitability of one or more businesses. Refer to risk factor 16 "*Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position*".

Higher interest rates and rising costs of living have put pressure on household balance sheets, and this is likely to continue to impact demand for residential and commercial property. These pressures are resulting in an increase in residential property related delinquencies in Australia and New Zealand, which have become more elevated over the year to September 2024.

High interest rates may affect debt serviceability, increase loan defaults by the Group's borrowers, place pressure on loan covenants and reduce demand for commercial and residential property and the Group's associated lending products in both Australia and New Zealand. To address inflation levels, interest rates may be maintained at higher levels for an extended period. Any future interest rate rises or persistently high interest rates could also lead to increased credit losses from business insolvencies, increased mortgage stress and defaults, and a potential downturn in the Australian and New Zealand economies. This may in turn impact the ability of tenants to pay rent and in turn decrease the quality of real estate earnings of the Group's borrowers.

For commercial property interest rate increases, asset price inflation and yield compression may cause declines in interest coverage ratios and asset values. Valuations are presently lagging market sentiment. The Group has been observing declining values for existing security and expects further declines in some segments in the next 12 months. Dated valuations still benefit from a buffer created following strong asset price inflation until the middle of 2022. This may result in increased refinance risk and require equity contributions from borrowers towards debt reduction and/or a restructure of facilities. Secondary grade assets may be more susceptible to a decline in prices particularly if investors have overlooked weaker fundamentals during a more favourable economic outlook and interest rate environment. Refinance risk may also increase if there are liquidity constraints in the banking sector. In Australia, the non-bank debt market remains an available source of funding. Non-bank financiers have supported the pre-development land and property development sector in recent years, so the number of new project starts may decline given higher cost of funding or if non-bank financiers begin to withdraw support from weaker sponsors.

Construction risk issues, including supply chain constraints and a rapid rise in material costs, compounded by labour shortages and increased labour costs, may impact contractor profitability, cash flow, liquidity and financial stability. This in turn may impact delivery risk associated with commercial and larger residential development projects (including the development of land and apartments), the feasibility of such developments and underlying land values in the short to medium term.

The COVID-19 pandemic triggered an ongoing change in the demand and supply dynamics in the office sector as certain flexible working arrangements have continued, which may impact tenancy demand, reduce rental growth, increase incentives provided by owners to tenants, soften investor demand, yield expectations and value, particularly for secondary grade assets with weaker environmental, social and governance (“ESG”) (specifically energy efficiency) credentials, given tenants are being more discerning in a less competitive market.

While valuation degradation is not uniform across all commercial real estate sectors, some institutional and private investor clients may see their real estate investment portfolios diminish in value as a result of changes in the real estate market. This could potentially lead to a weakening in their risk profile and a reduction in their willingness and/or ability to repay related loan facilities owed to the Group.

While the Australian and New Zealand commercial real estate markets have remained relatively resilient despite high inflation and elevated interest rates, weaker real estate markets in Europe, America and China could have a contagion effect on demand for Australian and New Zealand assets from foreign equity and debt capital markets.

Each of the factors outlined above may adversely affect the Group’s Position.

5. Sovereign risk events may destabilise global financial markets and may adversely affect the Group’s Position

Sovereign risk is the risk that governments will default on their debt obligations and be unable to refinance their debts as and when they fall due, thereby destabilising parts of their economies. Sovereign risk may adversely impact the Group directly, through adversely impacting the value of the Group’s assets, or indirectly, through destabilising global financial markets, thereby adversely impacting the Group’s Position. Sovereign risk exists in many economies, including the Relevant Jurisdictions. If a sovereign defaults, it could impact other markets and countries, the consequences of which may be similar to or worse than those experienced during the global financial crisis and subsequent sovereign debt crises.

6. Market risk events may adversely affect the Group’s Position

Market risk is the risk of loss arising from adverse changes in interest rates, currency exchange rates, credit spreads, or from fluctuations in bond, commodity or equity prices. For purposes of financial risk management, the Group differentiates between traded and non-traded market risks. Traded market risks principally arise from the Group’s trading operations in interest rates, foreign exchange, commodities and securities. The non-traded market risk is predominantly interest rate risk in the banking book. Other non-traded market risks include transactional and structural foreign exchange risk arising from capital investments in offshore operations and non-traded equity risk. Losses arising from the occurrence of such market risk events may adversely affect the Group’s Position.

7. Changes in exchange rates may adversely affect the Group’s Position

The Group conducts business in several different currencies. Accordingly, its businesses may be affected by movements in currency exchange rates. The Group’s annual and interim reports are prepared and stated in Australian dollars. Any change in the value of the Australian dollar against other currencies in which the Group earns revenues (particularly the New Zealand dollar and the U.S. dollar) or holds capital or issues capital instruments, may adversely affect the Group’s reported earnings and/or capital ratios. The Group currently hedges to partially mitigate the impact of currency changes. There is no assurance that the Group’s hedges will be sufficient or effective, and any change in the value of the Australian dollar against other currencies in which the Group earns its revenue, or holds capital, may have an adverse impact on the Group’s Position.

8. Pandemics and other public health crises may adversely affect the Group’s Position

The effects of a pandemic or other public health crisis may impact the Group’s Position and the domestic and global economy, as was the case with the COVID-19 pandemic. Further, variants with respect to diseases may develop that impact the Group’s customers and businesses and could lead to government action, which could adversely impact the Group’s Position. Additionally, supply chain disruption and mobility constraints resulting from pandemics or public health crises could result in a decline in the Group’s profit margins and could impact customers’ cash flows, capital, liquidity and financing needs. Political and economic conditions following such events may cause reduced demand for the Group’s products and services, an increase in loan and other credit defaults, bad debts, and impairments and an increase in the cost of the Group’s operations. If any of these occur, the Group’s Position could be adversely affected.

9. The Restructure of the Group that established a non-operating holding company may adversely affect the Group’s Position

In 2023, the Group implemented a Restructure that resulted in ANZGHL becoming the listed parent company of the Group in place of ANZBGL. ANZGHL is a non-operating holding company (“NOHC”) and is authorised as such for the purposes of the Australian Banking Act. APRA’s prudential framework for NOHCs is expected to become effective from 2025. There is a risk that APRA’s final regulatory framework for NOHCs of Authorised Deposit-Taking Institutions (“ADI”) and the regulation of ANZGHL over time will differ from the existing regulatory framework and increase the regulatory risk of the Group. In addition, the Group may be affected by the actions of ANZGHL entities outside of the Group, which could result in litigation, increased regulation or reputational impacts and affect the Group’s Position

Risks related to the Group’s financial situation

10. Credit risk may adversely affect the Group’s Position

The Group is exposed to the risks resulting from or associated with extending credit, including incurring credit-related losses that can occur as a result of a counterparty being unable or unwilling to honour its contractual obligations. Credit losses can and have resulted in financial services organisations realising significant losses and, in some cases, failing altogether.

The risk of credit-related losses continues to be impacted by conditions relating to elevated interest rates, high inflation, global supply chain disruptions and heightened political tensions, particularly those referred to in risk factor 1 "*Changes in political and economic conditions, particularly in Australia, New Zealand, the Asia Pacific region, the United Kingdom ("UK"), Europe and the United States (the "Relevant Jurisdictions*"), may adversely affect the Group's Position". The risk of credit-related losses remains heightened due to the factors described above and may further increase as a result of less favourable conditions, whether generally or in a specific industry sector or geographic region, which could cause customers or counterparties to fail to meet their obligations. These conditions include, but are not limited to, weakened confidence in the stability of the banking system generally or particular financial institutions that may impact the Group, its customers or counterparties, high levels of unemployment, high interest rates and inflationary conditions, and a reduction in the value of assets the Group holds as collateral or the market value of the counterparty instruments and obligations it holds.

Some of the Group's customers and counterparties with exposures to these sectors may be particularly vulnerable including:

- industries with significant exposure to elevated interest rates;
- industries reliant on consumer discretionary spending;
- industries that are exposed to fuel supply shortages and rising costs including aviation, road transport, shipping and agriculture;
- participants in energy or commodity markets that are exposed to rising margin requirements under derivatives that arise due to price volatility;
- mining operations that are exposed to a sustained fall in commodity prices due to supply or demand fluctuation;
- industries at risk of sanctions, geopolitical tensions or trade disputes (these include technology, agriculture, communications and financial institutions);
- industries exposed to declining global growth, excessive over-supply and disruption to global supply chains. These include but are not limited to the retail, wholesale, automotive, manufacturing and packaging industries;
- the commercial property sector (including construction and contractors), which has been exposed to a rapid rise in interest rates, impacting serviceability and putting downward pressure on valuations. For more information see risk factor 4 "*Changes in the real estate markets in Australia, New Zealand or other markets where the Group does business may adversely affect the Group's position*".,
- industries facing labour supply shortages and which are reliant on access to both skilled and unskilled migrant workers, including tourism and hospitality, technology, agriculture, retail, health, construction and services;
- customers and industries exposed to disruption from physical climate risk (e.g., bushfires, floods, storms and drought) and transition risk (e.g., carbon reduction requirements and resulting changes in demand for liquidity or goods and services). Losses may be exacerbated if insurance becomes unavailable or unaffordable. For more information on climate-related risks, see risk factor 22 "*Impact of future climate events, nature loss, human rights, geological events, plant, animal and human diseases, and other extrinsic events may adversely affect the Group's Position*";
- industries exposed to the volatility in exchange rates and foreign exchange markets generally;
- industries with greater exposure to technological disruption, including the increasing adoption and deployment of generative AI and quantum computing; and
- banks and financial services companies, as they may experience pressure on liquidity due to impacts of high interest rates and the flow on impacts to asset values, which could result in the deterioration of credit ratings, the need for restructuring and recapitalisation, and loss of confidence in financial institutions.

The Group is also subject to the risk that its rights against third parties may not be enforceable in certain circumstances, which may result in credit losses. Should material credit losses occur to the Group's credit exposures, this may adversely affect the Group's Position.

Credit risk may also arise from certain derivative, clearing and settlement contracts that the Group enters into, and from the Group's dealings with, and holdings of, debt securities issued by other banks, financial institutions, companies, governments and government bodies where the financial conditions of such entities are affected by economic conditions in global financial markets.

In addition, in assessing whether to extend credit or enter into other transactions with customers and/or counterparties, the Group relies on information provided by or on behalf of customers and counterparties, including financial statements and other financial information. The Group may also rely on representations of customers and independent consultants as to the accuracy and completeness of that information. The Group's financial performance could be negatively impacted to the extent that it relies on information that is incomplete, inaccurate or materially misleading.

The Group holds provisions for credit impairment that are determined based on current information and subjective and complex judgements of the impairment within the Group's lending portfolio. If the information upon which the assessment is made is inaccurate or the Group fails to analyse the information correctly, the provisions made for credit impairment may be insufficient, which may adversely affect the Group's Position.

11. Challenges in managing the Group's capital base could give rise to greater volatility in capital ratios, which may adversely affect the Group's Position

The Group's capital base is critical to the management of its businesses and access to funding. Prudential regulators of the Group include, but are not limited to, APRA, the Reserve Bank of New Zealand ("RBNZ") and regulators in the United States, the UK and the countries in the Asia Pacific region. The Group is required to maintain adequate regulatory capital by its primary regulator APRA and the RBNZ for the ANZ Bank New Zealand Group.

Under current regulatory requirements, risk-weighted assets and expected loan losses increase as a counterparty's risk grade worsens. These regulatory capital requirements are likely to compound the impact of any reduction in capital resulting from lower profits in times of stress. As a result, greater volatility in capital ratios may arise and may require the Group to raise additional capital. There is no certainty that any additional capital required would be available or could be raised on reasonable terms.

The Group's capital ratios may be affected by a number of factors including (i) lower earnings (including lower dividends from its deconsolidated subsidiaries such as those in the insurance business as well as from its investment in associates), (ii) asset growth, (iii) changes in the value of the Australian dollar against other currencies in which the Group operates (particularly the New Zealand dollar and U.S. dollar) that impact risk weighted assets ("RWA") or the foreign currency translation reserve, (iv) changes in business strategy (including acquisitions, divestments and investments or an increase in capital intensive businesses) and (v) changes in regulatory requirements.

For more information on recent prudential regulation changes that have impacted, or that may impact the Group, see risk factor 16 "*Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position*". An inability of the Group to maintain its regulatory capital may adversely affect the Group's Position.

12. The Group's credit ratings could change and adversely affect the Group's ability to raise capital and wholesale funding and constrain the volume of new lending, which may adversely affect the Group's Position

The Group's credit ratings have a significant impact on its access to, and cost of, capital and wholesale funding. The Group's credit ratings may also be important to customers or counterparties evaluating the Group's products and services. Credit ratings and rating outlooks may be withdrawn, qualified, revised or suspended by credit rating agencies at any time. The methodologies used by ratings agencies to determine credit ratings and rating outlooks may be revised in response to legal or regulatory changes, market developments or for any other reason.

The Group's credit ratings or rating outlooks could be negatively affected by a change in the credit ratings or rating outlooks of the Commonwealth of Australia or New Zealand, the occurrence of one or more of the other risks identified in this section, a change in ratings methodologies or other events. As a result, downgrades in the Group's credit ratings or rating outlooks could occur that do not reflect changes in the general economic conditions or the Group's financial condition. The ratings of individual securities (including, but not limited to, certain Tier 1 capital and Tier 2 capital securities and covered bonds) issued by the Group (and other banks globally) could be impacted by changes in the regulatory requirements for those instruments as well as the ratings methodologies used by rating agencies.

Any downgrade or potential downgrade to the Group's credit ratings or ratings outlooks may reduce access to capital and wholesale debt markets and could lead to an increase in funding costs, constrain the volume of new lending able to be extended and affect the willingness of counterparties to transact with the Group, which may adversely affect the Group's Position. Credit ratings are not a recommendation by the relevant rating agency to invest in securities offered by the Group.

13. Liquidity and funding risk events may adversely affect the Group's Position

Liquidity and funding risk is the risk that the Group is unable to meet its payment obligations as they fall due (including repaying depositors and wholesale creditors) or that the Group has insufficient capacity to fund increases in assets. Liquidity and funding risk is inherent in banking operations due to the timing mismatch between cash inflows and cash outflows.

Deterioration and volatility in market conditions and a decline in investor confidence in the Group may materially impact the Group's ability to replace maturing liabilities and access funding in a timely and cost-effective manner, which may adversely impact the Group's Position. Advances in technology allow customers to withdraw funds deposited with the Group faster and may accelerate the risks associated with on-demand liabilities, such as transactional and savings deposits.

The Group raises funding from a variety of sources, including customer deposits and wholesale funding in domestic and offshore markets to meet its funding requirements and to maintain or grow its business. Developments in major markets can adversely affect liquidity in global capital markets. For example, in times of liquidity stress, if there is damage to market confidence in the Group or if funding from domestic or offshore markets is not available or is constrained, the Group's ability to access sources of funding and liquidity may be constrained and the Group will be exposed to liquidity and funding risk.

Reduced liquidity could lead to an increase in the cost of the Group's borrowings, constrain the volume of new lending and adversely affect the Group's ability to fulfill depositor withdrawal demands and its payment obligations, which may adversely affect the Group's Position.

14. Changes in the valuation of some of the Group's assets and liabilities may adversely affect the Group's earnings and equity and the Group's Position

The Group applies accounting standards, which require that various financial instruments, including derivative instruments, assets and liabilities classified as fair value through other comprehensive income, assets and liabilities classified as fair value through profit or loss, and certain other assets and liabilities (as per Note 18 of the 2024 Financial Report (attached as part of Annex A to this U.S. Disclosure Document)) are measured at fair value with changes in fair value recognised in earnings or equity.

Generally, to measure the fair value of these instruments, the Group relies on quoted market prices, present value estimates or other valuation techniques that incorporate the impact of factors that a market participant would take into account when pricing the asset or liability. Certain other assets, including some unlisted equity investments, are valued using discounted cash flow techniques. The fair value of these instruments is impacted by changes in market prices or valuation inputs that may adversely affect the Group's earnings and/or equity.

The Group may be exposed to a reduction in the value of non-lending related assets as a result of impairments that are recognised in earnings. The Group must test at least annually the recoverability of goodwill balances and intangible assets with indefinite useful lives or not yet available for use and other non-lending related assets including premises and equipment (including right-of-use assets arising from leases), investment in associates, capitalised software and other intangible assets where there are indicators of impairment.

To assess the recoverability of goodwill balances, the Group uses a multiple of earnings calculation. Changes in the assumptions upon which the calculation is based, together with changes in earnings, may materially impact this assessment, resulting in the potential write-off of a part or all of the goodwill balances.

In respect of other non-lending related assets, if an asset is no longer in use or the cash flows generated by the asset do not support the carrying value, impairment charges may be recorded. This, in conjunction with the other potential changes above, could impact the Group's Position.

15. Changes to accounting policies may adversely affect the Group's Position

The accounting policies that the Group applies are fundamental to how it records and reports its financial position and results of operations. Management exercises judgement in selecting and applying many of these accounting policies. This is so that the Group complies with the applicable accounting standards or interpretations and reflects the most appropriate manner in which to record and report on the Group's financial position and results of operations. These accounting policies may be applied inaccurately, resulting in a misstatement of the Group's financial position. The application of new or revised accounting standards or interpretations may also adversely affect the Group's Position. The Group discloses the impact of new accounting standards that are effective for the first time in any reporting period, in the notes to the consolidated financial statements for that period. In some cases, management must select an accounting policy from two or more alternatives, any of which would comply with the relevant accounting standard or interpretation and be reasonable under the circumstances, yet might result in reporting materially different outcomes than would have been reported under the alternative.

Legal and regulatory risk

16. Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position

The Group's businesses and operations are highly regulated. The Group is subject to laws, regulations, and policies, including industry self-regulation, in the Relevant Jurisdictions ("Regulations"). Regulations may be affected by a variety of factors, including recommendations made by inquiries conducted by the Australian Government or other regulators. Regulations continue to change, including with little or no notice, and are generally increasing in scope, scale, complexity, cost and speed of required compliance. Changes to Regulations and any associated increases in compliance costs may affect the profitability of the Group, change the level of competition that the Group faces or affect the ability of the Group to conduct one or more elements of its business. In addition, regulators are coming under increased pressure to take enforcement actions against entities that are not compliant with Regulations. The increasing complexity of Regulations and increased propensity for sanctions and more severe financial penalties for breaches could adversely affect the Group's results and reputation.

Regulations can and do affect the operating environment of, and impose significant compliance costs on, the Group. A failure by the Group to comply with Regulations or manage regulatory change could result in regulatory investigations, litigation, legal or regulatory sanctions, public criticism, financial or reputational loss, restrictions on the Group's ability to do business, fines or other enforcement or administrative actions or penalties. Any of these may adversely affect the Group's Position. Themes of recent Regulations include, but are not limited to, the prudential position of financial institutions, increasing transparency, the protection of customers, regulatory enforcement and the protection and use of information. Set out below are examples of recent or potential regulatory changes that could affect the Group's Position.

Prudential regulation

Changes to prudential regulation can increase the level of regulatory capital that the Group is required to maintain, restrict the Group's flexibility, require it to incur substantial costs and/or impact the profitability of one or more of its business lines, any of which may adversely affect the Group's Position

Recent prudential regulation changes that have impacted, or that may impact the Group's Position, include:

- Financial resilience: APRA implemented its new bank capital framework for ADIs on 1 January 2023 that seeks to align Australian standards with the international agreed Basel 3 requirements. Minor updates were also made in November 2023 to APS 180 Capital Adequacy: Counterparty Credit Risk, APS 120 Securitisation and CPS 320 Actuarial and Related Matters, that became effective on 1 January 2024. In July 2024, APRA published final standards for APS 330 Public Disclosures, effective 1 January 2025; APS 111 Capital Adequacy: Measurement of Capital, and APS 210 Liquidity, effective 1 July 2025; and APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book, effective 1 October 2025. APRA continues to consult and finalise revisions to APS 220, Additional Tier 1 capital instruments, APS 110 Capital Adequacy and APS 116 Capital Adequacy: Market Risk. APRA are also developing the first system wide risk stress test to understand interconnections across the financial system. Refer to the ADI capital framework section below, for an update on APS 112. Given the number of items that are yet to be finalised by APRA, the aggregate outcome from all changes to APRA's prudential standards relating to their review of ADIs 'unquestionably strong' capital framework remains uncertain.

- Operational resilience: In July 2023, APRA finalised prudential standard CPS 230 Operational Risk Management, which sets out minimum standards for managing operational risk, including updated requirements for business continuity planning and service provider risk management. The effective date of compliance is 1 July 2025. Prudential Practice Guide for Operational Risk Management CPG 230 was released in June 2024 to provide clearer guidance on minimum requirements. The Group is continuing to work through the implementation process, which requires changes to systems, operations and contractual arrangements with third parties.

- Recovery and exit planning: APRA finalised its Prudential Standard CPS 190 Recovery and Exit Planning ("CPS 190") in December 2022. CPS 190 is aimed at reinforcing the resilience of the financial system. Under CPS 190, entities are required to develop and maintain credible plans for managing periods of severe financial stress. The standard became effective on 1 January 2024 for banks and insurers.

- Resolution planning: APRA finalised Prudential Standard CPS 900 Resolution Planning ("CPS 900") in May 2023. CPS 900 requires certain entities, including significant financial institutions, to develop a resolution plan in cooperation with APRA, so the entity can be managed by APRA in an orderly manner where the entity is unable to, or is likely to be unable to, meet its obligations or suspends, or is likely to suspend, payments. The standard became effective on 1 January 2024.

- ADI capital framework: In June 2024, APRA released final prudential standards that contained minor amendments to the capital framework for ADIs. One update related to Prudential Standard APS 112 Capital Adequacy: Standardised Approach to Credit Risk, which is effective from 30 September 2024. ADIs calculate RWA under both the internal ratings-based ("IRB") RWA approach and the standardised RWA approach. When the standardised RWA multiplied by 72.5% is greater than the IRB RWA, the difference is added as an adjustment to the total IRB RWA. APRA's revised APS 112 methodology, for general corporate exposures, includes an option (subject to APRA approval) to differentiate between 'investment grade' and 'non-investment grade' corporate exposures, allowing ADI's to assign an 85% risk weighting to 'investment grade' and 110% risk weighting to 'non-investment grade' exposures. ANZBGL has received formal approval from APRA to apply the revised methodology effective from 30 September 2024. In addition, in September 2024 APRA issued a discussion paper proposing to phase out the use of Additional Tier 1 capital and to replace it with Tier 2 capital and CET1 capital. APRA has sought feedback from stakeholders on the framework design, expected impacts, and other implementation considerations relevant to the proposed approach. APRA indicated that it plans to provide an update on the consultation process in late 2024 and formally consult on specific changes to prudential standards in 2025. At this stage, it is not possible to confirm what impact APRA's proposal may have on the Group. If APRA's proposal is implemented, the impacts could include, but are not limited to, the Group being required to incur additional Tier 2 debt, impacts on the Group's cost of funding and/or credit rating impacts.

- Loss absorbing capacity: On 2 December 2021, APRA finalised its loss-absorbing capacity requirements for Australian D-SIBs, including ANZBGL, requiring an increase to their minimum total capital requirement by 4.5% of RWA by January 2026. APRA expects the requirement to be satisfied predominantly with additional Tier 2 capital with an equivalent decrease in other senior funding. The amount of the additional total capital requirement will be based on the Group's actual RWA as at January 2026.
- RBNZ revisions to capital adequacy: The RBNZ's revised capital adequacy requirements for New Zealand banks, which are set out in the Banking Prudential Requirements documents, are being implemented in stages during a transition period from October 2021 to July 2028. The net impact on the Group's Level 1 CET1 capital by the end of the transition period in 2028 is dependent on the additional capital required by ANZ Bank New Zealand to comply with the increased capital requirements. Whether the additional capital requirement for ANZ Bank New Zealand results in financial implications for ANZGHL will also depend on whether the Group's Level 1 CET1 ratio is lower than the Group's Level 2 CET1 ratio in 2028. Given the level of uncertainty of these outcomes, the future financial impact of the RBNZ's revised capital adequacy requirements is not able to be quantified currently.
- NZ contingent capital instrument: ANZ Bank New Zealand has one remaining contingent capital instrument that will no longer be treated as eligible regulatory capital. Contingent capital Additional Tier 1 instruments ("**Contingent AT1 Instruments**") progressively lose eligible regulatory capital treatment over the transition period to 1 July 2028. The maximum eligible regulatory capital value of Contingent AT1 Instruments is the total outstanding value at 30 September 2021 ("**Contingent AT1 Base**") reduced by 12.5% of the Contingent AT1 Base on 1 January of each year from 2022 to 2028, with no Contingent AT1 Instruments eligible from 1 July 2028.

Other Australian regulation

Other recent developments relating to Australian regulation that have impacted, or that may impact the Group in the future include:

- Climate-related disclosure: Legislation has been passed in Australia to introduce mandatory reporting requirements for large to medium sized companies which are captured within the thresholds. ANZGHL and its subsidiaries including the Group will be required to prepare climate-related disclosures for each annual reporting period commencing 1 October 2025. The legislation requires entities to disclose climate-related risks and opportunities, scenario analysis, a climate-related transition plan, and scope 1, 2 and 3 emissions amongst other disclosures. Scope 3 emissions are only required for the annual reporting period starting 1 October 2026. Assurance requirements will be phased in. A limited, modified liability framework applies for up to three years. ANZGHL and its subsidiaries including the Group could face increased costs associated with reporting and compliance with the legislation as well as potential additional scrutiny concerning its climate-related disclosures.
- Privacy: In September 2024, the Australian Government introduced the Privacy and Other Legislation Amendment Bill 2024 to Parliament. If passed it would implement the first tranche of reforms proposed in the Privacy Act review final report (including regarding enforcement and increasing automated decision making transparency) with further substantive reforms to be the subject of further targeted consultation. These changes could impact how the Group uses individuals' information and the mechanisms (including new civil penalties) available to enforce privacy obligations.
- Cyber Security: The Australian Government has consulted on proposed new cyber security legislation and on changes to the Security of Critical Infrastructure Act 2018 to address gaps in current laws and improve security and resilience. These include a ransomware reporting obligation for businesses and strengthened consequence management powers for the Minister for Cyber Security. Separately, the Australian Government has passed legislation to establish an accreditation scheme for entities providing digital identity services and is consulting on associated rules and standards. Implementation of the legislation could result in increased costs for the Group and may give rise to regulatory enforcement proceedings, for example, if the Group wishes to become a provider of digital identity services or to use digital identities as a part of its onboarding process for customers, which may, in turn, adversely affect the Group's Position.
- Scams: The Australian Government has introduced legislation into the Australian Parliament to establish a scams protection framework obliging banks, among other entities, to take steps to prevent, detect, report, disrupt and respond to scams. Implementing the governance, procedures and processes required by the framework will increase the Group's compliance costs. The Group would also be exposed to significant civil penalties and compensation expenses if it failed to comply with the framework's obligations. Separately the Australian Banking Association ("ABA") and its member banks released a Scams-Safe Accord outlining initiatives to prevent, detect, and disrupt scams affecting individual and small business customers. It is possible that the Group will need to meet increased standards with respect to the identification, prevention and remediation of scam activity that concerns its customers. This may include standards or expectations concerning when the Group will be liable to reimburse or compensate customers for losses arising from scam activity.
- Physical banking: The ACCC has granted interim authorisation to the ABA, its member banks, and other relevant industry participants to discuss and develop arrangements to maintain the physical distribution of cash throughout the Australian economy and to implement certain business continuity measures. The authorisation applications by the ABA followed concerns expressed by the major supplier of cash-in-transit services in Australia, Armaguard, that the industry is not sustainable in its current form given the declining use of cash. Disruptions to cash-in-transit services could have a material impact on the Group's ability to provide cash to customers. Measures concerning cash-in-transit (which could include business continuity measures) could result in increased costs to the Group. In addition, the Senate Rural and Regional Affairs and Transport References Committee has conducted an inquiry into branch closures in regional areas, with its final report released in May 2024. The Committee made several recommendations to the Australian Government concerning banks' presence in regional and rural areas. If the Government accepts these recommendations, they could affect the operation and nature of the Group's branch network, potentially increasing its costs.
- Financial Accountability Regime: Currently ANZGHL, ANZBGL and Suncorp Bank are accountable entities regulated by the Financial Accountability Regime (the "FAR"). Under the FAR, accountable entities, their significant related entities, and certain individuals, including senior executives and directors, are subject to or impacted by new or heightened accountability obligations. From 15 March 2025 any insurers or licensed superannuation trustees within the Group will be regulated as accountable entities under the FAR and subject to or impacted by those new or heightened accountability obligations. Potential risks to the Group include the risk of penalties and the risk to the Group's ability to attract and retain directors and senior executives.
- Payments: In October 2024 the Australian Government announced that it was prepared to ban surcharging on debit card transactions from 1 January 2026, subject to consultation by the RBA and sufficient steps being taken to ensure both small businesses and consumers could benefit from lower costs. Also in October 2024 the RBA commenced a review into merchant card payments costs and surcharging. Potential regulatory

actions aimed at putting downward pressure on merchant card payment costs could adversely affect the Group's Position.

Other New Zealand regulation

The New Zealand Government and regulatory authorities have proposed and have implemented significant legislative and regulatory changes for New Zealand financial institutions. These changes include a scams protection framework, a conduct regime for financial institutions, a climate related financial risk disclosure regime, a consumer data right and the replacement of the existing prudential supervision regime for banks with a deposit takers regime, including a depositor compensation scheme. Such changes may adversely affect the ANZ New Zealand Group, potentially impacting its corporate structures, businesses, strategies, capital, liquidity, funding and profitability, cost structures, and the cost of and access to credit for its customers and the wider economy. This in turn may adversely affect the Group's Position.

17. Litigation and contingent liabilities may adversely affect the Group's Position

From time to time, the Group may be subject to material litigation, regulatory actions, legal or arbitration proceedings and other contingent liabilities that may adversely affect the Group's Position.

The Group had contingent liabilities as at 30 September 2024 in respect of the matters outlined in Note 32 of the 2024 Financial Statements. Note 32 includes, among other things, the following matters:

- regulatory and customer exposures;
- South African rate action;
- Esanda dealer car loan litigation;
- OnePath superannuation litigation;
- New Zealand loan information litigation;
- credit cards litigation;
- security recovery actions; and
- warranties, indemnities and performance management fees.

The Group regularly engages with its domestic and international regulators and other statutory and supervisory bodies. The nature of these regulatory interactions can be wide ranging and include regulatory investigations, surveillance and reviews, reportable situations, formal and informal inquiries and regulatory supervisory activities in Australia and globally. The Group also receives notices and requests for information from its regulators and other bodies from time to time as part of both industry-wide and Group-specific reviews and makes disclosures to its regulators at its own instigation.

There has been a recent increase in the number of matters on which the Group has engaged with its regulators. Recent interactions relate to matters including:

- markets transactions and data reporting. ASIC is investigating the execution by ANZBGL of a 2023 issuance of 10-year Treasury Bonds by the Australian Office of Financial Management ("AOFM") and errors in ANZBGL's reporting of secondary bond market turnover data to the AOFM;
- anti-money laundering and counter-terrorism financing obligations, processes and procedures. For example, in recent periods, AUSTRAC has conducted reviews and made inquiries with ANZBGL and Suncorp Bank. A number of potential non-compliance instances have been identified by AUSTRAC in relation to Suncorp Bank; and
- non-financial risk management practices including customer service processes relating to complaints, hardship and deceased estates, compliance with mandatory reporting obligations, the application of interest and fees on certain products and the financial accountability regime.

The possible exposures associated with the Group's regulatory interactions may include civil enforcement actions, criminal proceedings, fines and penalties, imposition of capital or liquidity requirements, customer remediation, the requirement to conduct independent reviews, sanctions or the exercise of other regulatory powers.

There may also be exposures to customers, third parties and shareholders which are additional to any regulatory exposures. These could include class actions or claims for compensation or other remedies.

The outcomes and total costs associated with these possible regulatory, customer and other exposures remain uncertain.

There is however a risk that contingent liabilities may be larger than anticipated or that additional litigation, regulatory actions, legal or arbitration proceedings or other contingent liabilities may arise.

18. Significant fines and sanctions in the event of breaches of law or regulation relating to anti-money laundering, counter-terrorism financing and sanctions may adversely affect the Group's Position

Laws and regulations relating to anti-money laundering, counter-terrorism financing and sanctions have increased in complexity in recent years. Regulatory reforms relating to anti-money laundering, counter-terrorism financing and other related matters, and extended sanctions and enforcement actions taken domestically and internationally continues to be a focus of the Group.

The Australian Government began a consultation process on potential reforms to the Anti-Money Laundering and Counter-Terrorism Financing ("AML" and "CTF") regulatory regime in 2023. The consultation had two parts: simplification and modernisation of the existing regulation; and the implementation of 'Tranche II' reforms to extend the regime to certain 'high-risk' professions: lawyers; accountants; trust and company service providers; real estate agents; and dealers in precious metals and stones. In September 2024 the Australian Government introduced legislation to the Australian Parliament to extend the regime to Tranche II entities, and to amend the regime's requirements relating to AML/CTF programs, risk assessments, customer due diligence, changes to the reporting of cross border transfers (currently known as International Funds Transfer Instructions) and tipping off, among other things. If passed, the legislation would require the Group to make changes to its AML/CTF program and customer due diligence processes. Most of the proposed reforms have a commencement date of March 2026.

The New Zealand Government has also undertaken a review of its Anti-Money Laundering and Countering Financing of Terrorism Act 2009. The first of three tranches of regulations was introduced in July 2023 (consisting of largely definitional changes and clarifications). The second tranche of regulations came into force in June 2024, making changes to various existing obligations (including customer due diligence, enhanced due diligence, and ongoing due diligence requirements) and introducing new obligations (including a specific recordkeeping obligation in relation to prescribed transaction reporting (PTR)). The third tranche of regulation will be introduced in June 2025 and will introduce further obligations (for example, the obligation for reporting entities to risk-rate new customers when conducting customer due diligence, keep a record of the risk rating and review that risk rating as it undertakes ongoing customer due diligence). Further reform will be made via amendments to the primary AML/CFT Act in due course, following further public consultation on areas identified through the review that have not been introduced via regulations. The timing for any further legislative change is currently unknown. Although there is no clear view of the outcome of the reforms at this stage, the reform process could lead to new regulatory requirements being imposed on the Group, which may adversely affect the Group's Position.

The volume of sanctions levied against individuals and entities by regulators around the globe since the beginning of the Russia-Ukraine conflict in February 2022 has been unprecedented. The external sanctions landscape has and continues to evolve in complexity, with regulatory expectations and penalties for non-compliance also increasing. Although there is an element of co-ordination between the United States, Europe, and other key partners, the imposition of sanctions is linked to foreign policy objectives, leading to nuances between the different regimes and specific restrictions are not always fully aligned. Companies continue to assess their risk appetite regarding ongoing business activity with or in Russia or with Russian owned entities. This has heightened the operational and compliance risks in navigating those relationships, transactions and dealings that are considered lawful, or within other counterparties' risk appetite. This situation is expected to continue whilst the conflict persists.

The Australian AML/CTF regulator, the Australian Transaction Reports and Analysis Centre ("AUSTRAC"), uses its regulatory tools and powers to ensure reporting entities understand and comply with their obligations under the AML/CTF Act and the Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) (AML/CTF Rules). A reporting entity is a legal entity that provides at least one 'designated service' to a customer, such as opening a bank account. To date, AUSTRAC has taken three civil penalty actions resulting in fines against major banks and have also made these banks remediate the deficiencies found. AUSTRAC has also used enforceable undertakings and infringement notices to make sure reporting entities comply with the law.

In New Zealand, the RBNZ has stated that its appetite for taking formal enforcement action for breaches of the New Zealand AML and CTF legislation has increased. The propensity for other regulators (including in Asia and the Pacific) to take action for non-compliance with AML/CTF laws has also increased.

Close monitoring of the different levels and types of financial crimes continues across the Group. Scams continue to be pervasive and evolve quickly and to the extent that new risks emerge, there is a continuing risk that the management of alerts for potential money laundering or terrorism financing activities may be impacted. The Australian Government has introduced legislation to the Australian Parliament to establish a Scams Prevention Framework. The Framework is expected to cover banks, telecommunication providers and digital platforms.

The risk of non-compliance with AML/CTF and sanction laws remains high given the scale and complexity of the Group and the lack of clarity around some mandatory reporting requirements. Emerging technologies, such as those provided by virtual asset service providers (e.g., digital currency exchanges and wallet providers) as well as increasingly complex remittance arrangements via fintechs and other disruptors, may limit the Group's ability to track the movement of funds, develop relevant transaction monitoring, and meet reporting obligations. The complexity of the Group's technology, and the increasing frequency of changes to systems that play a role in AML/CTF and sanctions compliance puts the Group at risk of failing to identify an impact on the systems and controls in place. A failure to operate a robust program to report the movement of funds, combat money laundering, terrorism financing, and other serious crimes may have serious financial, legal and reputational consequences for the Group and its employees.

Consequences can include fines, criminal and civil penalties, civil claims, reputational harm and limitations on doing business in certain jurisdictions. These consequences, individually or collectively, may adversely affect the Group's Position. The Group's foreign operations may place the Group under increased scrutiny from regulatory authorities and subject the Group to increased compliance costs.

19. Changes in monetary policies may adversely affect the Group's Position

Central monetary authorities (including the RBA, the RBNZ, the United States Federal Reserve, the European Central Bank, the Bank of England and monetary authorities in the Asian jurisdictions in which the Group operates) set official interest rates or take other measures to affect the demand for money and credit in their relevant jurisdictions. In some jurisdictions, currency policy is used to influence general business conditions and the demand for money and credit. These measures and policies can significantly affect the Group's cost of funds for lending and investing and the return that the Group will earn on those loans and investments. These factors impact the Group's net interest margin and can affect the value of financial instruments it holds, such as debt securities and hedging instruments. The measures and policies of the central monetary authorities can also affect the Group's borrowers, potentially increasing the risk that they may fail to repay loans. Changes in interest rates and monetary policy are difficult to predict and may adversely affect the Group's Position. Refer to risk factor 4 *"Changes in the real estate markets in Australia, New Zealand or other markets where the Group does business may adversely affect the Group's Positio*n" and risk factor 10 "*Credit risk may adversely affect the Group's Position".*

20. Ongoing significant compliance costs with respect to the evolving and extensive Automatic Exchange of Information ("AEoI") obligations imposed by global customer tax transparency regimes may adversely affect the Group's Position

There continues to be mandatory and substantial changes to, and increasing regulatory focus on, compliance by all global Financial Institutions ("FIs"), including FIs within the Group, with global customer tax transparency regimes, under the Foreign Account Tax Compliance Act ("FATCA"), the Organisation for Economic Co-operation and Development's ("OECD's") Common Reporting Standard ("CRS") and similar anti-tax avoidance regimes. This includes global regulatory movement to enforcement and penalty activities and increasing regulatory implementation of additional compliance framework requirements, compliance assessment requirements, questionnaires, onsite financial institution audits, evidentiary requirements, detailed rules and frameworks to close down circumventions and deter, detect and penalise non-compliance. The ongoing OECD government level peer reviews and IRS and regulatory FI compliance review/audit requirements increase scrutiny and therefore unplanned workload of FIs globally. Each country of CRS adoption is being pushed by the OECD to ensure its penalty regime is sufficient to deter and penalise non-compliance.

As the Group is an in scope FI operating in a globally interlinked operating environment, the highly complex and rigid nature of the obligations under each country's varied implementation of these regimes present heightened operational and compliance risks for the Group. As international regulatory compliance frameworks mature and regulators shift focus to enforcement (which may include financial penalties and other more general tax risk framework implications), this may result in significant penalty provision requirements and reputational damage in the event of failures. Accordingly compliance with global customer tax transparency regimes is a key area of focus and major cost for the Group.

Under FATCA and other relevant U.S. Treasury Regulations, the Group could be subject to:

- a 30% withholding tax on certain amounts (including amounts payable to customers), and be required to provide certain information to upstream payers, as well as other adverse consequences, if the ongoing detailed obligations are not adequately met; and
- broader compliance issues, significant withholding exposure, competitive disadvantage and other operational impacts if the FATCA Intergovernmental Agreements between the United States and the applicable jurisdictions in which the Group operates cease to be in effect.

Under the CRS, the Group:

- faces challenges in developing countries where the Group has operations, such as the Pacific region. The local regulators in these countries are generally assisted by a ‘partner’ country. The introduction of standards and evidentiary requirements continue to be challenging to implement and adhere to;
- must deal with substantial ongoing country specific variations in local law and regulatory implementation, with significant broader ‘justified trust’ ramifications and penalties for non-collection or failed reporting in respect of prescribed customer information;
- is under increasingly stringent regulatory scrutiny and measures as regulators turn their focus to the effectiveness of FI implementation. This tightening of regulatory focus, at a varying pace in each country, can lead to significant negative experiences for affected customers (including unilateral account blocking and closure, and potential direct customer penalties), which may adversely affect the Group’s Position and if not similarly implemented by other FIs, may present a significant competitive disadvantage and loss of business;
- faces poor customer outcomes with customers who may feel aggrieved as a result of blocking and closure impacts including increased potential exposure to legal and third party liability, particularly where the Group has not communicated the regulatory issue clearly to a customer or has blocked or closed the account incorrectly (for example, due to a data or process error); and
- continues to deal with the substantial implementation challenges associated with the complex requirements relating to intermediaries, which may also increase the risk of regulatory ramifications.

The scale and complexity of the Group means that the risk of non-compliance with FATCA, CRS and other tax reporting regimes is high. The loss of key resources and critical subject matter expertise, combined with the challenge of finding qualified replacements, increases the risk of non-compliance with these obligations. A failure to successfully operate the implemented processes or to identify and implement all obligations could lead to legal, financial and reputational consequences for the Group and its employees. Consequences include fines, criminal and civil penalties, civil claims, reputational harm, competitive disadvantage, loss of business and constraints on doing business.

External factors, such as natural disasters and the continuing effects of ongoing health pandemics and conflicts/active warzones, have resulted in challenges for staff, including unplanned staff absences, access to systems, tools and information, and impacted the delivery of the Group’s regulatory obligations on requisite timeframes, including mandatory FATCA and CRS regulatory reporting, customer follow-up strategies, resolution and action of regulatory recommendations, as well as continuous improvement activities required to achieve the zero rate of error expected by regulators. The Group’s global taxation obligations in relation to the enterprise’s own tax lodgements and payments may similarly be impacted. Initial leniency from global regulators continues to be tightened or withdrawn due to the regulatory expectation for FIs to adapt to the ongoing challenges presented by external factors, thus heightening the risk of regulatory scrutiny, associated penalties and reputational ramifications resulting from any deficiencies or delays in meeting regulatory obligations.

These consequences, individually or collectively, may adversely affect the Group’s Position.

21. Unexpected changes to the Group’s licence to operate in any jurisdiction may adversely affect the Group’s Position

The Group is licensed to operate in various jurisdictions. Unexpected changes in the conditions of the licenses to operate by governments, administrations or regulatory agencies that prohibit or restrict the Group from trading in a manner that was previously permitted may adversely affect the Group’s Position.

Environmental, social and governance risks

22. Impact of future climate events, nature loss, human rights, geological events, plant, animal and human diseases, and other extrinsic events may adversely affect the Group’s Position

The Group and its customers are exposed to ESG risks, including from climate related events, geological events (such as volcanic or seismic activity or tsunamis), nature loss including as a result of species extinction or decline, or ecosystem degradation and plant, animal and human diseases or pandemics such as COVID-19 and human rights risks. Each of these can cause significant impacts on the Group’s operations and its customers.

Climate related events may include severe storms, drought, bushfires, cyclones, floods and rising sea levels. The impact of these events may be widespread through second order impacts. For example, the economic impacts of a drought may extend beyond primary producers to other customers of the Group, including suppliers to the agricultural sector, and to those who reside in, and operate businesses within, affected communities. As a result, the Group may be exposed to climate-related events directly, and through the impact of these events on its customers (Refer to risk factor 23 *“Risks associated with lending to customers that could be directly or indirectly impacted by climate risk may adversely affect the Group’s Position*”).

Nature is an emerging risk that the Group is seeking to understand further. Nature risks can arise from lending to customers with material impacts or dependencies on nature. These risks can also arise from legal and regulatory changes, which impact the Group directly or indirectly through the Group’s customers. Failure to manage these risks may lead to financial and non-financial risks and may adversely affect the Group’s Position.

Human rights risks relate to the safety and security of the Group’s people, labour rights, modern slavery, privacy and consumer protection, corruption and bribery, environmental protection and land access and rights. The Group uses risk-based due diligence to identify human rights risks and impacts associated with its business relationships. Failure to manage these risks may adversely affect the Group’s Position.

Laws and regulations relating to climate change, nature, human rights, or other ESG risks, as well as the perspectives of shareholders, employees and stakeholders, may affect whether and on what terms and conditions the Group engages in certain activities or offers certain products. Depending on their frequency and severity, these risks may interrupt or restrict the provision of services such as the Group branch or business centres or other Group services. They may also adversely affect the Group's financial condition or collateral position in relation to credit facilities extended to customers, which in turn may adversely affect the Group's Position.

23. Risks associated with lending to customers that could be directly or indirectly impacted by climate risk may adversely affect the Group's Position

The Group's most material climate risks arise from lending to business and retail customers. Customers may be affected directly by physical and transition risks. These include the effect of extreme weather events on a customer's business or property, including impacts to the cost, availability and adequacy of insurance coverage, changes to the regulatory and policy environment in which the customer operates, disruption from new technology and changes in demand towards lower carbon products and services. Climate risks may indirectly affect a customer by impacting its supply chain.

Climate risks may affect the ability of customers to repay debt, result in an increased probability of default, result in 'stranded assets', and/or impact the amount the Group is able to recover due to the value or liquidity of collateral held as security being impaired. Examples of climate-related events in Australia that have impacted customer revenue include severe drought conditions, bushfires in 2019 and 2020, and severe flooding in recent years including 2021, 2022 and 2023. Similar events have occurred in New Zealand in recent years such as Cyclone Gabrielle in February 2023 and severe flooding in 2023.

In 2024, the Group identified insurability risk as an emerging risk and seeks to further understand the potential risks and impacts to customers.

Risks associated with climate change are subject to increasing regulatory, political and societal focus.

Further integrating and embedding climate risk into the Group's risk management framework and adapting the Group's operations and business strategy to seek to address the risks and opportunities posed by climate change, could have a significant impact on the Group.

Risk management, internal control, non-financial and reputational risk

24. The Group's risk management framework may fail to manage all existing risks appropriately or detect new and emerging risks fast enough, which could adversely affect the Group's Position

Risk management is an important part of the Group's activities. It includes the identification, measurement, monitoring and mitigation of the Group's risk and reporting on the Group's risk profile and effectiveness of identified controls. Effectiveness of the Group's risk management framework is not fully assured. This includes effectiveness in relation to existing risks and new and emerging risks that the Group may not anticipate or identify in a timely manner and for which its controls may not be effective. Failure to manage risks effectively could adversely impact the Group's reputation or compliance with regulatory obligations.

The Group believes that having the right risk culture supports the Group in building a better organisation that effectively manages risk, safeguards the interests of its customers and delivers on its purpose and strategy. The Group has an explicit approach to the assessment of its risk culture that supports the Board in forming a view of the Group's risk culture maturity and identifying actions to be taken to attain the Boards' target state. Risk culture is regularly measured and monitored with an objective to ensure the target risk culture is sustained. The risk culture maturity/target established by the Board is 'Sound'. The enterprise's risk culture has been assessed as 'Needs Improvement' in 2024. Regulatory concerns around our Markets business and non-financial risk management (refer risk factor 17 "*Litigation and contingent liabilities may adversely affect the Group's Position*") have contributed to this re-assessment.

The Group seeks to continuously improve its risk management frameworks. It has implemented, and regularly reviews, its risk management policies and allocates additional resources across the Group to manage and mitigate risks. Such efforts may not insulate the Group from exposure to risks or give full assurance that the Group's risk management framework will be effective. A failure in the Group's risk management processes or governance could result in the Group suffering unexpected losses and reputational damage, and failing to comply with regulatory obligations, which could adversely affect the Group's Position.

25. Non-financial risk events may adversely affect the Group's Position

Non-financial risk is the risk of loss and/or non-compliance (including failure to act in accordance with laws, regulations, industry standards and codes, and internal policies) resulting from inadequate or failed internal processes, people, system and/or data, or from external events. This includes operational risk and the risk of reputation loss but excludes strategic risk.

Non-financial risk categories under the Group's risk taxonomy include:

- financial crime (the risk of money laundering, terrorism financing, sanctions, violations, or bribery and corruption: including non-compliance with the Group's policies, or regulatory expectations). See risk factor 18 "*Significant fines and sanctions in the event of breaches of law or regulation relating to anti-money laundering, counter-terrorism financing and sanctions may adversely affect the Group's Position*";
- internal fraud (fraud / theft attempted or perpetrated by an internal party (or parties) (e.g., a Group employee or contingent worker, including instances where an employee is acting in collusion with external parties));
- external fraud (fraud or theft attempted or perpetrated without the deliberate involvement of a Group employee or contingent worker);
- operational resilience (the risk of the Group's failure to comply with regulatory expectations for business continuity, crisis management and business process governance and management;
- physical security (the risk of damage to the Group's physical assets);
- people (the risk of breaching employment legislation, mismanaging employee relations and failing to ensure a safe working environment);
- transaction processing and execution (failure to process, manage and execute transactions and other processes correctly and appropriately);
- technology (the risk associated with the outage of systems, including hardware, software and networks). See risk factor 29 "*Disruption of*

information technology systems or failure to successfully implement new technology systems could significantly interrupt the Group's business, which may adversely affect the Group's Position";

- conduct (the risk of loss or damage arising from the failure of the Group, its employees or agents to appropriately consider the interests of consumers, the integrity of the financial markets and the expectations of the community, in conducting the Group's business activities). See risk factor 28 "*Conduct risk events may adversely affect the Group's Position*";
- legal (the risk of execution errors in legal procedures and processes);
- regulatory risk (the risk of failure to act in accordance with laws, regulations and regulatory expectations in the jurisdictions in which the Group operates in, leading to regulatory censure or penalties). This risk includes matters such as where the Group's prudential regulator imposes requirements including capital overlays for failing to meet regulatory expectations. See risk factor 16 "*Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position*";
- third party (the risk of failing to manage third party relationships and risks appropriately. For example, not taking reasonable steps to identify and mitigate operational risks introduced into the organisation from the use of third party products/ services);
- information security including cyber (the risk of information security incidents, including the loss and theft of data/information; this covers all types of data, (e.g., customer, employee, and the Group's proprietary data), and includes the failure to comply with rules concerning information security). See risk factor 30 "*Risks associated with information security, including cyber-attacks, may adversely affect the Group's Position*";
- data (the risk of failing to appropriately collect, use, manage, maintain, and dispose of data, including all types of data, for example, customer data, employee data, and the Group's proprietary data). See risk factor 31 "*Data management risks may adversely affect the Group's Position";*
- model (the potential for adverse consequences from model errors based on the design, development, use and/or report of a model to inform business decisions). See risk factor 32 "*Modelling risks may adversely affect the Group's Position"*; and
- statutory reporting and tax (the risk of failing to meet statutory reporting and tax filing/reporting requirements).

Loss from risk events may adversely affect the Group's Position. Such losses can include fines, penalties, imposts (including capital imposts), loss or theft of funds or assets, legal costs, customer compensation, loss of shareholder value, reputation loss, loss of life or injury to people, and loss of property and information.

Pursuant to APRA and RBNZ requirements, the Group and ANZ New Zealand Group must maintain "operational risk capital" reserves in the event future operational events occur.

As the Group increases the adoption of AI, which includes technologies such as machine learning through predictive analytics, process automation and decision generation to support its customers and business processes, the Group may become more exposed to associated AI risks, such as inaccurate decisions or unintended consequences that are inconsistent with the Group's policies or values. These could have adverse financial and non-financial impacts on the Group. See risk factor 33 "Use of AI may adversely affect the Group's Position" for further information.

26. Human capital risk, which relates to the inability to attract, develop, motivate and retain the Group's people to meet current and future business needs, could result in poor financial and customer outcomes and reduce the ability of the Group to deliver against customer and other stakeholders' expectations

Key executives, employees and directors play an integral role in the operation of the Group's business and its pursuit of its strategic objectives. The unexpected departure of an individual in a key role or the Group's failure to recruit, develop and retain an appropriately skilled and qualified person into these roles particularly in areas such as digital, technology, risk or compliance, could have an adverse effect on the Group's Position.

27. Reputational risk events as well as operational failures and regulatory compliance failures may give rise to reputational risk, which may undermine the trust of stakeholders, erode the Group's brand and adversely affect the Group's Position

The Group's reputation is a valuable asset and a key contributor to the support that it receives from the community in respect of its business initiatives and its ability to raise funding or capital. Reputational risk may arise as a result of an external event or the Group's actual or perceived actions and practices, which include operational and regulatory compliance failures. The occurrence of such events may adversely affect perceptions about the Group held by the public (including the Group's customers), shareholders, investors, regulators and rating agencies. The impact of a risk event on the Group's reputation may exceed any direct cost of the risk event itself and may adversely impact the Group's Position.

The Group may suffer reputational damage where one of its practices fails to meet community expectations. Community expectations are continually changing and evolving. If expectations exceed the standard required to comply with applicable law, the Group may incur reputational damage even where it has met its legal obligations. A divergence between community expectations and the Group's practices could arise in a number of ways including in relation to its product and services disclosure practices, pricing policies and use of data. The Group's reputation may be adversely affected by community perception of the broader financial services industry, particularly in an environment of elevated interest rates. Reputational damage may arise from the Group's failure to effectively manage risks, enforcement or supervisory action by regulators, adverse findings from regulatory reviews and failure or perceived failure to adequately respond to community, environmental and ethical issues. From time to time the Group may be subjected to heightened public scrutiny and potential reputational damage as a result of the actions of activist shareholders. Areas which have attracted investor activism in Australia primarily relate to environmental and social issues and include concerns about the actions of the Group itself or parties that the Group finances.

Operational and regulatory compliance failures or perceived failures may give rise to reputational risk. Such operational and regulatory compliance failures include, but are not limited to:

- failures related to fulfilment of identification of obligations;
- failures related to new product development;
- failures related to ongoing product monitoring activities;

- failures related to suitability requirements when products are sold outside of the target market;
- failure to comply with disclosure obligations;
- failure to properly manage risk (e.g., credit, market, operational or compliance);
- market manipulation or anti-competitive behaviour;
- inappropriate crisis management/response to a crisis event;
- inappropriate handling of customer complaints;
- inappropriate third party arrangements;
- privacy breaches; and
- unexpected risks.

Damage to the Group's reputation may have wide-ranging impacts, including adverse effects on the Group's profitability, capacity and cost of funding, increased regulatory scrutiny, regulatory enforcement actions, additional legal risks and limiting the availability of new business opportunities. The Group's ability to attract and retain customers could also be adversely affected if the Group's reputation is damaged, which may adversely affect the Group's Position.

28. Conduct risk events may adversely affect the Group's Position

Conduct risk is the risk of loss or damage arising from the failure of the Group, its employees or agents to appropriately consider the interests of consumers, the integrity of the financial markets, and the expectations of the community in conducting the Group's business activities.

Conduct risks include:

- the provision of unsuitable or inappropriate advice to customers;
- the representation of, or disclosure about, a product or service which is inaccurate, or does not provide adequate information about risks and benefits to customers;
- a failure to deliver product features and benefits in accordance with terms, disclosures, recommendations and advice;
- a failure to identify, manage and where appropriate avoid actual, potential and perceived conflicts of interest. The Group has procedures and controls in place to manage the Group's client interests, any misuse of confidential and inside information to the advantage of the Group, and any conflict between Group employee personal interests and the Group's interests, clients and suppliers;
- inadequate management of complaints or remediation processes;
- a failure to respect and comply with duties to customers in financial hardship; and
- unauthorised trading activities in financial markets, in breach of the Group's policies and standards.

There has been continuing regulatory and community focus on conduct risk, including in Australia and New Zealand. Customers remain under financial pressure, with the higher cost-of-living and reduction in disposable income influencing affordability. This may impact both the ability to lend to customers and/or the extent to which forbearance may need to be offered to those already struggling. It is expected to increase the number of customers that may fall into financial difficulty, and therefore increase the need for the Group to provide enhanced support. As this occurs, it is likely to have the greatest impact on customers in challenging financial circumstances. This is an evolving situation and remains a priority for regulators. The Group will need to continue to address the increased demand for forbearance and provide appropriate tailored solutions to address complex customer needs to help mitigate the risk of customer harm.

The Conduct of Financial Institutions ("**CoFI**") regulations, introduced through the FMCIA Act, aim to ensure that financial institutions in New Zealand treat consumers fairly. Effective from 31 March 2025, the CoFI regime mandates that these institutions obtain a market services licence, implement a fair conduct programme, and comply with the fair conduct principle, which emphasises fairness in all consumer interactions. ANZ Bank New Zealand is currently implementing changes to comply with these requirements, which may result in increased compliance costs, operational changes, and enhanced oversight. ANZBGL's New Zealand branch may also need to implement changes to comply with these requirements. Furthermore, in May 2024, the New Zealand Ministry of Business, Innovation and Employment opened a consultation on a review of the CoFI requirements. Any amendments to the FMCIA Act following this consultation are expected to commence in 2026 at the earliest. The impact of the FMCIA Act on ANZ Bank New Zealand remains uncertain, but it could lead to increased compliance costs and potential liability in cases of non-compliance, potentially affecting the Group's Position.

Where a conduct risk event occurs, ANZBGL has a centralised team responsible for customer remediation programs, including addressing conduct issues identified in ANZBGL reviews. Similarly, ANZ Bank New Zealand has a separate centralised customer remediation team. Conduct risk events may not only negatively impact customers and market integrity, but may expose the Group to regulatory actions, restrictions or conditions on banking licenses and reputational consequences that may adversely affect the Group's Position. Remediation programs may not be implemented appropriately or may lead to further remediation work being required, resulting in litigation, regulatory action and increasing cost to the Group, which may adversely affect the Group's Position. For further discussion of the increasing regulatory focus on conduct risk, see risk factor 16 "*Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position" and risk factor 17 "Litigation and contingent liabilities may adversely affect the Group's Position*".

29. Disruption of information technology systems or failure to successfully implement new technology systems could significantly interrupt the Group's business, which may adversely affect the Group's Position

The Group's day-to-day activities and its service offerings (including digital banking) are highly dependent on information technology ("**IT**") systems. Disruption of IT systems, or the services the Group uses or is dependent upon, may result in the Group failing to meet its compliance obligations and customers' banking needs. In a digital world, customer's expectations of "always on" "24/7" banking services necessitates highly available and resilient

IT systems.

The Group has an ongoing obligation to maintain its IT systems and to identify, assess and respond to risk exposures associated with these systems, including IT asset lifecycle, IT asset project delivery, technology resilience, technology security, use of third parties, data retention and restoration and business rules and automation. Inadequate responses to these risk exposures could lead to unstable or insecure systems, which could adversely impact customers, increase the Group's costs, and result in non-compliance with regulatory requirements, any of which may adversely affect the Group's Position.

The Group has incident response, disaster recovery and business continuity measures in place designed to ensure that critical IT systems will continue to operate during both short-term and prolonged disruption events for all businesses across the Group's network, including ANZ Bank New Zealand and international branches, which rely on the Group to provide a number of IT systems. The COVID-19 pandemic and the ever-changing external threat environment necessitates that these capabilities must cater for profound and complex events. A failure of the Group's systems may affect the Group's network, which may in turn, adversely affect the Group's Position.

The Group must implement and integrate new IT systems and capabilities, most notably cloud, data, AI and automation technologies, into the existing technology landscape to ensure that the Group's technology environment is cost-effective and can support evolving customer requirements. Inadequate implementation and integration of these systems and capabilities, or improper operation and management, including of their vendors and the supply chain, may adversely affect the Group's Position.

This risk factor should be read in conjunction with risk factor *30 "Risks associated with information security, including cyber-attacks, may adversely affect the Group's Position*" as information security breaches and cyber-attacks have the potential to result in the disruption of IT systems.

30. Risks associated with information security, including cyber-attacks, may adversely affect the Group's Position

The digital world is constantly evolving, with both positive innovation and new threats. As a result, the Group recognises that the risk of a cyber event or data loss remains a significant concern for its businesses. Cyber threats continue to increase in sophistication, persistence, scale, frequency and impact. Threats include but are not limited to: business email compromise, ransomware, distributed denial of service, data breaches and third-party exposures. Cyber-attacks have the potential to cause financial system instability and could result in serious disruption to customer banking services or compromise customer data privacy. As both the scale and complexity of such attacks are increasing, there is always a risk that countermeasures and layers of defence to adequately mitigate risks may not be sufficient and that sensitive information may be inadvertently exposed.

The Group has noted increased external occurrences of ransomware and third-party data breaches, ongoing volatility in the global political landscape and the security implications of wide-spread adoption of AI. Although AI has potential to support significant service advances for customers, it also has potential to assist, enable and enhance existing methods for criminals to perpetrate fraud, scams, and cyber threats against the Group and its customers, and poses increased risks to cybersecurity, including risks of denial of service, the criminal use of deepfakes, and more sophisticated social engineering attacks. Further, inadvertent disclosure or misuse of client data in the datasets or algorithms may lead to reputational risk. See risk factor 33 "Use of AI may adversely affect the Group's Position" for further information.

Intense public response to cyber-attacks has led to increased political focus with the potential for future significant increases in penalties for privacy breaches. Should the Group be the target of such an attack, then in addition to the risks discussed above, there is a risk of reputational damage in light of the public response to such an attack and/or penalties imposed by a regulator, which may materially adversely affect the Group's operations. The regulatory landscape is also evolving with additional local and international regulator focus on information security, including the release of the 2023-2030 Australian Cyber Security Strategy and subsequent discussions and consultation on legislative reforms.

A focus on information security is key to protecting the confidentiality, integrity or availability of systems and data. The Group as part of its global banking operations handles and stores a considerable amount of personal and confidential information about its customers and its own internal processes, across the multiple geographies in which the Group operates. This information is processed and stored on both internal and third-party hosted environments. As such, weaknesses in key security policies or controls operated by the Group or third parties engaged by the Group could result in the loss of data or other personal or sensitive information and adversely affect the Group's business by resulting in financial losses (including costs relating to notifying and compensating customers), regulatory investigations, sanctions or reputational harm, thus affecting the Group's Position.

31. Data management risks may adversely affect the Group's Position

Data management refers to a set of processes and procedures used to manage data, including sensitive data, such as customer data, employee data and the Group's proprietary data. Specifically, the development, execution and oversight of plans, policies and practices that deliver, control, protect and enhance the value of the Group's data and information assets through their lifecycles. Data management risk is the risk of failing to achieve these objectives.

Deficiencies in data management can be attributed to: data captured, produced or processed does not meet data quality requirements, is unavailable or is not fit for purpose; data ownership accountabilities are not adequately executed upon; data integrity is not preserved throughout the data lifecycle; context and meaning of the data are not sufficiently understood, because the data is not clearly articulated, categorised and/or classified; critical data has inadequate controls in place, has not been adequately identified, or does not meet data quality and data lineage requirements; and data quality issues are not detected and responded to in a timely manner.

Deficiencies in data management can result in ineffective risk management practices and inaccurate risk reporting. In addition, failure to comply with data management obligations, including regulatory obligations may cause the Group to incur losses or result in regulatory action, which may adversely impact the Group's Position.

32. Modelling risks may adversely affect the Group's Position

The Group relies on a number of models for material business decision making including but not limited to lending decisions, calculating capital requirements, provision levels, customer compensation payments and stressing exposures. If the models prove to be inadequately designed, implemented, used or maintained or if they are based on incorrect assumptions or inputs, this may adversely impact the Group's Position.

33. Use of AI may adversely affect the Group's Position

AI refers to the development of systems capable of performing tasks that typically require human intelligence, such as learning, reasoning, and decision making. AI is increasingly being used to drive innovation and efficiency in the Group’s customer and business processes such as customer service, analytics and operations. Adopting AI is also important in delivering the Group’s strategy and maintaining competitiveness.

However, as AI becomes more integrated into the Group and the regulatory landscape relating to AI continues to rapidly evolve, inadequate management and governance of responsible AI use, whether by the Group or by third parties, can lead to significant operational risks, including (but not limited to) the following:

- AI Bias: Systematic and repeatable errors in the way an AI system operates, which could result in unfair outcomes.
- AI Discrimination: AI system treats individuals or groups unfairly or differently based on protected attributes.
- AI Hallucinations: AI model perceives patterns or objects that are nonexistent, creating nonsensical or inaccurate outputs.
- AI Washing: Deceptive promotional practice that exaggerates or outright lies about a product or service’s use of AI.
- Data Poisoning: Deliberate and malicious contamination of data to compromise the performance of AI and machine learning.
- Immature AI Technology: Critical infrastructure failure, poor performance, processing failure.
- Model Drift: Decline in a model's ability to make accurate predictions due to changes in the environment in which it is being used.
- Model Extraction / Stealing: Malicious actor providing inputs to an AI system and using the outputs to create an approximate replica of it.
- Runaway AI: AI system gains the ability to improve itself rapidly and autonomously, potentially leading to outcomes that were not intended or foreseen by its creators.
- Shadow AI: Unsanctioned or ad-hoc generative AI use within an organisation that is not governed.

AI is an emerging risk that the Group seeks to understand further. Failure to appropriately manage these risks in AI adoption and use may erode customer trust, result in legal or regulatory non-compliance, and damage the Group’s reputation.

CURRENCY OF PRESENTATION AND EXCHANGE RATES

Currency of presentation

The Group publishes consolidated financial statements in Australian Dollars. In this U.S. Disclosure Document, unless otherwise stated or the context otherwise requires, references to “US$”, “USD” and “U.S. dollars” are to U.S. Dollars and references to “$”, “AUD” and “A$” are to Australian Dollars. For the convenience of the reader, this U.S. Disclosure Document contains translations of certain Australian Dollar amounts into U.S. Dollars at specified rates. These translations should not be construed as representations that the Australian Dollar amounts actually represent such U.S. Dollar amounts or could be converted into U.S. Dollars at the rate indicated. Unless otherwise stated, the translations of Australian Dollars into U.S. Dollars have been made at the rate of US$0.6934 = A$1.00, the Noon Buying Rate on 30 September 2024.

Major exchange rates

The major exchange rates used by the Group to translate the results of foreign subsidiaries, branches, investments in associates and issued debt to Australian Dollars were as follows:

	Balance Sheet			Profit & Loss Average		
	As at 30 September			Years ended 30 September		
	2024	2023	2022	2024	2023	2022
Chinese Renminbi	**4.8622**	4.7265	4.6021	**4.7512**	4.6950	4.6644
Euro	**0.6209**	0.6112	0.6618	**0.6082**	0.6238	0.6573
Pound Sterling	**0.5178**	0.5286	0.5845	**0.5202**	0.5430	0.5566
Indian Rupee	**58.086**	53.723	52.971	**54.963**	54.798	54.686
Indonesian Rupiah	**10,493**	10,017	9,879	**10,416**	10,130	10,347
Japanese Yen	**98.272**	96.409	93.802	**98.975**	92.368	88.191
Malaysian Ringgit	**2.8468**	3.0319	3.0093	**3.0645**	3.0140	3.0642
New Taiwan Dollar	**21.938**	20.876	20.603	**21.084**	20.664	20.584
New Zealand Dollar	**1.0882**	1.0742	1.1349	**1.0844**	1.0845	1.0822
Papua New Guinean Kina	**2.7165**	2.3692	2.2849	**2.4977**	2.3593	2.5045
United States Dollar	**0.6933**	0.6468	0.6489	**0.6593**	0.6657	0.7123

For the 2024 fiscal year, 38% of the Group’s operating income (including discontinued operations, where relevant) was derived from the New Zealand and Rest of World (“RoW”) geographic regions (2023 fiscal year: 38%; 2022 fiscal year: 36%; 2021 fiscal year: 32%; 2020 fiscal year: 33%). Refer to Note 7 of the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A) for a breakdown of total operating income by geographical location.

Operating income from the New Zealand and RoW geographic regions is denominated principally in the currencies outlined in the table below. Movements in foreign currencies against the Australian Dollar can therefore affect the Group’s earnings through the translation of overseas profits to Australian Dollars. Movements in the major exchange rates used by the Group to translate the results of foreign subsidiaries, investments in associates and issued debt to Australian Dollars were as follows:

Australian Dollar movement against foreign currencies[1]

	Movement				
Years ended 30 September	2024	2023	2022	2021	2020
Chinese Renminbi	**1%**	1%	-5%	3%	-2%
Euro	**-2%**	-5%	5%	4%	-3%
Pound Sterling	**-4%**	-2%	1%	3%	-4%
Indian Rupee	**0%**	0%	-1%	11%	0%
Indonesian Rupiah	**3%**	-2%	-4%	10%	-3%
Japanese Yen	**7%**	5%	9%	11%	-6%
Malaysian Ringgit	**2%**	-2%	-1%	8%	-2%
New Taiwan Dollar	**2%**	0%	-3%	4%	-7%
New Zealand Dollar	**0%**	0%	2%	1%	0%
Papua New Guinean Kina	**6%**	-6%	-5%	13%	-2%
United States Dollar	**-1%**	-7%	-5%	11%	-4%

[1] *Movement is based on comparison of the fiscal year average exchange rate to the immediately preceding fiscal year average exchange rate.*

The Group monitors its exposure to revenues, expenses and invested capital denominated in currencies other than Australian Dollars as these expose the Group to the risk of changes in foreign exchange rates. Variation in the value of these foreign operations arising as a result of exchange differences are reflected in the foreign currency translation reserve in equity. These currency exposures are managed in accordance with established risk management policies.

Where it is considered appropriate, the Group takes out economic hedges against larger foreign exchange denominated revenue streams (primarily New Zealand Dollar, U.S. Dollar and U.S. Dollar correlated). The primary objective of hedging is to ensure that, if practical, the consolidated capital ratios are neutral to the effects of changes in exchange rates.

OPERATING AND FINANCIAL REVIEW

This section presents the management discussion and analysis of the Group's operations and financial position for the past three fiscal years. The financial information presented in this section is extracted from the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A) and the 2023 Financial Report (attached to this U.S. Disclosure Document as part of Annex B).

This section is prepared on a continuing operations basis.

CONDENSED CONSOLIDATED INCOME STATEMENT INFORMATION

	Years ended 30 September		
	2024 $M	**2023 $M**	**2022 $M**
Net interest income	**16,037**	16,568	14,874
Other operating income[1]	**4,484**	3,910	4,552
Operating income	**20,521**	20,478	19,426
Operating expenses	**(10,669)**	(10,087)	(9,579)
Profit before credit impairment and income tax	**9,852**	10,391	9,847
Credit impairment (charge)/release	**(406)**	(245)	232
Profit before income tax	**9,446**	10,146	10,079
Income tax expense	**(2,816)**	(2,945)	(2,940)
Non-controlling interests	**(35)**	(28)	(1)
Profit from continuing operations	**6,595**	7,173	7,138
Profit from discontinued operations	**-**	-	(19)
Profit attributable to shareholders of the Company	**6,595**	7,173	7,119

[1] *Includes Other operating income, Net income from insurance business and Share of associates' profit/(loss) as presented in the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A) and 2023 Financial Report (attached to this U.S. Disclosure Document as part of Annex B).*

Group results

Comparison of 2024 with 2023

Profit from continuing operations decreased $578 million (8%) compared with the 2023 fiscal year mainly due to:

- Net interest income decreased $531 million (3%) driven by a 13 basis points ("bps") decrease in net interest margin, partially offset by a $48.8 billion (5%) increase in average interest earning assets. The decrease of 13 bps was driven by home loan pricing competition, Markets activities impacted by higher funding costs, primarily on commodity assets, where the related revenues are recognised as other operating income, and higher wholesale funding issuance volume, partially offset by higher earnings on capital and replicating deposits. The increase in average interest earning assets was driven by higher Markets activities, lending growth across the Australia Retail, Australia Commercial and New Zealand divisions, and the acquisition of Suncorp Bank, partially offset by lower lending in the Institutional division. Refer to "Analysis of Major Income and Expense Items" on pages 46 to 47 for further details on key movements.
- Other operating income increased $574 million (15%) driven by a $392 million increase in Markets other operating income from more favourable trading conditions and higher transaction activity, a $172 million increase from net favourable unrealised mark-to-market movements on economic hedges and revenue and expense hedges, and a $43 million increase from a loss of disposal of data centres in Australia and $26 million from unfavourable valuation adjustments, both in the prior year. This was partially offset by a $91 million decrease in share of associates' profit. Refer to "Analysis of Major Income and Expense Items" on pages 48 to 50 for further details on key movements.
- Operating expenses increased $582 million (6%) driven by inflationary impacts, higher costs associated with strategic initiatives, the impact from the acquisition of Suncorp Bank and restructuring costs. This was partially offset by productivity initiatives and the initial one-off levy under the Compensation Scheme of Last Resort ("CSLR") in the prior year. Refer to "Analysis of Major Income and Expense Items" on page 51 for further details on key movements.
- Credit impairment increased $161 million (66%) driven by a $110 million increase in collectively assessed credit impairment driven by $244 million from Suncorp Bank, partially offset by improvement in economic outlook, and a $51 million increase in individually assessed credit impairment. Refer to "Analysis of Major Income and Expense Items" on pages 52 to 54 for further details on key movements.

Comparison of 2023 with 2022

Profit from continuing operations increased $35 million compared with the 2022 fiscal year mainly due to:

- Net interest income increased $1,694 million (11%) driven by a $65.5 billion (7%) increase in average interest earning assets and a 7 bps increase in net interest margin. The increase in average interest earning assets was driven by lending growth across all divisions, higher liquid assets and the impact of foreign currency translation. The increase of 7 bps was driven by favourable deposit margins, higher earnings on capital and replicating deposits, and favourable lending mix. This was partially offset by home loan pricing competition, unfavourable deposit mix, and Markets activities impacted by higher funding costs, primarily on commodity assets, where the related revenues are recognised as Other operating income. Refer to "Analysis of Major Income and Expense Items" on pages 46 to 47 for further details on key movements.
- Other operating income decreased $642 million (14%) primarily driven by a $1,313 million decrease from unfavourable unrealised mark-to-market movements on economic hedges and revenue and expense hedges, a $232 million decrease from business divestments/closures, $98 million of lower realised gains on economic hedges against foreign currency denominated revenue streams offsetting net favourable foreign currency translations elsewhere in the Group, and a $43 million decrease from the loss on disposal of data centres in Australia. This was partially offset by a $1,063 million increase in Markets other operating income from increased customer activity and more favourable trading conditions. Refer to "Analysis of Major Income and Expense Items" on pages 48 to 50 for further details on key movements.

- Operating expenses increased $508 million (5%) driven by inflationary impacts, incremental costs associated with strategic initiatives, higher Suncorp Bank acquisition related costs, costs previously attributed to discontinued operations, and the initial CSLR levy. This was partially offset by productivity initiatives and investment re-prioritisation. Refer to “Analysis of Major Income and Expense Items” on page 51 for further details on key movements.
- Credit impairment increased $477 million driven by increases in both collectively assessed and individually assessed credit impairment. Refer to “Analysis of Major Income and Expense Items” on pages 52 to 54 for further details on key movements.

ANALYSIS OF MAJOR INCOME AND EXPENSE ITEMS

Net interest income

The following tables summarise net interest income, net interest margin, average interest earning assets and average deposits and other borrowings for the Group and for the Australia Retail, Australia Commercial, Institutional (excluding Markets business unit), New Zealand and Suncorp Bank divisions.

	Years ended 30 September		
Group	**2024 $M**	**2023 $M**	**2022 $M**
Net interest income[1]	**16,037**	16,568	14,874
Average interest earning assets[2]	**1,024,290**	975,540	910,037
Average deposits and other borrowings[2]	**859,844**	825,113	780,373
Net interest margin (%)	**1.57**	1.70	1.63
Group (excluding Markets business unit)			
Net interest income	**16,168**	16,384	14,167
Average interest earning assets	**688,685**	686,181	652,453
Average deposits and other borrowings	**659,554**	628,373	601,123
Net interest margin (%)	**2.35**	2.39	2.17

	Years ended 30 September		
Net interest margin by major divisions[1]	**2024 $M**	**2023 $M**	**2022 $M**
Australia Retail			
Net interest margin (%)	**1.91**	2.22	2.25
Average interest earning assets[2]	**273,252**	257,354	245,448
Average deposits and other borrowings[2]	**171,580**	156,099	145,794
Australia Commercial[3]			
Net interest margin (%)	**2.59**	2.70	2.10
Average interest earning assets[2]	**64,553**	61,130	58,867
Average deposits and other borrowings[2]	**115,836**	112,821	115,097
Institutional (excl. Markets business unit)			
Net interest margin (%)[4]	**2.38**	2.31	1.93
Average interest earning assets[2]	**162,881**	166,879	155,137
Average deposits and other borrowings[2]	**161,207**	159,008	154,854
New Zealand			
Net interest margin (%)	**2.57**	2.64	2.47
Average interest earning assets[2]	**122,448**	119,510	116,325
Average deposits and other borrowings[2]	**106,084**	102,296	101,355
Suncorp Bank			
Net interest margin (%)	**1.93**	-	-
Average interest earning assets[2,5]	**13,011**	-	-
Average deposits and other borrowings[2,5]	**10,488**	-	-

[1] *Includes the Major Bank Levy of -$389 million for the 2024 fiscal year (2023 fiscal year: -$353 million, 2022 fiscal year: -$340 million).*

[2] *Averages are calculated using predominantly daily averages.*

[3] *Australia Commercial division generates positive net interest income from surplus deposits held. Accordingly, $57.6 billion of average deposits for the 2024 fiscal year (2023 fiscal year: $58.4 billion, 2022 fiscal year: $63.4 billion) have been included with average net interest earning assets for the net interest margin calculation to align with internal management reporting view.*

[4] *Net interest margin for the Institutional division including the Markets business unit was 0.75% for the 2024 fiscal year (2023 fiscal year: 0.89%, 2022 fiscal year: 0.90%).*

[5] *Based on 2 months of balances from the date of acquisition. The average balance for the 2 months in isolation was $78,069 million for average interest earning assets and $62,928 million for average deposits and other borrowings.*

Comparison of 2024 with 2023

The decrease in net interest income of $531 million (3%) was driven by:

Net interest margin (-13 bps)

- Assets pricing (-8 bps): driven by home loan pricing competition in the Australia Retail division.
- Deposits pricing and wholesale funding (-2 bps): driven by higher wholesale funding issuance volume including the replacement of the Term Funding Facility ("TFF").
- Assets and funding mix (0 bps): driven by favourable asset mix due to reduction in the volume of lower margin liquid assets, offset by unfavourable deposit mix with a shift toward lower margin term deposits.

- Capital and replicating portfolio (+5 bps): driven by higher interest rates, partially offset by lower volumes including a reduction in capital due to the completion of Suncorp Bank acquisition and the share buy-back.
- Markets activities (-8 bps): lower net interest income was driven by higher funding costs, primarily on commodity assets where the related revenues are recognised as Other operating income, and higher average volume growth relative to the Group.

Average interest earning assets

Average interest earning assets increased $48.8 billion (5%) driven by:

- Average trading assets and investment securities increased $36.8 billion (29%) driven by higher Markets activities and the acquisition of Suncorp Bank.
- Average net loans and advances increased $32.1 billion (5%) driven by lending growth across the Australia Retail, Australia Commercial, and New Zealand divisions, and the acquisition of Suncorp Bank. This was partially offset by a decrease in the Institutional division.
- Average cash and other liquid assets decreased $20.2 billion (10%) driven by lower central bank balances held following the maturity of the TFF, partially offset by higher reverse repurchase agreements and higher settlement balances owed to ANZ.

Average deposits and other borrowings

- Average deposits and other borrowings increased $34.7 billion (4%) driven by higher term deposits, the acquisition of Suncorp Bank and higher commercial paper, partially offset by lower repurchase agreements.

Comparison of 2023 with 2022

The increase in net interest income of $1,694 million (11%) was driven by:

Net interest margin (+7 bps)

- Assets pricing (-19 bps): primarily driven by home loan pricing competition in the Australia Retail and New Zealand divisions.
- Deposits pricing (+32 bps): driven by favourable deposit margins from a rising interest rate environment.
- Assets and funding mix (-8 bps): driven by unfavourable deposit mix with a shift towards lower margin term deposits, and increased term wholesale funding relative to customer deposits, partially offset by favourable lending mix with a shift towards higher margin variable rate home loans.
- Capital and replicating portfolio (+11 bps): primarily driven by higher interest rates, partially offset by lower volumes.
- Wholesale funding (-1 bps): driven by higher wholesale funding rates.
- Liquidity (-2 bps): driven by growth in lower yielding liquid assets to replace the Committed Liquidity Facility (“CLF”) which ceased during the year, and other increases in liquid assets to meet regulatory compliance requirements.
- Markets activities (-6 bps): lower net interest income was driven by higher funding costs, primarily on commodity assets where the related revenues are recognised as Other operating income.

Average interest earning assets

Average interest earning assets increased $65.5 billion (7%) driven by:

- Average net loans and advances increased $36.9 billion (6%) driven by lending growth across all divisions, and the impact of foreign currency translation.
- Average trading assets and investment securities increased $4.9 billion (4%) driven by higher debt investment securities partially offset by the impact of foreign currency translation.
- Average cash and other liquid assets increased $23.8 billion (14%) driven by higher reverse repurchase agreements, higher central bank balances and higher settlement balances owed to ANZ.

Average deposits and other borrowings

Average deposits and other borrowings increased $44.7 billion (6%) driven by growth in term deposits across all divisions, higher deposits and repurchase agreements from other banks, higher certificates of deposit, and the impact of foreign currency translation. This was partially offset by lower at-call deposits.

Other operating income

	Years ended 30 September		
	2024 $M	2023 $M	2022 $M
Net fee and commission income[1]	**1,854**	1,855	1,907
Markets other operating income	**2,315**	1,923	860
Share of associates' profit/(loss)	**134**	225	177
Economic hedges[2]	**(368)**	(305)	802
Revenue and expense hedges[3]	**106**	(129)	77
Other[1,4]	**443**	341	729
Total other operating income[5,6]	**4,484**	3,910	4,552

[1] *Excludes the Markets business unit.*

[2] *Represents unrealised gains and losses on economic hedges used to manage interest rate and foreign exchange risk and the ineffective portion of designated accounting hedges.*

[3] *Represents unrealised gains and losses on revenue and expense hedges used to hedge large foreign exchange currency denominated revenue and expense streams.*

[4] *Includes foreign exchange earnings and net income from insurance business.*

[5] *Includes Other operating income, Net income from insurance business and Share of associates' profit/(loss) as presented in the Income Statement in 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A) and 2023 Financial Report (attached to this U.S. Disclosure Document as part of Annex B).*

[6] *Suncorp Bank division contributed $6 million in 2024 for the 2 months ended post acquisition.*

The Markets business unit is managed on a total revenue basis, with volatility in the Net interest income component not being a true reflection of overall return for the business. Markets Net interest income and Other operating income are summarised in the table below with corresponding commentaries provided on total markets income basis.

	Years ended 30 September		
Markets income	2024 $M	2023 $M	2022 $M
Net interest income[1]	**(131)**	184	707
Other operating income[1]	**2,315**	1,923	860
Total Markets income	**2,184**	2,107	1,567

[1] *Net interest income includes funding costs in the Franchise trading book, primarily on commodity assets, where the related revenue is recognised as Other operating income.*

Comparison of 2024 with 2023

Other operating income increased $574 million (15%). Excluding Suncorp Bank, Other operating income increased (14%). Key factors affecting the result were:

Net fee and commission income

Net fee and commission income decreased $1 million driven by:

- $22 million decrease in the Australia Commercial division driven by lower non-lending fees.
- $15 million decrease in the Australia Retail division driven by lower cards revenue.
- $36 million increase in the Institutional division (excluding Markets business unit) driven by higher transaction activity in Corporate Finance and Transaction Banking.

Markets income

Markets income increased $77 million (4%) with a $392 million increase in Other operating income, partially offset by a $315 million decrease in Net interest income. The decrease in Net interest income was driven by higher funding costs in the Franchise trading book, primarily on commodity assets, where the related customer revenues are recognised as Other operating income. The net $77 million increase was attributable to the following business activities:

- $123 million increase in Franchise Revenue was driven by Credit and Capital Markets, Rates and Commodities, partially offset by Foreign Exchange. Credit and Capital Markets revenue increased due to increased customer issuance activity, and credit spreads generally tightened resulting in trading gains. Rates revenue increased due to higher customer demand for hedging and financing solutions, and trading gains amid lower interest rate volatility. Commodities revenue increased due to sustained customer demand for hedging solutions and more favourable trading conditions in precious metals, particularly in the March 2024 half. This was partially offset by a decrease in Foreign Exchange revenue as less directional trends in key currency pairs than the prior year resulted in reduced customer demand and lower trading gains.
- $49 million increase in Derivative valuation adjustments driven by gains (net of hedges) from favourable credit and funding spread movements.
- $95 million decrease in Balance Sheet revenues from the impact of fewer short-term interest rate increases than the prior year, partially offset by higher revenues from increased investment securities holdings.

Share of associates' profit/(loss)

- Share of associates' profit/(loss) decreased $91 million (40%) driven by the loss of equity accounted earnings following the disposal of AMMB Holdings Berhad ("AmBank") ($56 million), and a decrease in P.T. Bank Pan Indonesia ("PT Panin") ($54 million).

Economic hedges

Economic hedges income decreased $63 million (21%) driven by:

- For the 2024 fiscal year, losses on economic hedges relate to funding-related swaps, principally from narrowing USD/EUR currency basis spreads and the weakening of the USD against the AUD. Further losses were driven by the impact of falling AUD and NZD yield curves on net pay fixed economic hedge positions.
- For the 2023 fiscal year, losses on economic hedges relate to funding-related swaps, principally from narrowing USD/EUR and USD/JPY currency basis spreads. Further losses were driven from yield curve movements impacts on net pay fixed economic hedge positions.

Revenue and expense hedges

Revenue and expense hedges income increased $235 million driven by:

- For the 2024 fiscal year, the gain on revenue and expense hedges was mainly due to the appreciation of AUD against the USD and NZD.
- For the 2023 fiscal year, the loss on revenue and expense hedges was mainly due to the depreciation of AUD against the NZD.

Other

Other income increased $102 million (30%) driven by:

- $68 million increase in the Group Centre division driven by:
  - $69 million net increase from non-recurring items in the prior year, including unfavourable valuation adjustments from investments measured at FVTPL, a loss on disposal of data centres in Australia, and favourable adjustment to the gain on sale relating to the completed UDC Finance divestment,
  - $27 million increase from release of excess provision following legal settlements,
  - $19 million increase from dividend received from Bank of Tianjin (“BoT”),
  - $21 million decrease from lower gains from recycling of foreign currency translation reserves (“FCTR”) from other comprehensive income (“OCI”) to profit or loss on dissolution of a number of international entities, and
  - $21 million decrease from a loss on disposal of investment in AmBank.
- $26 million increase in the Institutional (excluding Markets business unit) division driven by valuation losses in the prior year relating to USD capital held in overseas operation to meet local regulatory requirements ($16 million) and higher volume-driven foreign exchange revenue in Transaction Banking ($8 million).
- $11 million increase in the Pacific division driven by higher foreign exchange revenue from increased tourism.
- $11 million decrease in the New Zealand division driven by a gain on disposal of data centres in the prior fiscal year.

Comparison of 2023 with 2022

Other operating income decreased by $642 million (14%). Key factors affecting the result were:

Net fee and commission income

Net fee and commission income decreased $52 million (3%) driven by:

- $82 million decrease in the Australia Commercial division driven by lower revenue post Worldline business divestment in the prior year, partially offset by higher cards revenue reflecting an increase in commercial spending.
- $30 million decrease in the New Zealand division primarily driven by lower cards revenue due to regulatory fee changes introduced in 2022.
- $69 million increase in the Australia Retail division driven by higher cards revenue reflecting an increase in consumer spending, and higher home loan offset account and annual card fees as waivers related to the transition of Breakfree Package concluded.

Markets income

Markets income increased $540 million (34%) with a $1,063 million increase in Other operating income, partially offset by a $523 million decrease in Net interest income. The decrease in Net interest income was driven by higher funding costs, including on commodity assets where the related revenues were recognised as Other operating income. The $540 million increase was attributable to the following business activities:

- $262 million increase in Franchise Revenue across all business lines and geographies. Customer demand for foreign exchange and interest rate hedging products was strong amid continuing interest rate differentials across major currencies, and Capital Markets saw higher customer issuance levels. Higher trading revenues resulted from reduced currency and interest rate volatility, tightening credit spreads and favourable trading conditions in precious metal commodities.
- $197 million increase in Balance Sheet driven by favourable yield curve movements and portfolio repricing.
- $81 million increase in Derivative Valuation Adjustments with gains from tightening credit spreads, and lower currency and interest rate volatility.

Share of associates’ profit/(loss)

- Share of associates’ profit/(loss) increased $48 million (27%) driven by PT Panin ($41 million) and AmBank ($13 million).

Economic hedges

Economic hedges income decreased $1,107 million driven by:

- For the 2023 fiscal year, losses on economic hedges relate to funding-related swaps, principally from narrowing USD/EUR and USD/JPY currency basis spreads. Further losses were driven from yield curve movements impacts on net pay fixed economic hedge positions, largely during the first half of 2023.

- For the 2022 fiscal year, the majority of the gain on economic hedges relates to funding-related swaps, principally from the weakening of AUD and NZD against USD, widening AUD/USD currency basis spreads and the impact of rising interest rates on the economic hedges of select structured finance and specialised leasing transactions.

Revenue and expense hedges

Revenue and expense hedges income decreased $206 million driven by:

- For the 2023 fiscal year, the loss on revenue and expense hedges was mainly due to the depreciation of AUD against the NZD.
- For the 2022 fiscal year, the gain on revenue and expense hedges relates to fair value movements, mainly due to the appreciation of AUD against the NZD.

Other

Other income decreased $388 million (53%) driven by:

- $215 million decrease in the Australia Commercial division driven by business divestment impacts in the prior year, including a gain on completion of the ANZ Worldline partnership ($307 million) and a loss on sale of the financial planning and advice business ($62 million). This was partially offset by a gain on sale of the Investment Lending business ($8 million) and higher income for services provided to Worldline Australia Pty Ltd ($6 million).
- $124 million decrease in the Group Centre division driven by:
    - $98 million decrease from lower realised gains on economic hedges against foreign currency denominated revenue streams offsetting net favourable foreign currency translations elsewhere in the Group,
    - $48 million decrease from unfavourable valuation adjustments from investments measured at fair value through profit or loss,
    - $43 million decease from a loss on disposal of data centres in Australia,
    - $23 million decrease from a net gain on modification of a significant lease arrangement in the prior year,
    - $21 million decrease from lower premises rental income due the exit of 55 Collins Street Melbourne in the prior year, and
    - $108 million increase from the net impact from recycling of foreign currency translation reserves from other comprehensive income to profit or loss on dissolution of a number of international entities in the current and prior year.
- $31 million decrease in the Institutional division driven primarily by valuation losses relating to USD capital held in overseas operations to meet local regulatory requirements.
- $21 million decrease in the Australia Retail division driven by lower insurance-related income.
- $21 million decrease in the New Zealand division driven by the gain on sale of government securities in the prior year.
- $24 million increase in the Pacific division primarily driven by higher foreign exchange income from increased activities.

Operating expenses

	Years ended 30 September		
	2024 $M	**2023 $M**	**2022 $M**
Personnel	**6,140**	5,736	5,296
Premises	**688**	684	721
Technology	**1,894**	1,686	1,621
Restructuring	**235**	169	101
Other	**1,712**	1,812	1,840
Total operating expenses[1]	**10,669**	10,087	9,579
Total full time equivalent staff[2]	**42,142**	40,119	39,172
Average full time equivalent staff	**40,379**	39,674	39,672

[1] *Suncorp Bank division contributed $188 million in 2024 for the 2 months post acquisition.*

[2] *Includes 2,798 FTE from Suncorp Bank division.*

Comparison of 2024 with 2023

Operating expenses increased by $582 million (6%). Excluding Suncorp Bank division, Operating expenses increased $394 million (4%).

- Personnel expenses increased $404 million (7%) driven by inflationary impacts on wages including an increase in employee leave provisions, impact from acquisition of Suncorp Bank, and higher resourcing associated with strategic initiatives. This was partially offset by benefits from productivity initiatives.
- Technology expenses increased $208 million (12%) driven by driven by higher software licence costs, inflationary impacts on vendor costs, and impact from acquisition of Suncorp Bank including accelerated amortisation expense on alignment to the Group's software capitalisation policy. This was partially offset by benefits from technology simplification.
- Restructuring expenses increased $66 million (39%) driven by operational changes across the Group.
- Other expenses decreased $100 million (6%) driven by driven by the initial one-off CSLR levy in the 2023 fiscal year and benefits from productivity initiatives. This was partially offset by impact from acquisition of Suncorp Bank.

Comparison of 2023 with 2022

Operating expenses increased by $508 million (5%):

- Personnel expenses increased $440 million (8%) driven by incremental costs associated with strategic initiatives, inflationary impacts on wages including an increase in leave provisions, costs previously attributed to discontinued operations, and the impact of unfavourable foreign currency translation. This was partially offset by productivity initiatives and investment re-prioritisation.
- Premises expenses decreased by $37 million (5%) driven by the lease exit on modification of a significant lease arrangement in the prior year.
- Technology expenses increased $65 million (4%) driven by incremental costs associated with strategic initiatives, higher software licence costs, inflationary impacts on vendor costs, and costs previously attributed to discontinued operations. This was partially offset by benefits from technology simplification, investment re-prioritisation, and lower amortisation.
- Restructuring expenses increased $68 million (67%) driven by operational changes across all divisions.
- Other expenses decreased $28 million (2%) driven by the disposal of non-banking businesses as part of the Restructure, and investment re-prioritisation. This was partially offset by higher Suncorp Bank acquisition-related costs and the initial one-off CSLR levy.

Credit risk

The Group's assessment of ECL from its credit portfolio is subject to judgements and estimates made by management based on a variety of internal and external information, as well as the Group's experience of the performance of the portfolio under a variety of conditions. Refer to Note 13 of the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A) and 2023 Financial Report (attached to this U.S. Disclosure Document as part of Annex B) for further information.

Suncorp Bank acquisition related adjustment

The collectively assessed credit impairment charge for the 2024 fiscal year includes $244 million for Suncorp Bank's performing loans and advances. In accordance with Australian Accounting Standards requirements, the Group consolidated Suncorp Bank's loans and advances on 31 July 2024, however the Group was not permitted to recognise an allowance for ECL on the performing loans and advances, leading to a proportional reduction in acquisition-related goodwill that would otherwise have been recognised. Subsequently, the Group was required to recognise a collectively assessed allowance for ECL estimated using the Group's ECL methodologies, with a corresponding collectively assessed credit impairment charge recognised in the Group's Income Statement.

Credit impairment charge/(release)

	Years ended 30 September		
	2024 $M	**2023 $M**	**2022 $M**
Collectively assessed credit impairment charge/(release)	**262**	152	(311)
Individually assessed credit impairment charge/(release)	**144**	93	79
Total credit impairment charge/(release)	**406**	245	(232)

Credit impairment charge/(release) analysis

	Years ended 30 September		
	2024 $M	**2023 $M**	**2022 $M**
New and increased provisions (net of releases)			
- Collectively assessed	**262**	152	(311)
- Individually assessed	**465**	476	520
Write-backs	**(184)**	(216)	(233)
Recoveries of amounts previously written-off	**(137)**	(167)	(208)
Total credit impairment charge	**406**	245	(232)

Credit impairment charge/(release) by division

	Years ended 30 September		
	2024 $M	**2023 $M**	**2022 $M**
Collectively assessed			
Australia Retail	**(29)**	55	(169)
Australia Commercial	**8**	65	(170)
Institutional	**57**	(31)	(13)
New Zealand	**(14)**	86	61
Suncorp Bank	**244**	-	-
Pacific	**(6)**	(22)	(19)
Group Centre	**2**	(1)	(1)
Total collectively assessed	**262**	152	(311)
Individually assessed			
Australia Retail	**100**	80	40
Australia Commercial	**72**	42	37
Institutional	**(67)**	(49)	(14)
New Zealand	**42**	26	(16)
Suncorp Bank	**(1)**	-	-
Pacific	**(2)**	(6)	13
Group Centre	**-**	-	19
Total individually assessed	**144**	93	79
Total credit impairment charge/(release)			
Australia Retail	**71**	135	(129)
Australia Commercial	**80**	107	(133)
Institutional	**(10)**	(80)	(27)
New Zealand	**28**	112	45
Suncorp Bank	**243**	-	-
Pacific	**(8)**	(28)	(6)
Group Centre	**2**	(1)	18
Total credit impairment charge/(release)	**406**	245	(232)

	Collectively assessed				**Individually assessed**			
2024 Fiscal Year	**Stage 1 $M**	**Stage 2 $M**	**Stage 3 $M**	**Total collectively assessed $M**	**Stage 3 - New and increased $M**	**Stage 3 - Recoveries and write-backs $M**	**Total individually assessed $M**	**Total $M**
Australia Retail	2	(71)	40	**(29)**	194	(94)	**100**	**71**
Australia Commercial	9	(43)	42	**8**	138	(66)	**72**	**80**
Institutional	15	10	32	**57**	56	(123)	**(67)**	**(10)**
New Zealand	(1)	(16)	3	**(14)**	72	(30)	**42**	**28**
Suncorp Bank	93	150	1	**244**	1	(2)	**(1)**	**243**
Pacific	(2)	3	(7)	**(6)**	4	(6)	**(2)**	**(8)**
Group Centre	2	-	-	**2**	-	-	**-**	**2**
Total	118	33	111	**262**	465	(321)	**144**	**406**
2023 Fiscal Year								
Australia Retail	(27)	91	(9)	**55**	192	(112)	**80**	**135**
Australia Commercial	57	21	(13)	**65**	127	(85)	**42**	**107**
Institutional	79	(94)	(16)	**(31)**	99	(148)	**(49)**	**(80)**
New Zealand	(3)	76	13	**86**	53	(27)	**26**	**112**
Suncorp Bank	-	-	-	-	-	-	-	-
Pacific	4	(13)	(13)	**(22)**	5	(11)	**(6)**	**(28)**
Group Centre	(1)	-	-	**(1)**	-	-	**-**	**(1)**
Total	109	81	(38)	**152**	476	(383)	**93**	**245**
2022 Fiscal Year								
Australia Retail	6	(159)	(16)	**(169)**	218	(178)	**40**	**(129)**
Australia Commercial	71	(214)	(27)	**(170)**	194	(157)	**37**	**(133)**
Institutional	104	(117)	-	**(13)**	50	(64)	**(14)**	**(27)**
New Zealand	42	15	4	**61**	39	(55)	**(16)**	**45**
Suncorp Bank	-	-	-	**-**	-	-	**-**	**-**
Pacific	(2)	(13)	(4)	**(19)**	19	(6)	**13**	**(6)**
Group Centre	(1)	-	-	**(1)**	-	19	**19**	**18**
Total	220	(488)	(43)	**(311)**	520	(441)	**79**	**(232)**

Collectively assessed credit impairment charge/(release)

- **Comparison of 2024 with 2023**

  The collectively assessed impairment charge of $262 million for the 2024 fiscal year was driven by deterioration in credit risk profile across all divisions, the acquisition of Suncorp Bank, and portfolio growth. This was partially offset by a reduction in management temporary adjustments as anticipated risks are now represented in the portfolio credit profiles, and an improvement in economic outlook.

  The collectively assessed impairment charge of $152 million for the 2023 fiscal year was driven by deterioration in the economic outlook, and deterioration in credit risk profile across all divisions. This was partially offset by favourable changes in portfolio composition, particularly in the Institutional division.

- **Comparison of 2023 with 2022**

  The collectively assessed impairment charge of $152 million for the 2023 fiscal year was driven by deterioration in the economic outlook and deterioration in credit risk profile across all divisions. This was partially offset by favourable changes in portfolio composition, particularly in the Institutional division.

  The collectively assessed impairment release of $311 million for the 2022 fiscal year was driven by improvements in credit risk, favourable changes in portfolio composition, and a net release of management temporary adjustments. This was partially offset by an increase of downside risks associated with the economic outlook.

Individually assessed credit impairment charge/(release)

- **Comparison of 2024 with 2023**

  The individually assessed credit impairment charge increased $51 million (55%) driven by increases in the Australia Commercial division ($30 million) due to higher new impairment flows in the SME Banking portfolio, the Australia Retail division ($20 million) due to higher new impairment flows in the unsecured portfolio, and the New Zealand division ($16 million) due to higher new impairment flows mainly in the Business & Agri portfolio. This was partially offset by a decrease in the Institutional division ($18 million) due to lower new impairment flows.

- **Comparison of 2023 with 2022**

  The individually assessed credit impairment charge increased $14 million (18%) driven by increases in the New Zealand ($42 million) and the Australia Retail division ($40 million) due to lower write-backs and recoveries. This was partially offset by decreases in the Institutional division ($35 million) due to write-back of a single name exposure, and the Pacific division ($19 million) due to higher write-backs.

Allowance for expected credit losses[1]

	As at 30 September		
	2024 $M	2023 $M	2022 $M
Collectively assessed allowance for ECL	**4,247**	4,032	3,853
Individually assessed allowance for ECL	**308**	376	542
Total allowance for ECL	**4,555**	4,408	4,395
Net loans and advances at amortised cost	**3,675**	3,546	3,582
Off-balance sheet commitments - undrawn and contingent	**846**	827	775
Investment securities - debt securities at amortised cost	**34**	35	38
Total allowance for ECL	**4,555**	4,408	4,395

Allowance for expected credit losses by division[1]

	As at 30 September		
	2024 $M	2023 $M	2022 $M
Collectively assessed			
Australia Retail	**925**	954	899
Australia Commercial	**1,049**	1,041	976
Institutional	**1,438**	1,425	1,452
New Zealand	**539**	560	448
Suncorp Bank	**248**	-	-
Pacific	**45**	52	77
Group Centre	**3**	-	1
Total collectively assessed	**4,247**	4,032	3,853
Individually assessed			
Australia Retail	**54**	63	75
Australia Commercial	**133**	127	188
Institutional	**58**	126	200
New Zealand	**51**	40	46
Suncorp Bank	**-**	-	-
Pacific	**12**	20	33
Group Centre	**-**	-	-
Total individually assessed	**308**	376	542
Allowance for ECL			
Australia Retail	**979**	1,017	974
Australia Commercial	**1,182**	1,168	1,164
Institutional	**1,496**	1,551	1,652
New Zealand	**590**	600	494
Suncorp Bank	**248**	-	-
Pacific	**57**	72	110
Group Centre	**3**	-	1
Total allowance for ECL	**4,555**	4,408	4,395

[1] *Includes allowance for ECL for Net loans and advances - at amortised cost, Investment securities - debt securities at amortised cost and Off-balance sheet commitments - undrawn and contingent facilities. For Investment securities - debt securities at FVOCI, the allowance for ECL is recognised in Other comprehensive income with a corresponding charge to profit or loss.*

Allowance for expected credit losses by division, cont'd[1]

	Collectively assessed				Individually assessed	
As at September 2024	**Stage 1 $M**	**Stage 2 $M**	**Stage 3 $M**	**Total $M**	**Stage 3 $M**	**Total $M**
Australia Retail	121	600	204	**925**	54	**979**
Australia Commercial	418	489	142	**1,049**	133	**1,182**
Institutional	1,180	217	41	**1,438**	58	**1,496**
New Zealand	137	329	73	**539**	51	**590**
Suncorp Bank	92	150	6	**248**	-	**248**
Pacific	18	23	4	**45**	12	**57**
Group Centre	2	1	-	**3**	-	**3**
Total	1,968	1,809	470	**4,247**	308	**4,555**
As at September 2023						
Australia Retail	118	674	162	**954**	63	**1,017**
Australia Commercial	410	531	100	**1,041**	127	**1,168**
Institutional	1,205	210	10	**1,425**	126	**1,551**
New Zealand	139	351	70	**560**	40	**600**
Suncorp Bank	-	-	-	**-**	-	**-**
Pacific	20	20	12	**52**	20	**72**
Group Centre	-	-	-	**-**	-	**-**
Total	1,892	1,786	354	**4,032**	376	**4,408**
As at September 2022						
Australia Retail	145	583	171	**899**	75	**974**
Australia Commercial	352	511	113	**976**	188	**1,164**
Institutional	1,124	303	25	**1,452**	200	**1,652**
New Zealand	134	259	55	**448**	46	**494**
Suncorp Bank	-	-	-	**-**	-	**-**
Pacific	16	36	25	**77**	33	**110**
Group Centre	1	-	-	**1**	-	**1**
Total	1,772	1,692	389	**3,853**	542	**4,395**

[1] *Includes allowance for ECL for Net loans and advances - at amortised cost, Investment securities - debt securities at amortised cost and Off-balance sheet commitments - undrawn and contingent facilities. For Investment securities - debt securities at FVOCI, the allowance for ECL is recognised in Other comprehensive income with a corresponding charge to profit or loss.*

- **Comparison of 2024 with 2023**

  The allowance for ECL increased $147 million (3%) driven by a $215 million increase in collectively assessed allowance for ECL, partially offset by a $68 million decrease in individually assessed allowance for ECL. The increase in collectively assessed allowance for ECL was driven by deterioration in credit risk profile across all divisions ($267 million), additional allowance for ECL for Suncorp Bank ($248 million), and portfolio growth ($88 million). This was partially offset by reduction in management temporary adjustments as anticipated risks are more represented in portfolio credit profiles ($201 million), improvement in economic outlook ($136 million), and reduction from foreign currency translation and other impacts ($51 million). The decrease in individually assessed allowance for ECL was driven by a decrease in the Institutional division ($68 million) due to lower new impairment flows and continued write-backs and recoveries.

- **Comparison of 2023 with 2022**

  The allowance for ECL increased $13 million driven by a $179 million increase in the collectively assessed allowance for ECL, partially offset by a $166 million decrease in the individually assessed allowance for ECL. The increase in collectively assessed allowance for ECL was driven by $171 million for the downside risks associated with the economic outlook, $54 million from deterioration in credit risk, and $30 million from foreign currency translation and other impacts. This was partially offset by $72 million from favourable changes in portfolio composition, particularly in the Institutional division and $4 million reduction in management temporary adjustments. The decrease in individually assessed allowance for ECL was driven by decreases in the Institutional division due to the write-back of a large single name exposure, and Australia Commercial division due to reductions in the level of impaired loans.

Gross impaired assets

	As at 30 September		
	2024 $M	**2023 $M**	**2022 $M**
Gross impaired assets			
Impaired loans[1]	**881**	1,037	1,043
Restructured items[2]	**786**	437	376
Non-performing commitments, contingencies and derivatives[1]	**26**	47	26
Gross impaired assets	**1,693**	1,521	1,445
Gross impaired assets by division			
Australia Retail	**870**	520	390
Australia Commercial	**291**	248	360
Institutional	**284**	562	425
New Zealand	**158**	122	93
Suncorp Bank	**66**	-	-
Pacific	**24**	69	177
Gross impaired assets	**1,693**	1,521	1,445
Gross impaired assets by size of exposure			
Less than $10 million	**1,422**	999	1,084
$10 million to $100 million	**271**	113	131
Greater than $100 million	**-**	409	230
Gross impaired assets	**1,693**	1,521	1,445
Individually assessed provisions			
Impaired loans	**(303)**	(366)	(533)
Non-performing commitments, contingencies and derivatives	**(5)**	(10)	(9)
Net impaired assets	**1,385**	1,145	903

[1] *Impaired loans and non-performing commitments, contingencies and derivatives do not include exposures that are collectively assessed for Stage 3 ECL, which comprise unsecured retail exposures of 90+ days past due and defaulted but well secured wholesale and retail exposures. These collectively assessed exposures are included in Non-performing credit exposures not impaired.*

[2] *Restructured items are facilities where the original contractual terms have been modified for reasons related to the financial difficulties of the customer and are collectively assessed for Stage 3 ECL. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk.*

Comparison of 2024 with 2023

- Gross impaired assets increased $172 million (11%) driven by an increase in the Australia Retail division ($350 million) due to restructured home loan facilities, the acquisition of Suncorp Bank ($66 million), an increase in the Australia Commercial division ($43 million) due to higher new impairment flows from the SME Banking portfolio, and an increase in New Zealand division ($36 million) due to credit deterioration across all portfolios. This was partially offset by a decrease in the Institutional division ($278 million) due to the upgrade of several single name exposures, and a decrease in the Pacific division ($45 million) due to reduced restructured exposures.

Comparison of 2023 with 2022

- Gross impaired assets increased $76 million (5%) driven by increases in the Australia Retail division ($130 million) due to increase in restructured Home Loans facilities, and the Institutional division ($137 million) due to the downgrade of several single name collateralised exposures. This was partially offset by decreases in the Australia Commercial division ($112 million) due to reduced number of downgrades, and the Pacific division ($108 million) due to upgrade of restructured exposures.

The Group's individually assessed provision coverage ratio on impaired assets was 18.2% at 30 September 2024 (2023: 24.7%; 2022: 37.5%). The decrease in ratio was driven by increase in well secured gross impaired assets with no corresponding increase in individually assessed allowance for ECL.

New impaired assets

	As at 30 September		
	2024 $M	**2023 $M**	**2022 $M**
New impaired assets			
Impaired loans[1]	**857**	1,032	798
Restructured items[2]	**599**	284	412
Non-performing commitments and contingencies[1]	**33**	51	28
Total new impaired assets	**1,489**	1,367	1,238
New impaired assets by division			
Australia Retail	**777**	497	481
Australia Commercial	**254**	186	300
Institutional	**239**	525	241
New Zealand	**203**	148	85
Suncorp Bank	**2**	-	-
Pacific	**14**	11	131
Total new impaired assets	**1,489**	1,367	1,238

[1] *Impaired loans and non-performing commitments and contingencies do not include exposures that are collectively assessed for Stage 3 ECL, which comprise unsecured retail exposures of 90+ days past due and defaulted but well secured exposures.*

[2] *Restructured items are facilities where the original contractual terms have been modified for reasons related to the financial difficulties of the customer and are collectively assessed for Stage 3 ECL. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk.*

Comparison of 2024 with 2023

- New impaired assets increased $122 million (9%) driven by the Australia Retail division ($280 million) due to higher new impairment flows from restructured home loan facilities, the Australia Commercial division ($68 million) due to higher new impairment flows from the SME Banking portfolio and well collateralised Agri exposures, and the New Zealand division ($55 million) due to credit deterioration across all portfolios. This was partially offset by the Institutional division ($286 million) due to a lower number of downgrades.

Comparison of 2023 with 2022

- New impaired assets increased $129 million (10%) driven by increases in the Institutional division ($284 million) due to downgrade of several single name collateralised exposures, and the New Zealand division ($63 million) due to increased delinquency in the retail portfolios. This was partially offset by decreases in the Pacific division ($120 million) due to higher restructures in the prior fiscal year, and the Australia Commercial division ($114 million) as delinquency flows remain subdued.

Other potential problem loans

The Group does not use the category “potential problem loans” for loans that continue to accrue interest. The Group’s risk grading systems identify customers that attract a higher probability of default and where necessary these customers receive specialist management attention.

Accruing loans - past due 90 days or more

Set out below are net loans and advances that are past due by 90 days or more. A facility is past due when a contracted payment (principal or interest) has not been met or the facility is outside of contractual arrangements (e.g., an overdraft is over the limit). This category comprises loans that are past due 90 days or more, loans that are well secured and continue to accrue interest, or loans that are past due 90 days or more and are portfolio managed (typically unsecured personal loans and credit cards) that can be held on an accrual basis (continuing to accrue interest) for up to 180 days.

	As at 30 September		
	2024 $M	**2023 $M**	**2022 $M**
Australia Retail	**2,463**	1,778	1,478
Australia Commercial	**354**	376	426
Institutional	**17**	22	50
New Zealand	**776**	610	401
Suncorp Bank	**543**	-	-
Pacific	**20**	53	45
Group Centre	**-**	2	2
Total accruing loans - past due 90 days or more	**4,173**	2,841	2,402

Comparison of 2024 with 2023

- The accruing loans - past due 90 days or more increased by $1,332 million (47%) driven by the acquisition of Suncorp Bank ($543 million), increases in the Australia Retail ($685 million) and New Zealand ($166 million) divisions mainly from home loan portfolios. This was partially offset by decreases in the Pacific ($33 million) and Australia Commercial ($22 million) divisions.

Comparison of 2023 with 2022

- The accruing loans - past due 90 days or more increased by $439 million (18%) driven by the home loan portfolios in the Australia Retail and New Zealand divisions. This was partially offset by the small business banking portfolio in the Australia Commercial division reflecting subdued delinquency flows.

Concentrations of credit risk/loans and advances by industry category

Credit risk becomes concentrated when a number of customers are engaged in similar activities, have similar economic characteristics, or have similar activities within the same geographic region - therefore, these customers may be similarly affected by changes in economic or other conditions. The Group monitors its credit portfolios to manage risk concentration and rebalance the portfolio. The Group also applies single customer counterparty limits to protect against unacceptably large exposures to one single customer.

For further information relating to the Group's credit risk exposures, refer to Note 17 of the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A).

Income tax expense

	Years ended 30 September		
	2024 $M	**2023 $M**	**2022 $M**
Income tax expense	**2,816**	2,945	2,940
Effective tax rate	**29.8%**	29.0%	29.2%
Australian corporate tax rate	**30.0%**	30.0%	30.0%

Comparison of 2024 with 2023

- The effective tax rate increased from 29.0% to 29.8%. The increase of 80 bps was driven by higher non-deductible interest on convertible instruments (41 bps), lower equity accounted earnings (24 bps), and higher prior period adjustments (20 bps), partially offset by higher relative contribution from offshore earnings that attract a lower rate of tax (4 bps) and various other small items (1 bps).

Comparison of 2023 with 2022

- The effective tax rate decreased from 29.2% to 29.0%. The decrease of 20 bps was driven by lower withholding tax expense on foreign dividends (113 bps), lower net non-tax-deductible losses from divestments/closures (38 bps), higher offshore earnings that attract a lower rate of tax (34 bps), and higher equity accounting earnings (15 bps). This was partially offset by the non-tax assessable gain on completion of the Worldline partnership in the prior year (120 bps), higher non-deductible interest on convertible instruments (42 bps), and lower prior period adjustments (29 bps).

CONDENSED CONSOLIDATED BALANCE SHEET INFORMATION

	As at 30 September		
	2024 $B	2023 $B	2022 $B
Assets			
Cash and cash equivalents / Settlement balances owed to ANZ / Collateral paid	**166.5**	186.1	185.6
Trading assets and investment securities	**186.0**	134.0	121.4
Derivative financial instruments	**54.4**	60.4	90.2
Net loans and advances	**804.0**	707.7	672.4
Other[1]	**18.7**	17.9	16.0
Total assets	**1,229.6**	1,106.1	1,085.6
Liabilities			
Settlement balances owed by ANZ / Collateral received	**22.8**	29.7	30.0
Deposits and other borrowings	**905.2**	815.2	797.3
Derivative financial instruments	**55.3**	57.5	85.1
Debt issuances	**156.4**	116.0	93.7
Other[2]	**21.1**	18.6	13.2
Total liabilities	**1,160.8**	1,037.0	1,019.3
Total shareholders' equity[3]	**68.8**	69.1	66.4

[1] *Other comprises Regulatory deposits, Investment in associates, Current tax assets, Deferred tax assets, Goodwill and other intangible assets, Premises and equipment, and Other assets as presented in the Balance Sheet in 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A) and 2023 Financial Report (attached to this U.S. Disclosure Document as part of Annex B).*

[2] *Other comprises Current tax liabilities, Deferred tax liabilities, Payables and other liabilities, Employee entitlements, and Other provisions as presented in the Balance Sheet in 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A) and 2023 Financial Report (attached to this U.S. Disclosure Document as part of Annex B).*

[3] *Total shareholders' equity as at 30 September 2024 includes $0.9 billion reduction in ordinary share capital following the commencement of a $2 billion on-market share buy-back on 3 July 2024.*

Comparison of 2024 with 2023

- Cash / Settlement balances owed to ANZ / Collateral paid decreased $19.6 billion (11%) driven by decreases in balances with central banks ($34.0 billion), and settlement balances owed to ANZ ($3.7 billion), and the impact of foreign currency translation. This was partially offset by increases in reverse repurchase agreements ($12.5 billion), and overnight interbank deposits ($8.2 billion).
- Trading assets and investment securities increased $52.0 billion (39%) driven by increases in government and semi-government bonds and treasury bills, and the acquisition of Suncorp Bank ($11.6 billion), partially offset by the impact of foreign currency translation.
- Net loans and advances increased $96.3 billion (14%) driven by the acquisition of Suncorp Bank ($70.9 billion), increases in the Australia Retail ($20.3 billion) and New Zealand ($3.2 billion) divisions due to home loan growth, and the Institutional ($5.2 billion) and Australia Commercial ($3.5 billion) divisions due to higher lending volumes, partially offset by the impact of foreign currency translation.
- Settlement balances owed by ANZ / Collateral received decreased $6.9 billion (23%) driven by decreases in collateral received and cash clearing accounts.
- Deposits and other borrowings increased $90.0 billion (11%) driven by the acquisition of Suncorp Bank ($62.3 billion), higher customer deposits in the Australia Retail ($12.0 billion), Institutional ($7.2 billion), New Zealand ($3.1 billion) and Australia Commercial ($2.9 billion) divisions, increases in commercial paper ($14.5 billion), and deposits from banks and repurchase agreements ($8.8 billion), partially offset by the impact of foreign currency translation.
- Debt issuances increased $40.4 billion (35%) driven by the issue of new senior and subordinated debt, including ANZ Capital Notes 9, partially offset by the redemption of ANZ Capital Notes 4, and the acquisition of Suncorp Bank ($16.6 billion).

Comparison of 2023 with 2022

- Trading assets and investment securities increased $12.6 billion (10%) driven by an increase in government and semi-government bonds, and treasury bills.
- Derivative financial assets and liabilities decreased $29.8 billion (33%) and $27.6 billion (32%) respectively driven by market rate movements and maturing prior period foreign exchange spot and forwards positions.
- Net loans and advances increased $35.3 billion (5%) driven by home loan growth in the Australia Retail ($21.6 billion) and New Zealand ($3.0 billion) divisions, higher lending volumes in the Australia Commercial ($1.8 billion) and Institutional ($1.8 billion) divisions and the impact of foreign currency translation.
- Deposits and other borrowings increased $17.9 billion (2%) driven by increases in customer deposits in the Australia Retail ($14.8 billion), Institutional ($2.7 billion) and New Zealand ($1.8 billion) divisions, an increase in certificates of deposit ($7.8 billion) and the impact of foreign currency translation. This was partially offset by decreases in deposits from banks and repurchase agreements ($11.2 billion) and commercial paper ($6.3 billion).
- Debt issuances increased $22.3 billion (24%) driven by the issue of new senior and subordinated debt, including ANZ Capital Notes 8.

RESULTS BY DIVISION

For further information on the composition of the divisions refer to “Section 2: Information on the Group - Principal Activities”.

The Group measures the performance of operating segments on a cash profit basis, a non-IFRS measure which represents how the segments are managed internally. To calculate cash profit, the Group excludes items from profit after tax attributable to shareholders. For the current and prior periods, the adjustments relate to impacts of economic hedges and revenue and expense hedges which represent timing differences that will reverse through earnings in the future. Transactions between divisions across segments within the Group are conducted on an arm’s-length basis and where relevant disclosed as part of the income and expenses of these segments.

The divisions reported are consistent with internal reporting provided to the chief operating decision maker, being the Chief Executive Officer.

Year ended 30 September 2024	Australia Retail $M	Australia Commercial $M	Institutional $M	New Zealand $M	Suncorp Bank $M	Pacific $M	Group Centre $M	Group Total $M
Net interest income	5,223	3,164	3,741	3,143	251	123	392	16,037
Net fee and commission income	531	300	740	399	6	14	(26)	1,964
Net income from insurance business	122	-	-	-	-	-	-	122
Other income[1,2,3]	11	42	2,408	-	-	77	(12)	2,526
Share of associates’ profit/(loss)	-	-	-	-	-	-	134	134
Operating income[1,2,3]	5,887	3,506	6,889	3,542	257	214	488	20,783
Operating expenses	(3,516)	(1,507)	(2,875)	(1,376)	(188)	(138)	(1,069)	(10,669)
Cash profit/(loss) before credit impairment and income tax[3]	2,371	1,999	4,014	2,166	69	76	(581)	10,114
Credit impairment (charge)/release	(71)	(80)	10	(28)	(243)	8	(2)	(406)
Cash profit/(loss) before income tax[3]	2,300	1,919	4,024	2,138	(174)	84	(583)	9,708
Income tax (expense)/benefit[1,2,3]	(693)	(577)	(1,166)	(602)	52	(22)	120	(2,888)
Non-controlling interests	-	-	-	-	-	(2)	(33)	(35)
Cash profit/(loss)[3]	1,607	1,342	2,858	1,536	(122)	60	(496)	6,785
Economic hedges[1,3]								(264)
Revenue and expense hedges[2,3]								74
Profit after tax attributable to shareholders								6,595
Financial Position								
Total external assets	335,356	65,456	574,998	127,032	87,185	3,162	36,396	1,229,585
Total external liabilities	180,801	122,029	460,053	120,203	81,610	3,686	192,443	1,160,825

[1] *The cash profit adjustment for economic hedges applies to the Institutional, New Zealand and Group Centre divisions with $368 million loss recognised in Other operating income and $104 million benefit recognised in Income tax expense.*

[2] *The cash profit adjustment for revenue and expense hedges applies to the Group Centre division with $106 million gain recognised in Other operating income and $32 million expense recognised in Income tax expense.*

[3] *Items that are not considered integral to the ongoing performance of the operating segments are removed from the operating segments. The resulting profit by operating segment, referred to as cash profit, is a non-IFRS measure which represents how the segments are managed internally.*

2023 Fiscal Year	**Australia Retail[4] $M**	**Australia Commercial $M**	**Institutional $M**	**New Zealand $M**	**Suncorp Bank $M**	**Pacific $M**	**Group Centre $M**	**Group Total[4] $M**
Net interest income	5,709	3,224	4,040	3,149	-	123	323	**16,568**
Net fee and commission income	546	322	685	398	-	19	(24)	**1,946**
Net income from insurance business	108	-	-	-	-	-	-	**108**
Other income[1,2,3]	16	43	2,009	11	-	66	(80)	**2,065**
Share of associates' profit/(loss)	-	-	-	-	-	-	225	**225**
Operating income[1,2,3]	6,379	3,589	6,734	3,558	-	208	444	**20,912**
Operating expenses	(3,461)	(1,423)	(2,728)	(1,299)	-	(145)	(1,031)	**(10,087)**
Cash profit before credit impairment and income tax[3]	2,918	2,166	4,006	2,259	-	63	(587)	**10,825**
Credit impairment (charge)/release	(135)	(107)	80	(112)	-	28	1	**(245)**
Cash profit before income tax[3]	2,783	2,059	4,086	2,147	-	91	(586)	**10,580**
Income tax expense[1,2,3]	(845)	(619)	(1,137)	(601)	-	(18)	148	**(3,072)**
Non-controlling interests	-	-	-	-	-	(2)	(26)	**(28)**
Cash profit/(loss)[3]	1,938	1,440	2,949	1,546	-	71	(464)	**7,480**
Economic hedges[1,3]								**(217)**
Revenue and expense hedges[2,3]								**(90)**
Profit after tax attributable to shareholders								**7,173**
Financial Position								
Total external assets	315,207	61,916	538,825	125,178	-	3,391	61,547	**1,106,064**
Total external liabilities	168,926	119,341	452,777	122,924	-	3,862	169,149	**1,036,979**
2022 Fiscal Year								
Net interest income	5,527	2,568	3,697	2,871	-	96	115	**14,874**
Net fee and commission income	477	404	648	428	-	26	(11)	**1,972**
Net income from insurance business	140	-	-	-	-	-	-	**140**
Other income[1,2,3]	5	258	1,003	32	-	42	44	**1,384**
Share of associates' profit/(loss)		-	-	-	-	-	177	**177**
Operating income[1,2,3]	6,149	3,230	5,348	3,331	-	164	325	**18,547**
Operating expenses	(3,397)	(1,301)	(2,566)	(1,273)	-	(153)	(889)	**(9,579)**
Cash profit before credit impairment and income tax[3]	2,752	1,929	2,782	2,058	-	11	(564)	**8,968**
Credit impairment (charge)/release	129	133	27	(45)	-	6	(18)	**232**
Cash profit before income tax[3]	2,881	2,062	2,809	2,013	-	17	(582)	**9,200**
Income tax expense[1,2,3]	(872)	(511)	(872)	(564)	-	(8)	141	**(2,686)**
Non-controlling interests	-	-	-	-	-	-	1	**1**
Cash profit/(loss) from continuing operations[3]	2,009	1,551	1,937	1,449	-	9	(440)	**6,515**
Cash profit/(loss) from discontinued operations								**(19)**
Cash profit/(loss)[3]								**6,496**
Economic hedges[1,3]								**569**
Revenue and expense hedges[2,3]								**54**
Profit after tax attributable to shareholders								**7,119**
Financial Position								
Total external assets	292,876	59,983	544,066	116,218	-	3,707	68,879	**1,085,729**
Total external liabilities	153,494	118,355	473,114	115,263	-	4,065	155,037	**1,019,328**

[1] *The cash profit adjustment for economic hedges applies to the Institutional, New Zealand and Group Centre divisions with $305 million loss recognised in Other operating income and $88 million benefit recognised in Income tax expense in the 2023 fiscal year (2022: $802 million gain recognised in Other operating income and $233 million expense in Income tax expense).*

[2] *The cash profit adjustment for revenue and expense hedges applies to the Group Centre division with $129 million loss recognised in Other operating income and $39 million benefit recognised in Income tax expense in the 2023 fiscal year (2022: $77 million gain recognised in Other operating income and $23 million expense recognised in Income tax expense).*

[3] *Items that are not considered integral to the ongoing performance of the operating segments are removed from the operating segments. The resulting profit by operating segment, referred to as cash profit, is a non-IFRS measure which represents how the segments are managed internally.*

[4] *On 1 October 2023, the Group adopted AASB 17 Insurance Contracts and restated 2023 fiscal year comparative information. 2022 fiscal year comparative information was not restated. Refer to "Section 1: Restatement of prior period comparative information" for further information.*

Australia Retail

	Years ended 30 September		
Australia Retail	**2024 $M**	**2023 $M**	**2022 $M**
Net interest income	**5,223**	5,709	5,527
Other operating income	**664**	670	622
Operating income	**5,887**	6,379	6,149
Operating expenses	**(3,516)**	(3,461)	(3,397)
Cash profit before credit impairment and income tax	**2,371**	2,918	2,752
Credit impairment (charge)/release	**(71)**	(135)	129
Cash profit before income tax	**2,300**	2,783	2,881
Income tax expense	**(693)**	(845)	(872)
Cash profit	**1,607**	1,938	2,009
Balance Sheet			
Net loans and advances	**332,501**	312,249	290,322
Other external assets	**2,855**	2,958	2,554
External assets	**335,356**	315,207	292,876
Customer deposits	**176,813**	164,786	149,953
Other external liabilities	**3,988**	4,140	3,541
External liabilities	**180,801**	168,926	153,494
Risk weighted assets	**116,931**	127,673	125,517
Average gross loans and advances[1]	**323,531**	302,203	286,270
Average deposits and other borrowings[1]	**171,580**	156,099	145,794
Ratios			
Return on average assets	**0.49%**	0.64%	0.70%
Net interest margin	**1.91%**	2.22%	2.25%
Operating expenses to operating income	**59.7%**	54.3%	55.2%
Operating expenses to average assets	**1.08%**	1.14%	1.18%
Individually assessed credit impairment charge/(release)	**100**	80	40
Individually assessed credit impairment charge/(release) as a % of average GLA[2]	**0.03%**	0.03%	0.01%
Collectively assessed credit impairment charge/(release)	**(29)**	55	(169)
Collectively assessed credit impairment charge/(release) as a % of average GLA[2]	**(0.01%)**	0.02%	(0.06%)
Gross impaired assets	**870**	520	390
Gross impaired assets as a % of GLA	**0.26%**	0.17%	0.13%
Total FTE	**10,832**	11,313	11,107

[1] *Averages are calculated using predominantly daily averages.*

[2] *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Comparison of 2024 with 2023

Cash profit decreased by $331 million (17%).

Key factors affecting the result were:

- Lending volumes increased driven by home loan growth.
- Net interest margin decreased 31 bps driven by margin contraction from home loan and deposit pricing competition, unfavourable deposit mix with a shift towards lower margin term deposits, and higher net funding costs. This was partially offset by higher earnings on capital and replicating portfolio.
- Operating expenses increased $55 million (2%) driven by inflationary impacts and incremental costs associated with strategic initiatives including ANZ Plus, partially offset by lower restructuring expense, and benefits from productivity initiatives.
- Credit impairment charge decreased $64 million (47%) primarily driven by lower collectively assessed credit impairment, partially offset by higher individually assessed credit impairment charge due to higher new impairment flows in the unsecured portfolio.

Comparison of 2023 with 2022

Cash profit decreased by $71 million (4%).

Key factors affecting the result were:

- Lending volumes increased driven by home loan growth, partially offset by lower unsecured lending.
- Net interest margin decreased 3 bps driven by asset margin contraction from home loan pricing competition, unfavourable deposit mix with a shift towards lower margin term deposits and higher net funding costs. This was partially offset by favourable deposit margins from a rising interest rate environment, favourable lending mix with a shift towards higher margin variable home loans and higher earnings on capital and replicating portfolio.
- Other operating income increased $48 million (8%) driven by higher cards revenue reflecting an increase in consumer spending, and higher home loan offset account and annual card fees as waivers related to the transition of Breakfree Package concluded. This was partially offset by lower insurance-related income.
- Operating expenses increased $64 million (2%) driven by inflationary impacts, incremental costs associated with strategic initiatives including ANZ Plus and higher restructuring expense. This was partially offset by productivity initiatives and investment re-prioritisation.
- Credit impairment charge increased $264 million driven by higher collectively assessed credit impairment, and higher individually assessed credit impairment due to lower write-backs and recoveries.

Australia Commercial

	Years ended 30 September		
Australia Commercial	**2024 $M**	**2023 $M**	**2022 $M**
Net interest income	**3,164**	3,224	2,568
Other operating income	**342**	365	662
Operating income	**3,506**	3,589	3,230
Operating expenses	**(1,507)**	(1,423)	(1,301)
Cash profit before credit impairment and income tax	**1,999**	2,166	1,929
Credit impairment (charge)/release	**(80)**	(107)	133
Cash profit before income tax	**1,919**	2,059	2,062
Income tax expense	**(577)**	(619)	(511)
Cash profit	**1,342**	1,440	1,551
Balance Sheet			
Net loans and advances	**65,025**	61,557	59,727
Other external assets	**431**	359	256
External assets	**65,456**	61,916	59,983
Customer deposits	**116,273**	113,408	112,195
Other external liabilities	**5,756**	5,933	6,160
External liabilities	**122,029**	119,341	118,355
Risk weighted assets	**45,460**	47,497	54,043
Average gross loans and advances[1]	**64,816**	61,283	59,120
Average deposits and other borrowings[1]	**115,836**	112,821	115,097
Ratios			
Return on average assets	**1.10%**	1.21%	1.27%
Net interest margin[2]	**2.59%**	2.70%	2.10%
Operating expenses to operating income	**43.0%**	39.6%	40.3%
Operating expenses to average assets	**1.23%**	1.19%	1.07%
Individually assessed credit impairment charge/(release)	**72**	42	37
Individually assessed credit impairment charge/(release) as a % of average GLA[3]	**0.11%**	0.07%	0.06%
Collectively assessed credit impairment charge/(release)	**8**	65	(170)
Collectively assessed credit impairment charge/(release) as a % of average GLA[3]	**0.01%**	0.11%	(0.29%)
Gross impaired assets	**291**	248	360
Gross impaired assets as a % of GLA	**0.44%**	0.40%	0.59%
Total full time equivalent staff	**3,294**	3,514	3,551

[1] *Averages are calculated using predominantly daily averages.*

[2] *Australia Commercial division generates positive net interest income from surplus deposits held. Accordingly, $57.6 billion of average deposits for the 2024 fiscal year (2023 fiscal year: $58.4 billion; 2022 fiscal year: $63.4 billion) have been included within average net interest earning assets for the net interest margin calculation to align with internal management reporting view.*

[3] *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Comparison of 2024 with 2023

Cash profit decreased by $98 million (7%).

Key factors affecting the result were:

- Lending volumes increased driven by Diversified & Specialist Businesses, partially offset by lower lending in Central Functions and SME Banking.
- Net interest margin decreased 11 bps driven by unfavourable deposit mix with a shift towards lower margin term deposits, asset margin contraction from pricing competition, and higher net funding costs. This was offset by favourable deposit margins and higher earnings on capital and replicating portfolio.
- Other operating income decreased $23 million (6%) driven by a decrease in non-lending fees and a gain on sale of Investment Lending business in the prior fiscal year.
- Operating expenses increased $84 million (6%) driven by higher restructuring expense and inflationary impacts, partially offset by benefits from productivity initiatives.
- Credit impairment charge decreased $27 million (25%) driven by lower collectively assessed credit impairment, partially offset by higher individually assessed credit impairment charge due to higher new impairment flows in the SME Banking portfolio.

Comparison of 2023 with 2022

Cash profit decreased by $111 million (7%).

Key factors affecting the result were:

- Lending volumes increased driven by SME Banking and Diversified & Specialist Businesses lending growth, partially offset by lower lending in Central Functions driven by the sale of Investment Lending business and asset finance run-off.
- Net interest margin increased 60 bps driven by favourable deposit margins from a rising interest rate environment and higher earnings on capital and replicating portfolio. This was partially offset by unfavourable deposit mix with a shift towards lower margin term deposits, higher net funding costs and asset margin contraction from competitive pressure.
- Other operating income decreased $297 million (45%) driven by the gain on sale relating to the ANZ Worldline partnership in the prior fiscal year, and lower income post business divestment. This was partially offset by the loss on sale of the financial planning and advice business in the prior fiscal year, and higher cards revenue reflecting an increase in commercial spending.
- Operating expenses increased $122 million (9%) driven by inflationary impacts, incremental costs associated with strategic initiatives and higher restructuring expense. This was partially offset by lower costs post business divestment and productivity initiatives.
- Credit impairment charge increased $240 million driven by higher collectively assessed credit impairment, and higher individually assessed credit impairment charge.

Institutional

Institutional	Years ended 30 September 2024 $M	 2023 $M	 2022 $M
Net interest income	**3,741**	4,040	3,697
Other operating income	**3,148**	2,694	1,651
Operating income	**6,889**	6,734	5,348
Operating expenses	**(2,875)**	(2,728)	(2,566)
Cash profit before credit impairment and income tax	**4,014**	4,006	2,782
Credit impairment (charge)/release	**10**	80	27
Cash profit before income tax	**4,024**	4,086	2,809
Income tax expense	**(1,166)**	(1,137)	(872)
Cash profit	**2,858**	2,949	1,937
Consisting of:			
Transaction Banking	**1,095**	1,109	659
Corporate Finance	**1,194**	1,275	1,112
Markets	**717**	663	321
Central Functions	**(148)**	(98)	(155)
Cash profit	**2,858**	2,949	1,937
Balance Sheet			
Net loans and advances	**210,464**	210,234	207,241
Other external assets	**364,534**	328,591	336,825
External assets	**574,998**	538,825	544,066
Customer deposits	**264,414**	266,462	262,534
Other external liabilities	**195,639**	186,315	210,580
External liabilities	**460,053**	452,777	473,114
Risk weighted assets	**166,906**	175,245	208,119
Average gross loans and advances[1]	**209,522**	210,900	190,059
Average deposits and other borrowings[1]	**361,497**	355,748	334,104
Ratios			
Return on average assets	**0.49%**	0.54%	0.39%
Net interest margin	**0.75%**	0.89%	0.90%
Net interest margin (excluding Markets business unit)	**2.38%**	2.31%	1.93%
Operating expenses to operating income	**41.7%**	40.5%	48.0%
Operating expenses to average assets	**0.49%**	0.50%	0.52%
Individually assessed credit impairment charge/(release)	**(67)**	(49)	(14)
Individually assessed credit impairment charge/(release) as a % of average GLA[2]	**(0.03%)**	(0.02%)	(0.01%)
Collectively assessed credit impairment charge/(release)	**57**	(31)	(13)
Collectively assessed credit impairment charge/(release) as a % of average GLA[2]	**0.03%**	(0.01%)	(0.01%)
Gross impaired assets	**284**	562	425
Gross impaired assets as a % of GLA	**0.13%**	0.27%	0.20%
Total FTE	**6,272**	6,366	6,316

[1] *Averages are calculated using predominantly daily averages.*

[2] *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Comparison of 2024 with 2023

Cash profit decreased by $91 million (3%).

Key factors affecting the result were:

- Lending volumes increased driven by Markets from higher levels of reverse repurchase agreement activity with customers, partially offset by lower lending in Transaction Banking.
- Net interest margin (excl. Markets business unit) increased 7 bps driven by higher earnings on capital.
- Other operating income increased $454 million (17%) driven by higher Markets revenues in the Customer Franchise business lines.
- Operating expenses increased $147 million (5%) driven by inflationary impacts and higher restructuring expense, partially offset by benefits from productivity initiatives.
- Credit impairment release decreased $70 million (88%) driven by higher collectively assessed credit impairment, partially offset by higher individually assessed credit impairment release due to lower new impairment flows.

Comparison of 2023 with 2022

Cash profit increased by $1,012 million (52%).

Key factors affecting the result were:

- Lending momentum was sustained, with higher Markets balances partially offset by lower Transaction Banking volumes.
- Net interest margin (excl. Markets business unit) increased 38 bps driven by favourable deposit margins from a rising interest rate environment and higher earnings on capital and replicating portfolio.
- Other operating income increased $1,043 million (63%) primarily driven by higher Markets revenues from increased customer activity and more favourable trading conditions.
- Operating expenses increased $162 million (6%) driven by inflationary impacts and incremental costs associated with strategic initiatives, partially offset by productivity initiatives.
- Credit impairment release increased $53 million driven by release of collectively assessed credit impairment, and release of individually assessed credit impairment due to write-back of a single name exposure.

New Zealand

Table reflects NZD for New Zealand.

AUD results shown on page 71.

	Years ended 30 September		
New Zealand	**2024 NZD M**	**2023 NZD M**	**2022 NZD M**
Net interest income	**3,408**	3,415	3,108
Other operating income	**433**	443	497
Operating income	**3,841**	3,858	3,605
Operating expenses	**(1,492)**	(1,408)	(1,377)
Cash profit before credit impairment and income tax	**2,349**	2,450	2,228
Credit impairment (charge)/release	**(30)**	(122)	(49)
Cash profit before income tax	**2,319**	2,328	2,179
Income tax expense	**(653)**	(652)	(611)
Cash profit	**1,666**	1,676	1,568
Consisting of:			
Personal	**1,130**	1,129	1,001
Business & Agri	**530**	544	545
Central Functions	**6**	3	22
Cash profit	**1,666**	1,676	1,568
Balance Sheet			
Net loans and advances	**134,399**	130,868	128,574
Other external assets	**3,840**	3,603	3,326
External assets	**138,239**	134,471	131,900
Customer deposits	**109,810**	106,431	104,450
Other external liabilities	**20,997**	25,619	26,366
External liabilities	**130,807**	132,050	130,816
Risk weighted assets	**67,551**	76,196	65,482
Average gross loans and advances[1]	**133,299**	129,656	125,937
Average deposits and other borrowings[1]	**115,040**	110,940	109,689
Net funds management income	**200**	194	196
Funds under management	**39,663**	37,108	34,313
Average funds under management	**39,255**	36,681	37,129
Ratios			
Return on average assets	**1.22%**	1.26%	1.21%
Net interest margin	**2.57%**	2.64%	2.47%
Operating expenses to operating income	**38.8%**	36.5%	38.2%
Operating expenses to average assets	**1.09%**	1.06%	1.07%
Individual credit impairment charge/(release)	**45**	29	(18)
Individual credit impairment charge/(release) as a % of average GLA[2]	**0.03%**	0.02%	(0.01%)
Collective credit impairment charge/(release)	**(15)**	93	67
Collective credit impairment charge/(release) as a % of average GLA[2]	**(0.01%)**	0.07%	0.05%
Gross impaired assets	**171**	131	106
Gross impaired assets as a % of GLA	**0.13%**	0.10%	0.08%
Total full time equivalent staff	**6,756**	6,766	6,793

[1] *Averages are calculated using predominantly daily averages.*

[2] *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

New Zealand results and commentary are reported in NZD. AUD results are shown on page 71.

Comparison of 2024 with 2023

Cash profit decreased by NZD 10 million (1%).

Key factors affecting the result were:

- Lending volumes increased driven by home loan growth, partially offset by contraction in business lending.
- Net interest margin decreased 7 bps driven by unfavourable deposit margin and unfavourable deposit mix with a shift towards lower margin term deposits. This was partially offset by lower net funding costs and higher earnings on capital.
- Other operating income decreased NZD 10 million (2%) driven by a gain on disposal of data centres in New Zealand in the prior fiscal year.
- Operating expenses increased NZD 84 million (6%) driven by inflationary pressure and higher restructuring expense, partially offset by benefits from productivity initiatives.
- Credit impairment charge decreased NZD 92 million (75%) driven by lower collectively assessed credit impairment flows, partially offset by higher individually assessed credit impairment due to higher new impairment flows mainly in the Business & Agri portfolio.

Comparison of 2023 with 2022

Cash profit increased by NZD 108 million (7%).

Key factors affecting the result were:

- Lending volumes increased driven by home loan growth, partially offset by contraction in business lending.
- Net interest margin increased 17 bps driven by favourable deposit margins from a rising interest rate environment. This was partially offset by asset margin contraction from home loan pricing competition and unfavourable deposit mix with a shift towards lower margin term deposits.
- Other operating income decreased NZD 54 million (11%) driven by gain on sale of government securities in the 2022 fiscal year and lower cards revenue due to regulatory changes introduced in November 2022.
- Operating expenses increased NZD 31 million (2%) driven by inflationary pressure and customer remediation provision release in the prior fiscal year.
- Credit impairment charge increased NZD 73 million driven by higher collectively assessed credit impairment and higher individually assessed credit impairment due to lower write-backs and recoveries.

New Zealand

Table reflects AUD for New Zealand.
NZD results shown on page 69.

New Zealand	2024 $M	2023 $M	2022 $M
Net interest income	**3,143**	3,149	2,871
Other operating income	**399**	409	460
Operating income	**3,542**	3,558	3,331
Operating expenses	**(1,376)**	(1,299)	(1,273)
Cash profit before credit impairment and income tax	**2,166**	2,259	2,058
Credit impairment (charge)/release	**(28)**	(112)	(45)
Cash profit before income tax	**2,138**	2,147	2,013
Income tax expense	**(602)**	(601)	(564)
Cash profit	**1,536**	1,546	1,449
Consisting of:			
Personal	**1,042**	1,041	925
Business & Agri	**489**	501	505
Central Functions	**5**	4	19
Cash profit	**1,536**	1,546	1,449
Balance Sheet			
Net loans and advances	**123,504**	121,824	113,288
Other external assets	**3,528**	3,354	2,930
External assets	**127,032**	125,178	116,218
Customer deposits	**100,907**	99,076	92,032
Other external liabilities	**19,296**	23,848	23,231
External liabilities	**120,203**	122,924	115,263
Risk weighted assets	**62,075**	70,930	57,696
Average gross loans and advances[1]	**122,922**	119,554	116,369
Average deposits and other borrowings[1]	**106,084**	102,296	101,355
Net funds management income	**185**	179	182
Funds under management	**36,448**	34,545	30,234
Average funds under management	**36,200**	33,823	34,309
Ratios			
Return on average assets	**1.22%**	1.26%	1.21%
Net interest margin	**2.57%**	2.64%	2.47%
Operating expenses to operating income	**38.8%**	36.5%	38.2%
Operating expenses to average assets	**1.09%**	1.06%	1.07%
Individual credit impairment charge/(release)	**42**	26	(16)
Individual credit impairment charge/(release) as a % of average GLA[2]	**0.03%**	0.02%	0.01%
Collective credit impairment charge/(release)	**(14)**	86	61
Collective credit impairment charge/(release) as a % of average GLA[2]	**(0.01%)**	0.07%	0.05%
Gross impaired assets	**158**	122	93
Gross impaired assets as a % of GLA	**0.13%**	0.10%	0.08%
Total full time equivalent staff	**6,756**	6,766	6,793

[1] *Averages are calculated using predominantly daily averages.*

[2] *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Suncorp Bank

	Years ended 30 September		
Suncorp Bank	**2024 $M**	**2023 $M**	**2022 $M**
Net interest income	**251**	-	-
Other operating income	**6**	-	-
Operating income	**257**	-	-
Operating expenses[1]	**(188)**	-	-
Cash profit before credit impairment and income tax	**69**	-	-
Credit impairment (charge)/release[2]	**(243)**	-	-
Cash profit/(loss) before income tax	**(174)**	-	-
Income tax (expense)/benefit	**52**	-	-
Cash profit/(loss)	**(122)**	-	-
Balance Sheet			
Net loans and advances	**70,871**	-	-
Other external assets[3]	**16,314**	-	-
External assets	**87,185**	-	-
Customer deposits	**54,715**	-	-
Other external liabilities	**26,895**	-	-
External liabilities	**81,610**	-	-
Risk weighted assets	**33,422**	-	-
Average gross loans and advances[4]	**11,916**	-	-
Average deposits and other borrowings[4]	**10,488**	-	-
Ratios			
Return on average assets	**(0.84%)**	n/a	n/a
Net interest margin	**1.93%**	n/a	n/a
Operating expenses to operating income	**73.2%**	n/a	n/a
Operating expenses to average assets	**1.30%**	n/a	n/a
Individually assessed credit impairment charge/(release)	**(1)**	-	-
Individually assessed credit impairment charge/(release) as a % of average GLA[5]	**(0.01%)**	n/a	n/a
Collectively assessed credit impairment charge/(release)[2]	**244**	-	-
Collectively assessed credit impairment charge/(release) as a % of average GLA[2,5]	**2.05%**	n/a	n/a
Gross impaired assets	**66**	-	-
Gross impaired assets as a % of GLA	**0.09%**	n/a	n/a
Total full time equivalent staff	**2,798**	-	-

[1] *Includes $36 million accelerated amortisation expense on alignment to the Group's software capitalisation policy.*

[2] *Includes $244 million credit impairment charge recognised on performing loans and advances. In accordance with Australian Accounting Standards requirements, the Group consolidated Suncorp Bank's loans and advances on 31 July 2024, however the Group was not permitted to recognise an allowance for ECL on the performing loans and advances, leading to a proportional reduction in acquisition-related goodwill that would otherwise have been recognised. Subsequently, the Group was required to recognise a collectively assessed allowance for ECL estimated using the Group's ECL methodologies, with a corresponding charge recognised in the Group's Income Statement.*

[3] *Includes provisional value of goodwill of $1,402 million. Refer to Note 34 of the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A) for further detail.*

[4] *Based on 2 months of balances from the date of acquisition.*

[5] *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

LIQUIDITY AND CAPITAL RESOURCES

Funding

The Group targets a diversified funding base, avoiding undue concentrations by investor type, maturity, market source and currency.

During the 2024 fiscal year, the Group issued $41.6 billion of term wholesale funding[1] (including $3.7 billion of pre-funding for the 2025 fiscal year, $1.4 billion of Suncorp Bank issuance and $0.8 billion of perpetual subordinated notes issued by ANZ Holdings (New Zealand) Limited). In addition, $1.7 billion of APRA compliant Additional Tier 1 (AT1) capital and $0.3 billion of RBNZ compliant additional tier 1 capital was issued. The following table shows the Group's total funding composition:

	As at 30 September		
	2024 $B	**2023 $B**	**2022 $B**
Customer deposits and other liabilities			
Australia Retail	**176.8**	164.8	150.0
Australia Commercial	**116.3**	113.4	112.2
Institutional	**264.4**	266.5	262.5
New Zealand	**100.9**	99.1	92.0
Suncorp Bank	**54.7**	-	-
Pacific	**3.6**	3.7	3.8
Group Centre	**(0.1)**	(0.1)	(0.1)
Customer deposits	**716.6**	647.4	620.4
Other funding liabilities[2]	**12.9**	11.7	8.0
Total customer liabilities (funding)	**729.5**	659.1	628.4
Wholesale funding[3]			
Unsubordinated debt and central bank term funding[4]	**119.2**	94.0	89.0
Subordinated debt[5]	**39.7**	33.7	27.3
Certificates of deposit	**42.2**	41.9	34.0
Commercial paper	**47.8**	33.3	39.2
Other wholesale borrowings[6]	**127.7**	113.9	110.8
Total wholesale funding	**376.6**	316.8	300.3
Shareholders' equity	**68.8**	69.1	66.4
Total funding	**1,174.9**	1,045.0	995.1

[1] *Excludes unsubordinated debt with shorter tenors (such as 12 to 18 months) and Additional Tier 1 Capital.*

[2] *Includes interest accruals, payables and other liabilities, provisions and net tax provisions, and excludes liability for acceptances as they do not provide net funding.*

[3] *Wholesale funding as at 30 September 2024 includes $24.4 billion from the acquisition of Suncorp Bank.*

[4] *Includes RBA TFF of nil as it was fully repaid in the 2024 fiscal year (2023: $8.1 billion; 2022: $20.1 billion), RBNZ FLP of $2.3 billion (2023: $3.2 billion; 2022: $2.3 billion) and TLF of $0.2 billion (2023: $0.3 billion; 2022: $0.3 billion).*

[5] *Includes subordinated debt issued by ANZ Bank New Zealand which constitutes tier 2 capital under RBNZ requirements but does not meet the APRA Tier 2 requirements, and $0.8 billion of perpetual subordinated notes issues by ANZ Holdings (New Zealand) Limited. The USD 300 million perpetual subordinated notes were redeemed on 31 October 2023.*

[6] *Includes borrowings from banks, securities sold under repurchase agreements, net derivative balances, special purpose vehicles and other borrowings.*

Term debt maturity profile

The amounts disclosed below represent the outstanding principal of term debt issued by the Group, including Suncorp Bank, under its term funding programs, and drawdowns under the RBNZ's TLF and FLP on or before 30 September 2024. For the avoidance of doubt, this profile excludes commercial paper issuance and short-dated issuance off the Group's long-term programs, and the amounts do not include interest cash flows. For the purposes of this maturity profile, foreign currency denominated term debt has been translated into Australian Dollars using spot foreign exchange rates as at 30 September 2024.

Contractual maturity ($M)[1]	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**	**After 2029**	**Total**
Unsubordinated debt and central bank term funding[2]	32,423	29,474	25,203	14,506	9,906	6,300	117,812
Subordinated debt[3]	3,414	6,342	3,301	3,437	5,349	10,260	32,103
Total	**35,837**	**35,816**	**28,504**	**17,943**	**15,255**	**16,560**	**149,915**

[1] *The maturity profile is presented as the total amount of term debt scheduled to mature in the relevant fiscal year ending 30 September. The maturity profile for all callable debt is presented based on the next callable date.*

[2] *Includes transferable certificates of deposit and drawdowns of the RBNZ's TLF and FLP included as "Deposits and other borrowings" in the balance sheet.*

[3] *The maturity profile excludes additional Tier 1 capital.*

	As at 30 September 2024		
ANZBGL credit ratings	**Short-Term**	**Long-Term**	**Outlook**
Moody's Investors Service	P-1	Aa2	Stable
S & P Global Ratings	A-1+	AA-	Stable
Fitch Ratings	F1+	AA-	Stable

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by an assigning rating agency and any rating should be evaluated independently of any other information.

Capital management

	As at 30 September		
	APRA Capital Reform		APRA Basel 3
Qualifying Capital	**2024 $M**	**2023 $M**	**2022 $M**
Tier 1			
Shareholders' equity and non-controlling interests	**68,760**	69,085	66,401
Prudential adjustments to shareholders' equity	**(721)**	(396)	(175)
Gross Common Equity Tier 1 capital	**68,039**	68,689	66,226
Deductions	**(13,570)**	(10,895)	(10,354)
Common Equity Tier 1 capital	**54,469**	57,794	55,872
Additional Tier 1 capital	**8,207**	8,232	7,686
Tier 1 capital	**62,676**	66,026	63,558
Tier 2 capital	**29,189**	24,959	19,277
Total qualifying capital	**91,865**	90,985	82,835
Capital adequacy ratios (Level 2)			
Common Equity Tier 1	**12.2%**	13.3%	12.3%
Tier 1	**14.0%**	15.2%	14.0%
Tier 2	**6.5%**	5.8%	4.2%
Total capital ratio	**20.6%**	21.0%	18.2%
Risk weighted assets	**446,582**	433,327	454,718

Comparison of 2024 with 2023

CET1 ratio decreased -114 bps to 12.20% during the 2024 fiscal year. Key drivers of the movement in the CET1 ratio were:

- Statutory profit (Level 2) increased the CET1 ratio by +154 bps.
- Higher underlying RWA usage (excluding impact of foreign currency translation, regulatory changes and other one-offs) decreased the CET1 ratio by -19 bps primarily driven by lending growth in the Australia Retail and Institutional divisions and higher operational RWA, partially offset by decreases in IRRBB and market risk RWA.
- Payment of the 2023 final dividend (net of Bonus Option Plan (“BOP”) issuance) and the 2024 interim dividend decreased the CET1 ratio by -122 bps.
- RWA initiatives mainly from mortgage RWA modelling initiatives, partially offset by higher capital deductions including higher capitalised expenses, higher deferred tax assets and loss in FVOCI reserves together with higher capital floor and additional operational RWA overlay, increased CET1 ratio by +8 bps.
- Proceeds from disposal of investment in AmBank increased the CET1 ratio by +20 bps.
- Impact of Suncorp Bank decreased CET1 ratio by -109 bps:
  - RWA impacts decreased the CET1 ratio by -70 bps, driven by $30.6 billion increase in credit RWA, $3.3 billion increase in operational RWA, $0.1 billion increase in market risk RWA, partially offset by capital floor benefit of $9.2 billion.
  - Total deductions and ECL adjustment impacts decreased the CET1 ratio by -39 bps, including goodwill of $1.4 billion, ECL adjustments and other deductions of $0.2 billion.
- Transfer of $2 billion capital from ANZBGL to ANZGHL to fund $2 billion share buy-back decreased CET1 ratio by -46 bps.

September 2024 pro-forma CET1 capital ratio of 12.24% includes pro-forma adjustments for NOHC surplus capital of +4 bps.

Comparison of 2023 with 2022

The Group’s CET1 ratio increased +105 bps to 13.34% during the 2023 fiscal year. Key drivers of the movement in the CET1 ratio were:

- APRA Capital Reform impacts, including changes from adoption of APS 115 increased the CET1 ratio by +100 bps.
- Statutory profit (Level 2) increased the CET1 ratio by +165 bps.
- Higher underlying RWA usage (excluding impact of foreign currency translation, regulatory changes and other one-offs) decreased the CET1 ratio by -23 bps primarily driven by lending growth in the Australia Retail and Institutional divisions and higher market risk RWA, partially offset by decreases in IRRBB.
- Payment of the 2022 final dividend (net of BOP issuance, and Dividend Reinvestment Plan (“DRP”) issuance) and the 2023 interim dividend (net of BOP) reduced the CET1 ratio by -103 bps.
- Higher capital deductions mainly from higher capitalised expenses, and surplus capital transferred to ANZGHL as part of the Restructure in January 2023 reduced CET1 ratio by -25 bps.
- Other impacts totalling -9 bps primarily from net imposts and net other items, partially offset by benefits from Capital reform initiatives.

The September 2023 pro-forma CET1 capital ratio of 12.09% includes pro-forma adjustments for:

- Suncorp Bank acquisition of -128 bps, and
- NOHC surplus capital of +3 bps held in ANZGHL and accessible to ANZBGL if required.

APRA Capital Reform

APRA has released new bank capital adequacy requirements applying to Australian incorporated registered banks, which are set out in APRA's Banking Prudential Standard documents. The Group implemented these new requirements from 1 January 2023.

The new capital adequacy key requirements include changes to APS 110 *Capital Adequacy* ("APS 110"), APS 112 *Capital Adequacy: Standardised Approach to Credit Risk* ("APS 112") and APS 113 *Capital Adequacy: Internal Ratings-based Approach to Credit Risk* ("APS 113") with key features of the reforms including:

- improving the flexibility of the capital framework, through larger capital buffers that can be used by banks to support lending during periods of stress;
- changes to risk weighted assets ("RWA") through more risk-sensitive risk weights increasing capital requirements for higher risk lending and decreasing it for lower risks;
- changes to loss given default rates ("LGD") including approved use of an internal ratings-based ("IRB") approved LGD model for mortgage portfolios;
- an increase in the IRB scaling factor (from 1.06x to 1.1x);
- requirement that IRB ADIs calculate and disclose RWA under the standardised approach and the introduction of a capital floor at 72.5% of standardised RWA; and
- use of prescribed New Zealand authority's equivalent prudential rules for the purpose of calculating the Level 2 regulatory capital requirement.

In addition, operational RWA is now calculated under APS 115 which replaced the previous advanced methodology from December 2022.

The application of APRA Capital Reform reduced RWA by $34.5 billion in the 2023 fiscal year, equivalent to a 100 bps CET1 ratio benefit. This was partially offset by APRA's expectations that ADIs operate a higher capital ratio to maintain an unquestionably strong level.

Leverage ratio

At 30 September 2024, the Group's APRA Leverage Ratio was 4.7% which is above the 3.5% APRA minimum for IRB ADIs which includes the ANZ Bank Group. The following table summarises the Group's Leverage Ratio calculation:

	As at 30 September		
	APRA Capital Reform		APRA Basel 3
	2024 $M	2023 $M	2022 $M
Tier 1 Capital (net of capital deductions)	**62,676**	66,026	63,558
On-balance sheet exposures (excluding derivatives and securities financing transaction exposures)	**1,096,917**	984,663	954,088
Derivative exposures	**52,478**	51,008	51,800
Securities financing transaction exposures	**65,015**	50,747	35,570
Other off-balance sheet exposures	**129,727**	138,301	126,853
Total exposure measure	**1,344,137**	1,224,719	1,168,311
APRA Leverage Ratio	**4.7%**	5.4%	5.4%

Comparison of 2024 with 2023

APRA leverage ratio decreased -73 bps during the 2024 fiscal year. Key drivers of the movement were:

- Net organic capital generation (largely from Level 2 statutory profit and movements in capital deductions), less dividends paid increased the leverage ratio by +9 bps.
- Net Additional Tier 1 capital impact (Capital Notes 9 issuance net of Capital Notes 4 redemption) increased the leverage ratio by +1 bps.
- Growth in exposures (excluding the impacts from foreign currency translation) reduced the leverage ratio by -17 bps driven by lending growth mainly in the Australia Retail division, growth in securities, partially offset by reduction in liquid assets.
- Completion of Suncorp Bank acquisition decreased the leverage ratio by -49 bps.
- Capital reduction to fund $2 billion on-market share buy-back decreased the leverage ratio by -16 bps.
- Net other impacts decreased the leverage ratio by -1 bps.

Comparison of 2023 with 2022

APRA leverage ratio decreased -5 bps during the 2023 fiscal year. Key drivers of the movement were:

- Net organic capital generation (largely from Level 2 statutory profit and movements in capital deductions), less dividends paid increased the leverage ratio by +15 bps.
- Net Additional Tier 1 capital impact (Capital Notes 8 issuance net of Capital Notes 3 redemption) increased the leverage ratio by +5 bps.
- Growth in exposures (excluding the impacts from foreign currency translation) reduced the leverage ratio by -20 bps driven by lending growth in the Australia Retail and Australia Commercial divisions, partially offset by reduction in liquid assets.
- Net other impacts decreased the leverage ratio of -5 bps.

GUARANTEES AND CONTINGENT LIABILITIES

Details of the estimated maximum amount of guarantees, letters of credit and performance related contingencies that may become payable are disclosed in the following table.

These guarantees, letters of credit and performance related contingencies relate to transactions that the Group has entered into as principal, including guarantees, standby letters of credit and documentary letters of credit.

Documentary letters of credit involve the Group issuing of letters of credit guaranteeing payment in favor of an exporter. They are secured against an underlying shipment of goods or backed by a confirmatory letter of credit from another bank.

Performance related contingencies are liabilities that oblige the Group to make payments to a third party if the customer fails to fulfill its non-monetary obligations under the contract.

To reflect the risk associated with these transactions, we apply the same credit origination, portfolio management and collateral requirements that we apply for loans. The contract amount represents the maximum potential amount that we could lose if the counterparty fails to meet its financial obligations. As the facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements.

	Years ended 30 September		
	2024 $M	**2023 $M**	**2022 $M**
Contract amount of:			
Guarantees and letters of credit	**22,509**	23,556	23,729
Performance related contingencies	**26,501**	26,615	26,036
Total	**49,010**	50,171	49,765

For further information on Group's other contingent liabilities, refer to Note 32 of the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A) and 2023 Financial Report (attached to this U.S. Disclosure Document as part of Annex B).

Directors

In accordance with the rules of the ANZBGL Constitution (the “Constitution”), and except as otherwise required by applicable law, the business and affairs of ANZBGL are to be managed by or under the direction of the Board of Directors, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within the power of ANZBGL and not by the Constitution or applicable law directed or required to be done by ANZBGL in a general meeting.

As of the date of this U.S. Disclosure Document, the Directors were:

Director's Name	Position held	Year appointed	Age
Mr. P. D. O’Sullivan	Chairman, Independent Non-Executive Director	2019	64
Mr. S. C. Elliott	Chief Executive Officer	2016	60
Mr. J. P. Cincotta	Independent Non-Executive Director	2024	58
Mr. R. B. M. Gibb	Independent Non-Executive Director	2024	57
Ms. S. J. Halton, AO PSM	Independent Non-Executive Director	2016	64
Mr. G. K. Hodges	Independent Non-Executive Director	2023	69
Ms. H. S. Kramer	Independent Non-Executive Director	2023	60
Ms. C. E. O’Reilly	Independent Non-Executive Director	2021	63
Mr. J. P. Smith	Independent Non-Executive Director	2022	62
Mr. S. A. St John	Independent Non-Executive Director	2024	60

Under the Constitution, the ultimate holding company (being ANZGHL) may remove a Director from office, whether or not that Director’s appointment was expressed to be for a specified period. As of the date of this U.S. Disclosure Document, the Board was comprised of nine Non-Executive Directors and one Executive Director, the Chief Executive Officer. The names of the Directors, together with details of their qualifications, experience and special responsibilities are set out below.

Directors’ Profiles

MR P. D. O’SULLIVAN, Chairman, Independent Non-Executive Director
BA(MOD) ECONOMICS, ADVANCED MANAGEMENT PROGRAM OF HARVARD

Chairman since October 2020 and a Non-Executive Director since November 2019. Mr. O’Sullivan is an ex-officio member of all Board Committees.

Career

Mr. O’Sullivan has experience in the telecommunications and oil and gas sectors, both in Australia and overseas. He has held senior executive roles with Singapore Telecommunications (Singtel) and was previously the CEO of Optus. He has also held management roles with the Colonial Group and the Royal Dutch Shell Group in Canada, the Middle East, Australia and United Kingdom.

Relevant other directorships

Chairman: ANZGHL (from 2022), Singtel Optus Pty Limited (from 2014, Director from 2004) and Western Sydney Airport Corporation (from 2017).
Deputy Chairman: St Vincent’s Health Australia (from 2024, Director from 2019).

Relevant former directorships held in last three years include

Former Director: Coca-Cola Amatil (2017-2021) and Indara, Digital Infrastructure (formerly Australian Tower Network Pty Ltd) (2021-2023).

Age: 64. **Residence:** Sydney, Australia.

MR S. C. ELLIOTT, Chief Executive Officer and Executive Director
BCOM

Chief Executive Officer and Executive Director since January 1, 2016.

Career

Mr. Elliott has over 30 years’ experience in banking in Australia and overseas, in all aspects of the industry. Mr. Elliott joined ANZ as CEO Institutional in June 2009 and was appointed Chief Financial Officer in 2012.

Prior to joining ANZ, Mr. Elliott held senior executive roles at EFG Hermes, the largest investment bank in the Middle East, which included Chief Operating Officer. He started his career with Citibank New Zealand and worked with Citibank/Citigroup for 20 years, holding various senior positions across the UK, USA, Egypt, Australia and Hong Kong.

Mr. Elliott is a Director of the Financial Markets Foundation for Children and a member of the Australian Banking Association, the Business Council of Australia and the Australian Customs Advisory Board.

Relevant other directorships

Director: ANZGHL (from 2022), ANZ Bank New Zealand Limited (from 2009), Norfina Limited (Suncorp Bank) (from 2024), the Financial Markets Foundation for Children (from 2016) and the Sydney Marae Alliance (from 2023).
Member: Business Council of Australia (from 2016), the Australian Banking Association (from 2016, Chairman 2017-2019) and the Australian Customs Advisory Board (from 2020).

Age: 60. **Residence:** Melbourne, Australia.

MR J. P. CINCOTTA, Independent Non-Executive Director
BBUS, CPA

Non-Executive Director since February 2024. Mr. Cincotta is a member of the Audit Committee and Risk Committee.

Career

Mr. Cincotta was one of the founders of Barrenjoey Capital Partners in 2019 and from 2022 until 2024 he was a non-executive Director there. Mr. Cincotta also chaired the Audit Committee at Barrenjoey Capital Partners.

Mr. Cincotta has had a long and distinguished career at Deutsche Bank Australia and New Zealand from 1993 to 2019. Senior roles he held there included Deputy Chief Executive Officer, Chief Operating Officer and Chief Risk Officer.

Relevant other directorships

Director: Norfina Limited (Suncorp Bank) (from 2024).

Relevant former directorships held in last three years include

Former Director: Barrenjoey Capital Partners Group Holdings Pty Limited (2020-2024).

Age: 58. **Residence:** Sydney, Australia.

MR R. B. M GIBB Independent Non-Executive Director and Chair of the Risk Committee
MCOM, BECNon-Executive Director since February 2024. Mr. Gibb is a member of the Audit Committee.

Career

Mr. Gibb has had a long and distinguished career in the financial services industry working for several major global banks. Mr. Gibb's most recent role was Chief Executive of Credit Suisse Australia from 2019 to 2024. Prior to that he held business leadership roles at Deutsche Bank in New York, London and Hong Kong. Previously he worked at Merrill Lynch for over a decade advising financial institution and financial sponsor clients.

Relevant other directorships

Director: ANZGHL (from 2024).

Relevant former directorships held in last three years include

Former Director: Credit Suisse (Australia) Limited (2019-2024).

Age: 57. Residence: Sydney, Australia

MS S. J. HALTON, AO PSM, Independent Non-Executive Director
BA (HONS) PSYCHOLOGY, FIPAA, HON. FAAHMS, HON. FACHSE, HON. DLITT, FAIM, FAICD, FAIIA.

Non-Executive Director since October 2016.

Career

Ms. Halton's 33-year career in the public service includes the positions of Secretary of the Australian Department of Finance, Secretary of the Australian Department of Health, Secretary of the Department of Health and Ageing, and Executive Coordinator (Deputy Secretary) of the Department of the Prime Minister and Cabinet. She brings to the Board extensive experience in finance, insurance, risk management, information technology, human resources, health and ageing and public policy. She also has significant international experience.

Ms. Halton has contributed extensively to community health through local and international organisations including the World Health Organization and as co-chair of the COVAX coordination mechanism.

Relevant other directorships

Chairman: Norfina Limited (Suncorp Bank) (from 2024), Executive Board of the Institute of Health Metrics and Evaluation at the University of Washington (from 2024, Member from 2007) and Coalition for Epidemic Preparedness Innovations (Norway) (from 2018, Member from 2016).
Director: ANZGHL (from 2022) and Clayton Utz (from 2017).
Honorary Professor: Australian National University Research School of Psychology.
Adjunct Professor: University of Sydney and University of Canberra.

Relevant former directorships held in last three years include

Former Chairman: Vault Systems (2017-2022) and Council on the Ageing Australia (2017-2024).
Former Director: Crown Resorts Limited (2018-2022) and Naval Group Australia Pty Ltd (2021-2022).
Former Member: National COVID-19 Commission Advisory Board (2020-2021).
Former Council Member: Australian Strategic Policy Institute (2016-2023).

Age: 64. **Residence:** Canberra, Australia.

MR G. K. HODGES, Independent Non-Executive Director
BEc(Hons)
Non-Executive Director since February 2023. Mr. Hodges is a member of the Audit Committee and Risk Committee.

Career

Mr. Hodges has extensive international experience in the financial services industry. He commenced his career in the Australian Commonwealth Treasury and was then seconded to the International Monetary Fund in Washington.

Prior to his retirement from ANZ in 2018, Mr. Hodges worked for 27 years at ANZ, holding a variety of senior positions. This included Deputy Chief Executive Officer, CFO, Head of HR, Head of Operations and CEO Australia, Chief Executive Officer, New Zealand and a Director of ANZ National Bank Limited responsible for the running of ANZ Group's New Zealand business.

Mr. Hodges was previously Chairman of ANZ SAM Board (Special Assets Management), Esanda, ANZ Wealth, and a member of the Australian Government's Aged Care Financing Authority.

Relevant other directorships

Chairman: Regis Healthcare Limited (Director from 2017, Chairman from 2018).
Director: Assemble Communities (from 2017).

Relevant former directorships held in last three years include

Former Director: AmBank Holdings Berhad (2016-2021).

Age: 69. **Residence:** Melbourne, Australia

Ms H. S. KRAMER, Independent Non-Executive Director
BA (hons), MBA

Non-Executive Director since August 2023. Ms. Kramer is a member of the Risk Committee.

Career

Ms. Kramer has extensive experience as a board director, having served on a wide range of major listed and unlisted boards in Australia and New Zealand and having chaired remuneration, sustainability and audit and risk committees.

In her executive career, Holly was Chief Executive Officer of retailer Best & Less and served in a range of senior customer facing roles at Telstra, Ford and Pacific Brands.

Ms. Kramer brings a strong focus on people, customers and culture, as well as extensive experience in retail and digital channels.

Relevant other directorships

Chairman: Susan McKinnon Foundation Advisory Board (from 2024).

President: Federal Remuneration Tribunal (from 2024).

Director: ANZGHL (from 2022), Woolworths Group Limited (from 2016) and Fonterra Co-operative Group Limited (from 2020).

Member: Board Advisory Group, Bain & Company (from 2021).

Senior Advisor: Pollination (from 2023).

Relevant former directorships held in last three years include

Former Chairman: Lendi Group (2020-2021).

Former Director: Abacus Group Holdings (2018-2022) and Endeavour Group Limited (2021-2023).

Former Pro Chancellor: Western Sydney University (2018-2024).

Age: 60. **Residence:** Sydney, Australia.

MS C. E. O'REILLY, Independent Non-Executive Director and Chair of the Audit Committee
BBus

Non-Executive Director since November 2021. Ms. O'Reilly is a member of the Risk Committee.

Career

Ms. O'Reilly is a highly experienced non-executive director, having served on the board of a number of Australia's leading companies. She has also held executive roles in the infrastructure and financial services industries. This includes being CEO of GasNet Australia and Co-Head of Unlisted Infrastructure Investments at Colonial First State Global Asset Management and follows an early career including investment banking and audit experience at Price Waterhouse.

Relevant other directorships

Chairman: Australia Pacific Airports Corporation (from 2024).

Director: ANZGHL (from 2022), Norfina Limited (Suncorp Bank) (from 2024), BHP Group Limited (from 2020) and Infrastructure Victoria (from 2023).

Relevant former directorships held in last three years include

Former Director: Medibank Private Limited (2014-2021), The Baker Heart & Diabetes Institute (2013-2023) and Stockland (2018-2024).

Age: 63. **Residence:** Melbourne, Australia.

MR J. P. SMITH, Independent Non-Executive Director
BAPPSC, MBA

Non-Executive Director since August 2022. Mr. Smith is a member of the Risk Committee.

Career

Mr. Smith is an experienced global business and technology executive, with over 30 years corporate experience which includes senior executive roles in a number of companies including Telstra, Honeywell and Toyota. Mr. Smith was previously Chief Information Officer at IBM Corporation where he was globally responsible for IT strategy, resources, systems and infrastructure and also led the company's Agile transformation. Mr. Smith was also CEO of Suncorp Business Services and Suncorp Chief Information Officer, and Chief Operating Officer of World Fuel Services Corporation.

Mr. Smith also served on the Australian Fulbright Commission awarding Australian post-graduate scholarships to US universities.

He was previously a member of ANZ's International Technology and Digital Business Advisory Panel until 2019.

Relevant other directorships

Director: ANZGHL (from 2022), ANZ Group Services Pty Ltd (from 2022), Sonrai Security Inc (from 2021) and Pexa Australia Limited (from 2023).

Advisor: Zoom Video Communications, Inc. (from 2018), Box, Inc. (from 2018) and World Fuel Services (from 2023).

Age: 62. **Residence:** USA.

MR S. A. ST JOHN, Independent Non-Executive Director
BCOM

Non-Executive Director since March 2024. Mr. St John is a member of the Audit Committee and Risk Committee.

Career

Mr. St John has deep business experience, particularly in financial markets.

Mr. St John is a former long-term CEO of First NZ Capital (now Jarden) and is the Chair of Mercury NZ Limited and serves on the Board of the NEXT Foundation. He was Chancellor of the University of Auckland from 2017 to June 2021, having also been a member of the University Council from 2009. Mr. St John was also a member of the Capital Markets Development Taskforce, the Financial Markets Authority Establishment Board and the Security Industry Association, which he chaired.

Relevant other directorships

Chairman: ANZ Bank New Zealand Limited (from 2024, Director from 2021) and Mercury NZ Limited (from 2024, Director from 2017).

Director: ANZGHL (from 2024) and the NEXT Foundation (from 2017).

Relevant former directorships held in last three years include

Former Chairman: Fisher & Paykel Healthcare Corporation Limited (2020-2024, Director from 2015).

Former Director: Fonterra Co-operative Group Limited (2016-2024).

Age: 60**. Residence:** New Zealand.

Senior Management and Executives

As of the date of this U.S. Disclosure Document, the senior management and executives (excluding non-executive directors) of ANZ were:

Executive Officers	Position held	Appointed to position	Joined Group
S Elliott Age – 60	Chief Executive Officer More than 30 years' experience in international banking, including in Australia, New Zealand, USA, UK, Asia-Pacific and the Middle East. Previous roles within ANZ include: Chief Financial Officer; Chief Financial Officer (Designate); Chief Executive Officer, Institutional. Roles prior to ANZ include: Head of Business Development, EFG Hermes; Chief Operating Officer, EFG Hermes; various senior positions at Citigroup across geographies and business sectors over the course of 20 years which include: CEO Global Transaction Services Asia Pacific; CEO Corporate Bank Australia/NZ & Country Corporate Officer; CEO Egypt; Vice President Strategic Planning New York; Head of Investor Derivative Sales London; and Head of NZ Derivatives Sales and Trading. Shayne is a Director of the Financial Markets Foundation for Children and a member of the Australian Banking Association, the Business Council of Australia and the Australian Customs Advisory Board.	January 2016	June 2009
M Carnegie Age – 55	Group Executive, Australia Retail Previous roles within ANZ include: Group Executive, Digital and Australia Transformation; Group Executive, Digital Banking. Roles prior to ANZ include: Managing Director, Google Australia and New Zealand; Managing Director, Proctor and Gamble, Australia and New Zealand.	March 2022	June 2016
E Clements Age – 51	Group Executive, Talent & Culture Over 25 years' experience in talent and culture in global organisations across a diverse range of industries, including banking, automotive, FMCG, pharmaceutical and professional services. Previous roles within ANZ include: General Manager, Talent & Culture Institutional Division; Head of Talent & Culture, Corporate & Commercial Banking; Head of Talent & Culture, Global Technology Services & Operations Division; Senior Manager, Talent & Culture.	October 2023	October 2007
K Corbally Age – 54	Group Chief Risk Officer Previous roles within ANZ include: Group General Manager Internal Audit; Managing Director, Head of Credit and Capital Management; Head of Institutional Relationship Banking Australia; Head of Diversified Industrials. Roles prior to ANZ include: Managing Director and Head of Corporate and Commercial Banking Australia and New Zealand, Citigroup.	March 2018	July 2009
F Faruqui Age – 60	Chief Financial Officer Over 25 years' experience in the financial services industry. Previous roles within ANZ include: Group Executive, International; CEO International Banking. Roles prior to ANZ include: Head of Corporate and Investment Banking, Asia Pacific – Citi; Head of Global Loans & Leveraged Finance, Asia Pacific and Head of Fixed Income, Capital Markets – Citi.	October 2021	July 2014
G Florian Age – 59	Group Executive, Technology & Group Services Over 30 years' experience in technology. Roles prior to ANZ include: Chief Strategy Officer: ITaaS, Dimension Data; Senior Vice President – Strategy and Engagement: ITaaS, Dimension Data; Chief Product Officer: Cloud Business Unit, Dimension Data; Chief Marketing Office, Dimension Data; Chief Technology Officer, Dimension Data.	January 2017	January 2017
C Morgan Age – 46	Group Executive, Australia Commercial Extensive experience in financial services and management consulting following a variety of business and institutional banking sales and product roles, in Australia and the United States. Roles prior to ANZ include: Executive General Manager of Small Business Banking, Commonwealth Bank of Australia ("CBA"); 14-year career are CBA with multiple roles in business lending, technology and strategy.	March 2023	March 2023
A Strong Age – 53	Group Executive, Strategy & Transformation Previous roles within ANZ include: Group General Manager, Group Strategy; General Manager, Institutional Strategy & Marketing; Head of Institutional Strategy. Roles prior to ANZ include: 12 years at BCG working predominantly with Financial Services companies.	November 2022	January 2009
A Watson Age – 55	Group Executive and Chief Executive Officer, New Zealand Over 25 years' experience in the professional services and financial services sector in New Zealand, the United Kingdom, Australia and Hungary. Previous roles within ANZ include: Group Executive and Chief Executive Officer, New Zealand (acting); Managing Director, Retail & Business Banking; Chief Financial Officer, New Zealand; Financial Controller, New Zealand.	December 2019	April 2009
M Whelan Age – 64	Group Executive, Institutional Over 35 years' experience in banking and has vast experience in the Asian Market and Institutional, Corporate and Commercial Banking. Previous roles within ANZ include: Chief Executive Officer, Australia; Managing Director, Commercial Banking Australia; Managing Director, Asia, Europe & America, Institutional; Managing Director, Institutional Asia; Managing Director Markets; Head of Sales, Markets.	February 2016	November 2004

There are no family relationships between or among any key management personnel. All executives can be contacted through our Company Secretary on +61 3 8654 7597 or in writing to the Company Secretary, Australia and New Zealand Banking Group Limited, Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia.

Corporate Governance

The ANZ Board, with the support of its committees, is responsible for oversight of the ANZ Group's governance framework. The framework seeks to provide effective and responsible decision making, assisting the ANZ Group in delivering on its strategy and purpose.

ANZGHL's 2024 Corporate Governance Statement can be found at https://www.anz.com/debtinvestors/usdebtinvestors-files/ and is incorporated by reference and forms part of this U.S. Disclosure Document. Information incorporated by reference into, referenced in, or contained in or accessible through any website referred to in, the Corporate Governance Statement does not form part of this U.S. Disclosure Document unless this U.S. Disclosure Document states elsewhere that specific information is incorporated by reference and forms part of this U.S. Disclosure Document.

The board of directors of ANZBGL ("ANZBGL Board") is identical to the ANZ Board, except that the ANZBGL Board has two additional non-executive directors, being John Cincotta and Graham Hodges. Mr. Cincotta was appointed as a non-executive director in February 2024.

The ANZ Board's committees consist of an "Audit Committee", "EESG Committee", "People and Culture Committee", "Risk Committee", "Digital Business and Technology Committee" and "Nomination and Board Operations Committee". In addition to these six principal committees, the ANZ Board has constituted two committees consisting solely of ANZGHL directors to assist in carrying out specific tasks. They are the "Special Committee of the Board" and a "Shares Committee". The role of each committee is further described in ANZGHL's 2024 Corporate Governance Statement.

The ANZ Board's committees have oversight over the whole ANZ Group, including ANZBGL, except that ANZBGL has a separate "Audit Committee" and a separate "Risk Committee". ANZBGL has no additional Board committees. The composition of the two separate committees mirrors the ANZ Board's committees with the exception of John Cincotta and Graham Hodges, who are members of ANZBGL's "Audit Committee" and "Risk Committee" only.

The terms of ANZBGL's board charter, "Audit Committee" charter, "Risk Committee" charter and governance policies and procedures are substantially the same as those of ANZGHL, as described in ANZGHL's 2024 Corporate Governance Statement, other than certain changes that reflect the structure of the ANZ Group.

Employees - including discontinued operations

As at 30 September 2024, the Group employed 42,142 people worldwide (30 September 2023: 40,119; 30 September 2022: 39,381) on a full time equivalent ("FTE") basis.

Division	Years ended 30 September		
	2024	**2023**	**2022**
Australia Retail	**10,832**	11,313	11,107
Australia Commercial	**3,294**	3,514	3,551
Institutional	**6,272**	6,366	6,316
New Zealand	**6,756**	6,766	6,793
Suncorp Bank	**2,798**	-	-
Pacific	**985**	1,013	1,086
Group Centre	**11,205**	11,147	10,319
Total FTE from continuing operations	**42,142**	40,119	39,172
Discontinued operations[1]	**-**	-	209
Total FTE	**42,142**	40,119	39,381

[1] *The discontinued operations FTE is based on an estimate of the staff working in the divested businesses based on an allocation methodology and includes staff retained in the Group working on transitioning the sold businesses to the purchasers.*

Industrial Relations Developments

Australia

In Australia, terms and conditions of employment, including salaries, for some or all employees may be negotiated between unions and management as part of a collective enterprise bargaining agreement (“EBA”), subject to majority employee approval. In Australia, ANZBGL has had an EBA in place for a number of years, setting out minimum terms and conditions of employment for its Group 4, 5 and 6 employees (i.e., junior management and non-management employees), which is approximately 91% of employees in Australia.

In August 2023, ANZBGL agreed to a new EBA called the *ANZ Enterprise Agreement 2023-2027 (Australia)* (“2023 ANZ EBA”) with the Finance Sector Union (“FSU”), to replace the previous *ANZ Enterprise Agreement 2015-2016 (Australia)*, which had been varied in September 2017 and continued to operate until the 2023 ANZ EBA commenced operation. The 2023 ANZ EBA covers the same population of employees but has been updated to reflect new employment laws in Australia and provides employees with improved leave and other benefits. The 2023 ANZ EBA was put to an employee ballot in September 2023 with 91% of employees who voted endorsing it. The 2023 ANZ EBA has since been approved by the Fair Work Commission and commenced operation on 26 October 2023. The 2023 ANZ EBA has a nominal expiry date of 30 September 2027. Once that date passes, the 2023 ANZ EBA will still continue to operate, but ANZBGL, the FSU and the relevant ANZBGL employees in Australia may then commence bargaining for a new replacement EBA.

On 31 July 2024, completion occurred for the purchase of Suncorp Bank and approximately 3,000 employees transferred from Suncorp Group Limited to the Group in Australia (specifically into Norfina Limited). While the 2015 Suncorp Group Enterprise Agreement expired in 2018, it continues to apply until a replacement agreement is in place. The Group commenced bargaining with the FSU (and some individual employee bargaining representatives) for a replacement agreement in mid-November 2024. It is expected that the replacement agreement will commence in late 2025.

In Australia, there are no significant disputes between management and labour unions.

New Zealand

The large majority of New Zealand employees are covered by individual employment agreements. ANZ New Zealand’s collective employment agreement with FIRST Union, which covers approximately 12% of New Zealand employees, was recently renewed effective as of 1 August 2024, expiring on 31 July 2026.

There are no significant disputes between management and labour unions.

Rest of World

There are no significant disputes between management and labour unions in any of the jurisdictions outside Australia and New Zealand where the Group has employees.

Superannuation

The Group has established a number of pension, superannuation and post-retirement medical benefit schemes throughout the world. For further information on the Group's superannuation obligations, refer to Note 29 of the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A).

Employee Equity

ANZGHL operates a number of employee share and option schemes that operate under the ANZ Employee Share Acquisition Plan and the ANZ Share Option Plan. For further information on these employee share and option plans, refer to Note 30 of the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A).

Any public documents referred to in this U.S. Disclosure Document may be inspected by contacting the Company Secretary in writing, addressed to the Company Secretary, Australia and New Zealand Banking Group Limited, Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia.

Organisational Structure

ANZBGL is indirectly owned and controlled by ANZGHL. See “Section 2: Information on the Group – Overview” for a diagram summarising the composition of the ANZ Group.

DIVIDEND DISTRIBUTION POLICY

Subject to the limitations set out below, the Board of Directors of ANZBGL will determine the amount and timing of dividend distributions to holders of ordinary shares. As at the date of this U.S. Disclosure Document, ANZ Bank HoldCo, which is in turn wholly owned by ANZGHL, is ANZBGL’s sole shareholder.

ANZBGL must not pay a dividend unless:

- ANZBGL’s assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; and
- the payment of the dividend is fair and reasonable to ANZBGL’s shareholders as a whole; and
- the payment of the dividend does not materially prejudice ANZBGL’s ability to pay its creditors.

Payment of a dividend on ordinary shares may also be restricted or constrained by the terms of ANZBGL’s hybrid securities and APRA prudential standards.

RELATED PARTY TRANSACTIONS

Related Entities Transactions

From time to time, ANZBGL or its subsidiaries may enter into agreements with other members of the ANZ Group. Following the Restructure, a number of transactions and arrangements exist between ANZBGL and ANZ Group entities, including leasing arrangements, funding activities and deposits being held by ANZBGL. Transactions among ANZ Group entities have been carried out on terms equivalent to those made on an arm’s length basis.

Key management personnel loan transactions

Loans made to directors of ANZBGL and other Key Management Personnel (“KMP”) of the Group are made in the ordinary course of business and on normal commercial terms and conditions that are no more favourable than those given to other employees or customers, including the term of the loan, security required and the interest rate. No amounts have been written off during the period, or individual provision raised in respect of these balances.

Other transactions of key management personnel and their related parties

Other transactions with KMP and their related parties included amounts paid to the Group in respect of investment management service fees, brokerage and bank fees and charges. These transactions are conducted on normal commercial terms and conditions no more favourable than those given to other employees or customers. The Group has reimbursed KMP for the costs incurred for security and secretarial services associated with the performance of their duties.

There have been no transactions with related parties that are significant to understanding the changes in financial position and performance of the Group since 30 September 2024.

Associates

Transactions conducted with all associates were on terms equivalent to those made on an arm’s length basis.

For further information on related party transactions, refer to Note 31 of the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A).

CHANGE IN CONTROL

There are no arrangements known to the Group, the operation of which may at a subsequent date result in a change in control of the Group.

LEGAL PROCEEDINGS

There are outstanding court proceedings, claims and possible claims for and against the Group. Where relevant, expert legal advice has been obtained and, in the light of such advice, provisions (refer to Note 22 of the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A)) and/or disclosures as deemed appropriate have been made. In some instances, we have not disclosed the estimated financial impact of the individual items either because it is not practicable to do so or because such disclosure may prejudice the interests of the Group.

Refer to Note 32 of the 2024 Financial Report (attached to this U.S. Disclosure Document as part of Annex A) for a description of contingent liabilities and contingent assets as at 30 September 2024.

A summary of some of those contingent liabilities is set out below.

- **Regulatory and customer exposures**

  The Group regularly engages with its domestic and international regulators and other statutory and supervisory bodies. The nature of these regulatory interactions can be wide ranging and include regulatory investigations, surveillance and reviews, reportable situations, formal and informal inquiries and regulatory supervisory activities in Australia and globally. The Group also receives notices and requests for information from its regulators and other bodies from time to time as part of both industry-wide and Group-specific reviews and makes disclosures to its regulators at its own instigation.

  There has been a recent increase in the number of matters on which the Group has engaged with its regulators. Recent interactions relate to matters including:

  - markets transactions and data reporting;
  - anti-money laundering and counter-terrorism financing obligations, processes and procedures; and
  - non-financial risk management practices including customer service processes relating to complaints, hardship and deceased estates, compliance with mandatory reporting obligations, the application of interest and fees on certain products and the financial accountability regime.

  The possible exposures associated with the Group's regulatory interactions may include civil enforcement actions, criminal proceedings, fines and penalties, imposition of capital or liquidity requirements, customer remediation, the requirement to conduct independent reviews, sanctions or the exercise of other regulatory powers.

  There may also be exposures to customers, third parties and shareholders which are additional to any regulatory exposures. These could include class actions or claims for compensation or other remedies.

  The outcomes and total costs associated with these possible regulatory, customer and other exposures remain uncertain.

- **South African rate action**

  In February 2017, the South African Competition Commission commenced proceedings against local and international banks including ANZBGL alleging breaches of the cartel provisions of the South African Competition Act in respect of trading in the South African rand. The potential civil penalty or other financial impact is uncertain.

- **Esanda dealer car loan litigation**

  In August 2020, a class action was brought against ANZBGL alleging unfair conduct, misleading or deceptive conduct and equitable mistake in relation to the use of flex commissions in dealer arranged Esanda car loans. An agreement to settle the claim was reached in October 2024. ANZBGL will pay $85 million in settlement, which is covered by existing provisions held at 30 September 2024. The settlement is without admission of liability and remains subject to court approval.

- **OnePath superannuation litigation**

  In December 2020, a class action was brought against OnePath Custodians, OnePath Life and ANZBGL alleging that OnePath Custodians breached its obligations under superannuation legislation, and its duties as trustee, in respect of superannuation investments and fees. The claim also alleges that ANZBGL was involved in some of OnePath Custodians' investment breaches. An agreement to settle the claim was reached in October 2024. ANZBGL will contribute $14 million to the settlement, which is covered by existing provisions held at 30 September 2024. The settlement is without admission of liability and remains subject to court approval.

- **New Zealand loan information litigation**

  In September 2021, a representative proceeding was brought against ANZ Bank New Zealand, alleging breaches of disclosure requirements under consumer credit legislation in respect of variation letters sent to certain loan customers. ANZ Bank New Zealand is defending the allegations.

- **Credit cards litigation**

  In November 2021, a class action was brought against ANZBGL alleging that certain interest terms in credit card contracts were unfair contract terms and that it was unconscionable for ANZBGL to rely on them. An agreement to settle the claim was reached in March 2024. ANZBGL will pay $57.5 million in settlement, which is covered by existing provisions held at 30 September 2024. The settlement is without admission of liability and remains subject to court approval.

- **Security recovery actions**

  Various claims have been made or are anticipated, arising from security recovery actions taken to resolve impaired assets. These claims will be defended.

- **Warranties and indemnities**

  The Group has provided warranties, indemnities and other commitments in favour of the seller/purchaser and other persons in connection with various acquisitions/disposals of businesses and assets and other transactions, covering a range of matters and risks. It is exposed to claims under those warranties, indemnities and commitments, some of which are currently active. The outcomes and total costs associated with these exposures remain uncertain.

EXCHANGE CONTROLS AND RESTRICTIONS ON PAYMENTS

There are currently no general Australian exchange control regulations in force that restrict the payment of dividends, interest or other remittances to holders of ANZBGL's securities. Economic and trade sanctions are, however, implemented in Australia from time to time to reflect Australian public policy, and operate to prohibit the entry into certain transactions with specified persons or entities without the consent of the applicable Australian regulatory body. In some cases, contravention of these sanctions constitutes a criminal offence.

Under Sections 102.6 and 102.7 of the Australian Criminal Code (contained in the *Criminal Code Act 1995* of Australia) ("Criminal Code Act"), a person commits a criminal offence if the person intentionally receives funds from, makes funds available to, collects funds for or on behalf of, or provides support or resources to a terrorist organisation in circumstances where the person knows, or is reckless as to whether, the organisation is a terrorist organisation. An organisation is a terrorist organisation if it is directly or indirectly engaged in, preparing, planning, assisting in or fostering the doing of a terrorist act, or is prescribed as a terrorist organisation in regulations under the Criminal Code Act.

Economic and trade sanctions and restrictions on payments that are currently in force in Australia include the following:

1. The *Autonomous Sanctions Act 2011* of Australia and *Autonomous Sanctions Regulations 2011* of Australia prohibit dealing with certain "sanctioned" vessels and **"**designated" persons or entities by directly or indirectly making assets (including shares and securities) available to or for their benefit without a permit, including:

    a) persons who have been indicted for an offence by or within the jurisdiction of the International Criminal Tribunal for the former Yugoslavia ("ICTY") or who are subject to an Interpol arrest warrant related to such an offence within the jurisdiction of the ICTY, persons who are suspected of assisting persons who have been indicted by the ICTY and are not currently detained by the ICTY, as well as certain supporters of the former Milosevic regime;

    b) persons or entities engaging (or who have engaged) in activities that seriously undermine democracy, respect for human rights and the rule of law in Zimbabwe;

    c) certain persons or entities associated with the weapons of mass destruction or missiles program of North Korea, or have assisted or are assisting North Korea to violate or evade certain United Nations Resolutions;

    d) certain persons associated with the Myanmar regime, including current and former ministers, senior officials in security or corrections agencies, senior officials or executives in a state-owned or military owned enterprise and current or former military officers of particular ranks, and immediate family members of such persons;

    e) certain persons or entities who have contributed or are contributing to Iran's nuclear or missile programs, have assisted or are assisting Iran to violate certain United Nations Resolutions, are engaging in, responsible for or complicit in the oppression of women and girls in Iran, the general oppression of people in Iran or the undermining of good governance or the rule of law in Iran, or are assisting or have assisted Iran to threaten or undermine the sovereignty or territorial integrity of another country;

    f) certain close associates of the former Qadhafi regime, entities under the control of the Qadhafi family and persons or entities who have assisted or are assisting in the violation of certain United Nations Resolutions with respect to Libya and immediate family members of such persons;

    g) certain persons or entities providing support to the Syrian regime or responsible for human rights abuses in Syria;

    h) certain persons or entities associated with the Russian government, including current or former ministers, senior government officials, persons who are or have been engaged in an activity or performing a function that is of economic or strategic significance to Russia, and immediate family members of such persons; and

    i) persons or entities responsible for, or complicit in, the threat to the sovereignty and territorial integrity of Ukraine.

2. The Minister for Foreign Affairs also has the ability to designate a person or entity that, for the purposes of the *Autonomous Sanctions Regulations 2011* of Australia:

    a) has contributed to the proliferation of weapons of mass destruction;

    b) has caused or attempted to cause, assisted with causing or with attempting cause, or has otherwise been complicit in a significant cyber incident;

    c) has engaged in, has been responsible for or has been complicit in an act that constitutes a serious violation or serious abuse of a person's right to life, right not to be subjected to torture or degrading treatment or punishment, or right not to be held in slavery; or

    d) has engaged in, has been responsible for or has been complicit in an act of corruption that is serious,

    and in certain circumstances immediate family members or persons or entities that have obtained a financial or other benefit.

3. Under Part 4 of the *Charter of the United Nations Act 1945* of Australia, the *Charter of the United Nations (Dealing with Assets) Regulations 2008* of Australia provide for sanctions against using or dealing with financial or other assets of persons or entities listed by the Minister for Foreign Affairs in the Commonwealth of Australia Gazette from time to time. Under Part 3 of the *Charter of the United Nations Act 1945* of Australia and pursuant to specific regulations, it is prohibited to make certain supplies (which may include financial supplies) in respect of certain countries, including:

    a) Democratic Republic of the Congo (see the *Charter of the United Nations (Sanctions – Democratic Republic of the Congo) Regulations 2008* of Australia);

    b) North Korea (see the *Charter of the United Nations (Sanctions – Democratic People's Republic of Korea) Regulations 2008* of Australia);

    c) Sudan (see the *Charter of the United Nations (Sanctions – Sudan) Regulations 2008* of Australia);

    d) Iran (see the *Charter of the United Nations (Sanctions – Iran) Regulation 2016* of Australia);

    e) Iraq (see the *Charter of the United Nations (Sanctions – Iraq) Regulations 2008* of Australia);

    f) Al-Qaida, ISIL and the Taliban (see the *Charter of the United Nations (Sanctions – ISIL (Da'esh) and Al-Qaida) Regulations 2008* of Australia and the *Charter of the United Nations (Sanctions – the Taliban) Regulation 2013* of Australia);

    g) Somalia (see the *Charter of the United Nations (Sanctions – Somalia) Regulations 2008* of Australia);

    h) Lebanon (see the *Charter of the United Nations (Sanctions – Lebanon) Regulations 2008* of Australia);

- i) Libya (see the *Charter of the United Nations (Sanctions – Libya) Regulations 2011* of Australia);
- j) Central African Republic (see the *Charter of the United Nations (Sanctions – Central African Republic) Regulation 2014* of Australia);
- k) Yemen (see the *Charter of the United Nations (Sanctions – Yemen) Regulation 2014* of Australia);
- l) South Sudan (see the *Charter of the United Nations (Sanctions – South Sudan) Regulation 2015* of Australia);
- m) Syria (see the *Charter of the United Nations (Sanctions – Syria) Regulation 2015* of Australia); and
- n) Mali (see the *Charter of the United Nations (Sanctions – Mali) Regulations 2018* of Australia).

4. Under the AML/CTF Act (or, where applicable, the *Financial Transaction Reports Act 1988* of Australia), transfer of physical currency or digital currency (cryptocurrency) of $10,000 (or the foreign equivalent) and above must be reported by certain persons (including ANZBGL) to AUSTRAC.

MATERIAL CONTRACTS

There have been no material contracts entered into by the Group in the past two years, other than in the ordinary course of its business, upon which it is substantially dependent.

CYBERSECURITY RISK MANAGEMENT

Cybersecurity Risk Management Processes

ANZBGL has many layers of comprehensive security controls to protect and defend the bank and prevent unauthorised access to ANZBGL’s systems and information.

ANZBGL maintains a multi-disciplinary central security function, whose services include providing advice, guidance and tools that enable preventative and detective capability to analyse threat intelligence, responses to operational threats and incidents, protection of information and systems, and active testing of ANZBGL’s security through independent penetration testing as well as red team exercises (which simulate a threat actor). Service catalogues are reviewed periodically to keep pace with the changing cyber threats and risk landscape. Additional teams across the bank also assist in strengthening and supporting the overall security posture for ANZBGL.

Information Security (including risks and controls related to third parties with which ANZBGL works) is a specific non-financial risk theme within ANZBGL's operational risk framework.

Under this framework, requirements to manage information security risks and controls are defined and monitored by the Group Chief Information Security Officer (“CISO”) and cascaded across the Group, as appropriate. These controls include requirements for periodic risk assessments and as part of change and delivery. Risk management requirements are informed through detailed threat, intelligence and scenario analysis to determine adequate coverage of controls.

The Group CISO monitors implementation of the Group’s information security policy and associated standards with the objective of ensuring that the Group’s information security controls, security exposures and risk management processes are effective and sustainable. This is managed via the three lines of defence:

- First Line – The ‘Business’ has first line of defence responsibilities with Assurance functions embedded within divisions and overseen by divisional risk management committees, providing assurance on the appropriate operation of information security management processes. Assurance activities, covering the implementation and effectiveness of controls are based on ANZBGL's operational risk management framework.
- Second Line – ‘Enterprise Risk’ (being the dedicated and independent operational risk and compliance management function) oversees and guides the first line to enable consistent application of information security management processes and the operational risk management framework. Enterprise Risk reviews and challenges the first line self-assurance activities to confirm their effectiveness.
- Third Line – ‘Internal Audit’ conducts independent reviews of the adequacy of the key information security controls and risk management processes in accordance with the audit plan.

The Group CISO is also informed through maintaining a 24/7 sophisticated Security Operations Centre (“SOC”) responsible for ensuring that potential security incidents are correctly identified, analysed, defended, investigated and reported. Critically, the SOC must keep up with the latest threat intelligence and use this information to improve internal detection and defence mechanisms. The Group’s policy also requires service providers to report information security incidents in a timely manner to ANZBGL that may impact the Group.

Further, in addition to an in-house information security workforce, ANZBGL augments its workforce by leveraging its security service providers, on an as needed basis to ensure the Group has specialist niche skills when required and the ability to surge as required in times of heightened threat. This includes independent external auditors, penetration testing, Distributed Denial of Service (DDoS) attack prevention, and periodic engagement of external security consultants to conduct independent assessments and industry benchmarking.

ANZBGL’s incident management framework includes a notification process for regulators (e.g. APRA) in the event of an information security incident or material information security control weakness.

Cybersecurity Risk Management Governance

The ANZBGL Board is ultimately responsible for ANZBGL's information security and is actively engaged in overseeing this function with the CISO periodically presenting key information security updates, information security control effectiveness and risk indicators, and facilitating ANZBGL Board education on security. Operationally, the ANZBGL Board delegates oversight for information security to the Digital Business and Technology Committee (“DBTC”) and the Board Risk Committee (“BRC”). The information security responsibilities of DBTC and BRC are documented in the respective Committee charters.

The role of the DBTC is to assist the ANZBGL Board in the effective discharge of its responsibilities by providing oversight of the Group’s digital transformation, data, technology, technology-related innovation and information/cyber security strategies.

The role of the BRC is to assist the ANZBGL Board in the effective discharge of its responsibilities by providing oversight of the implementation and operation of the Group's risk management framework, including for business, market, credit, equity and other investment, financial, operational, compliance, liquidity and reputational risk management and for management of the Group's compliance obligations. The BRC also assists the ANZBGL Board by providing objective non-executive oversight of the implementation by management of the Group's risk management framework and its related operation, and by enabling an institution-wide view of the Group's current and future risk position relative to its risk appetite and capital strength.

The BRC is provided with a periodic (usually semi-annual) update on cyber and information security risk, including the changing threat landscape to information security and the regulatory environment, progress on security capability uplift and control testing, and impact on finance, resources and the Group's security risk position.

The DBTC is provided with a periodic (usually quarterly) update, including information security metrics reporting, progress on security strategy execution, technology governance, operations and cyber related incidents, and initiatives on technology and people capability.

Dr Maria Milosavljevic is the Group's CISO. The CISO reports directly to the Group Executive, Technology and Business Services. The CISO is an expert in cyber security, with a breadth of experience across data and security having held several roles (including as CISO) in both government and the private sector and has a track record of building and running cyber, data and analytics operations and deep connections with the cyber security community locally and internationally.

AASB - Australian Accounting Standards Board. The term “AASB” is commonly used when identifying Australian Accounting Standards issued by the AASB.

ADI - Authorised Deposit-taking Institution as defined by APRA.

ANZBGL means Australia and New Zealand Banking Group Limited (ACN 005 357 522).

ANZ Bank New Zealand means ANZ Bank New Zealand Limited.

ANZ Bank New Zealand Group means ANZ Bank New Zealand and each of its subsidiaries.

ANZ Bank Group means ANZ Bank HoldCo and each of its subsidiaries, including ANZBGL and ANZ Bank New Zealand.

ANZ Bank HoldCo means ANZ BH Pty Ltd (ACN 658 939 952), a non-operating intermediate holding company owned by ANZGHL and which owns the ANZ Bank Group.

ANZ Board prior to the Restructure means the board of directors of ANZBGL and after the Restructure means the board of directors of ANZGHL.

ANZ Group prior to the Restructure means the Group and after the Restructure means ANZGHL and each of its subsidiaries (including ANZ Bank HoldCo, ANZBGL, ANZ ServiceCo and ANZ Non-Bank HoldCo).

ANZGHL means ANZ Group Holdings Limited (ACN 659 510 791).

ANZ Plus is ANZBGL’s digital banking service available only through the “ANZ Plus” app. Other ANZBGL banking services are available through the ‘ANZ’ app, internet banking, branches and over the phone.

ANZ Non-Bank Group means ANZ Non-Bank HoldCo and each of its subsidiaries, and ANZ ServiceCo.

ANZ Non-Bank HoldCo means ANZ NBH Pty Ltd (ACN 658 941 096), a non-operating intermediate holding company owned by ANZGHL and which owns certain non-banking subsidiaries.

ANZ ServiceCo means ANZ Group Services Pty Ltd (ACN 658 940 900).

APRA - Australian Prudential Regulation Authority.

APRA Leverage Ratio compares Tier 1 Capital to the “exposure measure” (expressed as a percentage) as defined by APS 110. It is a designed as a non-risk based supplement or backstop to the current risk based capital requirements and is intended to restrict the build-up of excessive leverage in the banking system.

APS means banking prudential standard.

Cash and cash equivalents comprise coins, notes, money at call, balances held with central banks, liquid settlement balances (readily convertible to known amounts of cash which are subject to insignificant risk of changes in value) and securities purchased under agreements to resell (reverse repurchase agreements) in less than three months.

Collectively assessed allowance for expected credit loss represents the ECL, which incorporates forward-looking information and does not require an actual loss event to have occurred for a credit loss provision to be recognised.

Company means ANZBGL.

Compensation Scheme of Last Resort Levy (“CSLR Levy”) is a levy on certain financial institutions that was introduced in 2023 under the *Financial Services Compensation Scheme of Last Resort Levy Act 2023* of Australia.

Covered bonds are bonds issued by an ADI to external investors secured against a pool of the ADI’s assets (the cover pool) assigned to a bankruptcy remote special purpose entity. The primary assets forming the cover pool are mortgage loans. The mortgages remain on the issuer’s balance sheet. The covered bond holders have dual recourse to the issuer and the cover pool assets. The mortgages included in the cover pool cannot be otherwise pledged or disposed of but may be repurchased and substituted in order to maintain the credit quality of the pool. The Group issues covered bonds as part of its funding activities.

CPS means cross-industry prudential standard.

Credit risk is the risk of financial loss resulting from the failure of the Group’s customers and counterparties to honour or perform fully the terms of a loan or contract.

Credit risk weighted assets (“Credit RWA”) represent assets which are weighted for credit risk according to a set formula as prescribed in APS 112/113.

Customer deposits represent term deposits, other deposits bearing interest, deposits not bearing interest and borrowing corporations’ debt excluding securitisation deposits.

Customer remediation includes provisions for expected refunds to customers, remediation project costs and related customer and regulatory claims, penalties and litigation outcomes.

Dividend payout ratio is the total ordinary dividend payment divided by profit attributable to shareholders of ANZBGL.

Embedded losses - In relation to interest rate risk in the banking book, APRA requires ADIs to give consideration to embedded gains or losses in banking book items that are not accounted for on a marked-to-market basis when determining regulatory capital. The embedded loss or gain measures the difference between the book value and the economic value of banking book activities at a point in time.

Expected credit losses (“ECL”) – The determination of the ECL is dependent on credit deterioration since origination, according to the following three-stage approach:

- Stage 1: At the origination of a financial asset, and subsequently where there has not been a Significant Increase in Credit Risk (“SICR”) since origination, an allowance for ECL is recognised reflecting the ECL resulting from default events that are possible within the next 12 months from the reporting date. For instruments with a remaining maturity of less than 12 months, ECL are estimated based on default events that are possible over the remaining time to maturity.
- Stage 2: Where there has been a SICR since origination, an allowance for ECL is recognised reflecting ECL resulting from all possible default events over the expected life of a financial instrument. If credit risk were to improve in a subsequent period such that the increase in credit risk since origination is no longer considered significant, the exposure returns to a Stage 1 classification with ECL measured accordingly.
- Stage 3: Where there is objective evidence of impairment, an allowance equivalent to lifetime ECL is recognised.

Fair value is an amount at which an asset or liability could be exchanged between knowledgeable and willing parties in an arm’s length transaction.

Funding for Lending Programme ("FLP") refers to three-year funding announced by the RBNZ in November 2020 and offered to New Zealand banks, which aimed to lower the cost of borrowing for New Zealand businesses and households.

FX means foreign exchange.

Gross loans and advances ("GLA") is made up of loans and advances, capitalised brokerage and other origination costs less unearned income.

Group means ANZBGL and each of its subsidiaries.

Group's Position refers to the business, operations, results of operations, reputation, prospects, liquidity, capital resources, financial performance and financial condition of the Group.

Impaired assets are those financial assets where doubt exists as to whether the full contractual amount will be received in a timely manner, or where concessional terms have been provided because of the financial difficulties of the customer.

Impaired loans comprise of drawn facilities where the customer's status is defined as impaired.

Individually assessed allowance for expected credit losses is assessed on a case-by-case basis for all individually managed impaired assets taking into consideration factors such as the realisable value of security (or other credit mitigants), the likely return available upon liquidation or bankruptcy, legal uncertainties, estimated costs involved in recovery, the market price of the exposure in secondary markets and the amount and timing of expected receipts and recoveries.

Interest rate risk in the banking book ("IRRBB") relates to the potential adverse impact of changes in market interest rates on the Group's future net interest income. The risk generally arises from:

1. Repricing and yield curve risk - the risk to earnings or market value as a result of changes in the overall level of interest rates and/or the relativity of these rates across the yield curve;
2. Basis risk - the risk to earnings or market value arising from volatility in the interest margin applicable to banking book items; and
3. Optionality risk - the risk to earnings or market value arising from the existence of stand-alone or embedded options in banking book items.

Internationally comparable basis refers to the Group's interpretation of the Basel Calculation of RWA for credit risk regulations (effective 1 Jan 2023) documented in the Basel Framework and the "Australian Banking Association Basel 3.1 Capital Comparison Study" (Mar 2023). This definition is for measures from March 2023 onwards.

Level 1 in the context of APRA supervision, means ANZBGL consolidated with certain approved subsidiaries.

Level 2 in the context of APRA supervision, means consolidated ANZ Bank Group excluding insurance and funds management entities, commercial non-financial entities, and certain securitisation vehicles.

Level 3 in the context of APRA supervision, means ANZ Group – the conglomerate group at the widest level.

Major Bank Levy refers to a levy that was introduced by the Australian Government with effect from July 2017 and is imposed on liabilities for certain large banks, including the Group.

Net interest margin is net interest income as a percentage of average interest earning assets.

Net loans and advances represent gross loans and advances less allowance for expected credit losses.

Net Stable Funding Ratio ("NSFR") is the ratio of the amount of available stable funding ("ASF") to the amount of required stable funding ("RSF") defined by APRA. The amount of ASF is the portion of an ADI's capital and liabilities expected to be a reliable source of funds over a one-year time horizon. The amount of RSF is a function of the liquidity characteristics and residual maturities of an ADI's assets and off-balance sheet activities. ADIs must maintain an NSFR of at least 100%.

Net tangible assets equals share capital and reserves attributable to shareholders of ANZBGL less unamortised intangible assets (including goodwill and software).

RBA - Reserve Bank of Australia, Australia's central bank.

RBNZ - Reserve Bank of New Zealand, New Zealand's central bank.

Regulatory deposits are mandatory reserve deposits lodged with local central banks in accordance with statutory requirements.

Restructure means the restructure of the ANZ Group, as part of the establishment of the non-operating holding company, implemented by the scheme of arrangement under the *Corporations Act* between ANZBGL and shareholders on 3 January 2023.

Restructured items comprise facilities in which the original contractual terms have been modified for reasons related to the financial difficulties of the customer. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk.

Return on average assets is the profit attributable to shareholders of ANZBGL, divided by average total assets.

Return on average ordinary shareholders' equity is the profit attributable to shareholders of ANZBGL, divided by average ordinary shareholders' equity.

Risk weighted assets ("RWA") are risk weighted according to each asset's inherent potential for default and what the likely losses would be in the case of default. In the case of non-asset backed risks (i.e. market and operational risk), RWA is determined by multiplying the capital requirements for those risks by 12.5.

Settlement balances owed to/by ANZ represent financial assets and/or liabilities which are in the course of being settled. These may include trade dated assets and liabilities, vostro accounts and securities settlement accounts.

Suncorp Bank means SBGH Limited (ACN 145 980 838) and each of its subsidiaries, which were acquired on 31 July 2024.

Term Funding Facility ("TFF") refers to three-year funding announced by the RBA on 19 March 2020 and offered to ADIs in order to support lending to Australian businesses at low cost. The TFF was closed to drawdowns on 30 June 2021.

Term Lending Facility ("TLF") refers to three to five-year funding offered by the RBNZ between May 2020 and July 2021 to promote lending to New Zealand businesses.

ANNEX A: THE 2024 REMUNERATION REPORT, THE 2024 FINANCIAL REPORT OF THE GROUP AND THE COMPANY, AND THE INDEPENDENT AUDITOR’S REPORT ON THE 2024 FINANCIAL REPORT OF THE GROUP AND THE COMPANY (EXTRACTS FROM THE GROUP’S 2024 ANNUAL REPORT)

ANNEX B: THE 2023 REMUNERATION REPORT, THE 2023 FINANCIAL REPORT OF THE GROUP AND THE COMPANY, AND THE INDEPENDENT AUDITOR’S REPORT ON THE 2023 FINANCIAL REPORT OF THE GROUP AND THE COMPANY (EXTRACTS FROM THE GROUP’S 2023 ANNUAL REPORT)

Australia and New Zealand Banking Group Limited

2024 Annual Report

Remuneration report

Holly Kramer
Chair – People & Culture Committee

Contents

2024 Remuneration Report – audited

Dear Shareholder,

Following a record performance in 2023, the ANZ team has delivered another year of strong financial results, along with significant progress on our strategic agenda, including completion of the acquisition of Suncorp Bank and significant growth in customers joining our ANZ Plus platform. For shareholders, we have delivered 27% Total Shareholder Return (TSR) in financial year 2024, and we also announced an on market share buy-back in May 2024.

Two years ago, the Board revised the executive remuneration structure to ensure compliance with *CPS 511 Remuneration* and to ensure that the Board had levers within the framework to take into account business and leadership performance, as well as the management of financial and non-financial risk. This year, the Board applied these levers with respect to 2024 remuneration outcomes, including as a result of a series of issues stemming from our Markets business, and an additional $250m capital overlay imposed by APRA due to Non-Financial Risk (NFR) matters. *(Note: these issues are outlined in the 'Chairman's message' of the Annual Report, and in this report we have referenced the specific instances where consequences have been considered and applied, with an overall summary outlined in Section 6).*

Notwithstanding these issues, the Board considers that the business has performed well in 2024, and financial risks have been well managed. Therefore, the challenge has been to balance the reward for good overall performance, with the need to apply consequences fairly and appropriately to reflect the impact of these recent events on ANZ's reputation, and customer, shareholder and regulator confidence.

2024 remuneration outcomes

Short Term Variable Remuneration (STVR) – Awarded

The ANZ Group Scorecard performance is a key component informing STVR outcomes for the Chief Executive Officer (CEO) and Disclosed Executives, as well as the majority of ANZ Group employees. The 2024 Group Scorecard performance was assessed at 99% of target. However, with the application of the Risk Modifier, the overall scorecard performance reduced to 90%/Below Target.

In order to improve clarity and alignment to the ANZ Group Scorecard, the Board determined that for 2024, the CEO's STVR would be based on 100% of the ANZ Group Scorecard results, with allowance for a CEO Leadership Modifier adjustment focused on the CEO's leadership of key strategic priorities and risk management (Section 5.1.2).

In the Board's assessment, the CEO Shayne Elliott, has continued to demonstrate good leadership of the Group and we have therefore assessed him as on target for the CEO Leadership Modifier component of his assessment. Specifically, his leadership of key strategic objectives has positioned ANZ well for the future, and he is consistently a role model of ANZ's values and behaviours. Given, however, that the CEO has ultimate accountability for the broader Group's performance, the CEO needs to bear appropriate accountability for the impact of the Markets and NFR matters. As a result, the Board applied its discretion and assessed the CEO's performance as Below Target, and determined the appropriate 2024 STVR outcome was 65% of target opportunity (52% of maximum opportunity).

For Disclosed Executives, the Board approved 2024 STVR outcomes which range from 50% to 88% of target (average

75%). This reflects their individual and Divisional performance, the Below Target assessment for Group performance, collective accountability for the NFR matters, and individual consequences (where relevant) for the Markets matters.

Long Term Variable Remuneration (LTVR) – Lapsed/Granted

The performance rights granted in late 2019 to the CEO and relevant Disclosed Executives did not meet the hurdles when tested at the end of the performance period in November 2023, therefore 100% of these performance rights lapsed.

Last year, the 2024 LTVR (comprised of 50% performance rights and 50% restricted rights), was granted to the CEO and Disclosed Executives at full opportunity, following the Board's pre grant assessment in October 2023 for restricted rights, determining that no reduction was required. For the CEO, the 2024 LTVR grant was $3,375,000, noting that LTVR is future focused and vests over time.

In considering the pre grant assessment for the 2025 LTVR, the Board has chosen to adjust the restricted rights (which make up 50% of LTVR at full opportunity), downward by 10%, due to the risk matters discussed above. The CEO's proposed 2025 LTVR of $3,206,250, will be subject to a shareholder vote at the upcoming 2024 Annual General Meeting (AGM).

Fixed remuneration

Effective for 2024, Disclosed Executives (excluding the CEO), received a Fixed Remuneration (FR) adjustment to maintain or improve market positioning. There were no further increases to FR for 2024.

Changes to the way we remunerate executives (from 2024 onward)

For LTVR awards of performance rights, **only** from financial year 2024 onward, the Board approved in July 2023:

- the removal of DBS Bank Limited from the Select Financial Services (SFS) relative TSR comparator group, to better balance the weighting of international peers in our comparator group; and
- that Compound Annual Growth Rate (CAGR) targets for the absolute CAGR TSR hurdle be based on the time weighted Cost of Capital (CoC) over the four-year performance period rather than the CoC at the start of the period, to better reflect cyclical factors impacting shareholders.

In addition, post the Suncorp Bank acquisition and applicable to both awards currently on foot and future LTVR awards of performance rights, the Board approved the removal of Suncorp Group Limited from the relative TSR SFS comparator group (Section 9.1).

Changes to the way we remunerate executives (from 2025 onward)

In 2024, the People & Culture Committee recommended, and the Board approved, changes to the ANZ Group Scorecard and performance approach for financial year 2025 onward. The intention is to provide a greater focus on fewer, more meaningful objectives that will drive sustainable long-term performance, and to provide a more transparent link between performance and remuneration outcomes. This approach is also consistent with shareholder feedback.

The key changes arising from this review will be effective from 2025, and are summarised as follows:

- reduction in the number of objectives and indicators;
- provision of weightings for each objective rather than at the category level only;
- introduction of threshold/target/stretch targets for each indicator;
- increase in the performance assessment weighting for Group performance for frontline Disclosed Executives, from 25% to 40%, to recognise the increase in Group-wide priorities (excluding Group Executive and CEO, New Zealand); and
- increase in the weighting of financial measures from 40% to 50% in our Group and Divisional Scorecards.

Non-Executive Director (NED) fees

For 2024 there was a 2% uplift to the NED member fee, and uplifts to fees for Committee chairs and members. There was no change to the fees for the Board Chair (Section 7.1).

In closing, and on behalf of my Board colleagues, I'd like to thank all of our ANZ employees for their important contributions this past year. While the year has been marked by some challenges in the bank, underlying performance was strong and we have made meaningful progress on our long-term goals.

Holly Kramer
Chair – People & Culture Committee

The Remuneration Report for Australia and New Zealand Banking Group Limited (ANZBGL) outlines our remuneration strategy and structure and the remuneration practices that apply to Key Management Personnel (KMP). This report has been prepared, and audited, as required by the *Corporations Act 2001*. It forms part of the Directors' Report.

This report includes disclosures for the full financial year 2024 (1 October 2023 to 30 September 2024). Ordinary shares and employee equity (deferred shares, deferred share rights, restricted rights and performance rights) held prior to 3 January 2023[1] were previously ANZBGL related equity – post the listing of ANZGHL, the equity was converted to ANZGHL related equity. **References to 'the Board' throughout this report mean the Boards of ANZGHL and ANZBGL.**

Section 5.1.1 ANZ Group Scorecard – approach and 2024 outcomes relates to ANZGHL rather than ANZBGL given this forms the basis for determining performance and remuneration outcomes for the CEO and Disclosed Executives.

1. Who is covered by this report

KMP are Directors of the Group (or entity) (whether executive directors or otherwise), and those personnel with a key responsibility for the strategic direction and management of the Group (or entity) (i.e., members of the Group Executive Committee (ExCo)) who have Financial Accountability Regime (FAR) Accountability and who report to the CEO (referred to as Disclosed Executives).

1.1 Disclosed Executive and Non-Executive Director changes

There were several changes to our KMP during the 2024 year:

- Ilana Atlas and John Macfarlane retired as Non-Executive Directors (NEDs) on 21 December 2023, at the conclusion of the 2023 AGM.
- John Cincotta and Richard Gibb commenced as NEDs on 15 February 2024.
- Following Sir John Key retiring as a NED on 14 March 2024, Scott St John commenced as a NED on 25 March 2024.
- Richard Howell concluded as Acting Group Executive, Talent & Culture on 8 October 2023 following the appointment of Elisa Clements to the role of Group Executive, Talent & Culture, effective 9 October 2023.

1.2 Key Management Personnel (KMP)

The KMP whose remuneration is disclosed in this year's report are:

2024 Non-Executive Directors (NEDs) – Current

P O'Sullivan	Chairman
J Cincotta	Director from 15 February 2024 (ANZBGL NED only)
R Gibb	Director from 15 February 2024
J Halton	Director
G Hodges	Director (ANZBGL NED only)
H Kramer	Director
C O'Reilly	Director
J Smith	Director
S St John	Director from 25 March 2024

2024 Non-Executive Directors (NEDs) – Former

I Atlas	Former Director – retired 21 December 2023
J Key	Former Director – retired 14 March 2024
J Macfarlane	Former Director – retired 21 December 2023

2024 Chief Executive Officer (CEO) and Disclosed Executives – Current

S Elliott	CEO and Executive Director
M Carnegie	Group Executive, Australia Retail
E Clements	Group Executive, Talent & Culture (GE T&C) from 9 October 2023
K Corbally	Chief Risk Officer (CRO)
F Faruqui	Chief Financial Officer (CFO)
G Florian	Group Executive, Technology & Group Services
C Morgan	Group Executive, Australia Commercial
A Strong	Group Executive, Strategy & Transformation
A Watson	Group Executive and CEO, New Zealand
M Whelan	Group Executive, Institutional

2024 Disclosed Executives – Former

R Howell	Former Acting Group Executive, Talent & Culture (GE T&C) – concluded in role 8 October 2023

No changes to KMP since the end of 2024 up to the date of signing the Directors' Report.

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[1] ANZ Group Holdings Limited (ANZGHL) replaced Australia and New Zealand Banking Group Limited (ANZBGL) as the listed entity on 3 January 2023 under a scheme of arrangement approved by shareholders at the AGM on 15 December 2022.

2. Remuneration at a glance

For 2024

CEO:

- No Fixed Remuneration (FR) increase.
- Awarded STVR of 65% of target (52% of maximum opportunity), reflecting his overall performance assessment of Below Target.
- Awarded LTVR of $3,375,000 (following 2023 AGM shareholder approval).
- Received 2024 total remuneration of $4.1m (inclusive of the value of prior equity awards which vested in 2024) (Section 5.3).

Disclosed Executives:

- Received a Fixed Remuneration adjustment effective 1 October 2023 to maintain or improve market positioning (approved October 2023 by the Board) – no further FR increases for 2024.
- Awarded STVR outcomes averaging 75% of target (60% of maximum opportunity), with individual outcomes ranging from 50% to 88% of target (40% to 71% of maximum opportunity).
- Awarded LTVR full opportunity of 135% of FR (100% of FR for the CRO) – as LTVR is future focused, 2024 LTVR awards were approved in October 2023 by the Board.

Restricted rights and performance rights outcomes:

- 2024 LTVR restricted rights made at full award value following the 2024 LTVR pre grant assessment in October 2023 by the Board.
- 100% of the 2019 performance rights award granted in late 2019 were lapsed, as performance hurdles were not met when tested in November 2023 – end of the performance period.

NEDs:

Following the 2024 NED fees review in September 2023 (approved by the People & Culture Committee):

- Received a 2% increase to the NED member fee to $245,000 (unchanged since 2016).
- Aligned fee structure across all Committees increasing each Committee chair fee to $68,000 and each Committee member fee to $34,000.
- Board Chairman fee remains unchanged.

3. Historical information

3.1 Five-year ANZ financial performance summary
3.2 Historical performance and remuneration outcomes
3.3 ANZ TSR performance (1 to 10 years)

3.1 Five-year ANZ financial performance summary

When determining variable remuneration outcomes for the CEO, Disclosed Executives and employees, a range of different financial indicators are considered. The Group uses cash profit as a measure of performance for the Group's ongoing business activities, as this provides a basis to assess Group and Divisional performance against earlier periods and against peer institutions.

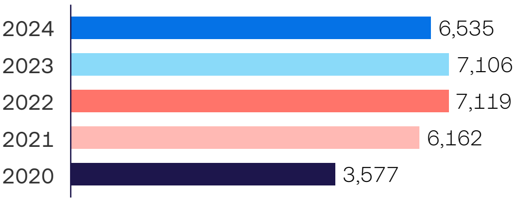
The adjustments made in arriving at cash profit are included in statutory profit which is subject to audit. Although cash profit is not audited, the external auditor has informed the Audit Committee that the cash profit adjustments have been determined on a consistent basis across each period presented.

2024 statutory profit is down 8% compared to the prior financial year, while cash profit is down 9%, with both metrics impacted by one-off Suncorp Bank acquisition related adjustments. Excluding the one-off adjustments, statutory profit is down 5% and cash profit is down 7%.

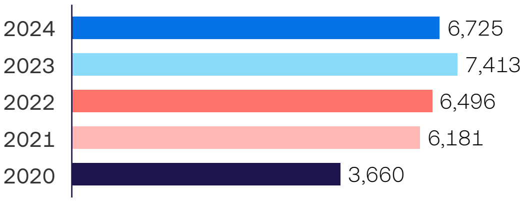
During 2024 the Group commenced a $2 billion share buy-back to return surplus capital to its shareholders, which up to 30 September 2024 has resulted in the Group returning $883m of capital to shareholders via the acquisition of 30 million shares on the market.

ANZ's financial performance[1], including cash profit[2], over the last five years.

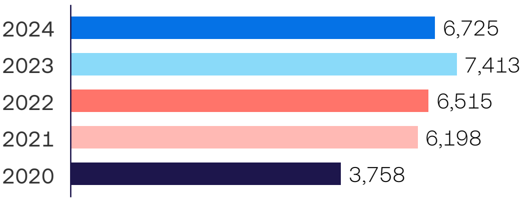
Statutory profit attributable to ordinary shareholders ($m)



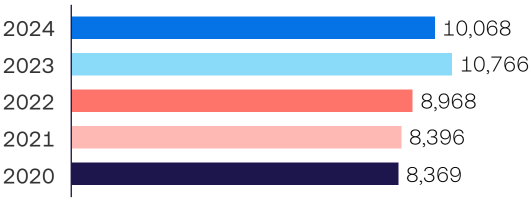
Cash profit ($m, unaudited)



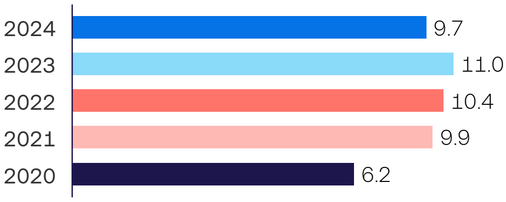
Cash profit - continuing operations ($m, unaudited)



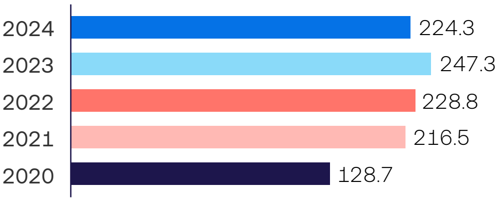
Cash profit before provisions - continuing operations ($m, unaudited)



Return on equity - cash (%) - continuing operations (unaudited)



Earnings per share - cash - continuing operations (unaudited)



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1. The Group completed the divestment of its Aligned Dealer Group business, its Onepath Pensions and Investment business, and life insurance business across the 2020 and 2019 financial years. The financial results of these divested businesses were treated as discontinued operations in the 2022, 2021 and 2020 years. The Group ceased reporting discontinued and continuing operations from completion in 2022. On 1 October 2023, the Group adopted AASB 17 *Insurance Contracts* (AASB 17), applied AASB 17 effective 1 October 2022 and restated prior period comparative information. **2.** Cash profit excludes non-core items included in statutory profit with the net after tax adjustment resulting in a decrease to statutory profit of $190m for 2024, made up of several items. It is provided to assist readers understand the results of the core business activities of the Group.

3.2 Historical performance and remuneration outcomes

The table below shows the link between financial performance and variable remuneration outcomes over the past five years. STVR outcomes are reasonably aligned with financial performance trends over the corresponding 2020 to 2024 periods, noting that the 2023 STVR outcomes were higher reflecting that year's record result.

	2020	2021	2022	2023	2024
CEO STVR[1] outcome (% of target)	50%[5]	80%	93%	120%	**65%**
Disclosed Executive STVR[2] outcome (average % of target[3])	54%[5]	90%	97%	111%	**75%**
Disclosed Executive STVR[2] outcome (range % of target[3])	46% - 66%	69% - 99%	89% - 120%	100% - 125%	**50% - 88%**
LTVR/VR PR vesting outcome (% vested)	0%	43.3%	51.6%	n/a	**0%**
Share price[4] at 30 September ($)	17.22	28.15	22.8	25.66	**30.48**
Total dividend (cents per share)	60	142	146	175	**166**
Total shareholder return (12 month %)	-36.9	70.7	-14	20	**27.0**

1. Previously referred to as AVR pre-2022 for the CEO. **2.** Previously referred to as VR pre-2022 for Disclosed Executives. **3.** Pre 2022, % of target applied to the full VR due to the combined VR structure for Disclosed Executives in those years. **4.** On 1 October 2019, opening share price was $28.22. **5.** Post 50% COVID-19 reduction.

3.3 ANZ TSR performance (1 to 10 years)

The table below compares ANZ's TSR performance against the median TSR and upper quartile TSR of the performance rights Select Financial Services (SFS) comparator group[1] over one to ten years, noting that for this table TSR is measured over a different timeframe (i.e., to 30 September 2024) to the performance period for our performance rights.

- ANZ's TSR performance was below the median TSR of the SFS comparator group[1] when comparing over one, three and ten years; and
- Either just above or just below the median over five years dependent on the size of the SFS comparator group.

	Years to 30 September 2024							
	1		3		5		10	
ANZ (%)	27.0		31.1		41.3		74.6	
Median TSR SFS[2,3] (%)	37.0	38.3	47.1	46.3	48.5	37.1	95.7	76.0
Upper quartile TSR SFS[2,3] (%)	41.3	42.1	58.6	52.4	105.5	81.7	205.7	151.8

1. See section 9.1.2 for details of the SFS comparator group. **2.** Blue = SFS includes DBS Bank Limited and excludes Suncorp Group Limited. **3.** White = SFS excludes DBS Bank Limited and Suncorp Group Limited.

4. Executive performance and remuneration framework overview

4.1 Strategy, principles and governance

The following overview highlights how the executive performance and remuneration framework supports ANZ's purpose and strategy.

ANZ's purpose and strategy[1]

Is underpinned by our Performance and Remuneration Policies which include our Reward Principles:

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 as much as **what** is achieved	Fair and simple to understand

With remuneration delivered to our CEO and Disclosed Executives through:

Fixed remuneration (FR)	Performance linked variable remuneration	
	Short Term Variable Remuneration (STVR)	Long Term Variable Remuneration (LTVR)
	Awarded at end of year based on Group and individual performance	Awarded at start of year, with LTVR vesting subject to performance conditions tested at end of 4-year performance period

While governed by:

The People & Culture Committee and the Board determining FR and the variable remuneration outcomes for the CEO and each Disclosed Executive. Additionally, the CEO's LTVR outcome is also subject to shareholder approval at the AGM.

Board discretion (with supporting decision-making frameworks) is applied when determining performance and remuneration outcomes (including grant of short and long-term variable remuneration awards), before any scheduled release of previously deferred remuneration (Section 4.5), before the vesting of LTVR restricted rights (Section 9.1.1), and in applying any required consequences (Section 6).

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[1] See the 'Our purpose and strategy' section of the Annual Report.

4.2 Alignment of remuneration and risk

Variable remuneration for the CEO and Disclosed Executives is designed to align remuneration and risk.

Alignment of remuneration and risk

Variable remuneration for the CEO and Disclosed Executives is aligned to risk management through:

Assessing behaviours based on ANZ's values and risk/compliance standards (including the FAR)	Determining variable remuneration outcomes with risk as a modifier – impacting outcomes at both a pool and individual level	Weighting remuneration toward the longer-term with a significant proportion at risk	Emphasising risk in the determination and vesting of LTVR restricted rights (Section 9.1.1)	Reinforcing the importance of risk culture in driving sustainable long-term performance in the LTVR design
Providing material weight to non-financial metrics (particularly risk) in line with APRA requirements	Ensuring risk measures are considered over a long-time horizon (up to 5 and 6 years)	Determining accountability and applying consequences where appropriate	Strengthening risk consequences with clawback (Section 4.5)	Prohibiting the hedging of unvested equity

Variable remuneration can be adjusted downwards, including to zero, allowing the Board to hold executives accountable, individually or collectively, for the longer-term impacts of their decisions and actions.

4.3 Remuneration structure and delivery

There are two core components of remuneration at ANZ – fixed remuneration and at risk variable remuneration.

In structuring remuneration, the Board aims to find the right balance between fixed and variable remuneration (at risk), the way it is delivered (cash versus deferred remuneration) and appropriate deferral time frames (the short, medium and long-term).

The Board sets and reviews annually the CEO and Disclosed Executives' FR based on financial services market relativities and reflecting each executive's responsibilities, performance, qualifications and experience.

The CEO and Disclosed Executives' variable remuneration is comprised of STVR and LTVR consistent with external market practice.

At target performance, 63% of variable remuneration for the CEO and Disclosed Executives, and 56% of variable remuneration for the CRO is deferred for at least four years from the date the Board approved the variable remuneration in October, and the date shareholders approve the CEO's LTVR, noting that this complies with the FAR minimum deferral requirement of 60% for the CEO and 40% for Disclosed Executives.

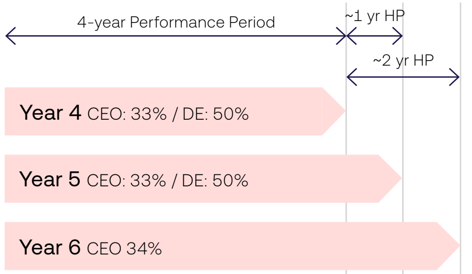
4.3.1 Remuneration structure

CEO and Disclosed Executives (DEs) (excluding CRO[1])

	Fixed Remuneration **(FR)**	Short Term Variable Remuneration **(STVR)**[2]	Long Term Variable Remuneration **(LTVR)**
Mix at Maximum	30%	30%	40%
Maximum/full opportunity	100% of FR	100% of FR	135% of FR
Delivery	Cash and superannuation contributions	50% Cash 50% Deferred shares (DS)	50% Restricted rights (RR) 50% Performance rights (PR)
Timing/ deferral	Year 1 Cash 100%	Awarded at end of year based on Group and individual performance Year 1 Cash 50% Year 2 DS 25% Year 3 DS 25%	• Awarded at start of year subject to – **RR:** Pre grant assessment (risk based measures) – **RR & PR:** Shareholder approval at AGM for CEO award • Performance condition tested at end of 4-year performance period – **RR:** Pre vest assessment (risk based measures) – **PR:** Relative and absolute TSR hurdles

For **both** RR and PR:

Deferral period = 4-year Performance Period + Holding Period (HP)



All variable remuneration is subject to the Board's ongoing discretion to apply in-year adjustments, malus and clawback

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1. CRO mix: 33.3% FR/33.3% STVR/33.3% LTVR. STVR maximum opportunity: the same as CEO/DE at 100% of FR, LTVR full opportunity: 100% of FR and delivered as 100% RR to support independence. **2.** If the CEO receives above target STVR, the amount above target will be delivered as 40% cash and 60% DS (20% year 4, 20% year 5, 20% year 6) to ensure compliance with the minimum deferral requirements with respect to FAR and APRA's Prudential Standard *CPS 511 Remuneration*.

4.3.2 Variable remuneration delivery

Variable remuneration for the CEO and the Disclosed Executives (excluding the CRO and former Acting GE T&C) is delivered as follows:

- STVR as 50% cash paid to executives at the end of the annual Performance and Remuneration Review (December), and subject to clawback for two years post payment, and 50% shares deferred equally over years 2 and 3 (granted in November in respect of performance for the prior financial year); and
- LTVR as restricted rights and performance rights granted at the beginning of the financial year in November/December, and deferred over:
  - year 4 (33%), year 5 (33%) and year 6 (34%) for the CEO; and
  - year 4 (50%) and year 5 (50%) for Disclosed Executives.

Both restricted rights and performance rights are tested against the relevant performance condition at the end of the four-year performance period and are then subject to additional holding period(s) until the completion of the respective deferral periods (Section 9.1).

Before any scheduled release of deferred remuneration, the Board considers whether malus should be applied to previously deferred remuneration (or further deferral of vesting), or clawback to variable remuneration previously granted (two years post payment or vesting), for the CEO and Disclosed Executives (Section 4.5).

For deferred variable remuneration for the CEO and Disclosed Executives, we calculate the number of deferred shares to be granted based on the VWAP of the shares traded on the ASX in the five trading days leading up to and including 1 October (i.e., in line with the beginning of the financial year). Allocations prior to the 2022 financial year were based on the VWAP in the five trading days leading up to and including the date of grant. The VWAP used for disclosure and expensing purposes is the one-day VWAP at the date of grant, which is in line with the Accounting Standard.

In some cases, we may grant deferred share rights to executives instead of deferred shares. Each deferred share right entitles the holder to one ordinary share.

4.4 Performance assessment

The following provides a summary of the performance assessment approach for the CEO and Disclosed Executives.

Financial Accountability Regime (FAR) compliance is the gateway that requires the Accountable Person to meet their obligations in line with their Accountability Statement under the FAR since 15 March 2024 and, prior to that, under the Banking Executive Accountability Regime (BEAR). The 'what' assessment comprises of the ANZ Group Scorecard and Divisional Scorecard (excluding the CEO). Both the Group and Divisional Scorecard assessments are calculated as follows: Risk modifier[1] % x [Shareholder/Financial % + Customer % + People & Culture %]. The 'what' assessment outcome is then modified by the 'how' modifier. The 'how' modifier for Disclosed Executives considers a macro view of the individual's approach to risk, demonstration of ANZ behaviours, and their contribution to building a successful Group Executive team. See below and Section 5.1.2 for CEO Leadership Modifier detail.

FAR Compliance Gateway

'What' assessment

ANZ Group Scorecard assessment %

Weighting

CEO:	100%
CRO:	25%
Frontline DEs:	25%
Enablement DEs:	50%

+

Divisional Scorecard assessment %

Weighting

CEO:	n/a
CRO:	75%
Frontline DEs:	75%
Enablement DEs:	50%

×

'How' Modifier %

Key Inputs:

- Risk Standards assessment
- How assessment
- *Leadership of key strategic priorities (CEO only)*

=

Overall Performance Assessment %

Key Inputs:

- Informs STVR outcome

4.4.1 CEO performance

The CEO's STVR is assessed 100% on the ANZ Group Scorecard, adjusted by the CEO Leadership Modifier, which takes into consideration the CEO's leadership of:

- Key strategic priorities aligned with ANZ's strategy
- ANZ's values/behaviours
- ANZ's risk and compliance standards

This is a change from 2023, where performance informing the CEO's STVR was split 50% between the Group Scorecard and the CEO's individual objectives.

With the change to 100% assessment on the ANZ Group Scorecard (as highlighted in the 'People & Culture Committee Chair letter'), the weighting to financial performance for the CEO is around 40% (moving to 50% in 2025); however noting that the CEO's STVR is not formulaic.

The Scorecard/strategic priorities are agreed upon by the Board at the beginning of the financial year (and are designed to be stretching). At the end of the financial year, the People & Culture Committee reviews and recommends to the Board for approval the CEO's overall performance taking into consideration:

i. Performance against the ANZ Group Scorecard
ii. CEO Leadership Modifier
iii. Input from the Chairman
iv. Compliance with FAR obligations
v. Control function reports from the CRO (on risk management), CFO (on financial performance), GE T&C (on talent and culture matters) and Group General Manager Internal Audit (GGM IA) (on internal audit matters)
vi. Material risk, audit and conduct events that have either occurred or come to light in the year
vii. Input from both the Audit Committee and the Risk Committee of the Board

4.4.2 Disclosed Executive performance

At the start of each year, stretching performance objectives are set for Disclosed Executives through Divisional Scorecards, aligned with the ANZ Group Scorecard. At the end of the financial year, the People & Culture Committee recommends to the Board for approval the performance of each Disclosed Executive[2] against:

i. the ANZ Group Scorecard (25% to 50% weighting)
ii. their Divisional Scorecard (50% to 75% weighting)
iii. ANZ's values/behaviours
iv. points iv) to vii) as detailed for the CEO

The ANZ Group Scorecard weighting for Disclosed Executives varies based on role focus:

- 50% weighting for enablement Disclosed Executives: Chief Financial Officer, GE Strategy & Transformation, GE Talent & Culture, and GE Technology & Group Services
- 25% weighting for Chief Risk Officer, and frontline Disclosed Executives: GE Australia Retail, GE Australia Commercial, GE & CEO New Zealand, and GE Institutional

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1. Note for the CRO, Risk is incorporated in the Scorecard rather than as a separate modifier. **2.** Performance arrangements for the CRO are addressed additionally by the Risk Committee. Performance arrangements for the GE & CEO, New Zealand are determined and approved by the ANZ NZ HR Committee/ANZ NZ Board in consultation with and endorsed by the People & Culture Committee/Board, consistent with their respective regulatory obligations.

However, to reinforce the importance of collective accountability and contribution to Group outcomes, the Group weighting will increase from 25% to 40% in 2025 for frontline Disclosed Executives (excluding GE & CEO, New Zealand). The Chief Risk Officer will retain a 25% weighting to reinforce independence of the role.

Similar to the ANZ Group Scorecard, the Divisional Scorecards include the key elements of Shareholder/Financial, Customer, and People & Culture, with Risk acting as a modifier.[1] The weighting of each element varies to reflect the responsibilities of each individual's role. The Shareholder/Financial element weightings range from 20% to 40% (increasing to 50% in 2025).

4.4.3 Alignment with the achievement of stretching performance objectives

Variable remuneration for the CEO and Disclosed Executives is designed to align with the achievement of stretching performance objectives that support our business strategy and drive long-term sustainable outcomes for shareholders.

Alignment with the achievement of stretching performance objectives

Variable remuneration outcomes are based on a range of measures (as illustrated below), with material weight provided to non-financial measures in accordance with Prudential Standard CPS 511 Remuneration.

STVR
Mix of financial and non-financial measures

Key individual assessment inputs

ANZ's values/behaviours	**ANZ's risk and compliance standards**	**FAR obligations**
ANZ Group Scorecard 25%-100% weighting	**Divisional Scorecards** 50%-75% weighting	**Control function input** Risk, Finance, T&C, Audit

2024 ANZ Group Scorecard
Below are examples of key drivers of shareholder value

Shareholder/Financial (40%)
- Ensure dynamic, efficient and disciplined resource allocation, including capital, that creates more value and sustainable returns for customers, shareholders and society

Customer (40%)
- Create propositions that attract and engage more of our target customers, and improve their financial well-being, access to housing and sustainability
- Build resilient business services and technology that more safely and efficiently serve customers

People & Culture (20%)
- Establish an adaptable workforce and operating model that delivers innovation and outcomes for our customers more quickly

Risk modifier (0% to 110%)
- Maintain risk discipline focused on good customer and regulatory outcomes

Additional financial and non-financial considerations in determining Group and individual performance and size of the ANZ Incentive Plan (ANZIP) variable remuneration pool include:

- Broader financial performance
- Quality of earnings and operating environment
- Shareholder experience
- Our Reward Principles (Section 4.1)

LTVR
Aligned to shareholder experience

LTVR restricted rights
Mostly non-financial

Prudential soundness
Capital ratio and liquidity prudential minimums

Risk measures
- Material risk outcomes[2]
- APRA active supervision
- Risk culture

LTVR performance rights
Financial

TSR

75% relative TSR
Performance relative to SFS comparator group

25% absolute TSR
Focuses on positive growth – even when market is declining

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[1] Except for the CRO who has a percentage weighting assigned to risk measures. [2] Considers all risk types including capital adequacy risk, liquidity and funding risk, credit risk, market risk, climate risk, non-financial risk and strategic risk.

4.5 Board discretion

Variable remuneration is 'at risk' remuneration and can range from zero to maximum opportunity. At the end of the financial year, the Board[1] approves variable remuneration recommendations for the CEO and each Disclosed Executive following lengthy and detailed discussions and assessment, supported by comprehensive analysis of performance from a number of sources.

Board discretion is applied when determining all CEO and Disclosed Executive variable remuneration outcomes including:

- the size of the ANZIP variable remuneration pool;
- STVR and LTVR outcomes for each financial year;
- LTVR vesting outcomes (including pre vest assessment); and
- downward adjustment of variable remuneration as part of consequence management, in accordance with applicable law and any terms and conditions provided (see below).

Downward adjustment of variable remuneration

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. #1 to #3 below are applicable to all employees, while clawback (#4) is limited to select employees (primarily the CEO, Disclosed Executives and senior employees in jurisdictions where clawback regulations apply):

1. In year adjustment	2. Further deferral/freezing	3. Malus	4. Clawback
The most common type of downward adjustment, which reduces the amount of variable remuneration an employee may have otherwise been awarded for that year.	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.	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.	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) (for other employees) considers whether any further deferral, malus, or clawback should be applied (Section 6).

4.6 Alignment of executive and shareholder interests

Variable remuneration for the CEO and Disclosed Executives is designed to align executive and shareholder interests.

Alignment of executive and shareholder interests

More broadly, ANZ's variable remuneration structure supports the alignment of executives with the interests of shareholders through:

Substantial shareholding requirements (around 80% of variable remuneration at maximum opportunity deferred into ANZ equity, and 75% for the CRO to ensure alignment with shareholder interests and to ensure focus on long-term value creation)	Significant variable remuneration deferral up to 5 and 6 years in ANZ equity (which also supports retention)	Significant weighting to the LTVR component (around 60% of VR) which includes relative and absolute TSR hurdles	Consideration of cash profit and economic profit in determining ANZIP variable remuneration pool	Consideration of the shareholder experience (in respect of the share price and dividend) in determining ANZIP variable remuneration pool and individual outcomes

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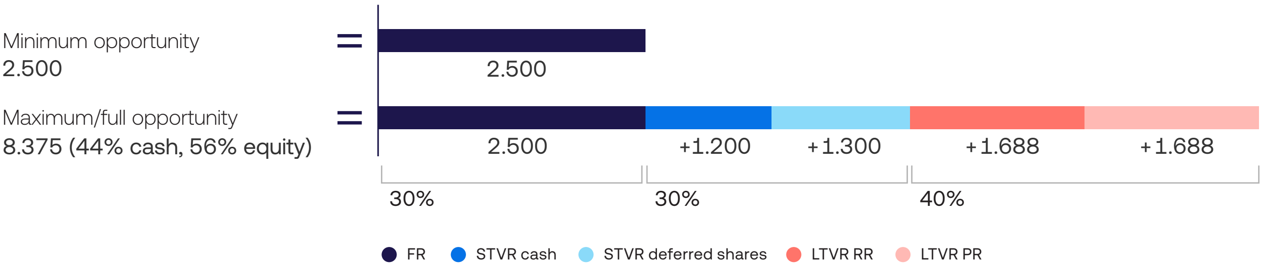
[1] Remuneration arrangements for the Group Executive and CEO, New Zealand are determined and approved by the ANZ NZ Board in consultation with and endorsed by the Board, consistent with their respective regulatory obligations.

4.7 Remuneration mix

The CEO and Disclosed Executives[1] have an aligned remuneration mix of 30% FR, 30% STVR and 40% LTVR at maximum/full opportunity, and structure, with the exception of longer deferral for the CEO in line with APRA's deferral requirements.

CEO

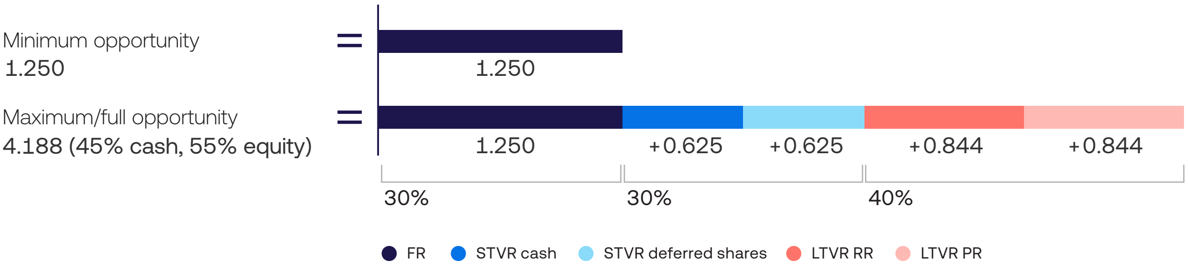
Remuneration mix – CEO ($m)



Disclosed Executives

The dollar amounts in the below example are for illustrative purposes only, and are based on the FR value of $1.25m.

Remuneration mix – Disclosed Executives[1] ($m)



Chief Risk Officer

To preserve the independence of the role and to minimise any conflicts of interest in carrying out the risk control function across the organisation, the CRO's remuneration arrangements differ to other Disclosed Executives.

While the STVR opportunity (100% of FR) is the same as the CEO and Disclosed Executives, the LTVR opportunity is different (100% of FR instead of 135% of FR) reflecting the delivery of LTVR as 100% restricted rights (instead of 50% restricted rights and 50% performance rights). Maximum variable remuneration opportunity is 200% of FR for the CRO. The remuneration mix is 33.3% FR/33.3% STVR/33.3% LTVR.

Former Acting Group Executive, Talent & Culture

Due to the acting nature of R Howell's appointment his remuneration arrangements differed to other Disclosed Executives. For the time spent in this acting role, his FR was set at $700k per annum from 1 June 2023 and increased to $703k from 1 July 2023 (due to the impact of the Superannuation Guarantee rate change). His VR maximum opportunity was set at 150% of FR (his remuneration mix was therefore 40% FR/60% VR). His VR in the acting role was delivered as 60% cash and 40% as shares deferred over years 4 to 5 to ensure compliance with *CPS 511* deferral requirements.

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[1] Excluding CRO.

5. Executive remuneration outcomes

Remuneration outcomes have been presented in the following three ways:

1. Awarded remuneration – STVR and LTVR
(Sections 5.1.2, 5.2.1 and 5.4)

2. Received remuneration
(Section 5.3)

3. Statutory remuneration
(Section 9.2)

5.1 Short term variable remuneration (STVR)

5.1.1 ANZ Group Scorecard – approach and 2024 outcomes

The ANZ Group Scorecard is approved by the Board at the start of each year. It plays a key role to:

- Message internally what matters most
- Reinforce the importance of sound management in addition to risk, shareholder/financial, customer, and people and culture outcomes
- Inform focus of effort, prioritisation and decision-making across ANZ

Assessment of performance against the ANZ Group Scorecard provides a key input (as illustrated in Section 4.4):

In determining the size of the ANZ Incentive Plan (ANZIP) variable remuneration pool, which funds individual variable remuneration outcomes for all employees/STVR for Disclosed Executives (excluding the CEO to help mitigate potential conflicts of interest)

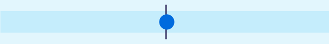
In the overall performance assessment for the CEO (100% weighting, adjusted based on a CEO Leadership Modifier) and Disclosed Executives (25% – 50% weighting), which **informs the STVR awarded outcomes in Section 5.1.2**

As managing risk appropriately is fundamental to the way ANZ operates, **risk forms an integral part of the assessment**, directly impacting the overall ANZ Group Scorecard outcome (a modifier ranging from 0% to 110% of the ANZ Group Scorecard assessment).

On the following pages we have outlined **ANZ's 2024 Group Scorecard** and provided a summary of outcomes for each of the key performance categories to inform the **overall assessment for 2024**.

Shareholder/Financial

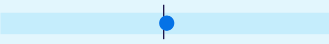
40% weight: **110%/Above Target**

Key objectives	Outcomes
Ensure dynamic, efficient and disciplined resource allocation, including capital, that creates more value and sustainable returns for customers, shareholders and society	Below Target Above
Deliver Group **economic profit**[1] to plan or better in a high-quality manner, targeting sustainable returns	
Effectively manage **total cost growth**, in support of our 3yr Strategic Plan (including our 2024 productivity ambition)	

- Economic profit exceeded plan by $88m after removing the impact from Suncorp Bank, which was not included in the original plan.
- Total cost growth was 6%. Excluding Suncorp Bank division, the cost growth of 4% was marginally higher than plan as a result of higher restructuring costs to further our productivity agenda. Continued inflation and high levels of investment directed into growth, productivity and simplification initiatives were partially offset by disciplined cost management and productivity initiatives.
- Return on equity (ROE) exceeded target by 36 basis points after removing the impacts from Suncorp Bank earnings not included in the original plan.

Customer

40% weight: **88%/Below Target**

Key objectives	Outcomes
• Create propositions that attract and engage more of our target customers, and improve their financial well-being, access to housing and sustainability • Build resilient business services and technology that more safely and efficiently serve customers	Below Target Above
Suncorp Bank: Ensure Suncorp integration is on track	
Australia Retail: Make ANZ Plus a success including Plus Home loan in market and migration of initial cohort from Classic to Plus	
Australia Commercial: Continue to execute Commercial strategy with targeted growth in chosen segments and an increase in digital lending	
Institutional: Deliver against Environmental, Social and Governance (ESG) targets and extend leadership in platforms	
New Zealand: Continue to make banking easier	

- **Suncorp Bank** acquisition was completed, with a successful day 1 cutover.
- **Australia Retail** ANZ Plus growth has been strong, with Deposit Funds Under Management (FUM) of $16.5bn and customer numbers of 850k surpassing target, coupled with the rollout of additional features and continued improvement in Net Promoter Score (NPS)[2]. However, ANZ Plus Home Loans have been slower to market and achieved slower growth than target.
- **Australia Commercial** maintained sound delivery of initiatives to support strategy and achieved targeted growth in specific segments. NPS continued to improve year-on-year. Digital lending exceeded target. Flat growth with Business Owner/Home Owner FUM.
- **Institutional** achieved well beyond the 2024 target set to make progress on funding and facilitating $100bn by the end of 2030 in social and environmental activities. Significant mandates won for Payment Platforms and named best bank for cash management globally by Global Finance.
- **New Zealand** made significant progress on the Ngā Tapuwae program (to move ANZ NZ core to cloud and redesign business for greater resilience, agility and lower cost) – the key enabler in making banking easier for customers in New Zealand. Delivered first Climate Related Disclosure for New Zealand Climate standards.

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1. 2. See footnotes over page.

People & Culture	20% weight: **100%/On Target**
Key objectives	Outcomes
Establish an adaptable workforce and operating model that delivers innovation and outcomes for our customers more quickly	Below Target Above
Retain **high performers** (particularly those with the skills to support our business transformation)	
Maintain a purpose led culture, with strong **employee engagement**, and improved diversity and inclusion	

- Engagement continued to be very high (84% vs 87% in 2023). This engagement is evidenced beyond survey data in other measures such as participation in the 'Lead@ANZ program' (over 75% of eligible leaders having commenced the program), around 1,300 engineers having completed the 'Engineering Career Pathways program' and the number of staff who chose to be upskilled in ESG (3,249 completed the 'ESG@ANZ learning program').
- Retention of high performers was also strong, despite a more competitive employment market.
- A new Diversity and Inclusion (D&I) target was created in 2024 (aligned to our D&I strategy), and improvement from the baseline was positive. We continued to make progress on Women in Leadership (38.8%, up from 37.3% in 2023) and also maintained our #1 ranking amongst major bank peers in Glassdoor[3] employer of choice ratings.

Risk modifier	0 to 110%: **90%/Below Target**
Maintain risk discipline focused on good customer and regulatory outcomes	

- Strong credit outcome with no material credit events recorded. Overall, credit and market risk has been well managed, and liquidity risk remains appropriate.
- Ongoing progress in delivering key regulatory commitments and uplifting NFR management, however, the recent impost of an additional $250m operational risk overlay on top of our current $500m overlay is acknowledged as a clear sign that we need to do more in this area, and this will be a significant focus for 2025.
- The enterprise's risk culture has been assessed as Needs Improvement in 2024. Regulatory concerns around our Markets business and NFR management have contributed to this re-assessment. Importantly, a high 'Speak Up' index of 81% was achieved, reflecting sustained efforts to encourage people to speak up and challenge each other respectfully.
- No repeat adverse audits, no material Risk Appetite Statement breaches, and no material overdue regulatory issues.

Overall Group Performance Assessment	Assessment: **90%/Below Target**

Overall performance (excluding the impact of the Risk Modifier), is assessed at 99% or slightly below target, despite a challenging economic and socio-political environment. This reflects our strong financial performance with all business lines each contributing strongly, solid progress against our long-term strategic objectives, and good customer and people outcomes.

However, while ANZ delivered against the majority of the Group Scorecard objectives, the recent issues in the Markets business, and the additional $250m capital overlay from APRA in response to concerns regarding NFR matters, resulted in the application of a Risk Modifier of 90%, and therefore an overall performance assessment for 2024 of 90% (rounded) or Below Target. The Board notes that STVR outcomes for the CEO and Disclosed Executives also take into consideration performance against individual objectives.

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1. Economic profit is a risk adjusted profit measure used to evaluate business unit performance and is not subject to audit by the external auditor. Economic profit is calculated via a series of adjustments to cash profit with the economic credit cost adjustment replacing the accounting credit loss charge; the inclusion of the benefit of imputation credits (measured at 70% of Australian tax) and an adjustment to reflect the cost of capital. **2.** Net Promoter Score (NPS) is a customer loyalty metric used globally to evaluate a company's brand, products or services. Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld. **3.** Glassdoor is a website where employees and former employees anonymously review companies and their management.

5.1.2 CEO and DEs STVR – 2024 outcomes

At the end of the financial year, the People & Culture Committee makes a recommendation to the Board for approval in respect of STVR outcomes. STVR will vary up or down year-on-year, it is not guaranteed, and may range from zero to a maximum opportunity.

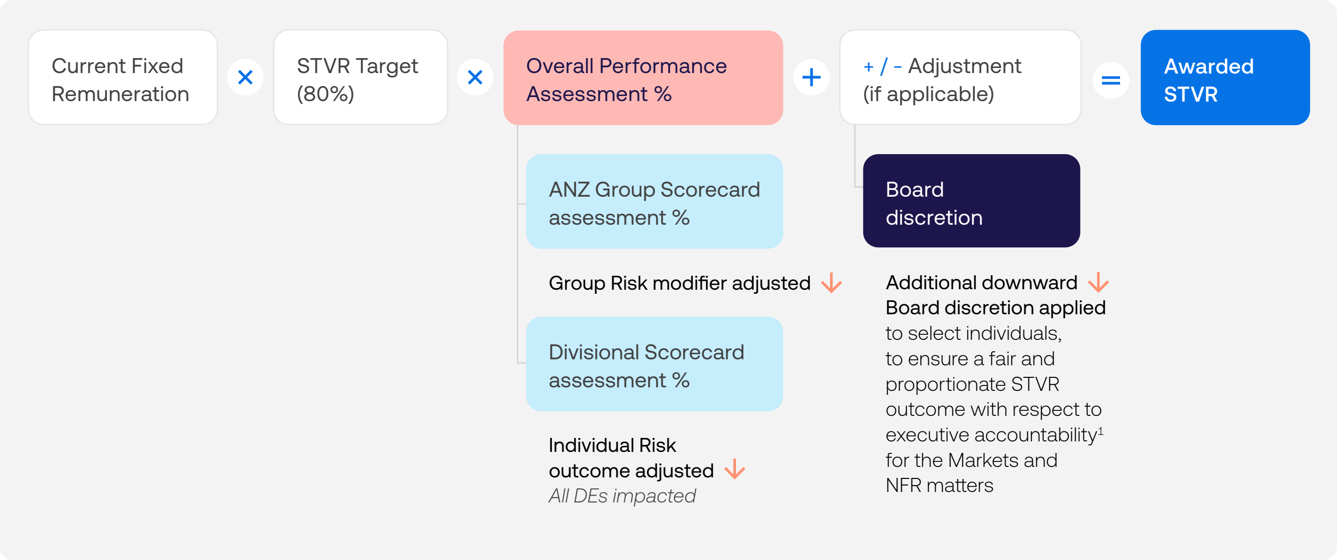
Where expectations are met, STVR is likely to be awarded around 80% of maximum opportunity. Where performance is below expectations, STVR will be less (potentially down to zero), and where above expectations, STVR will be more (potentially up to maximum opportunity). The degree of variance in individual STVR outcomes for Disclosed Executives reflects the weighting of the Group component (i.e., roles with 50% Group weighting will generally have less differentiation), and relative performance of the different areas/individuals.

Summary of how the 2024 overall performance assessment has impacted the STVR Allocation

2024 remuneration outcomes reflect both the overall performance of the Group and the performance of each individual/Division.

The following provides a summary of how the performance assessment has been impacted as a result of the Markets and NFR matters, and therefore the resulting impact on the 2024 awarded STVR.

2024 STVR Allocation (Target: 80%; Max: 100% as % of FR)



Board discretion applied to select individuals, to ensure a fair and proportionate STVR outcome with respect to executive accountability[1] for the Markets and NFR matters

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[1] The term 'accountability' is used in the broader sense – i.e., taken to mean that the CEO/Disclosed Executives are ultimately responsible for the effective management of risk and the performance of the bank, and therefore should bear appropriate consequences for the impacts of the matters. As used in this report, the term should not be taken to mean accountability under FAR, unless otherwise stated. Where referring to FAR accountability, the term 'Accountability' will be capitalised.

The STVR awarded tables show a year-on-year comparison of STVR awarded to the CEO, and Disclosed Executives for the 2023 and 2024 performance periods. STVR awarded reflects actual cash and the deferred shares component of STVR **awarded** in respect of the relevant financial year. As non-cash components are subject to future vesting outcomes, the awarded value may be higher or lower than the future realised value.

CEO

The Board determined that an STVR outcome of $1.3m (65% of target/52% of maximum opportunity) was appropriate for 2024 having regard to the overall performance of the Group, the CEO Leadership Modifier, and the Board's application of downward adjustment due to risk and reputation considerations arising from the Markets and NFR matters. As a result, the CEO's STVR outcome is down 46% year-on-year.

The Board assessed the CEO's 2024 performance as follows:

'What' assessment		**'How'** assessment	
Basis for:	Assessed as:	Basis for:	Assessed as:
ANZ Group Scorecard (Section 5.1.1) (100% weighting)	**90%/ Below Target**	*CEO Leadership Modifier* (see below)	**Overall: Met**
		1. Led/driven performance against the ANZ Group Scorecard *(including leadership of personal objectives aligned to the ANZ Group Scorecard)*	**Met**
		2. ANZ values/behaviours	**Role Modelled**
		3. Individual risk/compliance assessment	**Consistently demonstrated**

Board discretion: Downward adjustment to reflect impacts arising from the Markets and NFR matters

Overall performance assessment of 65% of target aligned to STVR outcome

Awarded STVR in the relevant financial year – CEO

			Actual STVR			STVR as % of	
	Financial year	STVR maximum opportunity $	Total STVR $	STVR cash $	STVR deferred shares $	Target opportunity	Maximum opportunity
CEO							
S Elliott	2024	2,500,000	1,300,000	650,000	650,000	65%	52%
	2023	2,500,000	2,400,000	1,160,000	1,240,000	120%	96%

Board assessment of CEO Leadership Modifier

The CEO has delivered well against the key factors forming part of the CEO Leadership Modifier.

1. Led/driven performance against the ANZ Group Scorecard

The CEO's leadership of the bank's key priorities resulted in strong progress against ANZ's longer term strategy, and good overall performance against 2024 objectives (Section 5.1.1). Key leadership highlights include:

- Final approval and acquisition of Suncorp Bank
- The ongoing successful rollout of ANZ Plus with strong adoption numbers, FUM growth and NPS, although acknowledging the slower than planned progress in some areas (e.g., home loans)
- Exceeding many ESG targets
- Significant productivity saves, to enable investment in key platforms for long term success

While 2024 has been a year of many successful achievements, the Board's reduction to the Risk Modifier resulted in a Below Target Group Scorecard assessment overall.

2. ANZ values/behaviours

The CEO's personal role modelling of the ANZ values and behaviours is exemplary, and as a result he is highly respected by ANZ staff and regarded as an authentic leader. Externally, the CEO demonstrates industry leadership on a range of matters, including his advocacy on making banking more accessible to the general population, along with his regular engagement with non-profit partners and community groups.

3. Individual risk/compliance assessment

The CEO actively leads, encourages and cultivates a culture where people seek to understand, measure and proactively manage risk and compliance matters. He sets the tone from the top regarding the importance of risk management and speak up culture across the bank, as evidenced by the improvement from 83% to 88% for the response to "At ANZ there are appropriate risk consequences when risk management processes and behaviours are not followed." While the CEO is ultimately accountable for the Markets and NFR matters, he has provided strong positive leadership in response to each matter.

Board discretion

While on balance the CEO's performance against the 'what' and 'how' assessments were good, the Markets and NFR matters have impacted ANZ's reputation, the confidence of customers, shareholders and regulators, and increased the risk capital overlay on ANZ by $250m. As a result, the Board has applied its discretion to ensure a fair and proportionate performance and STVR outcome for the CEO, given he has ultimate accountability for these matters.

Disclosed Executives

STVR outcomes for Disclosed Executives continue to differ both year-on-year and between executives demonstrating the variability in Group and individual performance year-on-year and the at risk nature of this element of remuneration (i.e., it is not guaranteed and may be adjusted up or down ranging from zero to a maximum opportunity).

In 2024, STVR outcomes for all Disclosed Executives have been impacted by the Markets and NFR matters (i.e., down 29% on average year-on-year for those in role for a full year in 2023 and 2024), due to the:

- impact of the Risk Modifier outcome on the Group Scorecard assessment; and
- the application of a -20% individual Risk Modifier adjustment for most Disclosed Executives to reflect collective executive accountability for the NFR challenges. The risk assessment impact was greatest for the CRO and GE, Institutional to reflect their greater overall accountability for these matters (i.e., issues took place within their area of control and influence), resulting in an average STVR reduction of 50% year-on-year.

The average STVR outcome for current Disclosed Executives is 75% of target (60% of maximum opportunity). This reflects both the overall assessment of ANZ Group performance as Below Target (Section 5.1.1), which is weighted 25% or 50%, and also individual performance (Section 4.4.2) which is weighted 75% or 50% depending on role. Outcomes range from 50% to 88% of target (or 40% to 71% of maximum opportunity).

To ensure an overall fair and proportionate consequence for the Markets and NFR matters, downward Board discretion was applied to STVR outcomes for select individuals (refer to Section 6 for consequence considerations).

The 2024 STVR awarded outcome for E Clements is based on her time as a Disclosed Executive during 2024. R Howell was awarded nil STVR for the 8 days he was a Disclosed Executive during 2024.

Awarded STVR in the relevant financial year – Disclosed Executives

			Actual STVR			STVR as % of	
	Financial year	STVR maximum opportunity $	Total STVR $	STVR cash $	STVR deferred shares $	Target opportunity	Maximum opportunity
Current Disclosed Executives							
M Carnegie	**2024**	**1,300,000**	**865,000**	**432,500**	**432,500**	**83%**	**67%**
	2023	1,250,000	1,100,000	550,000	550,000	110%	88%
E Clements[1]	**2024**	**784,000**	**470,400**	**235,200**	**235,200**	**75%**	**60%**
K Corbally	**2024**	**1,300,000**	**624,000**	**312,000**	**312,000**	**60%**	**48%**
	2023	1,250,000	1,065,000	532,500	532,500	107%	85%
F Faruqui	**2024**	**1,275,000**	**885,000**	**442,500**	**442,500**	**87%**	**69%**
	2023	1,250,000	1,200,000	600,000	600,000	120%	96%
G Florian	**2024**	**1,262,500**	**865,000**	**432,500**	**432,500**	**86%**	**69%**
	2023	1,250,000	995,000	497,500	497,500	100%	80%
C Morgan[1]	**2024**	**1,135,000**	**650,000**	**325,000**	**325,000**	**72%**	**57%**
	2023	627,000	500,000	250,000	250,000	100%	80%
A Strong[1]	**2024**	**850,000**	**580,000**	**290,000**	**290,000**	**85%**	**68%**
	2023	690,000	630,200	315,100	315,100	114%	91%
A Watson[2]	**2024**	**1,129,635**	**797,660**	**398,830**	**398,830**	**88%**	**71%**
	2023	1,106,505	945,140	472,570	472,570	107%	85%
M Whelan	**2024**	**1,500,000**	**595,000**	**297,500**	**297,500**	**50%**	**40%**
	2023	1,460,000	1,460,000	730,000	730,000	125%	100%
Former Disclosed Executives							
R Howell[1]	**2024**	**21,490**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
	2023	348,068	300,000	180,000	120,000	108%	86%

1. STVR based on time as a Disclosed Executive in either 2023 (C Morgan, A Strong, R Howell) or 2024 (E Clements, R Howell). **2.** Paid in NZD and converted to AUD. Year to date average exchange rate used to convert NZD to AUD as at 30 September for the relevant year.

5.2 Long term variable remuneration (LTVR)

LTVR reinforces the focus on achieving longer term strategic objectives, driving outperformance relative to peers, and creating long-term sustained value for all stakeholders. LTVR will be awarded based on full opportunity unless the LTVR restricted rights pre grant assessment results in any reduction (and is also subject to shareholder approval for the CEO).

A pre vest assessment will determine the number of restricted rights that ultimately vest, and performance against TSR hurdles will determine the level of vesting of performance rights and subsequent value of performance rights at the end of the performance period. LTVR (restricted rights and performance rights) is designed to strengthen the alignment of executive interests with shareholders, and performance rights provide a strong link between the reward for executive performance and TSR returns over the next four-year period.

5.2.1 CEO and DEs[1] LTVR – 2024 outcomes

2024 Awarded LTVR and pre grant assessment outcome

Following completion of the 2024 LTVR pre grant assessment, based on its outcome in October 2023, the Board determined that the 2024 LTVR (awarded at the start of the 2024 financial year) should be awarded at full opportunity to Disclosed Executives (November 2023) and the CEO (December 2023 post AGM).

The restricted rights component of 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 will 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 restricted rights should vest in full.

Restricted rights 2024 pre grant assessment (Section 9.1.1)

Step	Action	Outcome
Step 1	Assess Prudential Soundness	Met
Step 2	Assess Risk Measures	Met
Step 3	Apply Board discretion	No adjustment
Pre grant assessment outcome		100%

CEO LTVR: Shareholders approved at the 2023 AGM a 2024 LTVR award of $3,375,000 (135% of FR), delivered in the form of 50% restricted rights and 50% performance rights.

Disclosed Executives LTVR: 2024 LTVR awarded at full opportunity (135% of FR, and 100% for the CRO). Note that R Howell was not eligible in his acting capacity. Section 4.3 outlines delivery details.

2024 Awarded LTVR – CEO and Disclosed Executives

2024 LTVR Allocation (Full Opportunity[1]: 135% of FR; 2024 LTVR awarded at 100% of Full Opportunity)

2024 Fixed Remuneration × LTVR **Restricted Rights** opportunity (67.5%) × 2024 Pre grant assessment Outcome: **100%** = LTVR **Restricted Rights** Allocation: **67.5% of Fixed Remuneration**

2024 Fixed Remuneration × LTVR **Performance Rights** opportunity (67.5%) = LTVR **Performance Rights** Allocation: **67.5% of Fixed Remuneration**

Overall 135% of FR

1. CRO role: Full opportunity at 100% of Fixed Remuneration and delivered wholly in restricted rights.

	Actual LTVR[1]		
	Total LTVR[1] $	LTVR restricted rights $	LTVR performance rights $
CEO and Current Disclosed Executives			
S Elliott	3,375,000	1,687,500	1,687,500
M Carnegie	1,755,000	877,500	877,500
E Clements	1,080,000	540,000	540,000
K Corbally	1,300,000	1,300,000	-
F Faruqui	1,721,250	860,625	860,625
G Florian	1,704,375	852,188	852,188
C Morgan	1,532,250	766,125	766,125
A Strong	1,147,500	573,750	573,750
A Watson[2]	1,524,903	762,451	762,451
M Whelan	2,025,000	1,012,500	1,012,500

1. LTVR full opportunity based on FR at start of financial year. **2.** Awarded in NZD and converted to AUD. Year to date average exchange rate used to convert NZD to AUD as at 30 September for the relevant year.

2024 Received LTVR

2019 performance rights granted to the CEO in December 2019 and Disclosed Executives (excluding the CRO) in November 2019, reached the end of their performance period in November 2023. Based on performance against hurdles, 100% of the performance rights lapsed and executives received no value from this award.

Performance rights vesting outcomes

			Over four years				
Hurdle	Grant date[1]	First date exercisable[1]	ANZ TSR/ CAGR[2] TSR	Median TSR/ CAGR[2] TSR threshold target	Upper quartile TSR/CAGR[2] TSR maximum target	% vested	Overall performance rights outcome
75% relative TSR Select Financial Services (SFS) comparator group	22-Nov-19	22-Nov-23	12.32%	18.64%	47.58%	0%	100% lapsed
25% absolute CAGR[2] TSR	22-Nov-19	22-Nov-23	2.95%	8.5%	12.75%	0%	

1. Grant date for the CEO was 17 December 2019, and date first exercisable was 17 December 2023. The CEO's performance period was the same as the performance period for Disclosed Executives. **2.** Compound Annual Growth Rate (CAGR).

5.2.2 CEO and DEs[1] LTVR – 2025 outcomes

Following completion of the 2025 LTVR pre grant assessment, the Board determined in October 2024 that the 2025 LTVR restricted rights (50% of full LTVR opportunity), should be awarded at 90% of full opportunity to Disclosed Executives (November 2024) and the CEO (December 2024 post AGM) due to risk considerations.

This adjustment formed part of a holistic assessment (i.e., including consideration of risk adjustments impacting STVR), to ensure a proportionate collective impact for the NFR matters contributing to the additional capital overlay (Section 6). This would result in a total 2025 LTVR award (awarded at the start of the 2025 financial year) at 95% of full opportunity (90% of full opportunity for the CRO, whose LTVR is delivered wholly in restricted rights).

The restricted rights component of LTVR was subject to a pre grant assessment by the Board (outcomes are summarised below); and will 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 restricted rights should vest in full.

Restricted rights 2025 pre grant assessment (Section 9.1.1)

Step	Action	Outcome
Step 1	Assess Prudential Soundness	Met
Step 2	Assess Risk Measures	Not met
Step 3	Apply Board discretion	No adjustment
Pre grant assessment outcome		**90%**

The performance rights component of LTVR is subject to TSR hurdles, which will determine the level of vesting and subsequent value of performance rights at the end of the performance period.

CEO LTVR: 2025 LTVR subject to shareholder approval at the 2024 AGM – 2025 LTVR award of $3,206,250 (128.25% of FR), delivered in the form of 47% restricted rights and 53% performance rights.

Disclosed Executives LTVR: 2025 LTVR awarded at 90% of their full opportunity (128.25% of FR, and 90% for the CRO), delivered as part restricted rights and part performance rights (except for the CRO whose LTVR is delivered wholly in restricted rights).

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1. See footnote over page.

2025 LTVR Allocation (Full Opportunity[1]: 135% of FR; 2025 LTVR awarded at 95% of Full Opportunity)

2025 Fixed Remuneration × LTVR **Restricted Rights** opportunity (67.5%) × 2025 Pre grant assessment Outcome: **90%**[2] = LTVR **Restricted Rights** Allocation: **60.75% of Fixed Remuneration**

2025 Fixed Remuneration × LTVR **Performance Rights** opportunity (67.5%) = LTVR **Performance Rights** Allocation: **67.5% of Fixed Remuneration**

Overall 128.25% of FR

(95% of full opportunity)

1. CRO role: Full opportunity at 100% of Fixed Remuneration, overall awarded at 90% of full opportunity (as delivered wholly in restricted rights). **2.** Downward adjustment ↓ due to risk considerations in 2024. All DEs impacted.

5.3 2024 Received remuneration

This table shows the remuneration the CEO and Disclosed Executives actually received in relation to the 2024 financial year as cash paid, or in the case of prior equity awards, the value which vested in 2024.

FR adjustments were received by Disclosed Executives effective 1 October 2023 to maintain or improve market positioning, approved by the Board in October 2023. There were no other adjustments to FR for Disclosed Executives in 2024.

2024 Received remuneration – CEO and Disclosed Executives:

Received value includes the value of prior equity awards which vested in that year

	Fixed remuneration $	Cash variable remuneration $	Total cash $	Deferred variable remuneration which vested during the year[1] $	Other deferred remuneration which vested during the year[1] $	Actual remuneration received[2] $	Deferred variable remuneration which lapsed/ forfeited during the year[1,3] $
CEO and Current Disclosed Executives							
S Elliott	2,500,000	650,000	**3,150,000**	958,134	-	**4,108,134**	(4,297,414)
M Carnegie[4]	1,300,000	432,500	**1,732,500**	526,735	-	**2,259,235**	(992,392)
E Clements[5]	784,000	235,200	**1,019,200**	196,188	-	**1,215,388**	-
K Corbally[4]	1,300,000	312,000	**1,612,000**	1,057,966	-	**2,669,966**	-
F Faruqui[4]	1,275,000	442,500	**1,717,500**	697,515	-	**2,415,015**	(1,680,521)
G Florian[4]	1,262,500	432,500	**1,695,000**	516,838	-	**2,211,838**	(562,329)
C Morgan[4,6]	1,135,000	325,000	**1,460,000**	-	242,326	**1,702,326**	-
A Strong[4]	850,000	290,000	**1,140,000**	329,428	-	**1,469,428**	-
A Watson[4,7]	1,129,635	398,830	**1,528,465**	584,674	-	**2,113,139**	-
M Whelan[4]	1,500,000	297,500	**1,797,500**	656,862	-	**2,454,362**	(1,753,220)
Former Disclosed Executives							
R Howell[5]	14,327	n/a	**14,327**	-	-	**14,327**	-

1. Deferred variable remuneration which either vested or lapsed/forfeited during the year is the point in time value of previously deferred remuneration granted as deferred shares, deferred share rights and/or restricted rights/performance rights, and is based on the one day Volume Weighted Average Price (VWAP) of the Company's shares traded on the ASX on the date of vesting or lapsing/forfeiture multiplied by the number of deferred shares/deferred share rights and/or restricted rights/performance rights. **2.** The sum of fixed remuneration, cash variable remuneration and deferred variable remuneration which vested during the year. **3.** The lapsed/forfeited values relate to 100% of the performance rights awarded in November/December 2019 lapsing in November/December 2023 due to the performance hurdles not being met. **4.** Fixed remuneration reflects increases applied from 1 October 2023 to maintain or improve market positioning (M Carnegie, K Corbally, F Faruqui, G Florian, C Morgan, A Strong, A Watson, M Whelan). **5.** Fixed remuneration based on time as a Disclosed Executive (E Clements, R Howell). **6.** Other deferred remuneration for C Morgan relates to deferred remuneration forfeited and bonus opportunity forgone as a result of joining ANZ, that was deferred in prior years as deferred shares and vested during the year. **7.** Paid in NZD and converted to AUD. Year to date average exchange rate used to convert NZD to AUD as at 30 September for the relevant year.

5.4 2024 CEO remuneration comparison with prior years

CEO – Summary of 2023 and 2024 total remuneration

Awarded

Awarded remuneration reflects actual cash and the deferred shares component of STVR awarded in the year. As non-cash components are subject to future vesting outcomes, the awarded value may be higher or lower than the future realised value.

Awarded remuneration is lower in 2024 (compared to 2023), due to the notably lower STVR in 2024. Note, STVR is awarded at the end of the year.

Received

Received remuneration reflects the actual remuneration received in the year (i.e., cash paid and the value of previously awarded STVR deferred shares and LTVR performance rights which vested in the year).

The amount received is lower in 2024 (compared to 2023), due to the notably lower STVR in 2024.

Note that whilst all LTVR due to vest in 2024 lapsed, for comparative purposes, in 2023 there was no LTVR due to vest as a result of changing from a three to four-year performance period in November 2019.

Statutory

Statutory remuneration reflects remuneration in accordance with Australian Accounting Standards which includes FR and the amortised accounting value of equity based variable remuneration, not the actual awarded or received value in respect of the relevant financial year (i.e., includes the value of STVR and LTVR expensed in the year). This is different to remuneration received in 2024 (which includes prior year awards which vested).

	Awarded				Received	Statutory
	Fixed remuneration $	STVR $	LTVR $	Total remuneration $	Total remuneration $	Total remuneration $
2024	**2,500,000**	**1,300,000**	**3,375,000**	**7,175,000**	**4,108,134**	**5,699,642**
2023	2,500,000	2,400,000	3,375,000	8,275,000	4,579,413	6,186,508

6. Accountability and Consequence Framework

6.1 Board considerations of consequences for material risk, audit and conduct events

Considerations regarding accountability and consequences for our most senior executives are considered and determined by the People & Culture Committee and Board, including the application of malus and clawback (Section 4.5) for the CEO and Disclosed Executives.

When determining consequences, consideration is given to the level of accountability, and the severity of the issue, including customer impacts. Consequences may include, for example, one or more of the following: counselling, formal warnings, impacts to in year performance and remuneration outcomes or application of malus to previously deferred remuneration and ultimately termination of employment or clawback for the most serious issues.

As part of our standard process, reports on the most material risk, audit and conduct issues are presented to the People & Culture, Risk and Audit Committees at a joint meeting. This information is considered by the Board when considering the performance of the Group, the ANZIP variable remuneration pool for all employees and in determining the performance and remuneration outcomes of the CEO and Disclosed Executives.

6.2 Additional Board governance and oversight regarding the Markets and non-financial risk matters in 2024

Further to consideration of material risk, audit and conduct events, the Board put in place in 2024 additional governance to ensure it is well placed to determine accountability consequences on issues associated with the various Markets matters. As part of the additional governance, the Board also considered ANZ's NFR framework, particularly the additional $250m capital overlay issued by APRA.

In reviewing these matters, and to ensure the application of fair and proportionate consequences that are based on clearly established evidence and facts, the Board:

- appointed its own independent legal advisors to review material resulting from three external reviews, and an independent Markets expert to ensure Board independence and that FAR obligations had been met;
- established a sub-committee consisting of the Board Chair and three Board directors with experience in Markets trading;
- spent considerable time deliberating remuneration outcomes for the CEO and Disclosed Executives taking into consideration the findings from the accountability reviews, and the fact that the Executive Committee have collective accountability for the performance of the bank; and
- sought independent advice in relation to the application of the remuneration consequences for the CEO and Disclosed Executives.

The Board views that relevant Executive Committee members should bear appropriate accountability for actions and outcomes that took place within their area of control or influence, irrespective of whether they themselves were personally involved or were otherwise at fault, by virtue of their role and seniority. Similarly, with respect to the NFR matters, the Board considered it appropriate to hold the Executive Committee collectively accountable.

The Board has determined for the CEO and Disclosed Executives, that the deferred remuneration available in November/December 2024, should vest in full (subject to performance hurdles). However, as investigations into the matters above are ongoing, the Board view that there is sufficient deferred remuneration on-foot (Section 9.3), to apply downward adjustment should further information come to light that justifies the application of additional consequences.

6.3 Summary of consequences applied to the CEO and Disclosed Executives

The following summarises how consequences related to the Markets and NFR matters have been considered overall for the CEO and Disclosed Executives (DEs), both in terms of ANZ's performance and remuneration framework and the additional Board governance put in place to address these issues in 2024.

Summary of 2024 Consequence Approach and Outcomes

ANZ Performance Assessment Framework

Group Risk modifier adjusted ↓

Individual Risk outcome adjusted ↓

All DEs impacted – with higher impact for those assessed as having greater accountability

+

Additional Board Governance regarding Markets & NFR Matters *(incl. external reviews)*

Board discretion overlay with ↓ STVR adjustments for select individuals

Adjustments applied based on a consequence lens, rather than a 'pure' performance lens

+

2025 LTVR Pre Grant Assessment

Downward adjustment ↓ due to 2024 risk considerations

All DEs impacted

+

Future downward adjustment *(if required)*

Further ↓ adjustment if additional information comes to light at a later date

See Section 4.5 for downward adjustment options

=

Fair and proportionate remuneration consequences

↓ 2024 STVR and 2025 LTVR outcomes

Awarded STVR outcome of 52% of maximum for CEO and average of 60% of maximum for Disclosed Executives; 90% LTVR RR resulting in 95% 2025 LTVR overall

Note, no malus or clawback was applied to the remuneration of the CEO and Disclosed Executives during 2024.

While the 2024 Remuneration Report focuses on consequences for the CEO and Disclosed Executives, the Board has and will continue to provide oversight (as appropriate), of consequence considerations for other current and former employees should there be findings of accountability regarding the Markets matters.

6.4 Role of the Enterprise Accountability Group

The Enterprise Accountability Group (EAG) is the governance mechanism for the operation of the Accountability and Consequence Framework (A&CF), and reviews accountability and consequences for employees below the CEO and ExCo/Disclosed Executives.

The EAG is chaired by the CEO and members include the CRO, CFO and GE T&C. It operates under the delegated authority of the People & Culture Committee, considering Accountability questions under FAR and accountability in its broader sense, and is responsible for:

- supporting the Board in monitoring the implementation and ongoing effectiveness of ANZ's A&CF;
- reviewing the most material risk, conduct and audit events for accountability and the application of consequences, where appropriate;
- providing guidance to the Divisions and considering initiatives across the Divisions to strengthen risk behaviours;
- acknowledging material positive risk events and recognising risk role models, whose achievements are profiled across the organisation; and
- approving the release or application of downward adjustment for deferred variable remuneration (noting that for the CEO and Disclosed Executives this is approved by the Board).

The EAG has processes in place to ensure that we mitigate the risk of conflicts of interest in reviewing events and determining accountability and consequences. For example, when undertaking accountability reviews, a recommendation regarding the review leader and scope must be sent to the CRO (or in the case of an event involving Group Risk to the CEO), for review and approval to ensure the individual is capable of undertaking an impartial and unbiased review.

6.5 Material positive risk events

The EAG reviews material positive risk decisions and events – times when our proactive approach to identifying and mitigating risk have had a material positive outcome. Reviewing these examples provides an opportunity to acknowledge the importance of these events and share learnings across the enterprise.

6.6 Risk role models

In 2024, 104 individuals were recognised by the EAG for role modelling outstanding risk behaviours through their efforts to identify, manage and mitigate the organisation's risks and contribute to our strong risk culture. Recognition provided included a personalised e-mail from the CEO, local recognition events, and having their achievement profiled on our intranet and in internal newsletters.

6.7 Compliance with Prudential Standard *CPS 511 Remuneration*

ANZ's A&CF is an integral part of our enterprise approach to meeting the requirements of APRA's Prudential Standard *CPS 511 Remuneration*.

We introduced clawback provisions for the CEO and our Disclosed Executives effective 2022, in addition to existing downward adjustment tools such as in year adjustment, further deferral and malus.

In 2024, we have continued to raise employee awareness with respect to accountability and consequences through explicit references to the A&CF (including remuneration consequences) in employee training and communications and performance and remuneration policy documents.

In addition, as part of our annual performance and remuneration process, we have provided our People Leaders with guidance regarding appropriate (and in some cases, mandatory) remuneration consequences for conduct and performance issues, including insights from the previous year's consequences applied. These activities are part of our continued focus on consistency in application of remuneration consequence across ANZ globally.

6.8 Evolving the Accountability & Consequence Framework

Our A&CF is designed to support our customer commitment that when things go wrong, we fix them and hold executives, (current and former where we can), to account where appropriate. We are also focused on ensuring that we learn from the cause of the event, mitigate the risk of future recurrences and continuously seek to strengthen our risk culture. We review the effectiveness of the A&CF every year and implement enhancements to further strengthen the A&CF based on regulatory and internal stakeholder input.

6.9 Speak up culture

We continue to raise employee awareness of, and promote the various ways employees can speak up and raise issues and ideas for improvement including through initiatives such as:

- targeted jurisdiction and business specific awareness sessions, designed to build trust in the process and program and promote speak up channels;
- digital communications designed to build confidence and trust in the Whistleblower Program and process; and
- the monitoring of responses in our employee engagement surveys.

Key risk and speak up scores, including 'My manager (the person I report to) demonstrates personal accountability for managing risk and sound risk behaviours (92%)', 'I can raise issues and concerns without fear of reprisals' (77%), 'In my team, it feels safe to ask questions, make mistakes, highlight problems & take social risks (85%)' and 'When I speak up, my ideas, opinions and concerns are heard' (81%) remained strong, in keeping with 2023, 2022 and 2021 results.[1]

6.10 Application of consequences

In 2024, there were 1,400 employee relations cases involving alleged breaches of our Code, with 488 resulting in a formal consequence or the employee leaving ANZ, down from 501 in 2023. Breaches ranged from compliance/procedural breaches (20.7%), through to general unacceptable behaviour (38.5%), email/systems misuse (10.5%), attendance issues (17.4%), fraud/theft (5.5%), conflict of interest (3.7%) and breaches of our Equal Opportunity, Bullying and Harassment Policy (3.7%). Outcomes following investigations of breaches this year included 88 terminations, 306 warnings and 94 employees leaving ANZ.

In relation to the application of consequences to our senior leadership population (senior executives, executives and senior managers), 20 current and former employees (30 in 2023) had a consequence applied as a result of the application of our Code of Conduct Policy and/or findings of accountability for a relevant event. Consequences included warnings, impacts on performance and remuneration outcomes and dismissal.

All employees and contractors across the enterprise are required to complete mandatory learning modules. Permanent employees who fail to complete their mandatory learning requirements within 30 days of the due date are (in the absence of genuinely exceptional circumstances) ineligible for any FR increase or variable remuneration award as part of our annual Performance and Remuneration Review. In 2024, the mandatory learning course compliance rate across the enterprise was 99.73%.

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[1] Results reported are taken from the Q2 and/or Q4 employee engagement surveys, and Risk Culture Survey.

7. Non-Executive Director (NED) remuneration

7.1 NED Remuneration structure

A review of 2024 NED fees was completed by the People & Culture Committee in September 2023. Following that review of 2024 fees (as previously disclosed in the 2023 Remuneration Report), the People & Culture Committee approved a 2% increase to the NED member fee (from $240,000 to $245,000) which has remained unchanged since 2016. The Board Chairman fee remains unchanged. Following review, the People & Culture Committee also approved the alignment of the fee structure across all Committees increasing each Committee chair fee to $68,000, and each Committee member fee to $34,000. This fee review considered increased complexity in the regulatory environment, uplifts for ANZ's broader employee population, and the external market.

The fee structure is applicable to NEDs of ANZGHL and ANZBGL. Fees prior to the implementation of the Non-Operating Holding Company (NOHC) structure related to membership of the ANZBGL Board, and post implementation are viewed as a single fee covering both Boards (i.e., membership of ANZGHL and ANZBGL Boards/Committees). Currently the fee structure applies irrespective of whether NEDs serve on one or more Boards.

NEDs receive a fee for being a Director of the Board, and additional fees for either chairing, or being a member of a Board Committee. The Chairman of the Board does not receive additional fees for serving on a Board Committee.

In setting Board and Committee fees, the following are considered: general industry practice, ASX Corporate Governance Principles and Recommendations, the responsibilities and risks attached to the NED role, the time commitment expected of NEDs on Group and Company matters, and fees paid to NEDs of comparable companies.

ANZ compares NED fees to a comparator group of Australian listed companies with a similar market capitalisation, with particular focus on the major financial services institutions. This is considered an appropriate group, given similarity in size and complexity, nature of work and time commitment by NEDs.

To maintain NED independence and impartiality:

- NED fees are not linked to the performance of the Group; and
- NEDs are not eligible to participate in any of the Group's variable remuneration arrangements.

The current aggregate fee pool for NEDs of $4m was approved by shareholders at the 2012 AGM. The annual total of NEDs' fees, including superannuation contributions, is within this agreed limit.

This table shows the NED fee policy structure for 2024 compared to 2023.

NED fee policy structure – 2024 and 2023

	Financial year	Chair fee	Member fee
Board[1,2]	**2024**	**$850,000**	**$245,000**
	2023	$850,000	$240,000
Audit Committee	**2024**	**$68,000**	**$34,000**
	2023	$65,000	$32,500
Risk Committee	**2024**	**$68,000**	**$34,000**
	2023	$65,000	$32,500
People & Culture Committee (previously Human Resources Committee)	**2024**	**$68,000**	**$34,000**
	2023	$65,000	$32,500
Digital Business & Technology Committee	**2024**	**$68,000**	**$34,000**
	2023	$55,000	$27,500
Ethics, Environment, Social & Governance Committee	**2024**	**$68,000**	**$34,000**
	2023	$55,000	$27,500

1. Including superannuation. **2.** The Chairman of the Board does not receive additional fees for serving on a Board Committee. The Chairman of the Board and NEDs do not receive a fee for serving on the Nomination and Board Operations Committee.

NED shareholding guidelines

We expect our NEDs to hold ANZ shares. NEDs are required:

- to accumulate shares – over a five-year period from their appointment to the value of:
  - 100% of the NED member fee for Directors;
  - 100% of the Chairman fee for the Chairman; and
- to maintain this shareholding while they are a Director of ANZ.

Based on the ANZ share price as at 30 September 2024, all NEDs who have served five years met the holding guideline.

7.2 2024 Statutory remuneration – NEDS

The following table outlines the statutory remuneration of NEDs[1] disclosed in accordance with Australian Accounting Standards.

1. In addition to the fees shown below the following NEDs were awarded fees relating to other ANZ entities:

- John Cincotta awarded $35,743 in 2024 for his role as NED of Norfina Limited (Suncorp Bank).
- Jane Halton awarded $60,984 in 2024 for her role as Chair of Norfina Limited (Suncorp Bank).
- Christine O'Reilly awarded $35,743 in 2024 for her role as NED of Norfina Limited (Suncorp Bank).
- Scott St John awarded NZD 324,342 in 2024 for his roles as Chair and NED of ANZ Bank New Zealand Limited.
- Sir John Key awarded NZD 200,697 in 2024 (NZD 422,050 in 2023) for his role as Former Chair of ANZ Bank New Zealand Limited.

2024 Statutory remuneration – NEDS

		Short-term NED benefits		Post-employment	
	Financial year	Fees[1] $	Non monetary benefits[2] $	Super contributions[1] $	Total remuneration[3] $
Current Non-Executive Directors					
P O'Sullivan	**2024**	**821,968**	**-**	**28,032**	**850,000**
	2023	824,181	-	25,819	850,000
J Cincotta[4]	**2024**	**177,802**	**184**	**18,253**	**196,239**
R Gibb[4]	**2024**	**206,291**	**184**	**18,253**	**224,728**
J Halton	**2024**	**358,281**	**-**	**28,032**	**386,313**
	2023	329,181	-	25,819	355,000
G Hodges[4]	**2024**	**284,968**	**184**	**28,032**	**313,184**
	2023	176,745	-	17,102	193,847
H Kramer[4]	**2024**	**328,577**	**184**	**28,032**	**356,793**
	2023	35,841	-	3,942	39,783
C O'Reilly	**2024**	**362,484**	**-**	**28,032**	**390,516**
	2023	344,181	-	25,819	370,000
J Smith	**2024**	**347,332**	**-**	**28,032**	**375,364**
	2023	298,889	-	25,819	324,708
S St John[4]	**2024**	**146,879**	**-**	**14,800**	**161,679**
Former Non-Executive Directors					
I Atlas[4]	**2024**	**78,047**	**-**	**6,850**	**84,897**
	2023	339,181	-	25,819	365,000
J Key[4]	**2024**	**143,595**	**1,295**	**13,699**	**158,589**
	2023	301,681	-	25,819	327,500
J Macfarlane[4]	**2024**	**78,047**	**4,974**	**6,850**	**89,871**
	2023	336,443	-	25,819	362,262
Total of all Non-Executive Directors	**2024**	**3,334,271**	**7,005**	**246,897**	**3,588,173**
	2023	2,986,323	-	201,777	3,188,100

1. Year-on-year differences in fees relate to changes to the NED fees and also to the superannuation Maximum Contribution Base. **2.** Non monetary benefits generally consist of company-funded benefits (and the associated Fringe Benefits Tax) such as welcome gifts from the ANZ NZ Board and gifts provided upon retirement. **3.** Long-term benefits and share-based payments do not apply for the NEDs. **4.** Remuneration based on time as a NED in either 2023 (G Hodges and H Kramer) or 2024 (J Cincotta, R Gibb, S St John, I Atlas, J Key and J Macfarlane).

8. Remuneration governance

8.1 The People & Culture Committee

8.1.1 Role of the People & Culture Committee

The Board is ultimately responsible for and oversees ANZ Group's Performance and Remuneration Framework (P&R Framework) and its effective application throughout the ANZ Group. The People & Culture Committee's role is to assist the Board in its oversight of the effective operation of P&R Framework and other T&C matters. It has been delegated authority to act as the remuneration committee for ANZBGL.

During the year the People & Culture Committee met on six occasions and reviewed and approved, or made recommendations to the Board on matters including:

- remuneration for the CEO and other key executives (broader than those disclosed in the Remuneration Report) in accordance with ANZ's Board level P&R Policies, and fees for the NEDs;
- matters related to P&R Framework compliance with APRA's Prudential Standard *CPS 511 Remuneration*, and updates on Treasury's Financial Accountability Regime (FAR);
- the ANZ Group Scorecard (annual objectives setting and assessment) and annual variable remuneration spend;
- performance and reward outcomes for key senior executives, including the consideration of material events that have either occurred or came to light in the year;
- the release, further deferral or application of malus of deferred remuneration or clawback;
- key senior executive appointments and terminations;
- the review of ANZ's Board level P&R Policies, and the Accountability & Consequence Framework (A&CF);
- building capabilities required to deliver on our strategy;
- succession plans for key senior executives; and
- culture, diversity and inclusion, employee engagement, and how we work.

8.1.2 Link between remuneration and risk

The People & Culture Committee has a strong focus on the relationship between business performance, risk management and remuneration, aligned with our business strategy. The chairs of the Risk and Audit Committees and the full Board (ANZGHL and ANZBGL) are in attendance for specific People & Culture Committee meetings. A joint meeting of the People & Culture, Risk and Audit Committees was held to review:

- material risk, conduct and audit events that either occurred or came to light in 2024;
- 2024 performance and variable remuneration recommendations at both the Group, CEO and Disclosed Executive level.

To further reflect the importance of the link between remuneration and risk:

- the Board had three NEDs (in addition to the Chairman) in 2024 who served on both the People & Culture Committee and the Risk Committee;
- the People & Culture Committee has free and unfettered access to risk and financial control personnel (the CRO and CFO attend People & Culture Committee meetings for specific agenda items);
- the CRO (together with GE T&C and GGM IA) provides an independent report to the People & Culture Committee on the most material risk, conduct and audit events (as relevant) to help inform considerations of performance and remuneration, and accountability and consequences at the Group, Divisional and individual level;
- the CRO also provides an independent report to assist the Board in their assessment of performance and remuneration outcomes for the CEO and Disclosed Executives;
- the chairs of the Risk and Audit Committees are asked to provide input to ensure appropriate consideration of all relevant risk and internal audit issues;
- the ANZ Group Scorecard and Divisional Scorecards include Risk as a key element acting as a modifier, and it forms an integral part of each framework's assessment and directly impacts the overall outcomes; and
- the LTVR restricted rights pre grant and pre vest assessments undertaken by the Board are primarily based on non-financial risk outcomes.

8.1.3 Conflict of interest

To help mitigate potential conflicts of interest:

- management are not in attendance when their own performance or remuneration is being discussed by the People & Culture Committee or Board;
- the CEO's STVR is funded and determined separately from the ANZIP variable remuneration pool;
- the CRO's remuneration arrangements differ to other Disclosed Executives to preserve the independence of the role;
- the EAG also has processes in place to help mitigate conflicts of interest as outlined in Section 6; and
- the People & Culture Committee seeks input from a number of sources to inform their consideration of performance and remuneration outcomes for the CEO and Disclosed Executives including:
  - independent reports from Risk, Finance, Talent and Culture, and Internal Audit;
  - material risk, conduct and audit event data provided by the CRO;
  - input from both the Audit Committee and the Risk Committee of the Board.

> More details about the role of the People & Culture Committee, including its Charter, can be found on our website. Go to **anz.com** > Our company > Strong governance framework > ANZ People & Culture Committee Charter.

8.1.4 External advisors provided information but not recommendations

The People & Culture Committee can engage independent external advisors as needed.

Throughout the year, the People & Culture Committee and management received information from the following external advisors: Ashurst, Deloitte, EY, Guerdon Associates, 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.

During the year, ANZ did not receive any remuneration recommendations from external advisors about the remuneration of KMP.

ANZ employs in-house remuneration professionals who provide recommendations to the People & Culture Committee and the Board. The Board made its decisions independently, using the information provided and with careful regard to ANZ's key strategic priorities, purpose and values, risk appetite, and the ANZ Group P&R Framework, ANZ's Board level P&R Policies and ANZ's Reward Principles.

8.2 Internal governance

8.2.1 Hedging prohibition

All deferred equity must remain at risk until it has fully vested. Accordingly, executives and their associated persons must not enter into any schemes that specifically protect the unvested value of equity allocated. If they do so, then they would forfeit the relevant equity.

8.2.2 CEO and Disclosed Executives' shareholding guidelines

We expect the CEO and each Disclosed Executive to, over a five-year period:

- accumulate ANZ shares to the value of 200% of their FR; and
- maintain this shareholding level while they are an executive of ANZ.

Executives are permitted to sell ANZ securities to meet taxation obligations on employee equity even if below the 200% guideline. However, tax obligations for the purpose of these guidelines is limited to that arising from the initial taxing point event (i.e., when the deferred shares vest or rights are exercised).

Shareholdings include all vested and unvested equity (excluding performance rights). Based on equity holdings as at 30 September 2024, the CEO and all Disclosed Executives meet or, if less than five years' tenure, are on track to meet their minimum shareholding guidelines requirements.

8.2.3 CEO and Disclosed Executives' contract terms and equity treatment

The details of the contract terms and the equity treatment on termination (in accordance with the Conditions of Grant) relating to the CEO and Disclosed Executives are below. Although they are similar, they vary in some cases to suit different circumstances.

Type of contract	Permanent ongoing employment contract.
Notice on resignation	• 12 months by CEO; • 6 months by Disclosed Executives.[1]
Notice on termination by ANZ[2]	• 12 months by ANZ for CEO and Disclosed Executives.[3] However, ANZ may immediately terminate an individual's employment at any time in the case of serious misconduct. In that case, the individual will be entitled only to payment of FR up to the date of their termination and their statutory entitlements.
How unvested equity is treated on leaving ANZ	Executives who resign or are terminated will forfeit all their unvested deferred equity – unless the Board determines otherwise. If an executive is terminated due to redundancy or they are classified as a 'good leaver', unless the Board determines otherwise, then: • their STVR (deferred shares/share rights) remain on foot and are released at the original vesting date; • their LTVR (restricted rights/performance rights) (for grants awarded from 31 December 2020) remain on foot and are released at the original vesting date (to the extent that the performance hurdles are met); and • their performance rights[4] (for grants awarded pre 31 December 2020) are pro-rated for service to the full notice termination date and released at the original vesting date (to the extent that the performance hurdles are met). On an executive's death or total and permanent disablement, their deferred equity vests. Unvested equity remains subject to malus post termination.
Change of control (applies to the CEO only)	If a change of control or other similar event occurs, then we will test the performance conditions applying to the CEO's LTVR (restricted rights/performance rights). They will vest to the extent that the performance conditions are satisfied.

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1. 3 months by the former Acting GE T&C. **2.** For M Carnegie, E Clements, K Corbally, F Faruqui, G Florian, C Morgan, A Strong, M Whelan and R Howell, their contracts state that in particular circumstances they may be eligible for a retrenchment benefit in accordance with the relevant ANZ policy, as varied from time to time. For A Watson, notice on retrenchment is 6 weeks and compensation on retrenchment is calculated on a scale up to a maximum of 79 weeks after 25 years' service. **3.** 6 months by ANZ for the former Acting GE T&C. **4.** Or deferred share rights granted to the CRO instead of performance rights.

9. Other remuneration information

9.1 LTVR Remuneration detail[1]

The award of restricted rights 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.

Having a risk-based focus reflects the intent of the Prudential Standard *CPS 511 Remuneration* in ensuring remuneration arrangements appropriately incentivise individuals to prudently manage risks. The performance conditions are designed to ensure there is focus on both material risk events and building a strong risk culture over the longer term.

The following table details design features common to both LTVR restricted rights and performance rights.

Below details the LTVR approach that applied to the 2024 LTVR award granted in November/December 2023.

LTVR element	Detail
Description	Restricted rights and performance rights provide a right to acquire one ordinary ANZ share at nil cost – as long as applicable time and performance conditions are met. Their future value may range from zero to an indeterminate value. The value depends on performance against the applicable performance condition and on the share price at the time of exercise.
Performance period	Both restricted rights and performance rights have a four-year performance period commencing from 1 October and ending four years later on 30 September (e.g., 1 October 2023 to 30 September 2027 for the 2024 grant), noting that LTVR is awarded at the start of the financial year (rather than the end). A four-year performance period provides sufficient time for longer term performance to be reflected.
Deferral periods	The deferral period is the sum of the four-year performance period and the applicable holding period. The holding period commences the day after the end of the four-year performance period (e.g., 1 October 2027 in the case of the 2024 LTVR award), and finishes on the 4th, 5th or 6th anniversary of grants.
Exercise period	Rights can only be exercised at the end of the relevant deferral period (4, 5 or 6 years) when the rights vest and become exercisable. There is a two-year exercise period which commences at the end of the relevant deferral period for restricted rights and performance rights.
Expensing	ANZ engages PricewaterhouseCoopers to independently determine the fair value of restricted rights and performance rights, which is only used for expensing for accounting purposes. They consider factors including: the market performance conditions, share price volatility, life of the instrument, dividend yield, and share price at grant date.
Dividends	A dividend equivalent payment (DEP) is paid in cash at the end of the relevant deferral period, but is only made to the extent that all or part of the underlying rights meet the relevant performance condition and vest to the individual. Dividend equivalent payments accrue over the full deferral period for restricted rights, and only during the holding period for performance rights.
Allocation basis	The value the Board uses to determine the number of restricted rights and performance rights to be allocated to the CEO and Disclosed Executives is the face value of ANZGHL shares traded on the ASX in the five trading days leading up to and including 1 October (beginning of the financial year and LTVR performance period). LTVR is awarded around the start of the financial year in late November for Disclosed Executives and December for the CEO (subject to shareholder approval).
Satisfying vesting	On vesting, the Board may determine to settle the relevant restricted rights and/or performance rights with a cash equivalent payment, rather than with shares.

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[1] Excluding former Acting GE T&C.

9.1.1 2024 LTVR restricted rights further details – CEO and Disclosed Executives[1]

LTVR element | **Performance condition detail**

Restricted rights pre grant and pre vest assessments

Pre grant assessment purpose: Determines whether any reduction should be made to restricted rights award value and is primarily based on outcomes in the prior financial year.

Pre vest assessment purpose: Determines whether the restricted rights amount awarded should vest in full and is based on outcomes over the four-year performance period.

The pre grant and pre vest assessments also take into consideration any adjustments already applied for the same event/outcomes in either the current or prior years (i.e., adjustments to STVR and LTVR, malus and clawback), to ensure the overall impact is fair and proportionate to the severity of the outcome. Therefore, given other remuneration adjustments are likely to be considered first, and as the award of restricted rights is future focused, it is anticipated that restricted rights will be allocated at full value in most years – unless the outcome of the following three assessment steps determines otherwise.

Step 1 Assess Prudential soundness	Step 2 Assess risk measures	Step 3 Apply Board discretion
• Nil award if ANZ does not meet capital ratio and liquidity prudential minimums.	• Consideration of any **Material Risk Outcomes** from executive actions or inactions which are expected to/or have resulted in significant impacts. • Consideration of any significant adverse change in **APRA's Active Supervision** level. • Consideration of **Risk Culture** (additional measure for pre vest) that examines whether or not ANZ has maintained (or made progress towards) a sound risk culture, considering both executive actions or inactions.	• Board to determine whether any reduction should be made to LTVR restricted rights outcome based on consideration of a range of factors, including: – the outcomes from steps 1 and 2; – the impact, if any, of the issue/s on ANZ's reputation/standing in the market; – whether the issue was specific to ANZ, the banking industry or the broader market; – any impacts already applied (e.g., regarding downward adjustment mechanisms, pre grant assessment impact to LTVR restricted rights); – whether any impact should be made on an individual or collective basis.

The assessments are not intended to be formulaic given the circumstances requiring the application of Board discretion will typically be different or unique, however a Board decision making framework is in place to guide the Board in applying discretion.

Material risk outcomes process

The consideration of material risk outcomes is a key process that forms part of our broader Accountability and Consequence Framework (A&CF) (Section 6), and is a comprehensive bottom-up process designed to ensure that all relevant events are surfaced and considered appropriately. Key steps include:

- Risk, conduct and audit events are reported in ANZ's Compliance & Operational Risk System.
- Divisional Accountability Groups review serious risk, conduct and audit events, and provide recommendations regarding accountability and consequences, where appropriate.
- Enterprise Accountability Group (EAG) reviews recommendations of the Divisional Accountability Groups and make final determination (with some exceptions where local Board approval is required or for material risk takers and other non-administrative direct reports to the CEO, where Board approval is required).
- People & Culture Committee reviews the most serious risk, conduct and audit events (as part of independent report from CRO) and determines impacts at the Group, Division and individual level for the CEO and ExCo.

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[1] Excluding former Acting GE T&C.

9.1.2 2024 LTVR performance rights further details – CEO and Disclosed Executives excluding the CRO[1]

LTVR element	Performance condition detail
Performance rights hurdles	The performance rights have TSR performance hurdles reflecting the importance of focusing on achieving longer term strategic objectives and aligning executives' and shareholders' interests. There are two TSR performance hurdles for the 2024 grants of performance rights: • 75% will be measured against a relative TSR hurdle. • 25% will be measured against an absolute TSR hurdle. TSR represents the change in value of a share plus the value of reinvested dividends paid. We regard it as the most appropriate long-term measure – it focuses on the delivery of shareholder value and is a well understood and tested mechanism to measure performance. The combination of relative and absolute TSR hurdles provides balance to the plan by: • Relative: rewarding executives for performance that exceeds that of comparator companies; and • Absolute: ensuring there is a continued focus on providing positive growth – even when the market is declining. The two hurdles measure separate aspects of performance: • the relative TSR hurdle measures our TSR compared to that of the Select Financial Services (SFS) comparator group, made up of core local and global competitors. This comparator group is chosen to broadly reflect the geographies and business segments in which ANZ competes for revenue; and • the absolute Compound Annual Growth Rate (CAGR) TSR hurdle provides executives with a more direct line of sight to the level of shareholder return to be achieved. It also provides a tighter correlation between the executives' rewards and the shareholders' financial outcomes. We will measure ANZ's TSR against each hurdle at the end of the four-year performance period to determine whether any performance rights become exercisable. We measure relative and absolute TSR hurdles independently from the other – for example one may vest fully or partially but the other may not vest.
Relative TSR hurdle for performance rights	The relative TSR hurdle is an external hurdle that measures our TSR against that of the SFS comparator group over four years. As previously disclosed in the 2023 Remuneration Report, in July 2023 for LTVR awards of performance rights from financial year 2024 onwards, the Board approved for DBS Bank Limited to be removed from the comparator group (noting that this change does not apply to prior awards currently on foot). This change reflects the need to better balance the weighting of international peers in our comparator group to more appropriately reflect the change in capital allocated to Asia compared to when international comparators were originally included in 2015 (as part of the super regional strategy at that time). In July 2023, the Board approved the removal of Suncorp Group Limited from the comparator group, post the Suncorp Bank acquisition. This change applies to both prior awards currently on foot and future LTVR awards of performance rights (i.e., from financial year 2025). When considering an appropriate cohort of peers for benchmarking TSR performance, the Board take into consideration organisations with a similar scope of activities, common geographical focus, broadly comparable risk compliance and regulatory profiles, and relative stability and transparency across market cycles. The SFS comparator group for the 2024 LTVR performance rights is made up of: Bank of Queensland Limited; Bendigo and Adelaide Bank Limited; Commonwealth Bank of Australia Limited; Macquarie Group Limited; National Australia Bank Limited; Standard Chartered PLC; and Westpac Banking Corporation.

If the TSR of the company compared to the TSR of the constituents of the comparator group:	The percentage of performance rights which will vest is:
Does not reach the 50th percentile	0%
Reaches or exceeds the 50th percentile	50%, plus 2% for every one percentile increase above the 50th percentile
Reaches or exceeds the 75th percentile	100%

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[1] Excluding former Acting GE T&C.

LTVR element	Performance condition detail
Absolute TSR hurdle for performance rights	The absolute CAGR TSR hurdle is an internal hurdle focused on ANZ achieving or exceeding a threshold level of growth that is set by the Board at the start of the performance period. The Board reviews and approves the absolute CAGR TSR targets for each performance rights award. When determining the targets, the Board references ANZ's assessed Cost of Capital (CoC). As previously disclosed in the 2023 Remuneration Report, in October 2023 the Board approved an update to ANZ's absolute CAGR TSR model for LTVR awards of performance rights from financial year 2024 onwards, to reflect a dynamic (rather than static) target for CoC (noting that this change does not apply to prior awards currently on foot). The TSR hurdle is now based on the time weighted CoC over the four-year performance period. Therefore, the CAGR TSR target will be adjusted on a time weighted basis unless the Board applies discretion not to adjust. Any CoC changes approved by the Board throughout the performance period are prospective only (i.e., reflect current market factors) and will form part of the dynamic CAGR TSR target calculation. This approach further strengthens executive and shareholder alignment as the target is more responsive to future changes in both the interest rate cycle and ANZ's risk profile. The level of performance required for each level of vesting, and the percentage of performance rights that vest at each level of performance, is based on the time weighted CoC over the four-year performance period. The Board will review and approve any changes to the CoC on a quarterly basis throughout the performance period, based on the output from the Capital Asset Pricing Model (CAPM) methodology (which takes into consideration the risk-free bond rate, the market risk premium and the beta – i.e., the volatility of ANZ's historical share price relative to the market). The Board will also approve the level of vesting (if any) at the end of the performance period based on the time weighted CoC. The Board retains discretion to adjust the absolute CAGR TSR hurdle in exceptional circumstances to ensure that executives are neither advantaged nor disadvantaged by matters outside management's control that materially affect achievement of the absolute CAGR TSR performance condition.

If the absolute CAGR TSR of the company:	The percentage of performance rights which will vest is:
Does not reach the threshold[1]	0%
Reaches the threshold	50%
Exceeds the threshold but does not reach the full vesting level (i.e., 150% of threshold)	Progressive pro-rata vesting between 50% and 100% (on a straight line basis)
Reaches or exceeds 150% of threshold	100%

Calculating TSR performance	When calculating performance against TSR, we: • reduce the impact of share price volatility – by using an averaging calculation over a 90-trading day period for start and end values; • ensure an independent measurement – by engaging the services of an external organisation, to calculate ANZ's performance against both the absolute and relative TSR hurdles; and • test the performance against the relevant hurdle once only at the end of the four-year performance period – the rights lapse if the performance hurdle is not met – there is no retesting.

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[1] Based on the CoC at the start of the performance period, the CAGR TSR threshold was 9.75% and the full vesting level was based on a CAGR TSR of 14.63%; however this may be subject to change based on the time weighted CoC over the performance period unless the Board exercises discretion to set it otherwise.

9.2 2024 Statutory remuneration – CEO and Disclosed Executives

The following table outlines the statutory remuneration disclosed in accordance with Australian Accounting Standards. While it shows the FR awarded (cash and superannuation contributions) and also the cash component of the 2024 variable remuneration award, it does not show the actual variable remuneration awarded or received in 2024 (Sections 5.1.2, 5.2.1, 5.3 and 5.4), but instead shows the amortised accounting value for this financial year of deferred remuneration (including prior year awards).

2024 Statutory remuneration – CEO and Disclosed Executives

		Short–term employee benefits			Post–employment	
	Financial year	Cash salary[1] $	Non monetary benefits[2] $	Total cash incentive[3] $	Other cash[4] $	Super contributions[5] $
CEO and Current Disclosed Executives						
S Elliott	2024	2,471,968	10,394	650,000	-	28,032
	2023	2,474,181	15,676	1,160,000	-	25,819
M Carnegie[9]	2024	1,271,468	30,510	432,500	-	28,532
	2023	1,224,181	77,341	550,000	-	26,319
E Clements[10]	2024	755,468	13,042	235,200	-	28,532
K Corbally[9]	2024	1,271,968	10,394	312,000	-	28,032
	2023	1,224,181	10,176	532,500	-	25,819
F Faruqui[9]	2024	1,246,968	15,990	442,500	-	28,032
	2023	1,224,181	11,423	600,000	-	25,819
G Florian[9]	2024	1,234,468	21,358	432,500	-	28,032
	2023	1,216,181	23,179	497,500	-	25,819
C Morgan[4,9,10]	2024	1,106,468	33,024	325,000	-	28,532
	2023	608,220	15,707	250,000	407,000	18,780
A Strong[9,10]	2024	821,968	-	290,000	-	28,032
	2023	670,504	-	315,100	-	19,496
A Watson[5,8,9,11]	2024	1,043,345	10,870	398,830	-	64,667
	2023	1,062,823	21,431	472,570	-	60,557
M Whelan[9]	2024	1,471,968	10,394	297,500	-	28,032
	2023	1,434,181	10,176	730,000	-	25,819
Former Disclosed Executives						
R Howell[10]	2024	7,477	–	–	–	6,850
	2023	224,942	–	180,000	–	6,850

1. Cash salary includes any adjustments required to reflect the use of ANZ's Lifestyle Leave Policy for the period in the KMP role. **2.** Non monetary benefits generally consist of company-funded benefits (and the associated Fringe Benefits Tax) such as car parking, taxation services and costs met by the Company in relation to relocation/accommodation. **3.** The total cash incentive relates to the cash component of STVR only. The relevant amortisation of the STVR deferred components is included in share-based payments and has been amortised over the vesting period. The total STVR was approved by the ANZBGL and ANZGHL Boards in October 2024, and in addition for A Watson by the ANZ NZ Board in October 2024. 100% of the cash component of the STVR awarded for the 2023 and 2024 years vested to the executive in the applicable financial year. **4.** Other cash and other equity allocations (C Morgan) relate to the employment arrangements of deferred variable remuneration forfeited and bonus opportunity forgone as a result of joining ANZ. **5.** For Australian based executives, the 2023 and 2024 superannuation contributions reflect the Superannuation Guarantee Contribution based on the Maximum Contribution Base. A Watson participates in KiwiSaver where ANZ provides an employer superannuation contribution matching member contributions up to 4% of total gross pay. KiwiSaver employer superannuation contributions are also contributed on top of cash STVR at the time of payment. **6.** For Australian based executives, long service leave accrued takes into consideration the impact of changes to the Superannuation Guarantee percentage. Year-on-year fluctuations in long service leave accrued relate to the impact of historical fixed remuneration increases on the accrual as calculated at the end of each financial year.

Long-term employee benefits	Share-based payments[7]						
	Total amortisation value of						
	Variable remuneration				Other equity allocations[4,8]		
Long service leave accrued during the year[6] $	Deferred shares $	Deferred share rights $	Restricted rights $	Performance rights $	Deferred shares $	Termination benefits $	Total remuneration $
34,899	**983,953**	**-**	**470,353**	**1,050,043**	**-**	**-**	**5,699,642**
35,112	1,061,506	-	212,024	1,202,190	-	-	6,186,508
24,194	**537,168**	**-**	**278,624**	**318,478**	**-**	**-**	**2,921,474**
22,858	548,990	-	132,871	298,501	-	-	2,881,061
62,803	**258,379**	**-**	**74,331**	**41,931**	**-**	**-**	**1,469,686**
28,812	**504,806**	**184,609**	**412,784**	**-**	**-**	**-**	**2,753,405**
27,518	568,319	265,999	196,849	-	-	-	2,851,361
19,593	**587,723**	**11,970**	**276,254**	**339,842**	**-**	**-**	**2,968,872**
19,332	600,306	56,608	132,871	364,031	-	-	3,034,571
19,520	**519,518**	**-**	**262,636**	**314,818**	**-**	**-**	**2,832,850**
30,978	531,235	-	122,240	270,977	-	-	2,718,109
17,191	**248,970**	**-**	**193,884**	**109,398**	**238,340**	**-**	**2,300,807**
5,367	67,909	-	1,414	798	29,899	-	1,405,094
33,855	**382,072**	**-**	**173,812**	**94,524**	**-**	**-**	**1,824,263**
18,550	354,547	-	73,347	38,600	-	-	1,490,144
7,560	**494,722**	**-**	**244,918**	**294,280**	**-**	**-**	**2,559,192**
6,612	528,328	-	117,866	222,922	46	-	2,493,155
31,775	**589,980**	**-**	**323,689**	**378,985**	**-**	**-**	**3,132,323**
36,172	700,447	-	155,192	393,646	-	-	3,485,633
237	**2,831**	**–**	**–**	**–**	**–**	**–**	**17,395**
9,321	62,538	–	–	–	–	–	483,651

7. As required by AASB 2 *Share-based payments*, the amortisation value includes a proportion of the fair value (taking into account market-related vesting conditions) of all equity that had not yet fully vested as at the commencement of the financial year. The fair value is determined at grant date and is allocated on a straight-line basis over the relevant vesting period. The amount included as remuneration neither relates to, nor indicates, the benefit (if any) that the executive may ultimately realise if the equity becomes exercisable. No terms of share-based payments have been altered or modified during the financial year. There were no cash settled share-based payments or any other form of share-based payment compensation during the financial year for the CEO or Disclosed Executives. **8.** Other equity allocations (A Watson) relate to shares received in relation to the historical Employee Share Offer which provided a grant of ANZ shares in each financial year to eligible employees subject to Board approval. **9.** 2024 fixed remuneration reflects increases applied from 1 October 2023 to maintain or improve market positioning (M Carnegie, K Corbally, F Faruqui, G Florian, C Morgan, A Strong, A Watson, M Whelan). **10.** Remuneration based on time as a Disclosed Executive in either 2023 (C Morgan, A Strong, R Howell) or 2024 (E Clements, R Howell). **11.** Paid in NZD and converted to AUD.

9.3 Equity holdings

For the equity granted to the CEO and Disclosed Executives in November/December 2023, all deferred shares were purchased on the market. For deferred share rights, which vested to Disclosed Executives in November 2023, where the rights were not able to be satisfied through the reallocation of previously forfeited shares they were satisfied through the on market purchase of shares.

9.3.1 CEO and Disclosed Executives' equity granted, vested, exercised/sold and lapsed/forfeited

The table below sets out details of deferred shares and rights that we granted to the CEO and Disclosed Executives:

- during the 2024 year, relating to 2023 Performance and Remuneration Review outcomes; or
- in prior years and that then vested, were exercised/sold or which lapsed/were forfeited during the 2024 year.

Equity granted, vested, exercised/sold and lapsed/forfeited – CEO and Disclosed Executives

							Vested			Lapsed/ Forfeited			Exercised/Sold				
Name	Type of equity	Number granted[1]	Equity fair value (for 2024 grants only) $	Grant date	First date exercisable	Date of expiry	Number	%	Value[2] $	Number	%	Value[2] $	Number	%	Value[2] $	Vested and exercis-able as at 30 Sep 2024[3]	Unexer-cisable as at 30 Sep 2024[4]
CEO and Current Disclosed Executives																	
S Elliott	Deferred shares	3,001		22-Nov-19	22-Nov-23	-	3,001	100	72,966	-	-	-	(3,001)	100	72,966		-
	Deferred shares	5,420		07-Dec-20	22-Nov-23	-	5,420	100	131,781	-	-	-	(5,420)	100	131,781	-	-
	Deferred shares	10,830		22-Nov-21	22-Nov-23	-	10,830	100	263,318	-	-	-	(10,830)	100	263,318	-	-
	Deferred shares	20,156		01-Oct-22	22-Nov-23	-	20,156	100	490,069	-	-	-	(20,156)	100	490,069	-	-
	Deferred shares	19,740	25.66	01-Oct-23	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	19,740
	Deferred shares	19,739	25.66	01-Oct-23	22-Nov-25	-	-	-	-	-	-	-	-	-	-	-	19,739
	Deferred shares	3,158	25.66	01-Oct-23	22-Nov-26	-	-	-	-	-	-	-	-	-	-	-	3,158
	Deferred shares	3,158	25.66	01-Oct-23	22-Nov-27	-	-	-	-	-	-	-	-	-	-	-	3,158
	Deferred shares	3,158	25.66	01-Oct-23	22-Nov-28	-	-	-	-	-	-	-	-	-	-	-	3,158
	Restricted rights	21,984	20.08	21-Dec-23	21-Dec-27	21-Dec-29	-	-	-	-	-	-	-	-	-	-	21,984
	Restricted rights	21,984	18.85	21-Dec-23	21-Dec-28	21-Dec-30	-	-	-	-	-	-	-	-	-	-	21,984
	Restricted rights	22,651	17.70	21-Dec-23	21-Dec-29	21-Dec-31	-	-	-	-	-	-	-	-	-	-	22,651
	Performance rights	126,050		17-Dec-19	17-Dec-23	17-Dec-25	-	-	-	(126,050)	100	(3,223,073)	-	-	-	-	-
	Performance rights	42,016		17-Dec-19	17-Dec-23	17-Dec-25	-	-	-	(42,016)	100	(1,074,341)	-	-	-	-	-
	Performance rights	16,488	12.54	21-Dec-23	21-Dec-27	21-Dec-29	-	-	-	-	-	-	-	-	-	-	16,488
	Performance rights	5,496	7.35	21-Dec-23	21-Dec-27	21-Dec-29	-	-	-	-	-	-	-	-	-	-	5,496
	Performance rights	16,488	11.33	21-Dec-23	21-Dec-28	21-Dec-30	-	-	-	-	-	-	-	-	-	-	16,488
	Performance rights	5,496	7.26	21-Dec-23	21-Dec-28	21-Dec-30	-	-	-	-	-	-	-	-	-	-	5,496
	Performance rights	16,988	10.08	21-Dec-23	21-Dec-29	21-Dec-31	-	-	-	-	-	-	-	-	-	-	16,988
	Performance rights	5,662	7.15	21-Dec-23	21-Dec-29	21-Dec-31	-	-	-	-	-	-	-	-	-	-	5,662
M Carnegie	Deferred shares	36		20-Aug-16	01-Jun-17	-	-	-	-	-	-	-	(36)	100	1,038	-	-
	Deferred shares	3,584		20-Aug-16	20-Aug-17	-	-	-	-	-	-	-	(3,584)	100	103,364	-	-
	Deferred shares	1,327		20-Aug-16	21-Nov-17	-	-	-	-	-	-	-	(1,327)	100	38,271	-	-
	Deferred shares	1,327		20-Aug-16	27-Feb-18	-	-	-	-	-	-	-	(1,327)	100	38,271	-	-
	Deferred shares	1,327		20-Aug-16	01-Jun-18	-	-	-	-	-	-	-	(1,327)	100	38,271	-	-
	Deferred shares	1,182		22-Nov-16	22-Nov-19	-	-	-	-	-	-	-	(1,182)	100	34,089	-	-
	Deferred shares	1,182		22-Nov-16	22-Nov-20	-	-	-	-	-	-	-	(1,182)	100	34,089	-	-
	Deferred shares	4,785		22-Nov-17	22-Nov-18	-	-	-	-	-	-	-	(4,785)	100	138,001	-	-
	Deferred shares	4,785		22-Nov-17	22-Nov-19	-	-	-	-	-	-	-	(4,785)	100	138,001	-	-
	Deferred shares	4,785		22-Nov-17	22-Nov-20	-	-	-	-	-	-	-	(4,785)	100	138,001	-	-
	Deferred shares	4,785		22-Nov-17	22-Nov-21	-	-	-	-	-	-	-	(4,785)	100	142,975	-	-
	Deferred shares	5,205		22-Nov-18	22-Nov-19	-	-	-	-	-	-	-	(5,205)	100	156,052	-	-
	Deferred shares	5,202		22-Nov-18	22-Nov-20	-	-	-	-	-	-	-	(5,202)	100	155,962	-	-
	Deferred shares	5,202		22-Nov-18	22-Nov-21	-	-	-	-	-	-	-	(5,202)	100	155,962	-	-
	Deferred shares	5,202		22-Nov-18	22-Nov-22	-	-	-	-	-	-	-	(5,202)	100	155,962	-	-

							Vested			Lapsed/ Forfeited			Exercised/Sold				
Name	Type of equity	Number granted[1]	Equity fair value (for 2024 grants only) $	Grant date	First date exercisable	Date of expiry	Number	%	Value[2] $	Number	%	Value[2] $	Number	%	Value[2] $	Vested and exercis-able as at 30 Sep 2024[3]	Unexer-cisable as at 30 Sep 2024[4]
CEO and Current Disclosed Executives																	
M Carnegie	Deferred shares	7,924		22-Nov-19	22-Nov-20	-	-	-	-	-	-	-	(7,924)	100	234,926	-	-
	Deferred shares	5,942		22-Nov-19	22-Nov-21	-	-	-	-	-	-	-	(5,942)	100	176,131	-	-
	Deferred shares	3,961		22-Nov-19	22-Nov-22	-	-	-	-	-	-	-	(3,961)	100	117,411		-
	Deferred shares	1,980		22-Nov-19	22-Nov-23	-	1,980	100	48,141	-	-	-	-	-	-	1,980	-
	Deferred shares	7,099		07-Dec-20	22-Nov-21	-	-	-	-	-	-	-	(7,099)	100	210,426	-	-
	Deferred shares	5,323		07-Dec-20	22-Nov-22	-	-	-	-	-	-	-	(5,207)	98	154,344	116	-
	Deferred shares	3,549		07-Dec-20	22-Nov-23	-	3,549	100	86,290	-	-	-	-	-	-	3,549	-
	Deferred shares	6,165		22-Nov-21	22-Nov-23	-	6,165	100	149,895	-	-	-	-	-	-	6,165	-
	Deferred shares	9,970		01-Oct-22	22-Nov-23	-	9,970	100	242,409	-	-	-	-	-	-	9,970	-
	Deferred shares	10,857	25.66	01-Oct-23	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	10,857
	Deferred shares	10,856	25.66	01-Oct-23	22-Nov-25	-	-	-	-	-	-	-	-	-	-	-	10,856
	Restricted rights	17,321	18.92	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	17,321
	Restricted rights	17,321	17.77	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	17,321
	Performance rights	30,612		22-Nov-19	22-Nov-23	22-Nov-25	-	-	-	(30,612)	100	(744,294)	-	-	-	-	-
	Performance rights	10,204		22-Nov-19	22-Nov-23	22-Nov-25	-	-	-	(10,204)	100	(248,098)	-	-	-	-	-
	Performance rights	12,991	11.94	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	12,991
	Performance rights	4,330	7.37	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	4,330
	Performance rights	12,991	10.74	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	12,991
	Performance rights	4,330	7.26	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	4,330
E Clements[5]	Deferred shares	2,751		07-Dec-20	22-Nov-23	-	2,751	100	66,887	-	-	-	-	-	-	2,751	-
	Deferred shares	2,285		22-Nov-21	22-Nov-23	-	2,285	100	55,557	-	-	-	-	-	-	2,285	-
	Deferred shares	3,033		22-Nov-22	22-Nov-23	-	3,033	100	73,744	-	-	-	-	-	-	3,033	-
	Deferred shares	4,102	24.31	22-Nov-23	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	4,102
	Deferred shares	4,102	24.31	22-Nov-23	22-Nov-25	-	-	-	-	-	-	-	-	-	-	-	4,102
	Deferred shares	4,102	24.31	22-Nov-23	22-Nov-26	-	-	-	-	-	-	-	-	-	-	-	4,102
	Restricted rights	10,659	18.92	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	10,659
	Restricted rights	10,659	17.77	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	10,659
	Performance rights	7,994	11.94	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	7,994
	Performance rights	2,664	7.37	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	2,664
	Performance rights	7,994	10.74	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	7,994
	Performance rights	2,664	7.26	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	2,664
K Corbally	Deferred shares	3,829		22-Nov-19	22-Nov-23	-	3,829	100	93,098	-	-	-	(3,829)	100	93,225	-	-
	Deferred shares	3,720		07-Dec-20	22-Nov-23	-	3,720	100	90,447	-	-	-	(3,720)	100	90,572	-	-
	Deferred shares	6,647		22-Nov-21	22-Nov-23	-	6,647	100	161,614	-	-	-	(6,647)	100	161,836	-	-
	Deferred shares	9,590		01-Oct-22	22-Nov-23	-	9,590	100	233,169	-	-	-	(9,590)	100	233,490	-	-
	Deferred shares	10,511	25.66	01-Oct-23	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	10,511
	Deferred shares	10,511	25.66	01-Oct-23	22-Nov-25	-	-	-	-	-	-	-	-	-	-	-	10,511
	Deferred share rights	19,727		22-Nov-19	22-Nov-23	22-Nov-23	19,727	100	479,638	-	-	-	(19,727)	100	479,638	-	-
	Restricted rights	25,661	18.92	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	25,661
	Restricted rights	25,661	17.77	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	25,661
F Faruqui	Deferred shares	1,797		21-Nov-14	21-Nov-17	-	-	-	-	-	-	-	(1,797)	100	50,778	-	-
	Deferred shares	8,523		22-Nov-21	22-Nov-22	-	-	-	-	-	-	-	(8,523)	100	240,834	-	-
	Deferred shares	7,862		22-Nov-21	22-Nov-23	-	7,862	100	191,155	-	-	-	(7,862)	100	216,332	-	-
	Deferred shares	12,950		01-Oct-22	22-Nov-23	-	12,950	100	314,864	-	-	-	(12,950)	100	365,927	-	-
	Deferred shares	11,844	25.66	01-Oct-23	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	11,844

							Vested			Lapsed/ Forfeited			Exercised/Sold				
Name	Type of equity	Number granted[1]	Equity fair value (for 2024 grants only) $	Grant date	First date exercisable	Date of expiry	Number	%	Value[2] $	Number	%	Value[2] $	Number	%	Value[2] $	Vested and exercis-able as at 30 Sep 2024[3]	Unexer-cisable as at 30 Sep 2024[4]
CEO and Current Disclosed Executives																	
F Faruqui	Deferred shares	11,843	25.66	01-Oct-23	22-Nov-25	-	-	-	-	-	-	-	-	-	-	-	11,843
	Deferred share rights	4,257		22-Nov-19	22-Nov-23	22-Nov-23	4,257	100	103,504	-	-	-	(4,257)	100	103,504	-	-
	Deferred share rights	3,619		07-Dec-20	22-Nov-23	22-Nov-23	3,619	100	87,992	-	-	-	(3,619)	100	87,992	-	-
	Restricted rights	16,988	18.92	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	16,988
	Restricted rights	16,988	17.77	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	16,988
	Performance rights	51,839		22-Nov-19	22-Nov-23	22-Nov-25	-	-	-	(51,839)	100	(1,260,403)	-	-	-	-	-
	Performance rights	17,279		22-Nov-19	22-Nov-23	22-Nov-25	-	-	-	(17,279)	100	(420,118)	-	-	-	-	-
	Performance rights	12,741	11.94	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	12,741
	Performance rights	4,247	7.37	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	4,247
	Performance rights	12,741	10.74	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	12,741
	Performance rights	4,247	7.26	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	4,247
G Florian	Deferred shares	2,775		22-Nov-18	22-Nov-22	-	-	-	-	-	-	-	(2,775)	100	71,726	-	-
	Deferred shares	4,491		22-Nov-19	22-Nov-20	-	-	-	-	-	-	-	(4,491)	100	119,651	-	-
	Deferred shares	1,122		22-Nov-19	22-Nov-23	-	1,122	100	27,280	-	-	-	(1,122)	100	29,893	-	-
	Deferred shares	3,219		07-Dec-20	22-Nov-23	-	3,219	100	78,266	-	-	-	(3,219)	100	85,762	-	-
	Deferred shares	7,326		22-Nov-21	22-Nov-23	-	7,326	100	178,123	-	-	-	(7,326)	100	202,453	-	-
	Deferred shares	9,590		01-Oct-22	22-Nov-23	-	9,590	100	233,169	-	-	-	(9,590)	100	283,731	-	-
	Deferred shares	9,820	25.66	01-Oct-23	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	9,820
	Deferred shares	9,820	25.66	01-Oct-23	22-Nov-25	-	-	-	-	-	-	-	-	-	-	-	9,820
	Restricted rights	16,821	18.92	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	16,821
	Restricted rights	16,821	17.77	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	16,821
	Performance rights	17,346		22-Nov-19	22-Nov-23	22-Nov-25	-	-	-	(17,346)	100	(421,747)	-	-	-	-	-
	Performance rights	5,782		22-Nov-19	22-Nov-23	22-Nov-25	-	-	-	(5,782)	100	(140,582)	-	-	-	-	-
	Performance rights	12,616	11.94	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	12,616
	Performance rights	4,205	7.37	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	4,205
	Performance rights	12,616	10.74	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	12,616
	Performance rights	4,205	7.26	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	4,205
C Morgan	Deferred shares	3,025		20-Aug-23	20-Aug-24	-	3,025	100	90,420	-	-	-	-	-	-	3,025	-
	Deferred shares	5,082		20-Aug-23	20-Aug-24	-	5,082	100	151,906	-	-	-	-	-	-	5,082	-
	Deferred shares	4,935	25.66	01-Oct-23	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	4,935
	Deferred shares	4,934	25.66	01-Oct-23	22-Nov-25	-	-	-	-	-	-	-	-	-	-	-	4,934
	Restricted rights	15,122	18.92	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	15,122
	Restricted rights	15,122	17.77	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	15,122
	Performance rights	11,342	11.94	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	11,342
	Performance rights	3,780	7.37	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	3,780
	Performance rights	11,342	10.74	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	11,342
	Performance rights	3,780	7.26	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	3,780
A Strong	Deferred shares	2,590		07-Dec-20	22-Nov-22	-	-	-	-	-	-	-	(2,590)	100	63,059	-	-
	Deferred shares	3,229		07-Dec-20	22-Nov-23	-	3,229	100	78,509	-	-	-	(3,229)	100	78,617	-	-
	Deferred shares	4,189		22-Nov-21	22-Nov-22	-	-	-	-	-	-	-	(4,189)	100	101,990	-	-
	Deferred shares	4,187		22-Nov-21	22-Nov-23	-	4,187	100	101,802	-	-	-	(4,187)	100	101,942	-	-
	Deferred shares	6,133		01-Oct-22	22-Nov-23	-	6,133	100	149,117	-	-	-	(6,133)	100	149,321	-	-
	Deferred shares	6,761	25.66	01-Oct-23	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	6,761
	Deferred shares	6,760	25.66	01-Oct-23	22-Nov-25	-	-	-	-	-	-	-	-	-	-	-	6,760
	Restricted rights	11,325	18.92	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	11,325
	Restricted rights	11,325	17.77	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	11,325

							Vested			Lapsed/ Forfeited			Exercised/Sold				
Name	Type of equity	Number granted[1]	Equity fair value (for 2024 grants only) $	Grant date	First date exercisable	Date of expiry	Number	%	Value[2] $	Number	%	Value[2] $	Number	%	Value[2] $	Vested and exercis-able as at 30 Sep 2024[3]	Unexer-cisable as at 30 Sep 2024[4]
CEO and Current Disclosed Executives																	
A Strong	Performance rights	8,494	11.94	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	8,494
	Performance rights	2,831	7.37	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	2,831
	Performance rights	8,494	10.74	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	8,494
	Performance rights	2,831	7.26	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	2,831
A Watson	Deferred shares	29		03-Dec-18	03-Dec-21	-	-	-	-	-	-	-	(29)	100	856	-	-
	Deferred shares	32		02-Dec-19	02-Dec-22	-	-	-	-	-	-	-	(32)	100	945	-	-
	Deferred shares	4,541		22-Nov-19	22-Nov-23	-	4,541	100	110,409	-	-	-	(4,541)	100	128,315	-	-
	Deferred shares	2,902		07-Dec-20	22-Nov-23	-	2,902	100	70,559	-	-	-	(2,902)	100	82,815	-	-
	Deferred shares	7,442		22-Nov-21	22-Nov-23	-	7,442	100	180,943	-	-	-	(5,357)	72	158,151	2,085	-
	Deferred shares	9,162		01-Oct-22	22-Nov-23	-	9,162	100	222,763	-	-	-	-	-	-	9,162	-
	Deferred shares	9,328	25.66	01-Oct-23	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	9,328
	Deferred shares	9,328	25.66	01-Oct-23	22-Nov-25	-	-	-	-	-	-	-	-	-	-	-	9,328
	Restricted rights	15,050	18.92	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	15,050
	Restricted rights	15,050	17.77	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	15,050
	Performance rights	11,287	11.94	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	11,287
	Performance rights	3,762	7.37	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	3,762
	Performance rights	11,287	10.74	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	11,287
	Performance rights	3,762	7.26	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	3,762
M Whelan	Deferred shares	3,499		22-Nov-19	22-Nov-23	-	3,499	100	85,074	-	-	-	(3,499)	100	85,085	-	-
	Deferred shares	3,148		07-Dec-20	22-Nov-23	-	3,148	100	76,540	-	-	-	(3,148)	100	76,550	-	-
	Deferred shares	8,774		22-Nov-21	22-Nov-23	-	8,774	100	213,329	-	-	-	(8,774)	100	213,357	-	-
	Deferred shares	11,595		01-Oct-22	22-Nov-23	-	11,595	100	281,919	-	-	-	(11,595)	100	281,956	-	-
	Deferred shares	14,410	25.66	01-Oct-23	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	14,410
	Deferred shares	14,409	25.66	01-Oct-23	22-Nov-25	-	-	-	-	-	-	-	-	-	-	-	14,409
	Restricted rights	19,986	18.92	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	19,986
	Restricted rights	19,986	17.77	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	19,986
	Performance rights	54,081		22-Nov-19	22-Nov-23	22-Nov-25	-	-	-	(54,081)	100	(1,314,915)	-	-	-	-	-
	Performance rights	18,027		22-Nov-19	22-Nov-23	22-Nov-25	-	-	-	(18,027)	100	(438,305)	-	-	-	-	-
	Performance rights	14,989	11.94	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	14,989
	Performance rights	4,996	7.37	22-Nov-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	4,996
	Performance rights	14,989	10.74	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	14,989
	Performance rights	4,996	7.26	22-Nov-23	22-Nov-28	22-Nov-30	-	-	-	-	-	-	-	-	-	-	4,996
Former Disclosed Executives																	
R Howell[6]																	

1. For the purpose of the five highest paid executive disclosures, Executives are defined as Disclosed Executives or other members of the ExCo. For the 2024 financial year the five highest paid executives include five Disclosed Executives. Rights granted to Disclosed Executives as remuneration in 2024 are included in the table. No rights have been granted to the CEO, Disclosed Executives or the five highest paid executives since the end of 2024 up to the Directors' Report sign-off date. **2.** The point in time value of deferred shares/deferred share rights and/or restricted rights/performance rights is based on the one day VWAP of the Company's shares traded on the ASX on the date of vesting, lapsing/forfeiture or exercising/sale/transfer out of trust, multiplied by the number of deferred shares/deferred share rights and/or restricted rights/performance rights. The exercise price for all deferred share rights/restricted rights/performance rights is $0.00. No terms or conditions of grant of the share-based payment transactions have been altered or modified during the reporting period. **3.** The number vested and exercisable is the number of shares, options and rights that remain vested at the end of the reporting period. No shares, options and rights were vested and unexercisable. **4.** Performance rights granted in prior years (by grant date) that remained unexerciseable at 30 September 2024 or date ceased as a KMP include (the below):

	Nov-20	Nov-21	Nov-22	Nov-23
S Elliott	159,308	126,353	73,143	66,618
M Carnegie	38,378	42,345	36,572	34,642
E Clements	-	-	-	21,316
K Corbally	-	-	-	-
F Faruqui	34,045	54,006	36,572	33,976
G Florian	34,820	50,324	33,644	33,642
C Morgan	-	-	18,421	30,244
A Strong	-	-	21,944	22,650
A Watson	31,389	51,117	32,442	30,098
M Whelan	34,045	60,266	42,716	39,970
R Howell	-	-	-	-

Performance rights granted to S Elliott in 2024 were approved by shareholders at the 2023 AGM in accordance with ASX Listing Rule 10.14.

5. Equity transactions disclosed from date commenced as a Disclosed Executive.
6. Equity transactions disclosed up to date ceased as a KMP. There were no disclosable transactions for R Howell.

9.3.2 NED, CEO and Disclosed Executives' equity holdings

The table below sets out details of equity held directly, indirectly or beneficially by each NED, the CEO and each Disclosed Executive, including their related parties.

Equity holdings – NED, CEO and Disclosed Executives

Name	Type of equity	Opening balance at 1 Oct 2023	Granted during the year as remuneration[1]	Received during the year on exercise of options or rights	Resulting from any other changes during the year[2]	Closing balance at 30 Sep 2024[3,4]
Current Non-Executive Directors						
P O'Sullivan	Ordinary shares	4,350	-	-	-	4,350
	Capital notes 7	9,250	-	-	-	9,250
J Cincotta[5]						
R Gibb[5]	Ordinary shares	-	-	-	1,032	1,032
	Capital notes 7	-	-	-	194	194
	Capital notes 8	-	-	-	196	196
J Halton	Ordinary shares	10,058	-	-	-	10,058
G Hodges	Ordinary shares	184,401	-	-	-	184,401
	Capitol notes 4	1,350	-	-	(1,350)	-
H Kramer	Ordinary shares	5,828	-	-	-	5,828
C O'Reilly	Ordinary shares	6,400	-	-	-	6,400
J Smith	Ordinary shares	2,779	-	-	-	2,779
S St John[5]	Ordinary shares	2,000	-	-	1,000	3,000
Former Non-Executive Directors						
I Atlas[6]	Ordinary shares	15,318	-	-	-	15,318
J Key[6]	Ordinary shares	10,500	-	-	-	10,500
J Macfarlane[6]	Ordinary shares	19,042	-	-	-	19,042
	Capital notes 6	2,140	-	-	-	2,140
	Capital notes 7	2,000	-	-	-	2,000
	Capital notes 8	5,000	-	-	-	5,000
CEO and Current Disclosed Executives						
S Elliott	Deferred shares	73,103	48,953	-	(39,407)	82,649
	Ordinary shares	495,640	-	-	44,648	540,288
	Restricted rights	73,145	66,619	-	-	139,764
	Performance rights	526,870	66,618	-	(168,066)	425,422
M Carnegie	Deferred shares	132,773	21,713	-	(84,865)	69,621
	Ordinary shares	41,580	-	-	4,298	45,878
	Restricted rights	36,572	34,642	-	-	71,214
	Performance rights	158,111	34,642	-	(40,816)	151,937
E Clements[5]	Deferred shares	17,775	12,306	-	-	30,081
	Ordinary shares	993	-	-	1,567	2,560
	Restricted rights	-	21,318	-	-	21,318
	Performance rights	-	21,316	-	-	21,316
K Corbally	Deferred shares	45,958	21,022	-	(23,786)	43,194
	Ordinary shares	4,345	-	19,727	(24,072)	-
	Capital notes 6	1,400	-	-	-	1,400
	Deferred share rights	62,675	-	(19,727)	-	42,948
	Restricted rights	54,182	51,322	-	-	105,504
F Faruqui	Deferred shares	51,942	23,687	-	(31,132)	44,497
	Ordinary shares	120,517	-	6,397	3,238	130,152
	Deferred share rights	9,780	-	(7,876)	-	1,904
	Restricted rights	36,572	33,976	-	-	70,548
	Performance rights	193,741	33,976	-	(69,118)	158,599
G Florian	Deferred shares	47,048	19,640	-	(28,523)	38,165
	Ordinary shares	55,612	-	-	(25,495)	30,117
	Restricted rights	33,646	33,642	-	-	67,288
	Performance rights	141,916	33,642	-	(23,128)	152,430
C Morgan[7]	Deferred shares	13,189	9,869	-	-	23,058
	Ordinary shares	25	-	-	1,197	1,222
	Restricted rights	18,422	30,244	-	-	48,666
	Performance rights	18,421	30,244	-	-	48,665
A Strong	Deferred shares	36,779	13,521	-	(20,328)	29,972
	Ordinary shares	4,235	-	-	(1,897)	2,338
	Restricted rights	21,944	22,650	-	-	44,594
	Performance rights	21,944	22,650	-	-	44,594
A Watson	Deferred shares	42,101	18,656	-	(12,800)	47,957
	Employee Share Offer	61	-	-	(61)	-
	Ordinary shares	50,974	-	-	(13,795)	37,179
	Restricted rights	32,442	30,100	-	-	62,542
	Performance rights	114,948	30,098	-	-	145,046

M Whelan	Deferred shares	48,958	28,819	-	(27,016)	50,761
	Ordinary shares	47,196	-	-	(41,820)	5,376
	Restricted rights	42,716	39,972	-	-	82,688
	Performance rights	209,135	39,970	-	(72,108)	176,997
Former Disclosed Executives						
R Howell[6]	Deferred shares	12,138	-	-	-	12,138

1. Details of options/rights granted as remuneration during 2024 are provided in the previous table. **2.** Shares resulting from any other changes during the year include the net result of any shares purchased (including under the ANZ Share Purchase Plan), forfeited, sold or acquired under the Dividend Reinvestment Plan. **3.** The following shares (included in the holdings above) were held on behalf of the NEDs, CEO and Disclosed Executives (i.e., indirect beneficially held shares) as at 30 September 2024 (or the date ceased as a KMP): P O'Sullivan - 0, J Cincotta - 0, R Gibb - 1,422, J Halton - 0, G Hodges - 45,584, H Kramer - 5,828, C O'Reilly - 0, J Smith - 0, S St John - 3,000, I Atlas - 15,318, J Key - 10,500, J Macfarlane - 28,182, S Elliott - 617,696, M Carnegie - 69,621, E Clements - 30,081, K Corbally - 44,594, F Faruqui - 44,497, G Florian - 68,277, C Morgan - 23,058, A Strong - 29,972, A Watson - 47,957, M Whelan - 52,761, R Howell - 12,138. **4.** Zero rights were vested and exercisable, and zero options/rights were vested and unexerciseable as at 30 September 2024. **5.** Commencing balance is based on holdings as at the date of commencement as a KMP. **6.** Concluding balance is based on holdings as at the date ceased as a KMP. **7.** 2023 Remuneration Report incorrectly showed a zero closing balance of ordinary shares. The 25 ordinary shares are still held.

9.4 Loans

9.4.1 Overview

When we lend to NEDs, the CEO or Disclosed Executives, we do so in the ordinary course of business and on normal commercial terms and conditions that are no more favourable than those given to other employees or customers – this includes the term of the loan, the security required and the interest rate. Details of the terms and conditions of lending products can be found on **anz.com**. No amounts have been written off during the period, or individual assessed allowance for expected credit losses raised in respect of these balances.

Total loans to NEDs, the CEO and Disclosed Executives, including their related parties at 30 September 2024 (including those with balances less than $100,000) was $23,446,756 (2023: $30,555,236) with interest paid of $1,077,834 (2023: $1,346,442) during the period.

9.4.2 NED, CEO and Disclosed Executives' loan transactions

The table below sets out details of loans outstanding to NEDs, the CEO and Disclosed Executives including their related parties, if – at any time during the year – the individual's aggregate loan balance exceeded $100,000.

Loan transactions – NED, CEO and Disclosed Executives

Names	Opening balance at 1 Oct 2023[1] $	Closing balance at 30 Sep 2024 $	Interest paid and payable in the reporting period[2] $	Highest balance in the reporting period $
Current Non–Executive Directors				
P O'Sullivan	657,998	**675**	23	664,981
G Hodges	2,322,355	**1,246,738**	84,858	2,501,191
H Kramer	3,189,935	**3,532,890**	205,664	3,602,471
S St John	1,160,096	**1,145,916**	37,112	1,165,093
CEO and Current Disclosed Executives				
S Elliott	2,467,062	**1,968,205**	72,173	2,478,583
M Carnegie	5,602,183	**3,782**	141,566	5,620,083
G Florian	2,324,157	**2,223,982**	60,887	2,344,193
A Strong	1,715,981	**2,406,222**	116,714	2,868,494
M Whelan	1,528,458	**1,495,365**	95,089	1,578,999
Former Disclosed Executives				
J Key[3]	3,583,961	**3,579,413**	157,598	3,896,804
J Macfarlane[3]	5,907,690	**5,762,167**	105,883	6,310,584
Total	30,459,876	23,365,355	1,077,567	33,031,476

1. Opening balances have been adjusted for new and leaving KMP. **2.** Actual interest paid after considering offset accounts. The loan balance is shown gross, however the interest paid takes into account the impact of offset amounts. **3.** Closing balance is as at the date ceased as a KMP.

9.5 Other transactions

Other transactions with NEDs, the CEO and Disclosed Executives, and their related parties included deposits.

Other transactions – NED, CEO and Disclosed Executives

	Opening balance at 1 Oct 2023[1] $	Closing balance at 30 Sep 2024[2,3] $
Total KMP Deposits	41,142,034	**44,115,399**

1. Opening balance is at 1 October 2023 or the date of commencement as a KMP if part way through the year and it has been adjusted to take into account timing variances.
2. Closing balance is at 30 September 2024 or at the date ceased as a KMP if part way through the year. **3.** Interest received on deposits for 2024 was $854,222 (2023: $1,001,678).

Other transactions with KMP and their related parties included amounts paid to the Group in respect of investment management service fees, brokerage, bank fees and charges. The Group has reimbursed KMP for the costs incurred for security and secretarial services associated with the performance of their duties. These transactions are conducted on normal commercial terms and conditions are no more favourable than those given to other employees or customers.

Financial Report

Contents

Income Statement

		Consolidated		The Company	
		2024	2023	2024	2023
For the year ended 30 September	Note	$m	$m	$m	$m
Interest income[1]		60,678	49,929	49,868	41,144
Interest expense		(44,641)	(33,361)	(38,622)	(29,026)
Net interest income	2	16,037	16,568	11,246	12,118
Other operating income	3	4,228	3,577	9,791	5,401
Net income from insurance business	3	122	108	-	-
Share of associates' profit/(loss)	3	134	225	-	(18)
Operating income		20,521	20,478	21,037	17,501
Operating expenses	4	(10,669)	(10,087)	(8,777)	(8,488)
Profit before credit impairment and income tax		9,852	10,391	12,260	9,013
Credit impairment (charge)/release	13	(406)	(245)	(126)	(75)
Profit before income tax		9,446	10,146	12,134	8,938
Income tax expense	5	(2,816)	(2,945)	(1,879)	(1,964)
Profit for the year		6,630	7,201	10,255	6,974
Comprising:					
Profit attributable to shareholders of the Company		6,595	7,173	10,255	6,974
Profit attributable to non-controlling interests		35	28	-	-

[1] Includes interest income calculated using the effective interest method on financial assets measured at amortised cost or fair value through other comprehensive income of $55,717 million (2023: $46,920 million) in the Group and $43,743 million (2023: $37,235 million) in the Company.

The notes appearing on pages 86 to 205 form an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 30 September	Consolidated 2024 $m	 2023 $m	The Company 2024 $m	 2023 $m
Profit after tax	6,630	7,201	10,255	6,974
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Investment securities - equity securities at FVOCI	148	(30)	145	(23)
Other reserve movements[1]	(17)	(80)	(6)	(105)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation reserve	(930)	718	(399)	64
Cash flow hedge reserve	2,069	235	1,888	339
Other reserve movements	(774)	(36)	(763)	39
Income tax attributable to the above items	(402)	(22)	(344)	(73)
Share of associates' other comprehensive income[2]	(23)	31	-	-
Total comprehensive income for the year	6,701	8,017	10,776	7,215
Comprising total comprehensive income attributable to:				
Shareholders of the Company	6,676	7,962	10,776	7,215
Non-controlling interests[1]	25	55	-	-

[1] The Group includes foreign currency translation differences attributable to non-controlling interests of $10 million (2023: $27 million).

[2] The Group's share of associates' other comprehensive income, that may be reclassified subsequently to profit or loss in the Group, includes:

	2024 $m	2023 $m
FVOCI reserve gain/(loss)	(10)	25
Defined benefits gain/(loss)	(13)	6
Total	(23)	31

The notes appearing on pages 86 to 205 form an integral part of these financial statements.

Balance Sheet

		Consolidated		The Company	
As at 30 September	Note	2024 $m	2023 $m	2024 $m	2023 $m
Assets					
Cash and cash equivalents[1]	8	150,965	168,154	137,288	154,408
Settlement balances owed to ANZ		5,484	9,349	5,019	8,935
Collateral paid		10,090	8,558	8,797	7,717
Trading assets	9	45,755	37,004	38,427	30,693
Derivative financial instruments	10	54,370	60,406	57,627	59,989
Investment securities	11	140,262	96,969	113,966	83,201
Net loans and advances	12	804,032	707,694	588,998	563,017
Regulatory deposits		665	646	222	284
Due from controlled entities		-	-	24,315	26,067
Shares in controlled entities	25	-	-	24,316	16,277
Investments in associates	26	1,415	2,321	-	-
Current tax assets		19	37	19	9
Deferred tax assets	5	3,302	3,398	2,750	2,988
Goodwill and other intangible assets	21	5,421	3,961	995	935
Premises and equipment		2,388	2,360	1,807	1,923
Other assets		5,417	5,207	3,645	3,636
Total assets		1,229,585	1,106,064	1,008,191	960,079
Liabilities					
Settlement balances owed by ANZ		16,188	19,267	11,317	16,574
Collateral received		6,583	10,382	6,061	9,452
Deposits and other borrowings	14	905,166	815,203	703,870	675,075
Derivative financial instruments	10	55,254	57,482	57,467	57,511
Due to controlled entities		-	-	25,660	26,894
Current tax liabilities		360	305	59	133
Deferred tax liabilities	5	64	60	61	47
Payables and other liabilities	15	18,594	15,984	14,474	13,279
Employee entitlements		644	568	457	424
Other provisions	22	1,584	1,714	1,319	1,499
Debt issuances	16	156,388	116,014	122,950	98,213
Total liabilities		1,160,825	1,036,979	943,695	899,101
Net assets		68,760	69,085	64,496	60,978
Shareholders' equity					
Ordinary share capital	23	27,065	29,082	26,988	29,005
Reserves	23	(1,678)	(1,796)	(1,676)	(2,222)
Retained earnings	23	42,602	41,277	39,184	34,195
Share capital and reserves attributable to shareholders of the Company		67,989	68,563	64,496	60,978
Non-controlling interests	23	771	522	-	-
Total shareholders' equity		68,760	69,085	64,496	60,978

[1] Includes Settlement balances owed to ANZ that meet the definition of Cash and cash equivalents.

The notes appearing on pages 86 to 205 form an integral part of these financial statements.

Cash Flow Statement

	Consolidated		The Company	
For the year ended 30 September	2024 $m	2023 $m	2024 $m	2023 $m
Profit after income tax	6,630	7,201	10,255	6,974
Adjustments to reconcile to net cash provided by/(used in) operating activities:				
Allowance for expected credit losses	406	245	126	75
Depreciation and amortisation	944	941	749	795
(Gain)/Loss on sale of premises and equipment	-	43	-	31
Net derivatives/foreign exchange adjustment	3,244	3,505	1,876	3,074
(Gain)/Loss on sale from divestments	21	(29)	-	70
Other non-cash movements	(10)	(98)	120	124
Net (increase)/decrease in operating assets:				
Collateral paid	(1,968)	4,143	(1,581)	3,590
Trading assets[1]	(3,204)	(5,888)	(4,355)	(7,427)
Net loans and advances	(33,546)	(28,289)	(30,642)	(25,708)
Net intra-group loans and advances	-	-	(1,204)	(1,481)
Other assets	(268)	(1,725)	(343)	(1,333)
Net increase/(decrease) in operating liabilities:				
Deposits and other borrowings	43,060	21,866	41,140	21,353
Settlement balances owed by ANZ	(2,905)	5,278	(5,127)	6,314
Collateral received	(3,368)	(5,848)	(2,922)	(4,886)
Other liabilities[1]	2,010	4,850	1,347	4,363
Total adjustments	4,416	(1,006)	(816)	(1,046)
Net cash provided by/(used in) operating activities[2]	11,046	6,195	9,439	5,928
Cash flows from investing activities				
Acquisition of Suncorp Bank, net of cash acquired	(4,914)	-	(6,247)	-
Investment securities assets:				
Purchases	(84,777)	(51,974)	(77,131)	(46,130)
Proceeds from sale or maturity	47,542	41,401	42,662	35,495
Proceeds from divestments, net of cash disposed	686	1,135	-	1,174
Net movement in shares in controlled entities	-	-	(21)	(29)
Net investments in other assets	(604)	(604)	(486)	(612)
Net cash provided by/(used in) investing activities	(42,067)	(10,042)	(41,223)	(10,102)
Cash flows from financing activities				
Deposits and other borrowings (repaid)/drawn down	(1,014)	(11,105)	-	(12,002)
Debt issuances:[3]				
Issue proceeds	50,604	44,182	46,870	40,428
Redemptions	(25,367)	(23,985)	(21,886)	(19,641)
Dividends paid[4]	(5,252)	(4,700)	(5,220)	(4,673)
On-market purchase of treasury shares	(126)	(21)	(126)	(21)
Repayment of lease liabilities	(342)	(337)	(271)	(277)
Capital return	(2,000)	-	(2,000)	-
ANZ Bank New Zealand Perpetual Preference Shares	252	-	-	-
Net cash provided by/(used in) financing activities	16,755	4,034	17,367	3,814
Net increase/(decrease) in Cash and cash equivalents	(14,266)	187	(14,417)	(360)
Cash and cash equivalents at beginning of year	168,154	168,132	154,408	155,483
Effects of exchange rate changes on Cash and cash equivalents	(2,923)	(165)	(2,703)	(715)
Cash and cash equivalents at end of year	150,965	168,154	137,288	154,408

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[1] Certain items were reclassified from Other liabilities to Trading assets to better reflect the movement in operating assets and operating liabilities. Comparative information was restated with a decrease of $5,865 million in Trading assets and a corresponding increase in Other liabilities for the Group, and $5,658 million for the Company.

[2] Net cash provided by/(used in) operating activities for the Group includes interest received of $59,657 million (2023: $48,362 million), interest paid of $43,537 million (2023: $30,738 million) and income taxes paid of $2,925 million (2023: $3,501 million). Net cash provided by/(used in) operating activities for the Company includes interest received of $49,705 million (2023: $40,353 million), interest paid of $38,351 million (2023: $26,846 million) and income taxes paid of $2,084 million (2023: $2,384 million).

[3] Non-cash movements on Debt issuances include a gain of $711 million (2023: $2,084 million loss) from unrealised movements primarily due to fair value hedging adjustments and foreign exchange losses for the Group, and include a gain of $246 million (2023: $1,598 million loss) from unrealised movements primarily due to fair value hedging and foreign exchange losses for the Company.

[4] Cash outflow for shares purchased in 2023 to satisfy the dividend reinvestment plan are classified in Dividends paid.

The notes appearing on pages 86 to 205 form an integral part of these financial statements.

Statement of Changes in Equity

Consolidated	Ordinary share capital $m	Reserves $m	Retained earnings $m	Share capital and reserves attributable to shareholders of the Company $m	Non-controlling interests $m	Total shareholders' equity $m
As at 1 October 2022	28,797	(2,606)	39,716	65,907	494	66,401
Impact on transition to AASB 17	-	-	(37)	(37)	-	(37)
Profit or loss for the year	-	-	7,173	7,173	28	7,201
Other comprehensive income for the year	-	863	(74)	789	27	816
Total comprehensive income for the year	-	863	7,099	7,962	55	8,017
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(5,559)	(5,559)	(27)	(5,586)
Dividend reinvestment plan[1]	206	-	-	206	-	206
Other equity movements:						
Employee share and option plans	79	-	-	79	-	79
ANZ Bank New Zealand Perpetual Preference Shares[2]	-	(39)	39	-	-	-
Other items	-	(14)	19	5	-	5
As at 30 September 2023	29,082	(1,796)	41,277	68,563	522	69,085
Profit or loss for the year	-	-	6,595	6,595	35	6,630
Other comprehensive income for the year	-	101	(20)	81	(10)	71
Total comprehensive income for the year	-	101	6,575	6,676	25	6,701
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(5,267)	(5,267)	(32)	(5,299)
Other equity movements:						
Employee share and option plans	(17)	23	4	10	-	10
ANZ Bank New Zealand Perpetual Preference Shares[2]	-	-	(4)	(4)	256	252
Capital return	(2,000)	-	-	(2,000)	-	(2,000)
Other items	-	(6)	17	11	-	11
As at 30 September 2024	27,065	(1,678)	42,602	67,989	771	68,760

[1] 8.4 million shares were issued under the dividend reinvestment plan for the 2022 final dividend.

[2] Perpetual preference shares issued by ANZ Bank New Zealand, a wholly owned subsidiary of ANZBGL, are considered non-controlling interests to the Group.

The notes appearing on pages 86 to 205 form an integral part of these financial statements.

Statement of Changes in Equity

The Company	Ordinary share capital $m	Reserves $m	Retained earnings $m	Total shareholders' equity $m
As at 1 October 2022	28,720	(2,546)	32,859	59,033
Profit for the year	-	-	6,974	6,974
Other comprehensive income for the year	-	319	(78)	241
Total comprehensive income for the year	-	319	6,896	7,215
Transactions with equity holders in their capacity as equity holders:				
Dividends paid	-	-	(5,559)	(5,559)
Dividend Reinvestment Plan[1]	206	-	-	206
Other equity movements:				
Employee share and option plans	79	-	-	79
Other items	-	5	(1)	4
As at 30 September 2023	29,005	(2,222)	34,195	60,978
Profit for the year	-	-	10,255	10,255
Other comprehensive income for the year	-	527	(6)	521
Total comprehensive income for the year	-	527	10,249	10,776
Transactions with equity holders in their capacity as equity holders:				
Dividends paid	-	-	(5,267)	(5,267)
Other equity movements:				-
Employee share and option plans	(17)	23	4	10
Capital return	(2,000)	-	-	(2,000)
Other items	-	(4)	3	(1)
As at 30 September 2024	26,988	(1,676)	39,184	64,496

[1] 8.4 million shares were issued under the dividend reinvestment plan for the 2022 final dividend.

The notes appearing on pages 86 to 205 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

1. About our financial statements

General information

These are the consolidated financial statements for ANZBGL (the Company) and its controlled entities (together, the Group or Consolidated Entity) for the year ended 30 September 2024. The Company is a publicly listed company incorporated and domiciled in Australia with debt listed on securities exchanges. The Company is a subsidiary of ANZGHL and is regulated by APRA as an ADI. The address of the Company's registered office and its principal place of business is ANZ Centre, 833 Collins Street, Docklands, Victoria, Australia 3008. The Group provides banking and financial services to individuals and business customers and operates in and across 29 markets.

On 7 November 2024, the Directors resolved to authorise the issue of these financial statements. Information in the financial statements is included only to the extent we consider it material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if, for example:

- the amount is significant in size (quantitative factor);
- the information is significant by nature (qualitative factor);
- the user cannot understand the Group's results without the specific disclosure (qualitative factor);
- the information is critical to a user's understanding of the impact of significant changes in the Group's business during the period - for example, business acquisitions or disposals (qualitative factor);
- the information relates to an aspect of the Group's operations that is important to its future performance (qualitative factor); and
- the information is required under legislative requirements of the *Corporations Act 2001*, the *Banking Act 1959 (Cth)* or by the Group's principal regulators, including the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA).

This section of the financial statements:

- outlines the basis upon which the Group's financial statements have been prepared; and
- discusses any new accounting standards or regulations that directly impact the financial statements.

Basis of preparation

This financial report is a general purpose (Tier 1) financial report prepared by a 'for profit' entity, in accordance with Australian Accounting Standards (AASs) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Corporations Act 2001*, and *International Financial Reporting Standards* (IFRS) and interpretations published by the International Accounting Standards Board (IASB).

We present the financial statements of the Group in Australian dollars, which is the Company's functional and presentation currency. We measure the financial statements of each entity in the Group using the currency of the primary economic environment in which that entity operates (the functional currency). We have rounded values to the nearest million dollars ($m), unless otherwise stated, as permitted under the *ASIC Corporations (Rounding in Financial/Directors Report) Instrument 2016/191*.

Certain comparative amounts have been restated to conform with the basis of preparation in the current year.

Basis of measurement and presentation

The financial information has been prepared in accordance with the historical cost basis - except the following assets and liabilities which we have stated at their fair value:

- derivative financial instruments and in the case of fair value hedging, a fair value adjustment made to the underlying hedged item;
- financial instruments held for trading;
- financial assets and financial liabilities designated at fair value through profit or loss (FVTPL); and
- financial assets at fair value through other comprehensive income (FVOCI).

In accordance with AASB 119 *Employee Benefits* we have measured defined benefit obligations using the Projected Unit Credit Method.

Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and all its subsidiaries. An entity, including a structured entity, is considered a subsidiary of the Group when we determine that the Company has control over the entity. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. We assess power by examining existing rights that give the Company the current ability to direct the relevant activities of the entity. We have eliminated, on consolidation, the effect of all transactions between entities in the Group.

1. About our financial statements (continued)

Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency at the exchange rate prevailing at the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the relevant spot rate. Any foreign currency translation gains or losses that arise are included in profit or loss in the period they arise.

We measure translation differences on non-monetary items classified as FVTPL and report them as part of the fair value gain or loss on these items. For non-monetary items classified as investment securities measured at FVOCI, translation differences are included in other comprehensive income.

Financial statements of foreign operations that have a functional currency that is not Australian dollars

The financial statements of our foreign operations are translated into Australian dollars for consolidation into the Group financial statements using the following method:

Foreign currency item	Exchange rate used
Assets and liabilities	The reporting date rate
Equity	The initial investment date rate
Income and expenses	The average rate for the period – but for a significant transaction if we believe the average rate is not reasonable, then we use the rate at the date of the transaction

Exchange differences arising from the translation of financial statements of foreign operations are recognised in the foreign currency translation reserve in equity. When we dispose of a foreign operation, the cumulative exchange differences are transferred to profit or loss.

Fiduciary activities

The Group provides fiduciary services to third parties including custody, nominee and trustee services. This involves the Group holding assets on behalf of third parties and making decisions regarding the purchase and sale of financial instruments. If the Group is not the beneficial owner or does not control the assets, then we do not recognise these transactions in these financial statements, except when required by accounting standards or another legislative requirement.

Key judgements and estimates

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates and assumptions about past and future events. Further information on the key judgements and estimates that we consider material to the financial statements are contained within each relevant note to the financial statements.

The global economy continues to face challenges associated with inflation and interest rate uncertainties, continuing trade and geopolitical tensions, and impacts from climate change, which contribute to an elevated level of estimation uncertainty involved in the preparation of these financial statements.

The Group is exposed to climate risk either directly through its operations or indirectly, for example, through lending to customers. Climate risk may also be a driver of other risks within our risk management framework. Our most material climate risks arise from lending to business and retail customers, which contributes to credit risk.

The Group has made various accounting estimates in this Financial Report based on forecasts of economic conditions which reflect expectations and assumptions at 30 September 2024 about future events considered reasonable in the circumstances. Thus, there is a considerable degree of judgement involved in preparing these estimates. Actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of these differences may significantly impact accounting estimates included in these financial statements. The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses and recoverable amounts of non-financial assets.

The impact of these uncertainties on each of these accounting estimates is discussed in the relevant notes in this Financial Report, along with assumptions and judgements made in relation to other key estimates. Readers should consider these disclosures in light of the inherent uncertainties described above.

1. About our financial statements (continued)

Accounting standards adopted in the period

Accounting policies have been consistently applied to all periods presented, unless otherwise noted.

AASB 17 *Insurance Contracts*

On 1 October 2023, the Group adopted AASB 17 *Insurance Contracts* (AASB 17) which established principles for the recognition, measurement, presentation, and disclosure of insurance contracts, and replaced AASB 4 *Insurance Contracts* and AASB 1023 *General Insurance Contracts*. Although the overall profit recognised in respect of insurance contracts will not change over the life of contracts, the timing of revenue recognition will change.

The Group applied AASB 17 effective from 1 October 2022 and restated prior period comparative information. This resulted in a decrease in opening retained earnings of $37 million on 1 October 2022, an increase in profit after tax (2023: $8 million), an increase in total assets (2023: $22 million), and an increase in total liabilities (2023: $51 million) in the Australia Retail division. These adjustments were primarily driven by the impact of changes in the pattern of recognition of revenue on insurance contracts issued, changes in the pattern of recognition of the net cost of reinsurance and the valuation of profit commissions on reinsurance contracts held.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* amends AASB 112 *Income Taxes*. It clarifies that entities are required to recognise deferred tax on transactions for which there is both an asset and a liability and that give rise to equal taxable and deductible temporary differences which may apply to leases and decommissioning or restoration obligations. This amendment was effective for the Group from 1 October 2023 and did not have a material impact on the Group.

International Tax Reform – Pillar Two Model Rules

The Organisation for Economic Co-Operation and Development published the Pillar Two Model Rules in December 2021 which are designed to ensure large multinational enterprises pay a minimum level of tax of 15% in each of the jurisdictions where they operate. A number of countries in which the Group operates have implemented or announced the proposed implementation of the Pillar Two rules including Australia.

As at 30 September 2024, Pillar Two draft legislation has been released in Australia but is not yet enacted or substantially enacted. The Australian Pillar Two rules, if enacted, will be effective for the Group from 1 October 2024.

In anticipation of the legislation being enacted, the AASB issued AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Return – Pillar Two Model Rules* in June 2023. The Group has applied the mandatory exemption included in para.4A of this standard and has not recognised or disclosed any associated deferred taxes.

The Group has assessed the potential impact of the Pillar Two legislation. Based on this analysis as at the reporting date and having regard to the historical and reasonably estimable data, the Group is not expected to have a material Pillar Two tax exposure.

Accounting standards not early adopted

A number of new standards, amendments to standards and interpretations have been published but are not mandatory for the financial statements for the year ended 30 September 2024 and have not been applied by the Group in preparing these financial statements. Further details of these are set out below.

AASB 18 *Presentation and Disclosure in Financial Statements*

In June 2024, the AASB issued AASB 18 *Presentation and Disclosure in Financial Statements* (AASB 18) which updates and replaces requirements for the presentation and disclosure of information in financial statements. AASB 18 introduces new defined subtotals to be presented in the consolidated Income Statement, disclosure of management-defined performance measures and requirements for grouping of information. This standard will be effective for the financial year beginning 1 October 2027. We are currently assessing the impact of adopting this standard.

Classification and measurement amendments to AASB 9 *Financial Instruments*

In July 2024, the AASB issued AASB 2024-2 *Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments* which amends requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance and similar features. The amendments will be effective for the financial year beginning 1 October 2026. We are currently assessing the impact of adopting the amendments.

Lease Liability in a Sale and Leaseback

AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback* amends AASB 16 *Leases* and specifies the accounting for variable lease payments by seller-lessees in sale and leaseback transactions. The amendment is effective from 1 October 2024 and will not have a material impact on the Group.

2. Net interest income

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Interest income by type of financial asset				
Financial assets at amortised cost	51,178	44,305	39,777	35,000
Investment securities at FVOCI	4,539	2,615	3,966	2,235
Trading assets	2,217	1,654	1,954	1,413
Financial assets at FVTPL	2,744	1,355	2,821	1,449
External interest income	60,678	49,929	48,518	40,097
Controlled entities' income	-	-	1,350	1,047
Interest income	60,678	49,929	49,868	41,144
Interest expense by type of financial liability				
Financial liabilities at amortised cost	(41,472)	(31,343)	(34,130)	(26,016)
Securities sold short	(649)	(451)	(615)	(392)
Financial liabilities designated at FVTPL	(2,131)	(1,214)	(1,977)	(1,104)
External interest expense	(44,252)	(33,008)	(36,722)	(27,512)
Controlled entities' expense	-	-	(1,511)	(1,161)
Interest expense	(44,252)	(33,008)	(38,233)	(28,673)
Major bank levy	(389)	(353)	(389)	(353)
Net interest income	16,037	16,568	11,246	12,118

Recognition and measurement

Net interest income

Interest income and expense

We recognise interest income and expense in net interest income for all financial instruments, including those classified as held for trading, assets measured at FVOCI, and assets and liabilities designated at FVTPL. We use the effective interest rate method to calculate the amortised cost of assets held at amortised cost and to recognise interest income on financial assets measured at amortised cost and FVOCI. The effective interest rate is the rate that discounts the stream of estimated future cash receipts or payments over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability. For assets subject to prepayment, we determine their expected life on the basis of historical behaviour of the particular asset portfolio taking into account contractual obligations and prepayment experience.

We recognise fees and costs, which form an integral part of the financial instrument (for example loan origination fees and costs), using the effective interest rate method. These are presented as part of interest income or expense depending on whether the underlying financial instrument is a financial asset or financial liability.

Major Bank Levy

The Major Bank Levy Act 2017 (levy or major bank levy) applies a rate of 0.06% to certain liabilities of ANZBGL. The levy represents a finance cost, and it is presented as interest expense in the Income Statement.

3. Non-interest income

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Fee and commission income				
Lending fees[1]	420	397	394	362
Non-lending fees	2,272	2,275	1,551	1,533
Commissions	75	85	48	55
Funds management income	241	246	14	22
External fee and commission income	3,008	3,003	2,007	1,972
Controlled entities' income	-	-	192	187
Fee and commission income	3,008	3,003	2,199	2,159
Fee and commission expense	(1,044)	(1,057)	(555)	(553)
Net fee and commission income	1,964	1,946	1,644	1,606
Other income				
Net foreign exchange earnings and other financial instruments income[2]	2,166	1,535	1,941	1,272
Release of foreign currency translation reserve on dissolution of entities	22	43	-	-
Loss on disposal of data centres in Australia	-	(43)	-	(32)
Loss on disposal of investment in AmBank	(21)	-	-	-
Dividends received from controlled entities	-	-	6,104	2,562
Other	97	96	102	(7)
Other income	2,264	1,631	8,147	3,795
Other operating income	4,228	3,577	9,791	5,401
Net income from insurance business	122	108	-	-
Share of associates' profit/(loss)	134	225	-	(18)
Non-interest income	4,484	3,910	9,791	5,383

[1] Excludes fees treated as part of the effective yield calculation in Interest income.

[2] Includes fair value movements (excluding realised and accrued interest) on derivatives not designated as accounting hedges entered into to manage interest rate and foreign exchange risk, ineffective portions of cash flow hedges, and fair value movements in financial assets and liabilities designated at FVTPL.

3. Non-interest income (continued)

Recognition and measurement ✓

Other operating income

Fee and commission revenue

We recognise fee and commission revenue arising from contracts with customers (a) over time when the performance obligation is satisfied across more than one reporting period, or (b) at a point in time when the performance obligation is satisfied immediately or is satisfied within one reporting period.

- lending fees exclude fees treated as part of the effective yield calculation of interest income. Lending fees include certain guarantee and commitment fees where the loan or guarantee is not likely to be drawn upon, and other fees charged for providing customers a distinct good or service that are recognised separately from the underlying lending product.
- non-lending fees include fees associated with deposit and credit card accounts, interchange fees and fees charged for specific customer transactions such as international transaction fees. Where the Group provides multiple goods or services to a customer under the same contract, the Group allocates the transaction price of the contract to distinct performance obligations based on the relative stand-alone selling price of each performance obligation. Revenue is recognised as each performance obligation is satisfied.
- commissions represent fees from third parties where we act as an agent by arranging a third party (such as an insurance provider) to provide goods and services to a customer. In such cases, we are not primarily responsible for providing the underlying good or service to the customer. If the Group collects funds on behalf of a third party when acting as an agent, we only recognise the net commission retained as revenue. When the commission is variable based on factors outside our control (such as a trail commission), revenue is only recognised if it is highly probable that a significant reversal of the variable amount will not be required in future periods.
- funds management income represents fees earned from customers for providing financial advice and asset management services. Revenue is recognised either at the point the financial advice is provided or over the period in which the asset management services are delivered. Performance fees associated with funds management activities are only recognised when it becomes highly probable the performance hurdle will be achieved.

Net foreign exchange earnings and other financial instruments income

We recognise the following as net foreign exchange earnings and other financial instruments income:

- exchange rate differences arising on the settlement of monetary items and translation differences on monetary items translated at rates different to those at which they were initially recognised or included in a previous financial report;
- fair value movements (excluding realised and accrued interest) on derivatives not designated as accounting hedges that we use to manage interest rate and foreign exchange risk on funding instruments;
- the ineffective portions of fair value hedges, cash flow hedges and net investment hedges;
- immediately upon sale or repayment of a hedged item, the unamortised fair value adjustments to items designated as fair value hedges and amounts accumulated in equity related to designated cash flow hedges;
- fair value movements on financial assets and financial liabilities designated at FVTPL or held for trading;
- amounts released from the FVOCI reserve when a debt instrument classified as FVOCI is sold; and
- the gain or loss on derecognition of financial assets or liabilities measured at amortised cost.

Gain or loss on disposal of non-financial assets

The gain or loss on the disposal of assets is the difference between the carrying value of the asset and the proceeds of disposal net of costs. This is recognised in Other income in the year in which control of the asset transfers to the buyer.

Share of associates' profit/(loss)

The equity method is applied to accounting for associates. Under the equity method, our share of the after tax results of associates is included in the Income Statement and the Statement of Comprehensive Income.

4. Operating expenses

	Consolidated 2024 $m	 2023 $m	The Company 2024 $m	 2023 $m
Personnel				
Salaries and related costs	5,475	5,157	3,938	3,791
Superannuation costs	443	396	368	335
Equity-settled share-based payments	139	105	124	92
Other	83	78	53	62
Personnel	6,140	5,736	4,483	4,280
Premises				
Rent	74	71	52	50
Depreciation	436	437	332	338
Other	178	176	123	123
Premises	688	684	507	511
Technology				
Depreciation and amortisation	501	501	416	455
Subscription licences and outsourced services	1,155	1,007	782	695
Other	238	178	174	144
Technology	1,894	1,686	1,372	1,294
Restructuring	235	169	190	146
Other				
Advertising and public relations	200	176	158	133
Professional fees	766	857	716	795
Freight, stationery, postage and communication	170	175	126	128
Card processing fees	107	104	103	101
Other	469	500	1,122	1,100
Other	1,712	1,812	2,225	2,257
Operating expenses	10,669	10,087	8,777	8,488

4. Operating expenses (continued)

Recognition and measurement ✓

Operating expenses

Operating expenses are recognised as services are provided to the Group, over the period in which an asset is consumed, or once a liability is created.

Salaries and related costs - annual leave, long service leave and other employee benefits

Wages and salaries, annual leave and other employee entitlements expected to be paid or settled within twelve months of employees rendering service are measured at their nominal amounts using remuneration rates that the Group expects to pay when the liabilities are settled.

We accrue employee entitlements relating to long service leave using an actuarial calculation. It includes assumptions regarding staff departures, leave utilisation and future salary increases. The result is then discounted using market yields at the reporting date. The market yields are determined from a blended rate of high quality corporate bonds with terms to maturity that closely match the estimated future cash outflows.

If we expect to pay short term cash bonuses, then a liability is recognised when the Group has a present legal or constructive obligation to pay this amount (as a result of past service provided by the employee) and the obligation can be reliably measured.

Personnel expenses also include share-based payments which may be cash or equity settled. We calculate the fair value of equity settled remuneration at grant date, which is then amortised over the vesting period, with a corresponding increase in share capital or the share option reserve as applicable. When we estimate the fair value, we take into account market vesting conditions, such as share price performance conditions. We take non-market vesting conditions, such as service conditions, into account by adjusting the number of equity instruments included in the expense.

After the grant of an equity-based award, the amount we recognise as an expense is reversed when non-market vesting conditions are not met, for example an employee fails to satisfy the minimum service period specified in the award due to resignation, termination or notice of dismissal for serious misconduct. However, we do not reverse the expense if the award does not vest due to the failure to meet a market-based performance condition.

Further information on share-based payment schemes operated by the Group during the current and prior year is included in Note 30 Employee share and option plans.

5. Income tax

Income tax expense

Reconciliation of the prima facie income tax expense on pre-tax profit with the income tax expense recognised in profit or loss:

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Profit before income tax	9,446	10,146	12,134	8,938
Prima facie income tax expense at 30%	2,834	3,044	3,640	2,681
Tax effect of permanent differences:				
Share of associates' (profit)/loss	(41)	(68)	-	5
Interest on convertible instruments	124	92	124	92
Overseas tax rate differential	(156)	(163)	(93)	(95)
Provision for foreign tax on dividend repatriation	36	41	33	35
Rebatable and non-assessable dividends	-	-	(1,831)	(769)
Other	(1)	(2)	(8)	23
Subtotal	2,796	2,944	1,865	1,972
Income tax (over)/under provided in previous years	20	1	14	(8)
Income tax expense	2,816	2,945	1,879	1,964
Current tax expense	3,063	2,891	1,956	2,012
Adjustments recognised in the current year in relation to the current tax of prior years	20	1	14	(8)
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	(267)	53	(91)	(40)
Income tax expense	2,816	2,945	1,879	1,964
Australia	1,481	1,644	1,476	1,568
Overseas	1,335	1,301	403	396
Income tax expense	2,816	2,945	1,879	1,964
Effective tax rate	29.8%	29.0%	15.5%	22.0%

5. Income tax (continued)

Deferred tax assets and liabilities

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Deferred tax assets balances comprise temporary differences attributable to:				
Amounts recognised in the Income Statement:				
Collectively assessed allowances for expected credit losses	1,216	1,128	898	897
Individually assessed allowances for expected credit losses	86	102	60	79
Provision for employee entitlements	330	294	252	243
Other provisions	261	263	196	209
Software	1,014	917	894	781
Lease liabilities[1]	523	513	416	446
Other[1]	221	231	165	181
Total	3,651	3,448	2,881	2,836
Amounts recognised directly in Other Comprehensive Income:				
Cash flow hedge reserve	217	818	217	789
FVOCI reserve	245	29	243	29
Other reserves	2	-	1	(2)
Total	464	847	461	816
Total deferred tax assets (before set-off)[1]	4,115	4,295	3,342	3,652
Set-off of deferred tax balances pursuant to set-off provisions[1]	(813)	(897)	(592)	(664)
Net deferred tax assets	3,302	3,398	2,750	2,988

	2024 $m	2023 $m	2024 $m	2023 $m
Deferred tax liabilities balances comprise temporary differences attributable to:				
Amounts recognised in the Income Statement:				
Finance leases	11	95	5	6
Right-of-use assets[1]	446	442	352	389
Other	323	303	238	212
Total	780	840	595	607
Amounts recognised directly in Other Comprehensive Income:				
Foreign currency translation reserve	1	36	1	36
Cash flow hedge reserve	32	17	1	7
FVOCI reserve	15	17	13	19
Defined benefit obligations	42	47	36	42
Other reserves	7	-	7	-
Total	97	117	58	104
Total deferred tax liabilities (before set-off)[1]	877	957	653	711
Set-off of deferred tax balances pursuant to set-off provisions[1]	(813)	(897)	(592)	(664)
Net deferred tax liabilities	64	60	61	47

[1] Prior period balances have been restated to reflect the adoption of amendments to AASB 112 *Income Taxes* related to right-of-use assets and lease liabilities that arise from a single transaction.

5. Income tax (continued)

Tax consolidation

The Company and all its wholly owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. ANZGHL is the head entity of the tax-consolidated group. We recognise each of the following in the separate financial statements of members of the tax consolidated group on a 'group allocation' basis: tax expense/income, and deferred tax liabilities/assets that arise from temporary differences for members of the tax-consolidated group. ANZGHL (as head entity of the tax-consolidated group) recognises current tax liabilities and assets of the tax-consolidated group.

Under a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by each member of the tax-consolidated group in relation to the tax contribution amounts paid or payable between members of the tax-consolidated group and the head entity ANZGHL.

Members of the tax-consolidated group have also entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities were the head entity to default on its income tax payment obligations.

Unrecognised deferred tax assets and liabilities

Unrecognised deferred tax assets related to unused realised tax losses (on revenue account) total $10 million (2023: $1 million) for the Group and nil (2023: nil) for the Company.

Unrecognised deferred tax liabilities related to additional potential foreign tax costs (assuming all retained earnings in offshore branches and subsidiaries are repatriated) total $251 million (2023: $286 million) for the Group and $27 million (2023: $30 million) for the Company.

Recognition and measurement

Income tax expense

Income tax expense comprises both current and deferred taxes and is based on the accounting profit adjusted for differences in the accounting and tax treatments of income and expenses (that is, taxable income). We recognise tax expense in profit or loss except when the tax relates to items recognised directly in equity and other comprehensive income, in which case we recognise the tax directly in equity or other comprehensive income respectively.

Current tax expense

Current tax is the tax we expect to pay on taxable income for the year, based on tax rates (and tax laws) which are enacted at the reporting date. We recognise current tax as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax assets and liabilities

We account for deferred tax using the balance sheet method. Deferred tax arises because the accounting income is not always the same as the taxable income. This creates temporary differences, which usually reverse over time. Until they reverse, we recognise a deferred tax asset, or liability, on the balance sheet. We measure deferred taxes at the tax rates that we expect will apply to the period(s) when the asset is realised, or the liability settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

We offset current and deferred tax assets and liabilities only to the extent that:

- they relate to income taxes imposed by the same taxation authority;
- there is a legal right and intention to settle on a net basis; and
- it is allowed under the tax law of the relevant jurisdiction.

Key judgements and estimates

Judgement is required in determining provisions held in respect of uncertain tax positions. The Group estimates its tax liabilities based on its understanding of the relevant law in each of the countries in which it operates and seeks independent advice where appropriate.

6. Dividends

Ordinary share dividends

Dividends determined by the Board of the Company are recognised with a corresponding reduction of retained earnings on the dividend payment date. Accordingly, the final dividend proposed for the current financial year is paid in the following financial year.

Dividends	% of total	Amount per share	Total dividend $m
Financial Year 2023			
2022 final dividend paid[1]		74 cents	2,213
2023 special dividend paid to ANZ BH Pty Ltd		33 cents	1,000
2023 interim dividend paid to ANZ BH Pty Ltd		79 cents	2,387
Dividends paid during the year ended 30 September 2023			5,600
Cash	96.3%		5,394
Dividend reinvestment plan[2]	3.7%		206
Dividends paid during the year ended 30 September 2023			5,600
Financial Year 2024			
2023 final dividend paid to ANZ BH Pty Ltd		92 cents	2,771
2024 interim dividend paid to ANZ BH Pty Ltd		83 cents	2,496
Dividends paid during the year ended 30 September 2024			5,267

Dividends proposed and to be paid after year-end	Payment date	Amount per share	Total dividend $m
2024 final dividend	20 December 2024	82 cents	2,472

[1] Fully franked for Australian tax purposes (30% tax rate) and carried New Zealand imputation credits of NZD 9 cents.

[2] Includes on-market share purchases for the DRP of $206 million.

Dividend reinvestment plan and bonus option plan

ANZBGL's Dividend Reinvestment Plan (DRP) and Bonus Option Plan (BOP) ceased to operate following implementation of the Restructure on 3 January 2023.

Restrictions on the payment of dividends

APRA's written approval is required before paying dividends on the ordinary shares of the Company if:

- the aggregate dividends exceed the Company's after tax earnings (in calculating those after tax earnings, we take into account any payments we made on senior capital instruments) in the financial year to which they relate; or
- the Group's Common Equity Tier 1 capital ratio falls within capital range buffers specified by APRA.

If the Company fails to pay a dividend or distribution on its ANZ Capital Notes or ANZ Capital Securities on the scheduled payment date, it may (subject to a number of exceptions) be restricted from resolving to pay or paying any dividend on the Company's ordinary shares.

7. Segment reporting

Description of segments

The Group's operating segments are presented on a basis that is consistent with the information provided internally to the Chief Executive Officer (CEO), who is the chief operating decision maker. This reflects the way the Group's businesses are managed, rather than the legal structure of the Group.

We measure the performance of operating segments on a cash profit basis. To calculate cash profit, we exclude items from profit after tax attributable to shareholders. For 2024 and 2023, the adjustments relate to impacts of economic hedges and revenue and expense hedges which represent timing differences that will reverse through earnings in the future. Transactions between divisions across segments within the Group are conducted on an arm's-length basis and where relevant disclosed as part of the income and expenses of these segments.

On 31 July 2024, the Group acquired 100% of the shares in SBGH Limited, the immediate holding company of Suncorp Bank. Suncorp Bank provides banking and related services to retail, commercial, small and medium enterprises and agribusiness customers in Australia. The transaction was undertaken to accelerate the growth of the Group's retail and commercial businesses while also improving the geographic balance of its business in Australia. The 2024 reported results include 2 months results for Suncorp Bank from the date of acquisition, presented as Suncorp Bank division below.

The presentation of divisional results has been impacted by the following changes during the period:

- Accounting standards adoption - the Group adopted AASB 17 *Insurance Contracts* (AASB 17) on 1 October 2023. Although the overall profit recognised in respect of insurance contracts will not change over the life of contracts, the timing of revenue recognition will change. The Group applied AASB 17 effective from 1 October 2022 and restated prior period comparative information. This resulted in a decrease in opening retained earnings of $37 million on 1 October 2022, a $8 million increase in profit after tax, a $22 million increase in total assets, and a $51 million increase in total liabilities in the Australia Retail division.
- Divisional results presentation - prior period divisional comparative information was restated to reflect a number of cost reallocations across the divisions.

The reportable segments are divisions engaged in providing either different products or services or similar products and services in different geographical areas. They are as follows:

Australia Retail

The Australia Retail division provides a full range of banking services to Australian consumers. This includes Home Loans, Deposits, Credit Cards and Personal Loans. Products and services are provided via the branch network, home loan specialists, contact centres, a variety of self-service channels (digital and internet banking, website, ATMs and phone banking) and third-party brokers.

Australia Commercial

The Australia Commercial division provides a full range of banking products and financial services, including asset financing, across the following customer segments: SME Banking (small business owners and medium commercial customers), and Diversified & Specialist Businesses (large commercial customers, and high net worth individuals and family groups).

Institutional

The Institutional division services global institutional and corporate customers, and governments across Australia, New Zealand and International (including Papua New Guinea (PNG)) via the following business units:

- **Transaction Banking** provides customers with working capital and liquidity solutions including documentary trade, supply chain financing, commodity financing as well as cash management solutions, deposits, payments and clearing.
- **Corporate Finance** provides customers with loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance, and sustainable finance solutions.
- **Markets** provides customers with risk management services in foreign exchange, interest rates, credit, commodities, and debt capital markets in addition to managing the Group's interest rate exposure and liquidity position.

New Zealand

The New Zealand division comprises the following business units:

- **Personal** provides a full range of banking and wealth management services to consumer and private banking customers. We deliver our services via our internet and app-based digital solutions and a network of branches, mortgage specialists, private bankers and contact centres.
- **Business & Agri** (previously Business) provides a full range of banking services through our digital, branch and contact centre channels, and traditional relationship banking and sophisticated financial solutions through dedicated managers. These cover privately owned small, medium and large enterprises, the agricultural business segment, government and government-related entities.

Suncorp Bank

The Suncorp Bank division provides banking and related services to retail, commercial, small and medium enterprises and agribusiness customers in Australia.

Pacific

The Pacific division provides products and services to retail and commercial customers (including multi-nationals) and to governments located in the Pacific region, excluding PNG which forms part of the Institutional division.

Group Centre

Group Centre division provides support to the operating divisions, including technology, property, risk management, financial management, treasury, strategy, marketing, human resources, corporate affairs, and shareholder functions. It also includes minority investments in Asia.

7. Segment reporting (continued)

Operating segments

Year ended 30 September 2024	Australia Retail $m	Australia Commercial $m	Institutional $m	New Zealand $m	Suncorp Bank $m	Pacific $m	Group Centre $m	Group Total $m
Net interest income	5,223	3,164	3,741	3,143	251	123	392	16,037
Net fee and commission income	531	300	740	399	6	14	(26)	1,964
Net income from insurance business	122	-	-	-	-	-	-	122
Other income[1,2]	11	42	2,408	-	-	77	(12)	2,526
Share of associates' profit/(loss)	-	-	-	-	-	-	134	134
Other operating income	664	342	3,148	399	6	91	96	4,746
Operating income[1,2]	5,887	3,506	6,889	3,542	257	214	488	20,783
Operating expenses	(3,516)	(1,507)	(2,875)	(1,376)	(188)	(138)	(1,069)	(10,669)
Cash profit/(loss) before credit impairment and income tax	2,371	1,999	4,014	2,166	69	76	(581)	10,114
Credit impairment (charge)/release	(71)	(80)	10	(28)	(243)	8	(2)	(406)
Cash profit/(loss) before income tax	2,300	1,919	4,024	2,138	(174)	84	(583)	9,708
Income tax (expense)/benefit[1,2]	(693)	(577)	(1,166)	(602)	52	(22)	120	(2,888)
Non-controlling interests	-	-	-	-	-	(2)	(33)	(35)
Cash profit/(loss)	1,607	1,342	2,858	1,536	(122)	60	(496)	6,785
Economic hedges[1]								(264)
Revenue and expense hedges[2]								74
Profit after tax attributable to shareholders								6,595
Includes non-cash items:								
Share of associates' profit/(loss)	-	-	-	-	-	-	134	134
Depreciation and amortisation	(56)	(6)	(171)	(107)	(46)	(9)	(550)	(945)
Equity-settled share-based payment expenses	(6)	(5)	(97)	(5)	-	(1)	(25)	(139)
Credit impairment (charge)/release	(71)	(80)	10	(28)	(243)	8	(2)	(406)

Financial position	Australia Retail $m	Australia Commercial $m	Institutional $m	New Zealand $m	Suncorp Bank[3] $m	Pacific $m	Group Centre $m	Group Total $m
Goodwill	100	-	1,245	1,596	1,402	-	-	4,343
Investments in associates	-	-	-	-	-	-	1,415	1,415
Total external assets	335,356	65,456	574,998	127,032	87,185	3,162	36,396	1,229,585
Total external liabilities	180,801	122,029	460,053	120,203	81,610	3,686	192,443	1,160,825

[1] The cash profit adjustment for economic hedges applies to the Institutional, New Zealand and Group Centre divisions with $368 million loss recognised in Other operating income and $104 million benefit recognised in Income tax expense.

[2] The cash profit adjustment for revenue and expense hedges applies to the Group Centre division with $106 million gain recognised in Other operating income and $32 million expense recognised in Income tax expense.

[3] Assets acquired and liabilities assumed are disclosed on a provisional basis. Refer to Note 34 Suncorp Bank acquisition for further information.

7. Segment reporting (continued)

Operating segments (continued)

Year ended 30 September 2023	Australia Retail $m	Australia Commercial $m	Institutional $m	New Zealand $m	Suncorp Bank $m	Pacific $m	Group Centre $m	Group Total $m
Net interest income	5,709	3,224	4,040	3,149	-	123	323	16,568
Net fee and commission income	546	322	685	398	-	19	(24)	1,946
Net income from insurance business	108	-	-	-	-	-	-	108
Other income[1,2]	16	43	2,009	11	-	66	(80)	2,065
Share of associates' profit/(loss)	-	-	-	-	-	-	225	225
Other operating income	670	365	2,694	409	-	85	121	4,344
Operating income[1,2]	6,379	3,589	6,734	3,558	-	208	444	20,912
Operating expenses	(3,461)	(1,423)	(2,728)	(1,299)	-	(145)	(1,031)	(10,087)
Cash profit/(loss) before credit impairment and income tax	2,918	2,166	4,006	2,259	-	63	(587)	10,825
Credit impairment (charge)/release	(135)	(107)	80	(112)	-	28	1	(245)
Cash profit/(loss) before income tax	2,783	2,059	4,086	2,147	-	91	(586)	10,580
Income tax (expense)/benefit[1,2]	(845)	(619)	(1,137)	(601)	-	(18)	148	(3,072)
Non-controlling interests	-	-	-	-	-	(2)	(26)	(28)
Cash profit/(loss)	1,938	1,440	2,949	1,546	-	71	(464)	7,480
Economic hedges[1]								(217)
Revenue and expense hedges[2]								(90)
Profit after tax attributable to shareholders								7,173
Includes non-cash items:								
Share of associates' profit/(loss)	-	-	-	-	-	-	225	225
Depreciation and amortisation	(77)	(5)	(164)	(105)	-	(10)	(580)	(941)
Equity-settled share-based payment expenses	(6)	(2)	(73)	(4)	-	-	(20)	(105)
Credit impairment (charge)/release	(135)	(107)	80	(112)	-	28	1	(245)

Financial position	Australia Retail $m	Australia Commercial $m	Institutional $m	New Zealand $m	Suncorp Bank $m	Pacific $m	Group Centre $m	Group Total $m
Goodwill	100	-	1,261	1,617	-	-	-	2,978
Investments in associates	-	-	-	-	-	-	2,321	2,321
Total external assets	315,207	61,916	538,825	125,178	-	3,391	61,547	1,106,064
Total external liabilities	168,926	119,341	452,777	122,924	-	3,862	169,149	1,036,979

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[1] The cash profit adjustment for economic hedges applies to the Institutional, New Zealand and Group Centre divisions with $305 million loss recognised in Other operating income and $88 million benefit recognised in Income tax expense.

[2] The cash profit adjustment for economic hedges applies to the Group Centre division with $129 million loss recognised in Other operating income and $39 million benefit recognised in Income tax expense.

7. Segment reporting (continued)

Segment income by products and services

The primary sources of our external income across all divisions are interest income and other operating income, which includes net fee and commission income, net foreign exchange earnings and other financial instruments income. The Australia Retail, Australia Commercial, New Zealand, Suncorp Bank, and Pacific divisions derive income from products and services in retail and commercial banking. The Institutional division derives its income from institutional products and market services. No single customer amounts to greater than 10% of the Group's income.

Geographical information

The reportable segments operate across three geographical regions as follows:

- Australia Retail division - Australia
- Australia Commercial division - Australia
- Institutional division - all three geographical regions
- New Zealand division - New Zealand
- Suncorp Bank division - Australia
- Pacific division – Rest of World
- Group Centre division - all three geographical regions

The Rest of World geography includes Asia, Pacific, Europe and the Americas.

The following table sets out total operating income earned and assets to be recovered in more than one year based on the geographical regions in which the Group operates.

	Australia		New Zealand		Rest of World		Total	
	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Total operating income	**12,794**	12,689	**4,400**	4,463	**3,327**	3,326	**20,521**	20,478
Assets to be recovered in more than one year[1]	**498,091**	407,221	**121,455**	119,278	**25,444**	28,877	**644,990**	555,376

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[1] Represents Net loans and advances based on the contractual maturity.

Financial assets

Outlined below is a description of how we classify and measure financial assets as they apply to the note disclosures that follow.

Classification and measurement

Financial assets - general

There are three measurement classifications for financial assets under AASB 9 *Financial Instruments* (AASB 9): amortised cost, FVTPL and FVOCI. Financial assets are classified into these measurement classifications on the basis of two criteria:

- the business model within which the financial asset is managed; and
- the contractual cash flow characteristics of the financial asset (specifically whether the contractual cash flows represent solely payments of principal and interest).

The resultant financial asset classifications are as follows:

- Amortised cost: Financial assets with contractual cash flows that comprise solely payments of principal and interest and which are held in a business model whose objective is to collect their cash flows;
- FVOCI: Financial assets with contractual cash flows that comprise solely payments of principal and interest and which are held in a business model whose objective is to collect their cash flows or to sell the assets; and
- FVTPL: Any other financial assets not falling into the categories above are measured at FVTPL.

Fair value option for financial assets

A financial asset may be irrevocably designated on initial recognition:

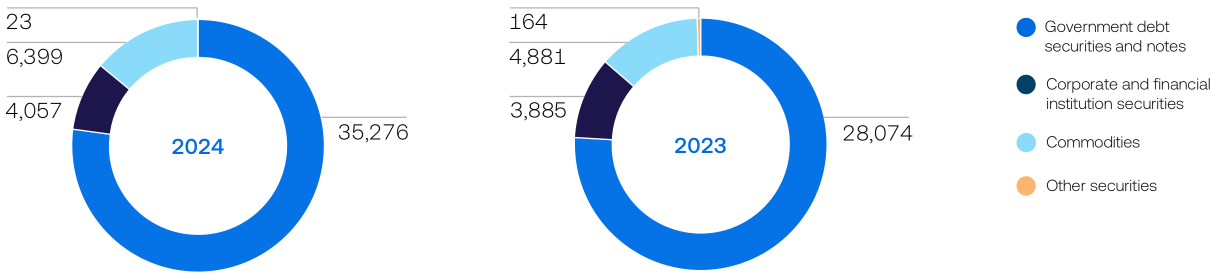
- at FVTPL when the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise; or
- at FVOCI for investments in equity securities, where that instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination.

8. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other balances, as outlined below, that are convertible into cash with an insignificant risk of changes in value and with remaining maturities of three months or less, including reverse repurchase agreements.

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Coins, notes and cash at bank	**1,196**	1,070	**843**	667
Securities purchased under agreements to resell in less than 3 months	**44,125**	31,711	**41,307**	31,120
Balances with central banks	**69,024**	105,689	**59,609**	94,389
Settlement balances owed to ANZ within 3 months	**36,620**	29,684	**35,529**	28,232
Cash and cash equivalents	**150,965**	168,154	**137,288**	154,408

9. Trading assets



	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Government debt securities and notes	35,276	28,074	28,796	23,144
Corporate and financial institution securities	4,057	3,885	3,365	2,914
Commodities	6,399	4,881	6,243	4,471
Other securities	23	164	23	164
Total	45,755	37,004	38,427	30,693

Recognition and measurement

Trading assets are financial instruments or other assets we either:

- Acquire principally for the purpose of selling in the short-term; or
- Hold as part of a portfolio we manage for short-term profit making.

Trading assets include commodity inventories measured at fair value less cost to sell in accordance with the broker trader exemption under AASB 102 *Inventories*.

We recognise purchases and sales of trading assets on trade date:

- Initially, we measure them at fair value; and
- Subsequently, we measure them in the Balance Sheet at their fair value with any change in fair value recognised in profit or loss.

Assets disclosed as Trading assets are subject to the general classification and measurement policy for Financial Assets outlined at the commencement of the Group's financial assets disclosures on page 102.

Key judgements and estimates

Judgement is required when applying the valuation techniques used to determine the fair value of trading assets not valued using quoted market prices. Refer to Note 18 Fair value of financial assets and financial liabilities for further details.

10. Derivative financial instruments

Consolidated Fair value	Assets 2024 $m	Liabilities 2024 $m	Assets 2023 $m	Liabilities 2023 $m
Derivative financial instruments - held for trading	53,889	(54,798)	60,059	(57,210)
Derivative financial instruments - designated in hedging relationships	481	(456)	347	(272)
Derivative financial instruments	54,370	(55,254)	60,406	(57,482)

The Company Fair value	Assets 2024 $m	Liabilities 2024 $m	Assets 2023 $m	Liabilities 2023 $m
Derivative financial instruments - held for trading	57,370	(57,257)	59,649	(57,256)
Derivative financial instruments - designated in hedging relationships	257	(210)	340	(255)
Derivative financial instruments	57,627	(57,467)	59,989	(57,511)

Features

Derivative financial instruments are contracts:

- Whose value is derived from an underlying price index (or other variable) defined in the contract - sometimes the value is derived from more than one variable;
- That require little or no initial net investment; and
- That are settled at a future date.

Movements in the price of the underlying variables, which cause the value of the contract to fluctuate, are reflected in the fair value of the derivative.

Purpose

The Group's derivative financial instruments have been categorised as follows:

Trading	Derivatives held in order to: • meet customer needs for managing their own risks. • manage risks in the Group that are not in a designated hedge accounting relationship (some elements of balance sheet management). • undertake market making and positioning activities to generate profits from short-term fluctuations in prices or margins.
Designated in Hedging Relationships	Derivatives designated into hedge accounting relationships in order to minimise profit or loss volatility by matching movements in underlying positions relating to: • hedges of the Group's exposures to interest rate risk and currency risk. • hedges of other exposures relating to non-trading positions.

Types

The Group offers or uses four different types of derivative financial instruments:

Forwards	A contract documenting the rate of interest, or the currency exchange rate, to be paid or received on a notional principal amount at a future date.
Futures	An exchange traded contract in which the parties agree to buy or sell an asset in the future for a price agreed on the transaction date, with a net settlement in cash paid on the future date without physical delivery of the asset.
Swaps	A contract in which two parties exchange one series of cash flows for another.
Options	A contract in which the buyer of the contract has the right - but not the obligation - to buy (known as a 'call option') or to sell (known as a 'put option') an asset or instrument at a set price on a future date. The seller has the corresponding obligation to fulfil the transaction to sell or buy the asset or instrument if the buyer exercises the option.

10. Derivative financial instruments (continued)

Risks managed

The Group offers and uses the instruments described above to manage fluctuations in the following:

Foreign Exchange	Currencies at current or determined rates of exchange.
Interest Rate	Fixed or variable interest rates applying to money lent, deposited or borrowed.
Commodity	Soft commodities (that is, agricultural products such as wheat, coffee, cocoa and sugar) and hard commodities (that is, mined products such as gold, oil and gas).
Credit	Risk of default by customers or third parties.

The Group uses a number of central clearing counterparties and exchanges to settle derivative transactions. Different arrangements for posting of collateral exist with these exchanges:

- some transactions are subject to clearing arrangements which result in separate recognition of collateral assets and liabilities, with the carrying values of the associated derivative assets and liabilities held at their fair value.
- other transactions, are legally settled by the payment or receipt of collateral which reduces the carrying values of the related derivative instruments by the amount paid or received.

Derivative financial instruments – held for trading

The majority of the Group's derivative financial instruments are held for trading. The fair value of derivative financial instruments held for trading is:

Consolidated Fair value	Assets 2024 $m	Liabilities 2024 $m	Assets 2023 $m	Liabilities 2023 $m
Interest rate contracts				
Forward rate agreements	1	(1)	-	-
Futures contracts	80	(109)	294	(37)
Swap agreements	8,258	(9,527)	10,815	(15,194)
Options	1,263	(1,371)	1,805	(2,023)
Total	9,602	(11,008)	12,914	(17,254)
Foreign exchange contracts				
Spot and forward contracts	20,008	(21,445)	21,399	(19,580)
Swap agreements	21,961	(19,612)	23,230	(18,172)
Options	779	(835)	690	(1,120)
Total	42,748	(41,892)	45,319	(38,872)
Commodity and other contracts	1,537	(1,896)	1,812	(1,067)
Credit default swaps	2	(2)	14	(17)
Derivative financial instruments - held for trading[1]	53,889	(54,798)	60,059	(57,210)

[1] Includes derivatives held for balance sheet management which are not designated into accounting hedge relationships.

10. Derivative financial instruments (continued)

Derivative financial instruments – held for trading (continued)

The majority of the Company's derivative financial instruments are held for trading. The fair value of derivative financial instruments held for trading is:

The Company Fair Value	Assets 2024 $m	Liabilities 2024 $m	Assets 2023 $m	Liabilities 2023 $m
Interest rate contracts				
Forward rate agreements	1	(1)	2	(1)
Futures contracts	75	(40)	259	(30)
Swap agreements	10,063	(11,329)	11,324	(15,178)
Options	1,261	(1,371)	1,807	(2,016)
Total	11,400	(12,741)	13,392	(17,225)
Foreign exchange contracts				
Spot and forward contracts	19,396	(20,141)	19,229	(17,595)
Swap agreements	24,224	(21,611)	24,493	(20,216)
Options	772	(829)	684	(1,110)
Total	44,392	(42,581)	44,406	(38,921)
Commodity and other contracts	1,537	(1,896)	1,823	(1,078)
Credit default swaps	41	(39)	28	(32)
Derivative financial instruments - held for trading[1]	57,370	(57,257)	59,649	(57,256)

[1] Includes derivatives held for balance sheet management which are not designated into accounting hedge relationships.

10. Derivative financial instruments (continued)

Derivative financial instruments – designated in hedging relationships

Under the accounting policy choice provided by AASB 9, the Group has continued to apply the hedge accounting requirements of AASB 139 *Financial Instruments: Recognition and Measurement* (AASB 139).

There are three types of hedge accounting relationships the Group utilises:

	Fair value hedge	Cash flow hedge	Net investment hedge
Objective of this hedging arrangement	To hedge our exposure to changes to the fair value of a recognised asset or liability or unrecognised firm commitment caused by interest rate or foreign currency movements.	To hedge our exposure to variability in cash flows of a recognised asset or liability, a firm commitment or a highly probable forecast transaction caused by interest rate, foreign currency and other price movements.	To hedge our exposure to exchange rate differences arising from the translation of our foreign operations from their functional currency to Australian dollars.
Recognition of effective hedge portion	The following are recognised in profit or loss at the same time: • all changes in the fair value of the underlying item relating to the hedged risk; and • the change in the fair value of the derivatives.	We recognise the effective portion of changes in the fair value of derivatives designated as a cash flow hedge in the cash flow hedge reserve.	We recognise the effective portion of changes in the fair value of the hedging instrument in the foreign currency translation reserve (FCTR).
Recognition of ineffective hedge portion	Recognised immediately in Other operating income.		
If a hedging instrument expires, or is sold, terminated, or exercised; or no longer qualifies for hedge accounting	When we recognise the hedged item in profit or loss, we recognise the related unamortised fair value hedge adjustment in profit or loss. This may occur over time if the hedged item is amortised to profit or loss as part of the effective yield over the period to maturity.	Only when we recognise the hedged item in profit or loss is the amount previously deferred in the cash flow hedge reserve transferred to profit or loss.	The amount we defer in the foreign currency translation reserve remains in equity and is transferred to profit or loss only when we dispose of, or partially dispose of, the foreign operation.
Hedged item sold or repaid	We recognise the unamortised fair value hedge adjustment immediately in profit or loss.	Amounts accumulated in equity are transferred immediately to profit or loss.	The gain or loss, or applicable proportion, we have recognised in equity is transferred to profit or loss on disposal or partial disposal of a foreign operation.

10. Derivative financial instruments (continued)

Derivative financial instruments – designated in hedging relationships (continued)

The fair value of derivative financial instruments designated in hedging relationships is:

	2024			2023		
Consolidated	Nominal amount $m	Assets $m	Liabilities $m	Nominal amount $m	Assets $m	Liabilities $m
Fair value hedges						
Foreign exchange spot and forward contracts	571	14	-	607	5	-
Interest rate swap agreements	175,849	226	(253)	126,881	32	(195)
Interest rate futures contracts	3,151	11	-	11,778	243	(9)
Cash flow hedges						
Interest rate swap agreements	154,968	200	(196)	122,704	17	(48)
Foreign exchange swap agreements	654	26	(7)	683	50	(19)
Foreign exchange spot and forward contracts	81	4	-	-	-	-
Net investment hedges						
Foreign exchange spot and forward contracts	92	-	-	47	-	(1)
Derivative financial instruments - designated in hedging relationships	335,366	481	(456)	262,700	347	(272)

	2024			2023		
The Company	Nominal amount $m	Assets $m	Liabilities $m	Nominal amount $m	Assets $m	Liabilities $m
Fair value hedges						
Foreign exchange spot and forward contracts	571	14	-	607	5	-
Interest rate swap agreements	144,667	198	(134)	101,587	32	(184)
Interest rate futures contracts	3,151	11	-	11,778	243	(9)
Cash flow hedges						
Interest rate swap agreements	92,998	4	(69)	89,173	10	(42)
Foreign exchange swap agreements	654	26	(7)	683	50	(19)
Foreign exchange spot and forward contracts	81	4	-	-	-	-
Net investment hedges						
Foreign exchange spot and forward contracts	-	-	-	47	-	(1)
Derivative financial instruments - designated in hedging relationships	242,122	257	(210)	203,875	340	(255)

10. Derivative financial instruments (continued)

Derivative financial instruments – designated in hedging relationships (continued)

The maturity profile of the nominal amounts of our hedging instruments held is:

Consolidated Nominal amount		Average Rate	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	After 5 years $m	Total $m
As at 30 September 2024							
Fair value hedges							
Interest rate	Interest rate	2.94%	10,202	17,387	86,096	65,315	179,000
Foreign exchange	HKD/AUD FX rate	5.26	571	-	-	-	571
Cash flow hedges							
Interest rate	Interest rate	3.11%	20,417	42,091	91,589	871	154,968
Foreign exchange[1]	AUD/USD FX rate USD/EUR FX rate	0.74 0.91	20	61	-	654	735
Net investment hedges							
Foreign exchange	NZD/AUD FX rate	1.09	-	92	-	-	92
As at 30 September 2023							
Fair value hedges							
Interest rate	Interest rate	2.38%	2,314	10,533	79,350	46,462	138,659
Foreign exchange	HKD/AUD FX rate	5.02	607	-	-	-	607
Cash flow hedges							
Interest rate	Interest rate	2.27%	7,573	37,630	76,359	1,142	122,704
Foreign exchange[1]	AUD/USD FX rate USD/EUR FX rate	0.74 0.91	-	-	-	683	683
Net investment hedges							
Foreign exchange	NZD/AUD FX rate	1.09	-	47	-	-	47

[1] Hedges of foreign exchange risk cover multiple currency pairs. The table reflects the larger currency pairs only.

10. Derivative Financial Instruments (continued)

Derivative Financial Instruments – designated in hedging relationships (continued)

The Company Nominal Amount		Average Rate	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	After 5 years $m	Total $m
As at 30 September 2024							
Fair value hedges							
Interest rate	Interest Rate	3.01%	9,860	14,596	65,270	58,092	147,818
Foreign exchange	HKD/AUD FX Rate	5.26	571	-	-	-	571
Cash flow hedges							
Interest rate	Interest Rate	2.55%	8,580	16,580	67,080	758	92,998
Foreign exchange[1]	AUD/USD FX Rate USD/EUR FX Rate	0.74 0.91	20	61	-	654	735
Net investment hedges							
Foreign exchange	NZD/AUD FX Rate	-	-	-	-	-	-
As at 30 September 2023							
Fair value hedges							
Interest rate	Interest Rate	2.49%	1,910	8,025	61,644	41,786	113,365
Foreign exchange	HKD/AUD FX Rate	5.02	607	-	-	-	607
Cash flow hedges							
Interest rate	Interest Rate	1.78%	3,154	22,353	62,577	1,089	89,173
Foreign exchange[1]	AUD/USD FX Rate USD/EUR FX Rate	0.74 0.91	-	-	-	683	683
Net investment hedges							
Foreign exchange	NZD/AUD FX Rate	1.09	-	47	-	-	47

[1] Hedges of foreign exchange risk cover multiple currency pairs. The table reflects the larger currency pairs only.

10. Derivative financial instruments (continued)

Derivative financial instruments – designated in hedging relationships (continued)

The impacts of ineffectiveness from our designated hedge relationships by type of hedge relationship and type of risk being hedged are:

Consolidated	Ineffectiveness			
As at 30 September 2024	Change in value of hedging instrument[2] $m	Change in value of hedged item $m	Hedge ineffectiveness recognised in profit or loss[3] $m	Amount reclassified from the cash flow hedge reserve or FCTR to profit or loss[4] $m
Fair value hedges[1]				
Interest rate	(2,922)	2,928	6	-
Foreign exchange	36	(36)	-	-
Cash flow hedges[1]				
Interest rate	2,175	(2,074)	101	(2)
Foreign exchange	(3)	3	-	-
Net investment hedges[1]				
Foreign exchange	9	(9)	-	-

As at 30 September 2023				
Fair value hedges[1]				
Interest rate	(846)	870	24	-
Foreign exchange	(4)	4	-	-
Cash flow hedges[1]				
Interest rate	280	(239)	41	(13)
Foreign exchange	-	-	-	9
Net investment hedges[1]				
Foreign exchange	(39)	39	-	79

The Company	Ineffectiveness			
As at 30 September 2024	Change in value of hedging instrument[2] $m	Change in value of hedged item $m	Hedge ineffectiveness recognised in profit or loss[3] $m	Amount reclassified from the cash flow hedge reserve or FCTR to profit or loss[4] $m
Fair value hedges[1]				
Interest rate	(2,811)	2,817	6	-
Foreign exchange	36	(36)	-	-
Cash flow hedges[1]				
Interest rate	1,994	(1,894)	100	(2)
Foreign exchange	(3)	3	-	-
Net investment hedges[1]				
Foreign exchange	-	-	-	-

As at 30 September 2023				
Fair value hedges[1]				
Interest rate	(797)	814	17	-
Foreign exchange	(4)	4	-	-
Cash flow hedges[1]				
Interest rate	386	(344)	42	(15)
Foreign exchange	-	-	-	9
Net investment hedges[1]				
Foreign exchange	(4)	4	-	-

[1] All hedging instruments are classified as derivative financial instruments.

[2] Changes in value of hedging instruments is before any adjustments for Settle to Market clearing arrangements.

[3] Recognised in Other operating income.

[4] Recognised in Net interest income and Other operating income.

10. Derivative financial instruments (continued)

Derivative financial instruments – designated in hedging relationships (continued)

The hedged items in relation to the Group's fair value hedges are:

			Carrying amount		Accumulated fair value hedge adjustments on the hedged item	
Consolidated	Balance sheet presentation	Hedged risk	Assets $m	Liabilities $m	Assets $m	Liabilities $m
As at 30 September 2024						
Fixed rate loans and advances	Net loans and advances	Interest rate	1,546	-	(30)	-
Fixed rate debt issuance	Debt issuances	Interest rate	-	(73,805)	-	1,284
Fixed rate investment securities at FVOCI[1]	Investment securities	Interest rate	97,838	-	625	-
Equity securities at FVOCI[1]	Investment securities	Foreign exchange	571	-	43	-
Total			99,955	(73,805)	638	1,284
As at 30 September 2023						
Fixed rate loans and advances	Net loans and advances	Interest rate	3,472	-	(139)	-
Fixed rate debt issuance	Debt issuances	Interest rate	-	(66,190)	-	4,163
Fixed rate investment securities at FVOCI[1]	Investment securities	Interest rate	61,082	-	(5,121)	-
Equity securities at FVOCI[1]	Investment securities	Foreign exchange	607	-	79	-
Total			65,161	(66,190)	(5,181)	4,163

[1] The carrying amount of debt and equity instruments at FVOCI does not include the fair value hedge adjustment. The fair value hedge adjustment is included in other comprehensive income.

The cumulative amount of fair value hedge adjustments relating to ceased hedge relationships remaining on the Balance Sheet is $3 million (2023: -$13 million).

The hedged items in relation to the Company's fair value hedges are:

			Carrying amount		Accumulated fair value hedge adjustments on the hedged item	
The Company	Balance sheet presentation	Hedged risk	Assets $m	Liabilities $m	Assets $m	Liabilities $m
As at 30 September 2024						
Fixed rate loans and advances	Net loans and advances	Interest rate	1,546	-	(30)	-
Fixed rate debt issuance	Debt issuances	Interest rate	-	(60,258)	-	904
Fixed rate investment securities at FVOCI[1]	Investment securities	Interest rate	81,276	-	538	-
Equity securities at FVOCI[1]	Investment securities	Foreign exchange	571	-	43	-
Total			83,393	(60,258)	551	904
As at 30 September 2023						
Fixed rate loans and advances	Net loans and advances	Interest rate	3,472	-	(139)	-
Fixed rate debt issuance	Debt issuances	Interest rate	-	(51,602)	-	3,025
Fixed rate investment securities at FVOCI[1]	Investment securities	Interest rate	52,336	-	(4,342)	-
Equity securities at FVOCI[1]	Investment securities	Foreign exchange	607	-	79	-
Total			56,415	(51,602)	(4,402)	3,025

[1] The carrying amount of debt and equity instruments at FVOCI does not include the fair value hedge adjustment. The fair value hedge adjustment is included in other comprehensive income.

The cumulative amount of fair value hedge adjustments relating to ceased hedge relationships remaining on the Balance Sheet is $3 million (2023: -$13 million).

10. Derivative financial instruments (continued)

Derivative financial instruments – designated in hedging relationships (continued)

The hedged items in relation to the Group's and Company's cash flow and net investment hedges are:

		Cash flow hedge reserve		Foreign currency translation reserve	
Consolidated	Hedged risk	Continuing hedges $m	Discontinued hedges $m	Continuing hedges $m	Discontinued hedges $m
As at 30 September 2024					
Cash flow hedges					
Floating rate loans and advances	Interest rate	(575)	-	-	-
Floating rate customer deposits	Interest rate	(31)	-	-	-
Foreign currency debt issuances	Foreign exchange	(7)	-	-	-
Highly probable forecast transactions	Foreign exchange	4	-	-	-
Net investment hedges					
Foreign operations	Foreign exchange	-	-	22	20
As at 30 September 2023					
Cash flow hedges					
Floating rate loans and advances	Interest rate	(3,482)	11	-	-
Floating rate customer deposits	Interest rate	794	(1)	-	-
Foreign currency debt issuances	Foreign exchange	-	-	-	-
Highly probable forecast transactions	Foreign exchange	-	-	-	-
Net investment hedges					
Foreign operations	Foreign exchange	-	-	12	49

		Cash flow hedge reserve		Foreign currency translation reserve	
The Company	Hedged risk	Continuing hedges $m	Discontinued hedges $m	Continuing hedges $m	Discontinued hedges $m
As at 30 September 2024					
Cash flow hedges					
Floating rate loans and advances	Interest rate	(820)	-	-	-
Floating rate customer deposits	Interest rate	105	-	-	-
Foreign currency debt issuances	Foreign exchange	(7)	-	-	-
Highly probable forecast transactions	Foreign exchange	4	-	-	-
Net investment hedges					
Foreign operations	Foreign exchange	-	-	-	-
As at 30 September 2023					
Cash flow hedges					
Floating rate loans and advances	Interest rate	(3,103)	2	-	-
Floating rate customer deposits	Interest rate	495	-	-	-
Foreign currency debt issuances	Foreign exchange	-	-	-	-
Highly probable forecast transactions	Foreign exchange	-	-	-	-
Net investment hedges					
Foreign operations	Foreign exchange	-	-	12	49

10. Derivative financial instruments (continued)

Derivative financial instruments – designated in hedging relationships (continued)

The table below details the reconciliation of the Group's cash flow hedge reserve by risk type:

Consolidated	Interest rate $m	Foreign currency $m	Total $m
Balance at 1 October 2022	(2,028)	(8)	(2,036)
Fair value gains/(losses)	239	-	239
Transferred to profit or loss	(13)	9	(4)
Income taxes and others	(69)	(2)	(71)
Balance at 30 September 2023	(1,871)	(1)	(1,872)
Fair value gains/(losses)	2,074	(3)	2,071
Transferred to profit or loss	(2)	-	(2)
Income taxes and others	(620)	1	(619)
Balance at 30 September 2024	(419)	(3)	(422)

Hedges of net investments in a foreign operation resulted in a $9 million increase in FCTR during the year (2023: $40 million increase).

The table below details the reconciliation of the Company's cash flow hedge reserve by risk type:

The Company	Interest rate $m	Foreign currency $m	Total $m
Balance at 1 October 2022	(2,053)	(8)	(2,061)
Fair value gains/(losses)	344	-	344
Transferred to profit or loss	(15)	9	(6)
Income taxes and others	(99)	(2)	(101)
Balance at 30 September 2023	(1,823)	(1)	(1,824)
Fair value gains/(losses)	1,894	(3)	1,891
Transferred to profit or loss	(2)	-	(2)
Income taxes and others	(569)	1	(568)
Balance at 30 September 2024	(500)	(3)	(503)

Hedges of net investments in a foreign operation resulted in nil impact in FCTR during the year (2023: $4 million decrease).

10. Derivative financial instruments (continued)

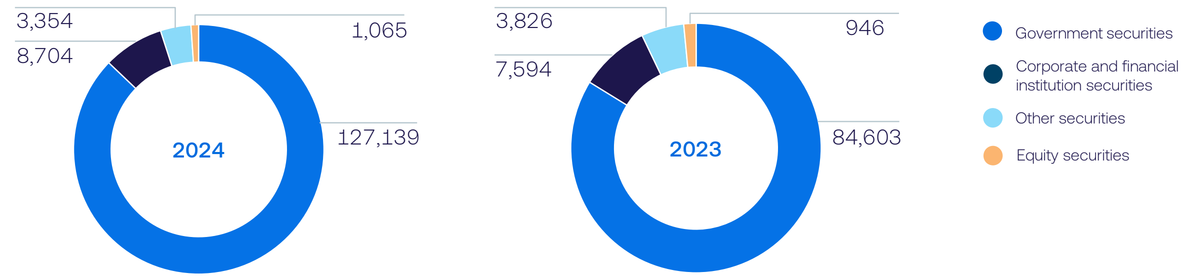
Recognition and measurement

Recognition	Initially and at each reporting date, we recognise all derivatives at fair value. If the fair value of a derivative is positive, then we carry it as an asset, but if its value is negative, then we carry it as a liability. Valuation adjustments are integral in determining the fair value of derivatives. This includes: • a credit valuation adjustment to reflect the counterparty risk and/or event of default; and • a funding valuation adjustment to account for funding costs and benefits in the derivatives portfolio.
Derecognition of assets and liabilities	We remove derivative assets from our Balance Sheet when the contracts expire or we have transferred substantially all the risks and rewards of ownership. We remove derivative liabilities from our Balance Sheet when the Group's contractual obligations are discharged, cancelled or expired. With respect to derivatives cleared through a central clearing counterparty or exchange, derivative assets or liabilities may be derecognised in accordance with the principle above when collateral is settled, depending on the legal arrangements in place for each instrument.
Impact on the Income Statement	The recognition of gains or losses on derivative financial instruments depends on whether the derivative is held for trading or is designated in a hedge accounting relationship. For derivative financial instruments held for trading, gains or losses from changes in the fair value are recognised in profit or loss. For an instrument designated in a hedge accounting relationship, the recognition of gains or losses depends on the nature of the item being hedged. Refer to the table on page 107 for details of the recognition approach applied for each type of hedge accounting relationship. Sources of hedge accounting ineffectiveness may arise from differences in the interest rate reference rate, margins, or rate set differences and differences in discounting between the hedged items and the hedging instruments.
Hedge effectiveness	To qualify for hedge accounting under AASB 139, a hedge relationship is expected to be highly effective. A hedge relationship is highly effective only if the following conditions are met: • the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated (prospective effectiveness); and • the actual results of the hedge are within the range of 80-125% (retrospective effectiveness). The Group monitors hedge effectiveness on a regular basis but at a minimum at each reporting date.

Key judgements and estimates

Judgement is required when we select the valuation techniques used to determine the fair value of derivatives, particularly the selection of valuation inputs that are not readily observable, and the application of valuation adjustments to certain derivatives. Refer to Note 18 Fair value of financial assets and financial liabilities for further details.

11. Investment securities



	Consolidated 2024 $m	Consolidated 2023 $m	The Company 2024 $m	The Company 2023 $m
Investment securities measured at FVOCI				
Debt securities	131,944	88,271	107,388	76,320
Equity securities	1,065	946	1,060	945
Investment securities measured at amortised cost				
Debt securities	7,091	7,752	5,356	5,936
Investment securities measured at FVTPL				
Debt securities	162	-	162	-
Total	140,262	96,969	113,966	83,201

The maturity profile of investment securities is as follows:

Consolidated As at 30 September 2024	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	After 5 years $m	No maturity $m	Total $m
Government securities	9,824	11,048	52,228	54,039	-	127,139
Corporate and financial institution securities	485	1,326	6,565	328	-	8,704
Other securities	490	386	578	1,900	-	3,354
Equity securities	-	-	-	-	1,065	1,065
Total	10,799	12,760	59,371	56,267	1,065	140,262
As at 30 September 2023						
Government securities	8,807	10,233	29,482	36,081	-	84,603
Corporate and financial institution securities	358	1,205	5,973	58	-	7,594
Other securities	617	591	602	2,016	-	3,826
Equity securities	-	-	-	-	946	946
Total	9,782	12,029	36,057	38,155	946	96,969

During the year, the Group recognised a net gain of $8 million (2023: $9 million) in Other operating income from the recycling of gains/losses previously recognised in Other comprehensive income in respect of debt securities at FVOCI.

11. Investment securities (continued)

The Company As at 30 September 2024	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	After 5 years $m	No maturity $m	Total $m
Government securities	9,213	8,454	38,158	46,719	-	102,544
Corporate and financial institution securities	484	976	5,249	328	-	7,037
Other securities	490	386	578	1,871	-	3,325
Equity securities	-	-	-	-	1,060	1,060
Total	10,187	9,816	43,985	48,918	1,060	113,966
As at 30 September 2023						
Government securities	7,665	8,649	23,140	33,182	-	72,636
Corporate and financial institution securities	280	634	4,822	58	-	5,794
Other securities	617	591	602	2,016	-	3,826
Equity securities	-	-	-	-	945	945
Total	8,562	9,874	28,564	35,256	945	83,201

During the year, the Company recognised a net gain of $8 million (2023 net loss: $6 million) in Other operating income from the recycling of gains/losses previously recognised in Other comprehensive income in respect of debt securities at FVOCI.

Recognition and measurement

Investment securities are those financial assets in security form (that is, transferable debt or equity instruments) that are not held for trading purposes. By way of exception, bills of exchange (a form of security/transferable instrument) which are used to facilitate the Group's customer lending activities are classified as Loans and advances (rather than Investment securities) to better reflect the substance of the arrangement.

Equity investments not held for trading purposes may be designated at FVOCI on an instrument-by-instrument basis. If this election is made, gains or losses are not reclassified from Other comprehensive income to profit or loss on disposal of the investment. However, gains or losses may be reclassified within equity.

Assets disclosed as Investment securities are subject to the general classification and measurement policy for financial assets outlined at the commencement of the Group's financial asset disclosures on page 102. Additionally, expected credit losses associated with 'Investment securities - debt securities at amortised cost' and 'Investment securities - debt securities at FVOCI' are recognised and measured in accordance with the accounting policy outlined in Note 13 Allowance for expected credit losses. For 'Investment securities - debt securities at FVOCI', the allowance for Expected Credit Loss (ECL) is recognised in the FVOCI reserve in equity with a corresponding charge to profit or loss.

Key judgements and estimates

Judgement is required when we select valuation techniques used to determine the fair value of assets not valued using quoted market prices, particularly the selection of valuation inputs that are not readily observable. Refer to Note 18 Fair value of financial assets and financial liabilities for further details.

12. Net loans and advances

The following table provides details of Net loans and advances:

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Overdrafts	**6,109**	5,552	**4,701**	4,516
Credit cards	**6,713**	6,805	**5,571**	5,630
Commercial bills	**4,401**	4,682	**4,401**	4,682
Term loans – housing	**484,554**	404,491	**324,883**	304,772
Term loans – non-housing	**301,284**	285,458	**248,498**	242,403
Other	**924**	1,292	**845**	1,244
Subtotal	**803,985**	708,280	**588,899**	563,247
Unearned income[1]	**(515)**	(515)	**(489)**	(483)
Capitalised brokerage and other origination costs[1]	**4,237**	3,475	**3,303**	3,048
Gross loans and advances	**807,707**	711,240	**591,713**	565,812
Allowance for expected credit losses (refer to Note 13)	**(3,675)**	(3,546)	**(2,715)**	(2,795)
Net loans and advances	**804,032**	707,694	**588,998**	563,017
Residual contractual maturity:				
Within one year	**159,042**	152,318	**133,701**	128,045
More than one year	**644,990**	555,376	**455,297**	434,972
Net loans and advances	**804,032**	707,694	**588,998**	563,017
Carried on Balance Sheet at:				
Amortised cost	**779,246**	685,806	**564,559**	541,777
Fair value through profit or loss	**24,786**	21,888	**24,439**	21,240
Net loans and advances	**804,032**	707,694	**588,998**	563,017

[1] Amortised over the expected life of the loan.

Recognition and measurement

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are facilities the Group provides directly to customers or through third party channels.

Loans and advances are initially recognised at fair value plus transaction costs directly attributable to the issue of the loan or advance, which are primarily brokerage and other origination costs which we amortise over the estimated life of the loan. Subsequently, we then measure loans and advances at amortised cost using the effective interest rate method, net of any allowance for ECL, or at fair value when they are specifically designated on initial recognition as FVTPL, are classified as held for sale or when held for trading. Refer to Note 18 Fair value of financial assets and financial liabilities for further details.

We classify contracts to lease assets and hire purchase agreements as finance leases if they transfer substantially all the risks and rewards of ownership of the asset to the customer or an unrelated third party. We include these facilities in 'Other' in the table above.

The Group enters into transactions in which it transfers financial assets that are recognised on its Balance Sheet. When the Group retains substantially all of the risks and rewards of the transferred assets, the transferred assets remain on the Group's Balance Sheet, however if substantially all the risks and rewards are transferred, the Group derecognises the asset. If the risks and rewards are partially retained and control over the asset is lost, the Group derecognises the asset. If control over the asset is not lost, the Group continues to recognise the asset to the extent of its continuing involvement.

We separately recognise the rights and obligations retained, or created, in the transfer of assets as appropriate.

Assets disclosed as Net loans and advances are subject to the general classification and measurement policy for financial assets outlined on page 102. Additionally, expected credit losses associated with loans and advances at amortised cost are recognised and measured in accordance with the accounting policy outlined in Note 13 Allowance for expected credit losses.

13. Allowance for expected credit losses

Suncorp Bank acquisition related adjustment

The collectively assessed credit impairment charge for 2024 includes $244 million for Suncorp Bank's performing loans and advances. In accordance with Australian Accounting Standards requirements, the Group consolidated Suncorp Bank's loans and advances on 31 July 2024, however the Group was not permitted to recognise an allowance for ECL on the performing loans and advances, leading to a proportional reduction in acquisition-related goodwill that would otherwise have been recognised. Subsequently, the Group was required to recognise a collectively assessed allowance for ECL estimated using the Group's ECL methodologies, with a corresponding collectively assessed credit impairment charge recognised in the Group's Income Statement.

	2024			2023		
	Collectively assessed $m	Individually assessed $m	Total $m	Collectively assessed $m	Individually assessed $m	Total $m
Net loans and advances at amortised cost	3,372	303	3,675	3,180	366	3,546
Off-balance sheet commitments	841	5	846	817	10	827
Investment securities - debt securities at amortised cost	34	-	34	35	-	35
Total	4,247	308	4,555	4,032	376	4,408
Other comprehensive income						
Investment securities - debt securities at FVOCI[1]	20	-	20	15	-	15

	2024			2023		
The Company	Collectively assessed $m	Individually assessed $m	Total $m	Collectively assessed $m	Individually assessed $m	Total $m
Net loans and advances at amortised cost	2,495	220	2,715	2,516	279	2,795
Off-balance sheet commitments	691	2	693	692	5	697
Investment securities - debt securities at amortised cost	1	-	1	1	-	1
Total	3,187	222	3,409	3,209	284	3,493
Other comprehensive income						
Investment securities - debt securities at FVOCI[1]	14	-	14	12	-	12

[1] For FVOCI assets, the allowance for ECL does not alter the carrying amount which remains at fair value. Instead, the allowance for ECL is recognised in Other comprehensive income with a corresponding charge to profit or loss.

The following tables present the movement in the allowance for ECL for the year.

Net loans and advances - at amortised cost

Allowance for ECL is included in Net loans and advances.

			Stage 3		
Consolidated	Stage 1 $m	Stage 2 $m	Collectively assessed $m	Individually assessed $m	Total $m
As at 1 October 2022	1,141	1,548	360	533	3,582
Transfer between stages	148	(138)	(94)	84	-
New and increased provisions (net of releases)	(73)	202	61	388	578
Write-backs	-	-	-	(212)	(212)
Bad debts written off (excluding recoveries)	-	-	-	(409)	(409)
Foreign currency translation and other movements[1]	11	12	2	(18)	7
As at 30 September 2023	1,227	1,624	329	366	3,546
Transfer between stages	155	(181)	(57)	83	-
New and increased provisions (net of releases)[2]	(89)	218	168	379	676
Write-backs	-	-	-	(177)	(177)
Bad debts written off (excluding recoveries)	-	-	-	(316)	(316)
Foreign currency translation and other movements[1]	(17)	(8)	3	(32)	(54)
As at 30 September 2024	1,276	1,653	443	303	3,675

[1] Other movements include the impacts of discount unwind on individually assessed allowance for ECL or the impact of divestments completed during the year.

[2] Includes Suncorp Bank acquisition related collectively assessed allowance for ECL. Under accounting standards, these were initially recognised as Stage 1, and where relevant moving to Stage 2 after the date of acquisition, all presented within New and increased provisions (net of releases).

13. Allowance for expected credit losses (continued)

The Company	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 1 October 2022	946	1,259	295	425	2,925
Transfer between stages	122	(118)	(83)	79	-
New and increased provisions (net of releases)	(43)	98	39	295	389
Write-backs	-	-	-	(192)	(192)
Bad debts written off (excluding recoveries)	-	-	-	(310)	(310)
Foreign currency translation and other movements[1]	1	-	-	(18)	(17)
As at 30 September 2023	1,026	1,239	251	279	2,795
Transfer between stages	115	(140)	(48)	73	-
New and increased provisions (net of releases)	(121)	51	137	294	361
Write-backs	-	-	-	(132)	(132)
Bad debts written off (excluding recoveries)	-	-	-	(274)	(274)
Foreign currency translation and other movements[1]	(14)	-	(1)	(20)	(35)
As at 30 September 2024	1,006	1,150	339	220	2,715

[1] Other movements include the impacts of discount unwind on individually assessed allowance for ECL or the impact of divestments completed during the year.

Off-balance sheet commitments - undrawn and contingent facilities

Allowance for ECL is included in Other provisions.

Consolidated	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 1 October 2022	593	144	29	9	775
Transfer between stages	31	(29)	(4)	2	-
New and increased provisions (net of releases)	-	46	(1)	2	47
Write-backs	-	-	-	(4)	(4)
Foreign currency translation and other movements[1]	6	1	1	1	9
As at 30 September 2023	630	162	25	10	827
Transfer between stages	18	(17)	(1)	-	-
New and increased provisions (net of releases)	26	13	1	3	43
Write-backs	-	-	-	(7)	(7)
Foreign currency translation and other movements[1]	(16)	(2)	2	(1)	(17)
As at 30 September 2024	658	156	27	5	846

[1] Other movements include impact of divestments completed during the year.

13. Allowance for expected credit losses (continued)

The Company	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 1 October 2022	530	112	26	5	673
Transfer between stages	27	(26)	(3)	2	-
New and increased provisions (net of releases)	(10)	35	(2)	-	23
Write-backs	-	-	-	(2)	(2)
Foreign currency translation and other movements	3	-	-	-	3
As at 30 September 2023	550	121	21	5	697
Transfer between stages	15	(13)	(2)	-	-
New and increased provisions (net of releases)	23	(11)	3	-	15
Write-backs	-	-	-	(3)	(3)
Foreign currency translation	(15)	(1)	-	-	(16)
As at 30 September 2024	573	96	22	2	693

Investment securities - debt securities at amortised cost

Allowance for ECL is included in Investment securities.

Consolidated	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2023	35	-	-	-	35
As at 30 September 2024	34	-	-	-	34

The Company	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2023	1	-	-	-	1
As at 30 September 2024	1	-	-	-	1

Investment securities - debt securities at FVOCI

As FVOCI assets are measured at fair value, there is no separate allowance for ECL. Instead, the allowance for ECL is recognised in Other comprehensive income with a corresponding charge to profit or loss.

Consolidated	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2023	15	-	-	-	15
As at 30 September 2024	20	-	-	-	20

The Company	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2023	12	-	-	-	12
As at 30 September 2024	14	-	-	-	14

13. Allowance for expected credit losses (continued)

Credit impairment charge - Income Statement

Credit impairment charge/(release) analysis

	Consolidated 2024 $m	Consolidated 2023 $m	The Company 2024 $m	The Company 2023 $m
New and increased provisions (net of releases)[1,2]				
- Collectively assessed	262	152	11	41
- Individually assessed	465	476	367	376
Write-backs[3]	(184)	(216)	(135)	(194)
Recoveries of amounts previously written-off	(137)	(167)	(117)	(148)
Total credit impairment charge	406	245	126	75

[1] Includes the impact of transfers between collectively assessed and individually assessed.

[2] New and increased provisions (net of releases) includes:

	Consolidated				The Company			
	2024		2023		2024		2023	
	Collectively assessed $m	Individually assessed $m	Collectively assessed $m	Individually assessed $m	Collectively assessed $m	Individually assessed $m	Collectively assessed $m	Individually assessed $m
Net loans and advances at amortised cost	214	462	106	472	(6)	367	15	374
Off-balance sheet commitments	40	3	43	4	15	-	21	2
Investment securities - debt securities at amortised cost	3	-	(1)	-	(1)	-	-	-
Investment securities - debt securities at FVOCI	5	-	4	-	3	-	5	-
Total	262	465	152	476	11	367	41	376

[3] Consists of write-backs in Net loans and advances at amortised cost of $177 million (2023: $212 million) for the Group and $132 million (2023: $192 million) for the Company, and Off-balance sheet commitments of $7 million (2023: $4 million) for the Group and $3 million (2023: $2 million) for the Company.

The contractual amount outstanding on financial assets that were written off during the year and that are still subject to enforcement activity is $136 million (2023: $147 million) for the Group, and $116 million (2023: $133 million) for the Company.

13. Allowance for expected credit losses (continued)

Recognition and measurement

Expected credit loss model

The measurement of expected credit losses reflects an unbiased, probability weighted prediction which evaluates a range of scenarios and takes into account the time value of money, past events, current conditions and forecasts of future economic conditions.

Expected credit losses are either measured over 12 months or the expected lifetime of the financial asset, depending on credit deterioration since origination, according to the following three-stage approach:

- Stage 1: At the origination of a financial asset, and where there has not been a Significant Increase in Credit Risk (SICR) since origination, an allowance for ECL is recognised reflecting the expected credit losses resulting from default events that are possible within the next 12 months from the reporting date. For instruments with a remaining maturity of less than 12 months, expected credit losses are estimated based on default events that are possible over the remaining time to maturity.
- Stage 2: Where there has been a SICR since origination, an allowance for ECL is recognised reflecting expected credit losses resulting from all possible default events over the expected life of a financial instrument. If credit risk were to improve in a subsequent period such that the increase in credit risk since origination is no longer considered significant, the exposure returns to a Stage 1 classification with ECL measured accordingly.
- Stage 3: Where there is objective evidence of impairment, an allowance equivalent to lifetime ECL is recognised.

Expected credit losses are estimated on a collective basis for exposures in Stage 1 and Stage 2, and on either a collective or individual basis when transferred to Stage 3.

For financial assets that are credit-impaired on initial recognition, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, these assets do not carry an expected credit loss allowance on initial recognition. The amount recognised as a provision for credit losses after initial recognition is equal to the change in the lifetime expected credit loss since initial recognition.

Measurement of expected credit loss

ECL is calculated as the product of the following credit risk factors at a facility level, discounted to incorporate the time value of money:

- Probability of default (PD) - the estimate of the likelihood that a borrower will default over a given period;
- Exposure at default (EAD) - the expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest; and
- Loss given default (LGD) - the expected loss in the event of the borrower defaulting, expressed as a percentage of the facility's EAD, taking into account direct and indirect recovery costs.

These credit risk factors are adjusted for current and forward-looking information through the use of macroeconomic variables.

Expected life

When estimating ECL for exposures in Stage 2 and 3, the Group considers the expected lifetime over which it is exposed to credit risk.

For non-retail portfolios, the Group uses the maximum contractual period as the expected lifetime for non-revolving credit facilities. For non-retail revolving credit facilities, such as corporate lines of credit, the expected life reflects the Group's contractual right to withdraw a facility as part of a contractually agreed annual review, after taking into account the applicable notice period.

For retail portfolios, the expected lifetime is determined using a behavioural term, taking into account expected prepayment behaviour and events that give rise to substantial modifications.

Definition of default, credit impaired and write-offs

The definition of default used in measuring ECL is aligned to the definition used for internal credit risk management purposes across all portfolios. This definition is also in line with the regulatory definition of default. Default occurs when there are indicators that a debtor is unlikely to fully satisfy contractual credit obligations to the Group, or the exposure is 90 days past due.

Financial assets, including those that are well secured, are considered credit impaired for financial reporting purposes when they default.

When there is no realistic probability of recovery, loans are written off against the related impairment allowance on completion of the Group's internal processes and when all reasonably expected recoveries have been collected. In subsequent periods, any recoveries of amounts previously written-off are recorded as a release to the credit impairment charge in the Income Statement.

Modified financial assets

If the contractual terms of a financial asset are modified or an existing financial asset is replaced with a new one for either credit or commercial reasons, an assessment is made to determine if the changes to the terms of the existing financial asset are considered substantial. This assessment considers both changes in cash flows arising from the modified terms as well as changes in the overall instrument risk profile; for example, changes in the principal (credit limit), term, or type of underlying collateral. Where a modification is considered non-substantial, the existing financial asset is not derecognised and its date of origination continues to be used to determine SICR. Where a modification is considered substantial, the existing financial asset is derecognised and a new financial asset is recognised at its fair value on the modification date, which also becomes the date of origination used to determine SICR for this new asset.

13. Allowance for expected credit losses (continued)

Recognition and measurement (continued)

Significant increase in credit risk

Stage 2 assets are those that have experienced a SICR since origination. In determining what constitutes a SICR, the Group considers both qualitative and quantitative information:

i. Internal credit rating grade

For the majority of portfolios, the primary indicator of a SICR is a significant deterioration in the internal credit rating grade of a facility since origination and is measured by the application of thresholds.

For non-retail portfolios, a SICR is determined by comparing the Customer Credit Rating (CCR) applicable to a facility at reporting date to the CCR at origination of that facility. A CCR is assigned to each borrower which reflects the PD of the borrower and incorporates both borrower and non-borrower specific information, including forward-looking information. CCRs are subject to review at least annually or more frequently when an event occurs which could affect the credit risk of the customer.

For retail portfolios, a SICR is determined, depending on the type of facility, by either comparing the scenario weighted lifetime PD at the reporting date to that at origination, or by reference to customer behavioural score thresholds. The scenario weighted lifetime probability of default may increase significantly if:

- there has been a deterioration in the economic outlook, or an increase in economic uncertainty; or
- there has been a deterioration in the customer's overall credit position, or ability to manage their credit obligations.

ii. Backstop criteria

The Group uses 30 days past due arrears as a backstop criterion for both non-retail and retail portfolios. For retail portfolios only, facilities are required to demonstrate three to six months of good payment behaviour prior to being allocated back to Stage 1.

Forward-looking information

Forward-looking information is incorporated into both our assessment of whether a financial asset has experienced a SICR since origination and in our estimate of ECL. In applying forward-looking information for estimating ECL, the Group considers four probability-weighted forecast economic scenarios as follows:

i. Base case scenario

The base case scenario is the Group's view of future macroeconomic conditions. It reflects the same basis of assumptions used by management for strategic planning and budgeting, and also informs the Group Internal Capital Adequacy Assessment Process which is the process the Group applies in strategic and capital planning over a 3-year time horizon;

ii. Upside and iii. Downside scenarios

The upside and downside scenarios are fixed by reference to average economic cycle conditions (that is, they are not based on the economic conditions prevailing at balance date) and are based on a combination of more optimistic (in the case of the upside) and pessimistic (in the case of the downside) economic events and uncertainty over long term horizons; and

iv. Severe downside scenario

The severe scenario assumes a deep economic downturn, both domestically and globally. Forecast macroeconomic variables for such a scenario are developed by ANZ Research - Economics (ANZ Economics), reflecting a plausible scenario unfolding over a 5-year period given current economic conditions. These assumptions have been revised in 2024, reflecting an escalation of geopolitical tensions, persistent inflation, and worsening national budget positions.

The four scenarios are described in terms of macroeconomic variables used in the PD, LGD and EAD models (collectively the ECL models) depending on the lending portfolio and country of the borrower. Examples of the macroeconomic variables include unemployment rates, Gross Domestic Product (GDP) growth rates, residential property price indices, commercial property price indices and consumer price indices.

Probability weighting of each scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario, as well as specific portfolio considerations where required. The Group Asset and Liability Committee (GALCO) is responsible for reviewing and approving the base case economic scenario and the Credit and Market Risk Committee (CMRC) approves the probability weights applied to each scenario.

Where applicable, temporary adjustments may be made to account for situations where known or expected risks have not been adequately addressed in the modelling process. CMRC is responsible for approving such adjustments.

13. Allowance for expected credit losses (continued)

Key judgements and estimates

Collectively assessed allowance for expected credit losses

In estimating collectively assessed ECL, the Group makes judgements and assumptions in relation to:

- the selection of an estimation technique or modelling methodology; and
- the selection of inputs for those models, and the interdependencies between those inputs.

The following table summarises the key judgements and assumptions in relation to the model inputs and the interdependencies between those inputs, and highlights significant changes during the current period.

The judgements and associated assumptions have been made within the context of the uncertainty as to how various factors might impact the global economy and reflect historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. The Group's ECL estimates are inherently uncertain and, as a result, actual results may differ from these estimates.

Judgement/Assumption	Description	Considerations for the year ended 30 September 2024
Determining when a SICR has occurred or reversed	In the measurement of ECL, judgement is involved in determining whether there has been a SICR since initial recognition of a loan, which would result in it moving from Stage 1 to Stage 2. This is a key area of judgement since transition from Stage 1 to Stage 2 increases the ECL from an allowance based on the PD in the next 12 months, to an allowance for lifetime ECL. Subsequent decreases in credit risk resulting in transition from Stage 2 to Stage 1 may similarly result in significant changes in the ECL allowance. The setting of precise SICR trigger points requires judgement which may have a material impact upon the size of the ECL allowance. The Group monitors the effectiveness of SICR criteria on an ongoing basis.	The determination of SICR was consistent with prior periods.
Measuring both 12-month and lifetime expected credit losses	The PD, LGD and EAD factors used in determining ECL are point-in-time measures reflecting the relevant forward-looking information determined by management. Judgement is involved in determining which forward-looking information is relevant for particular lending portfolios and for determining each portfolio's point-in-time sensitivity. In addition, judgement is required where behavioural characteristics are applied in estimating the lifetime of a facility which is used in measuring ECL.	The PD, LGD and EAD models are subject to the Group's model risk policy that stipulates periodic model monitoring and re-validation, and defines approval procedures and authorities according to model materiality. There were no material changes to the policy.
Base case economic forecast	The Group derives a forward-looking 'base case' economic scenario which reflects ANZ Economics' view of future macroeconomic conditions.	There have been no changes to the types of forward-looking variables (key economic drivers) used as model inputs. As at 30 September 2024, the base case assumptions have been updated to reflect a moderation in inflation and an easing in labour market conditions in both Australia and New Zealand. Both economies are forecast to continue to grow below trend. Despite increased household disposable incomes, limited flow-through to household consumption is forecast. The expected outcomes of key economic drivers for the base case scenario at 30 September 2024 are described below under the heading "Base case economic forecast assumptions".

13. Allowance for expected credit losses (continued)

Key judgements and estimates (continued)

Judgement/Assumption	Description	Considerations for the year ended 30 September 2024
Probability weighting of each economic scenario (base case, upside, downside and severe downside scenarios)[1]	Probability weighting of each economic scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario at each measurement date. The assigned probability weightings in Australia, New Zealand and Rest of World are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.	Probability weightings in New Zealand shifted from downside to upside scenarios during the current period reflecting increasing confidence in economic recovery with high-frequency data providing early indication that the economy is responding to monetary easing. Probability weightings in Australia and Rest of World remain unchanged from the prior period, reflecting our assessment of the continuing downside risks from the impact of higher interest rates and inflation in these economies. The probability weightings for current and prior periods are as detailed in the section below under the heading 'Probability weightings'.
Management temporary adjustments	Management temporary adjustments to the ECL allowance are used in circumstances where it is judged that our existing inputs, assumptions and model techniques do not capture all the risk factors relevant to our lending portfolios. Emerging local or global macroeconomic, microeconomic or political events, and natural disasters that are not incorporated into our current parameters, risk ratings, or forward-looking information are examples of such circumstances.	Management have continued to apply adjustments to accommodate uncertainty associated with higher inflation and interest rates. Management overlays have been made for risks particular to home loans, credit cards and commercial lending in Australia, and for mortgages and commercial lending in New Zealand. The total amount of adjustments has decreased from the prior period as anticipated risks are now represented in the portfolio credit profiles. Management has considered and concluded no temporary adjustment is required at 30 September 2024 to the ECL in relation to climate or weather related events during the period.

[1] The upside and downside scenarios are fixed by reference to average economic cycle conditions (that is, they are not based on the economic conditions prevailing at balance date) and are based on a combination of more optimistic (in the case of the upside) and pessimistic (in the case of the downside) economic conditions.

Base case economic forecast assumptions

Continuing uncertainties described above increase the risk of the economic forecast resulting in an understatement or overstatement of the ECL balance.

The economic drivers of the base case economic forecasts, reflective of ANZ Economics' view of future macroeconomic conditions used at 30 September 2024 are set out below. For the years following the near term forecasts below, the ECL models apply simplified assumptions for the economic conditions to calculate lifetime loss.

	Forecast calendar year		
	2024	2025	2026
Australia			
GDP (annual % change)	1.2	2.0	2.4
Unemployment rate (annual average)	4.1	4.4	4.3
Residential property prices (annual % change)	7.3	5.5	5.5
Consumer price index (annual average % change)	3.3	2.9	2.7
New Zealand			
GDP (annual % change)	-0.1	0.8	2.2
Unemployment rate (annual average)	4.7	5.4	5.4
Residential property prices (annual % change)	-1.0	4.5	5.0
Consumer price index (annual average % change)	3.1	2.2	1.8
Rest of World			
GDP (annual % change)	2.3	1.5	1.9
Consumer price index (annual average % change)	3.1	2.4	2.1

13. Allowance for expected credit losses (continued)

Key judgements and estimates (continued)

Probability weightings

Probability weightings for each scenario are determined by management considering the risks and uncertainties surrounding the base case economic scenario including the uncertainties described above.

The average base case weighting has remained unchanged at 46% (2023: 46%) as the upside and downside scenario weightings have been revised. The average upside case weighting has increased to 1% (2023: 0%), and the average downside case weighting has decreased to 40% (2023: 41%).

The assigned probability weightings in Australia, New Zealand and Rest of World are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these weightings in each geography to provide estimates of the possible loss outcomes and taking into account short and long term inter-relationships within the Group's credit portfolios. The average weightings applied across the Group are set out below:

	Consolidated		The Company	
	2024	2023	2024	2023
Base	**46%**	46%	**45%**	45%
Upside	**1%**	0%	**0%**	0%
Downside	**40%**	41%	**42%**	42%
Severe downside	**13%**	13%	**13%**	13%

ECL - Sensitivity analysis

Given current economic uncertainties and the judgement applied to factors used in determining the expected default of borrowers in future periods, expected credit losses reported by the Group should be considered as a best estimate within a range of possible estimates.

The table below illustrates the sensitivity of collectively assessed ECL to key factors used in determining it as at 30 September 2024:

	Consolidated		The Company	
	ECL $m	Impact $m	ECL $m	Impact $m
If 1% of Stage 1 facilities were included in Stage 2	4,328	81	3,255	68
If 1% of Stage 2 facilities were included in Stage 1	4,241	(6)	3,183	(4)
100% upside scenario	1,502	(2,745)	1,129	(2,058)
100% base scenario	1,951	(2,296)	1,419	(1,768)
100% downside scenario	3,580	(667)	2,599	(588)
100% severe downside scenario	10,142	5,895	7,683	4,496

Individually assessed allowance for expected credit losses

In estimating individually assessed ECL, the Group makes judgements and assumptions in relation to expected repayments, the realisable value of collateral, business prospects for the customer, competing claims and the likely cost and duration of the work-out process. Judgements and assumptions in respect of these matters have been updated to reflect amongst other things, the uncertainties described above.

Financial liabilities

Outlined below is a description of how we classify and measure financial liabilities relevant to the note disclosures that follow.

Classification and measurement

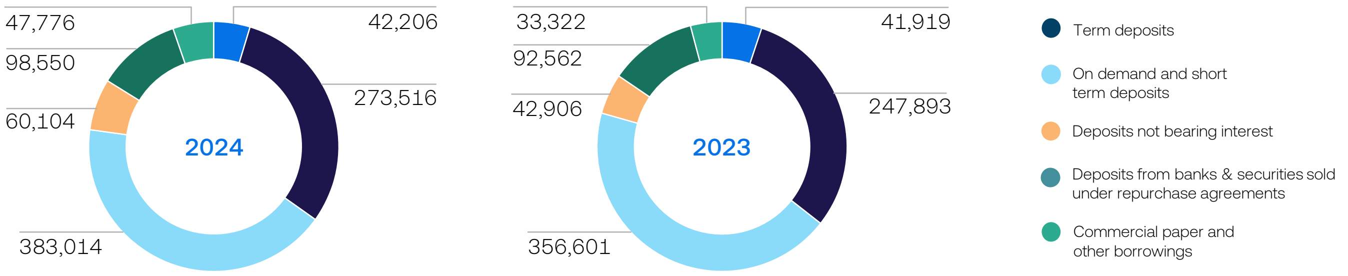
Financial liabilities

Financial liabilities are measured at amortised cost, or FVTPL when they are held for trading. Additionally, financial liabilities can be designated at FVTPL where:

- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;
- a group of financial liabilities are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management strategy; or
- the financial liability contains one or more embedded derivatives unless:
  a) the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract; or
  b) the embedded derivative is closely related to the host financial liability.

Where financial liabilities are designated as measured at fair value, gains or losses relating to changes in the entity's own credit risk are included in Other comprehensive income, except where doing so would create or enlarge an accounting mismatch in profit or loss.

14. Deposits and other borrowings



	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Certificates of deposit	**42,206**	41,919	**35,434**	39,426
Term deposits	**273,516**	247,893	**199,943**	196,309
On demand and short term deposits	**383,014**	356,601	**288,228**	297,195
Deposits not bearing interest	**60,104**	42,906	**41,386**	24,456
Deposits from banks & securities sold under repurchase agreements	**98,550**	92,562	**94,513**	86,464
Commercial paper and other borrowings	**47,776**	33,322	**44,366**	31,225
Deposits and other borrowings[1]	**905,166**	815,203	**703,870**	675,075
Residual contractual maturity:				
Within one year	**894,658**	805,808	**699,192**	671,395
More than one year	**10,508**	9,395	**4,678**	3,680
Deposits and other borrowings	**905,166**	815,203	**703,870**	675,075
Carried on Balance Sheet at:				
Amortised cost	**862,165**	781,314	**662,910**	643,868
Fair value through profit or loss	**43,001**	33,889	**40,960**	31,207
Deposits and other borrowings	**905,166**	815,203	**703,870**	675,075

[1] Customer deposits balance of $716,634 million (2023: $647,400 million) for the Group and $529,557 million (2023: $517,960 million) for the Company includes Term deposits, On demand and short term deposits and Deposits not bearing interest.

Recognition and measurement

For deposits and other borrowings that:

- are not designated at FVTPL on initial recognition, we measure them at amortised cost and recognise their interest expense using the effective interest rate method; and
- are managed on a fair value basis, reduce or eliminate an accounting mismatch or contain an embedded derivative, we designate them as measured at FVTPL.

Refer to Note 18 Fair value of financial assets and financial liabilities for further details.

For deposits and other borrowings designated at fair value we recognise the amount of fair value gain or loss attributable to changes in the Group's own credit risk in Other comprehensive income in retained earnings. Any remaining amount of fair value gain or loss we recognise directly in profit or loss. Once we have recognised an amount in other comprehensive income, we do not later reclassify it to profit or loss.

Securities sold under repurchase agreements represent a liability to repurchase the financial assets that remain on our balance sheet since the risks and rewards of ownership remain with the Group. Over the life of the repurchase agreement, we recognise the difference between the sale price and the repurchase price and charge it to interest expense in profit or loss.

15. Payables and other liabilities

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Payables and accruals	7,243	5,811	4,989	4,582
Liabilities at fair value[1]	6,023	5,267	5,677	4,922
Lease liabilities	1,784	1,767	1,402	1,531
Trail commission liabilities	2,055	1,469	1,606	1,469
Other liabilities	1,489	1,670	800	775
Payables and other liabilities	18,594	15,984	14,474	13,279

[1] Relate to securities sold short classified as held for trading and measured at FVTPL.

Recognition and measurement

The Group recognises liabilities when there is a present obligation to transfer economic resources as a result of past events.

Below is the measurement basis for each item classified as other liabilities:

- Payables, accruals and other liabilities are measured at the contractual amount payable or the best estimate of consideration required to settle the payable.
- Liabilities at fair value relate to securities sold short, which we classify as held for trading and measure at FVTPL based on quoted prices in active markets.
- Lease liabilities are initially measured at the present value of the future lease payments using the Group's incremental borrowing rate at the lease commencement date. The carrying amount is then subsequently adjusted to reflect the interest on the lease liability, lease payments that have been made and any lease reassessments or modifications.
- Trail commission liabilities are measured based on the present value of expected future trail commission payments taking into consideration average behavioural loan life and outstanding balances of broker originated loans.

16. Debt issuances

The Group, primarily via ANZBGL and some of its banking subsidiaries (including ANZ Bank New Zealand and Norfina Limited (Suncorp Bank)), uses a variety of funding programmes to issue senior debt (including covered bonds and securitisations) and subordinated debt. The difference between senior debt and subordinated debt is that, in a winding up of an issuer, holders of senior debt of that issuer rank in priority to holders of subordinated debt of that issuer. Subordinated debt will be repaid by the relevant issuer only after the repayment of claims of its depositors and other creditors (including the senior debt holders) of that issuer.

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Senior debt	94,152	63,233	72,183	50,671
Covered bonds	18,931	18,223	13,853	15,084
Securitisation	3,640	880	-	-
Total unsubordinated debt	116,723	82,336	86,036	65,755
Subordinated debt				
- ANZBGL Additional Tier 1 capital	8,277	8,232	8,330	8,287
- ANZBGL Tier 2 capital	28,584	23,707	28,584	23,707
- Other subordinated debt securities	2,804	1,739	-	464
Total subordinated debt	39,665	33,678	36,914	32,458
Total debt issued	156,388	116,014	122,950	98,213
Residual contractual maturity[1]:				
Within one year	35,107	21,746	28,751	18,499
More than one year	119,090	92,856	92,751	78,245
No maturity date (instruments in perpetuity)	2,191	1,412	1,448	1,469
Total debt issued	156,388	116,014	122,950	98,213
Carried on Balance Sheet at:				
Amortised cost	154,572	114,678	120,155	95,881
Fair value through profit or loss	1,816	1,336	2,795	2,332
Total debt issued	156,388	116,014	122,950	98,213

[1] Based on the final maturity date or, in the case of Additional Tier 1 capital securities, the mandatory conversion date (if any).

Total debt issued by currency

The table below shows the Group's issued debt by currency of issue, which broadly represents the debt holders' base location.

		Consolidated		The Company	
		2024 $m	2023 $m	2024 $m	2023 $m
USD	United States dollars	45,512	32,723	37,381	24,074
EUR	Euro	26,325	26,990	20,911	21,356
AUD	Australian dollars	69,420	47,043	51,234	46,123
NZD	New Zealand dollars	1,074	1,575	65	43
JPY	Japanese yen	2,609	1,993	2,609	1,993
CHF	Swiss francs	683	1,039	-	-
GBP	Pounds sterling	8,543	2,230	8,543	2,230
HKD	Hong Kong dollars	1,403	1,407	1,403	1,407
Other	Chinese yuan and Singapore dollars	819	1,014	804	987
Total debt issued		156,388	116,014	122,950	98,213

16. Debt issuances

Subordinated debt

Subordinated debt is primarily issued externally by the Group out of its banking subsidiaries, ANZBGL and ANZ Bank New Zealand. ANZ Holdings (New Zealand) Limited also issued $800 million of perpetual subordinated debt in September 2024. The externally issued subordinated debt constitutes subordinated debt of both the Group and the relevant issuer.

At 30 September 2024, all subordinated debt issued by ANZBGL qualifies as regulatory capital for ANZBGL. Depending on their terms and conditions, the subordinated debt instruments issued by ANZBGL are classified as either Additional Tier 1 (AT1) capital for ANZBGL (in the case of the ANZ Capital Notes (ANZ CN) and ANZ Capital Securities (ANZ CS)) or Tier 2 capital for ANZBGL (in the case of the term subordinated notes) for APRA's capital adequacy purposes. Subordinated debt issued by ANZ Holdings (New Zealand) Limited or ANZ Bank New Zealand does not constitute regulatory capital for the Group for APRA's capital adequacy purposes.

Subordinated debt issued by ANZ Bank New Zealand will constitute tier 2 capital for ANZ Bank New Zealand for the purposes of the Reserve Bank of New Zealand's (RBNZ) capital requirements. Subordinated debt issued by ANZ Holdings (New Zealand) Limited does not constitute regulatory capital for the RBNZ's capital adequacy purposes.

AT1 capital

All outstanding AT1 capital instruments issued by ANZBGL are Basel III fully compliant instruments (refer to Note 24 Capital management for further information about Basel III) for APRA's capital adequacy purposes. Each of the ANZ CN and ANZ CS rank equally with each other.
Distributions on the AT1 capital instruments are non-cumulative and subject to the issuer's absolute discretion and certain payment conditions (including regulatory requirements). Distributions on ANZ CNs are franked in line with the franking applied to ANZGHL's ordinary shares.

Where specified, the AT1 capital instruments provide the issuer with an early redemption or conversion option on a specified date and in certain other circumstances (such as a tax or regulatory event). This redemption option is subject to APRA's prior written approval.

Each of the AT1 capital instruments will immediately convert into a variable number of ANZGHL's ordinary shares (based on the average market price of the shares immediately prior to conversion less a 1% discount, subject to a maximum conversion number of ANZGHL's ordinary shares) if:

- ANZBGL's Common Equity Tier 1 capital ratios are equal to or less than 5.125% - known as a Common Equity Capital Trigger Event; or
- APRA notifies ANZBGL that, without the conversion or write-off of certain securities or a public sector injection of capital (or equivalent support), it considers that ANZBGL would become non-viable – known as a Non-Viability Trigger Event.

Where specified, AT1 capital instruments mandatorily convert into a variable number of ANZGHL's ordinary shares (based on the average market price of the shares immediately prior to conversion less a 1% discount):

- on a specified mandatory conversion date; or
- on an earlier date under certain circumstances as set out in the terms.

However, this mandatory conversion is deferred for a specified period if certain conversion tests are not met.

If the AT1 capital securities convert, and the holders receive ANZGHL ordinary shares, then:

- the AT1 capital securities are transferred by the holders to ANZGHL for their face value;
- ANZBGL shall redeem the securities and simultaneously issue ordinary shares to its parent ANZ BH Pty Ltd (based on ANZBGL's share price calculated by reference to its consolidated net assets, subject to a maximum conversion number); and
- ANZ BH Pty Ltd will issue shares to ANZGHL (based on ANZ BH Pty Ltd's share price calculated by reference to its consolidated net assets, subject to a maximum conversion number).

Preference shares issued by ANZ Bank New Zealand will constitute AT1 capital for ANZ Bank New Zealand for the purposes of the RBNZ's capital requirements, however they will not constitute AT1 capital for the Group as the terms of the preference shares do not satisfy APRA's capital requirements. Externally issued preference shares are included within non-controlling interests in Note 23 Shareholders' equity.

The tables below show key details of the ANZBGL's AT1 capital instruments on issue at 30 September in both the current and prior years:

			Consolidated		The Company	
			2024 $m	2023 $m	2024 $m	2023 $m
ANZBGL's Additional Tier 1 capital (perpetual subordinated securities)[1]						
ANZ Capital Notes						
AUD	1,622m	ANZ CN4[2]	-	1,621	-	1,621
AUD	931m	ANZ CN5	931	929	931	929
AUD	1,500m	ANZ CN6	1,490	1,489	1,490	1,489
AUD	1,310m	ANZ CN7	1,300	1,298	1,300	1,298
AUD	1,500m	ANZ CN8	1,485	1,483	1,483	1,481
AUD	1,700m	ANZ CN9	1,680	-	1,678	-
ANZ Capital Securities						
USD	1,000m	ANZ Capital Securities	1,391	1,412	1,448	1,469
Total ANZBGL Additional Tier 1 capital[3]			8,277	8,232	8,330	8,287

[1] Carrying values are net of issuance costs.

[2] All of the ANZ CN4 were redeemed on 20 March 2024 with approximately $905 million of the proceeds from redemption reinvested into ANZ CN9 on the same date.

[3] This forms part of ANZBGL's qualifying AT1 capital. Refer to Note 24 Capital management for further details.

16. Debt issuances (continued)

ANZ Capital Notes

	ANZ CN4	ANZ CN5	ANZ CN6
Issuer	ANZBGL	ANZBGL	ANZBGL
Issue date	27 September 2016	28 September 2017	8 July 2021
Issue amount	$1,622 million	$931 million	$1,500 million
Face value per note	$100	$100	$100
Distribution frequency	Quarterly in arrears	Quarterly in arrears	Quarterly in arrears
Distribution rate	Floating rate: (90 day Bank Bill rate+4.7%)x(1-Australian corporate tax rate)	Floating rate: (90 day Bank Bill rate+3.8%)x(1-Australian corporate tax rate)	Floating rate: (90 day Bank Bill rate+3.0%)x(1-Australian corporate tax rate)
Issuer's early redemption or conversion option	20 March 2024[1]	20 March 2025	20 March 2028
Mandatory conversion date	20 March 2026[2]	20 March 2027	20 September 2030
Common Equity Capital Trigger Event	Yes	Yes	Yes
Non-Viability Trigger Event	Yes	Yes	Yes
Carrying value (net of issue costs)	nil (2023: $1,621 million)	$931 million (2023: $929 million)	$1,490 million (2023: $1,489 million)

	ANZ CN7	ANZ CN8	ANZ CN9
Issuer	ANZBGL	ANZBGL	ANZBGL
Issue date	24 March 2022	24 March 2023	20 March 2024
Issue amount	$1,310 million	$1,500 million	$1,700 million
Face value per note	$100	$100	$100
Distribution frequency	Quarterly in arrears	Quarterly in arrears	Quarterly in arrears
Distribution rate	Floating rate: (90 day Bank Bill rate+2.7%)x(1-Australian corporate tax rate)	Floating rate: (90 day Bank Bill rate+2.75%)x(1-Australian corporate tax rate)	Floating rate: (90 day Bank Bill rate+2.9%)x(1-Australian corporate tax rate)
Issuer's early redemption or conversion option	20 March 2029	20 March 2030	20 March 2031
Mandatory conversion date	20 September 2031	20 September 2032	20 September 2033
Common Equity Capital Trigger Event	Yes	Yes	Yes
Non-Viability Trigger Event	Yes	Yes	Yes
Carrying value (net of issue costs)	$1,300 million (2023: $1,298 million)	$1,485 million (2023: $1,483 million)	$1,680 million (2023: nil)

[1] All of the ANZ CN4 were redeemed on 20 March 2024 with approximately $905 million of the proceeds from redemption reinvested into ANZ CN9 on the same date.

[2] The mandatory conversion date is no longer applicable as all of ANZ CN4 have been redeemed.

16. Debt issuances (continued)

ANZ Capital Securities

Issuer	ANZBGL, acting through its London branch
Issue date	15 June 2016
Issue amount	USD 1,000 million
Face value	Minimum denomination of USD 200,000 and an integral multiple of USD 1,000 above that
Interest frequency	Semi-annually in arrears
Interest rate	Fixed at 6.75% p.a. until 15 June 2026. Reset on 15 June 2026 and each 5 year anniversary to a floating rate: 5 year USD mid-market swap rate + 5.168%
Issuer's early redemption option	15 June 2026 and each 5 year anniversary
Common Equity Capital Trigger Event	Yes
Non-Viability Trigger Event	Yes
Carrying value (net of issue costs)	$1,391 million (2023: $1,412 million)

16. Debt issuances (continued)

Tier 2 capital

Convertible term subordinated notes issued by ANZBGL are Basel III fully compliant instruments for APRA's capital adequacy purposes. If a Non-Viability Trigger Event occurs, each of the convertible term subordinated notes will immediately convert into ANZGHL ordinary shares (based on the average market price of the ANZGHL shares immediately prior to conversion less a 1% discount, subject to a maximum conversion number).

If the Tier 2 capital securities convert, and the holders receive ANZGHL ordinary shares, then ANZBGL shall issue ordinary shares to its parent ANZ BH Pty Ltd (based on ANZBGL's share price calculated by reference to its consolidated net assets, subject to a maximum conversion number) and ANZ BH Pty Ltd will issue shares to ANZGHL (calculated on the same basis).

The table below shows the Tier 2 capital subordinated debt issued by ANZBGL at 30 September in the current and prior year:

					Consolidated		The Company	
Currency	Face value	Maturity	Next optional call date – subject to APRA's prior approval	Interest rate	2024 $m	2023 $m	2024 $m	2023 $m
ANZBGL Tier 2 capital (term subordinated notes)								
USD	800m	2024	N/A	Fixed	-	1,220	-	1,220
JPY	20,000m	2026	N/A	Fixed	203	207	203	207
USD	1,500m	2026	N/A	Fixed	2,089	2,125	2,089	2,125
AUD	225m	2032	2027	Fixed	224	225	224	225
AUD	1,750m	2029	2024	Floating	-	1,750	-	1,750
EUR[1]	1,000m	2029	2024	Fixed	1,600	1,555	1,600	1,555
AUD	265m	2039	N/A	Fixed	189	170	189	170
USD	1,250m	2030	2025	Fixed	1,764	1,808	1,764	1,808
AUD	1,250m	2031	2026	Floating	1,250	1,250	1,250	1,250
USD	1,500m	2035	2030	Fixed	1,845	1,786	1,845	1,786
AUD	330m	2040	N/A	Fixed	225	202	225	202
AUD	195m	2040	N/A	Fixed	131	117	131	117
EUR	750m	2031	2026	Fixed	1,154	1,104	1,154	1,104
GBP	500m	2031	2026	Fixed	904	830	904	830
AUD	1,450m	2032	2027	Fixed	1,440	1,400	1,440	1,400
AUD	300m	2032	2027	Floating	290	300	290	300
JPY	59,400m	2032	2027	Fixed	597	606	597	606
SGD	600m	2032	2027	Fixed	684	659	684	659
AUD	900m	2034	2029	Fixed	907	871	907	871
USD	1,250m	2032	N/A	Fixed	1,817	1,803	1,817	1,803
EUR	1,000m	2033	2028	Fixed	1,642	1,594	1,642	1,594
AUD	1,000m	2038	2033	Fixed	1,007	975	1,007	975
AUD	275m	2033	2028	Fixed	275	275	275	275
AUD	875m	2033	2028	Floating	867	875	867	875
AUD	1,434m	2034	2029	Floating	1,415	-	1,415	-
AUD	850m	2034	2029	Fixed	850	-	850	-
USD	1,000m	2034	2029	Fixed	1,478	-	1,478	-
AUD	1,900m	2039	2034	Fixed	1,947	-	1,947	-
USD	1,250m	2035	2034	Fixed	1,790	-	1,790	-
Total ANZBGL Tier 2 capital[2,3]					28,584	23,707	28,584	23,707

[1] The EUR 1,000m subordinated notes will be redeemed on 21 November 2024.

[2] Carrying values are net of issuance costs, and, where applicable, include fair value hedge accounting adjustments.

[3] This forms part of ANZBGL's qualifying Tier 2 capital. Refer to Note 24 Capital management for further details.

16. Debt issuances (continued)

Other subordinated debt securities

The term subordinated notes issued by ANZ Bank New Zealand constitute tier 2 capital under RBNZ requirements. However, they do not (among other things) contain a Non-Viability Trigger Event and therefore do not meet APRA's requirements for Tier 2 capital instruments in order to qualify as regulatory capital for the Group.

ANZ Holdings (New Zealand) Limited externally issued $800m perpetual subordinated notes in September 2024, however, they do not constitute tier 2 capital for either APRA's or RBNZ's capital adequacy purposes.

					Consolidated		The Company	
Currency	Face value	Maturity	Next optional call date[1]	Interest rate	2024 $m	2023 $m	2024 $m	2023 $m
Non-Basel III compliant perpetual subordinated notes issued by ANZBGL[2]								
USD	300m	Perpetual	Each semi-annual interest payment date	Floating	-	464	-	464
Perpetual subordinated notes issued by ANZ Holdings (New Zealand) Limited[3]								
AUD	800m	Perpetual	2030	Floating	800	-	-	-
Term subordinated notes issued by ANZ Bank New Zealand Limited								
NZD	600m	2031	2026	Fixed	549	555	-	-
USD	500m	2032	2027	Fixed	708	720	-	-
USD	500m	2034	2029	Fixed	747	-	-	-
Other subordinated debt[4]					2,804	1,739	-	464

[1] Subject to APRA's or RBNZ's prior approval (as applicable).

[2] The USD 300 million perpetual subordinated notes were redeemed by ANZBGL on 31 October 2023.

[3] The perpetual subordinated notes were issued by ANZ Holdings (New Zealand) Limited on 18 September 2024 with the proceeds invested in perpetual preference shares issued internally by ANZ Bank New Zealand (which constitute additional tier 1 capital for ANZ Bank New Zealand for the purposes of RBNZ's capital requirements but not for the purposes of APRA's capital requirements).

[4] ANZ Bank New Zealand also externally issued NZD 550 million of perpetual preference shares on 18 July 2022 and NZD 275 million of perpetual preference shares on 19 March 2024. These perpetual preference shares constitute AT1 capital for ANZ Bank New Zealand for the purposes of RBNZ's capital requirements but not for the purposes of APRA's capital requirements. These preference shares are included within non-controlling interests in Note 23 Shareholders' equity.

Recognition and measurement

Debt issuances are initially recognised at fair value and are subsequently measured at amortised cost, except where designated at FVTPL. Interest expense on debt issuances is recognised using the effective interest rate method. Where the group enters into a fair value hedge accounting relationship, the fair value attributable to the hedged risk is reflected in adjustments to the carrying value of the debt.

Subordinated debt with capital-based conversion features (i.e. Common Equity Capital Trigger Events or Non-Viability Trigger Events) are considered to contain embedded derivatives that we account for separately at FVTPL. The embedded derivatives arise because the number of shares issued on conversion following any of those trigger events is subject to the maximum conversion number, however they have no significant value as of the reporting date given the remote nature of those trigger events.

17. Financial risk management

Risk management framework and model

Introduction

The use of financial instruments is fundamental to the Group's businesses of providing banking and other financial services to our customers. The associated financial risks (primarily credit, market, and liquidity risks) are a significant portion of the Group's key material risks.

We disclose details of all key material risks impacting the Group, and further information on the Group's risk management activities, in the Governance and Risk Management sections of this Annual Report.

This note details the Group's financial risk management policies, processes and quantitative disclosures in relation to the key financial risks.

Key material financial risks	Key sections applicable to this risk
Credit risk The risk of financial loss resulting from: • a counterparty failing to fulfil its obligations; or • a decrease in credit quality of a counterparty resulting in a financial loss. Credit risk incorporates the risks associated with us lending to customers who could be impacted by climate change, changes to laws, regulations, or other policies adopted by governments or regulatory authorities. Climate change impacts include both physical risks (climate- or weather-related events) and transition risks resulting from the adjustment to a low emissions economy. Transition risks include resultant changes to laws, regulations and policies noted above.	• Credit risk overview, management and control responsibilities • Maximum exposure to credit risk • Credit quality • Concentrations of credit risk • Collateral management
Market risk The risk to the Group's earnings arising from: • changes in interest rates, foreign exchange rates, credit spreads, volatility and correlations; or • fluctuations in bond, commodity or equity prices.	• Market risk overview, management and control responsibilities • Measurement of market risk • Traded and non-traded market risk • Equity securities designated at FVOCI • Foreign currency risk – structural exposure
Liquidity and funding risk The risk that the Group is unable to meet payment obligations as they fall due, including: • repaying depositors or maturing wholesale debt; or • the Group having insufficient capacity to fund increases in assets.	• Liquidity risk overview, management and control responsibilities • Key areas of measurement for liquidity risk • Liquidity risk outcomes • Residual contractual maturity analysis of the Group's liabilities

17. Financial risk management (continued)

Overview

An overview of our risk management framework

This overview is provided to aid the users of the financial statements in understanding the context of the financial disclosures required under AASB 7 *Financial Instruments: Disclosures*. It should be read in conjunction with the Governance and Risk Management sections of this Annual Report.

The Board is responsible for establishing and overseeing the Group's Risk Management Framework (RMF). The Board has delegated authority to the Board Risk Committee (BRC) to develop and monitor compliance with the Group's risk management policies. The BRC reports regularly to the Board on its activities.

The Board approves the strategic objectives of the Group including:

- the Risk Appetite Statement (RAS), which sets out the Board's expectations regarding the degree of risk that the Group is prepared to accept in pursuit of its strategic objectives and business plan; and
- the Risk Management Strategy (RMS), which describes the Group's strategy for managing risks and the key elements of the RMF that give effect to this strategy. This includes a description of each material risk, and an overview of how the RMF addresses each risk, with reference to the relevant policies, standards and procedures. It also includes information on how the Group identifies, measures, evaluates, monitors, reports and controls or mitigates material risks.

The Group, through its training and management standards and procedures, aims to maintain a disciplined and robust control environment in which all employees understand their roles and obligations. At ANZ, risk is everyone's responsibility.

The Group has an independent risk management function, headed by the Chief Risk Officer who:

- is responsible for overseeing the risk profile and the risk management framework;
- can effectively challenge activities and decisions that materially affect the Group's risk profile; and
- has an independent reporting line to the BRC to enable the appropriate escalation of issues of concern.

The Internal Audit Function reports directly to the Board Audit Committee (BAC). Internal Audit provides:

- an independent evaluation of the Group's RMF annually that seeks to ensure compliance with, and the effectiveness of, the risk management framework;
- facilitation of a comprehensive review every three years that seeks to ensure the appropriateness, effectiveness and adequacy of the risk management framework; and
- recommendations to improve the framework and/or work practices to strengthen the effectiveness of day-to-day operations.

17. Financial risk management (continued)

Credit risk

Credit risk overview, management and control responsibilities

Granting credit facilities to customers is one of the Group's major sources of income. As this activity is also a principal risk, the Group dedicates considerable resources to its management. The Group assumes credit risk in a wide range of lending and other activities in diverse markets and in many jurisdictions. Credit risks arise from traditional lending to customers as well as from interbank, treasury, trade finance and capital markets activities around the world.

Our credit risk management framework ensures we apply a consistent approach across the Group when we measure, monitor and manage the credit risk appetite set by the Board. The Board is assisted and advised by the BRC in discharging its duty to oversee credit risk. The BRC:

- sets the credit risk appetite and credit strategies; and
- approves credit transactions beyond the discretion of executive management.

We quantify credit risk through an internal credit rating system (masterscales) to ensure consistency across exposure types and to provide a consistent framework for reporting and analysis. The system uses models and other tools to measure the following for customer exposures:

Probability of Default (PD)	Expressed by a Customer Credit Rating (CCR), reflecting the Group's assessment of a customer's ability to service and repay debt.
Exposure at Default (EAD)	The expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest at the time of default.
Loss Given Default (LGD)	Expressed by a Security Indicator (SI) ranging from A to G. The SI is calculated by reference to the percentage of loan covered by security which the Group can realise if a customer defaults. The A-G scale is supplemented by a range of other SIs which cover factors such as cash cover and sovereign backing. For retail and some small business lending, we group exposures into large homogenous pools – and the LGD is assigned at the pool level.

Our specialist credit risk teams develop and validate the Group's PD and LGD rating models. The outputs from these models drive our day-to-day credit risk management decisions including origination, pricing, approval levels, regulatory capital adequacy, economic capital allocation, and credit provisioning.

All customers with whom the Group has a credit relationship are assigned a CCR at origination via either of the following assessment approaches:

Large and more complex lending	Retail and some small business lending
Rating models provide a consistent and structured assessment, with judgement required around the use of out-of-model factors. We handle credit approval on a dual approval basis, jointly with the business writer and an independent credit officer.	Automated assessment of credit applications using a combination of scoring (application and behavioural), policy rules and external credit reporting information. If the application does not meet the automated assessment criteria, then it is subject to manual assessment.

We use the Group's internal CCRs to manage the credit quality of financial assets. To enable wider comparisons, the Group's CCRs are mapped to external rating agency scales as follows:

Credit Quality Description	Internal CCR	ANZ Customer Requirements	Moody's Ratings	S&P Global Ratings
Strong	CCR 0+ to 4-	Demonstrated superior stability in their operating and financial performance over the long-term, and whose earnings capacity is not significantly vulnerable to foreseeable events.	Aaa - Baa3	AAA - BBB-
Satisfactory	CCR 5+ to 6-	Demonstrated sound operational and financial stability over the medium to long-term, even though some may be susceptible to cyclical trends or variability in earnings.	Ba1 - B1	BB+ - B+
Weak	CCR 7+ to 8=	Demonstrated some operational and financial instability, with variability and uncertainty in profitability and liquidity projected to continue over the short and possibly medium term.	B2 - Caa	B - CCC
Defaulted	CCR 8- to 10	When doubt arises as to the collectability of a credit facility, the financial instrument (or 'the facility') is classified as defaulted.	N/A	N/A

17. Financial risk management (continued)

Credit risk (continued)

Maximum exposure to credit risk

For financial assets recognised on the Balance Sheet, the maximum exposure to credit risk is the carrying amount. In certain circumstances there may be differences between the carrying amounts reported on the Balance Sheet and the amounts reported in the tables below. Principally, these differences arise in respect of financial assets that are subject to risks other than credit risk, such as equity instruments which are primarily subject to market risk, or bank notes and coins.

For undrawn facilities, this maximum exposure to credit risk is the full amount of the committed facilities. For contingent exposures, the maximum exposure to credit risk is the maximum amount the Group would have to pay if the instrument is called upon.

The table below shows our maximum exposure to credit risk of on-balance sheet and off-balance sheet positions before taking account of any collateral held or other credit enhancements.

	Reported		Excluded[1]		Maximum exposure to credit risk	
Consolidated	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
On-balance sheet positions						
Net loans and advances	804,032	707,694	-	-	804,032	707,694
Other financial assets:						
Cash and cash equivalents	150,965	168,154	1,196	1,070	149,769	167,084
Settlement balances owed to ANZ	5,484	9,349	5,484	9,349	-	-
Collateral paid	10,090	8,558	-	-	10,090	8,558
Trading assets	45,755	37,004	6,399	4,881	39,356	32,123
Derivative financial instruments	54,370	60,406	-	-	54,370	60,406
Investment securities						
- debt securities at amortised cost	7,091	7,752	-	-	7,091	7,752
- debt securities at FVOCI	131,944	88,271	-	-	131,944	88,271
- equity securities at FVOCI	1,065	946	1,065	946	-	-
- debt securities at FVTPL	162	-	-	-	162	-
Regulatory deposits	665	646	-	-	665	646
Other financial assets[2]	4,547	4,417	-	-	4,547	4,417
Total other financial assets	412,138	385,503	14,144	16,246	397,994	369,257
Subtotal	1,216,170	1,093,197	14,144	16,246	1,202,026	1,076,951
Off-balance sheet positions						
Undrawn and contingent facilities[3]	298,152	290,055	-	-	298,152	290,055
Total	1,514,322	1,383,252	14,144	16,246	1,500,178	1,367,006

[1] Coins, notes and cash at bank within Cash and cash equivalents; trade dated assets within Settlement balances owed to ANZ; precious metal exposures and carbon credits within Trading assets; and equity securities within Investment securities were excluded as they do not have credit risk exposure.

[2] Other financial assets mainly comprise accrued interest and acceptances.

[3] Undrawn and contingent facilities include guarantees, letters of credit and performance related contingencies, net of collectively assessed and individually assessed allowance for ECL.

17. Financial risk management (continued)

Credit risk (continued)

The Company	Reported 2024 $m	 2023 $m	Excluded[1] 2024 $m	 2023 $m	Maximum exposure to credit risk 2024 $m	 2023 $m
On-balance sheet positions						
Net loans and advances	588,998	563,017	-	-	588,998	563,017
Other financial assets:						
Cash and cash equivalents	137,288	154,408	843	667	136,445	153,741
Settlement balances owed to ANZ	5,019	8,935	5,019	8,935	-	-
Collateral paid	8,797	7,717	-	-	8,797	7,717
Trading assets	38,427	30,693	6,243	4,472	32,184	26,221
Derivative financial instruments	57,627	59,989	-	-	57,627	59,989
Investment securities						
- debt securities at amortised cost	5,356	5,936	-	-	5,356	5,936
- debt securities at FVOCI	107,388	76,320	-	-	107,388	76,320
- equity securities at FVOCI	1,060	945	1,060	945	-	-
- debt securities at FVTPL	162	-	-	-	162	-
Regulatory deposits	222	284	-	-	222	284
Due from controlled entities	24,315	26,067	-	-	24,315	26,067
Other financial assets[2]	3,090	3,024	-	-	3,090	3,024
Total other financial assets	388,751	374,318	13,165	15,019	375,586	359,299
Subtotal	977,749	937,335	13,165	15,019	964,584	922,316
Off-balance sheet positions						
Undrawn and contingent facilities[3]	249,548	252,415	-	-	249,548	252,415
Total	1,227,297	1,189,750	13,165	15,019	1,214,132	1,174,731

[1] Coins, notes and cash at bank within Cash and cash equivalents; trade dated assets within Settlement balances owed to ANZ; precious metal exposures, and carbon credits within Trading assets; and equity securities within Investment securities were excluded as they do not have credit risk exposure.

[2] Other financial assets mainly comprise accrued interest and acceptances.

[3] Undrawn and contingent facilities include guarantees, letters of credit and performance related contingencies, net of collectively assessed and individually assessed allowance for expected credit losses.

17. Financial risk management (continued)

Credit risk (continued)

Credit quality

An analysis of the Group's credit risk exposure is presented in the following tables based on the Group's internal credit quality rating by stage without taking account of the effects of any collateral or other credit enhancements:

Net loans and advances

			Stage 3		
Consolidated	Stage 1 $m	Stage 2 $m	Collectively assessed $m	Individually assessed $m	Total $m
As at 30 September 2024					
Strong	485,243	17,072	-	-	502,315
Satisfactory	188,825	46,940	-	-	235,765
Weak	15,538	18,222	-	-	33,760
Defaulted	-	-	5,976	832	6,808
Gross loans and advances at amortised cost	689,606	82,234	5,976	832	778,648
Allowance for ECL	(1,276)	(1,653)	(443)	(303)	(3,675)
Net loans and advances at amortised cost	688,330	80,581	5,533	529	774,973
Coverage ratio	0.19%	2.01%	7.41%	36.42%	0.47%
Loans and advances at FVTPL					24,786
Loans and advances purchased credit impaired[1]					551
Unearned income					(515)
Capitalised brokerage and other origination costs					4,237
Net carrying amount					804,032
As at 30 September 2023					
Strong	411,583	17,063	-	-	428,646
Satisfactory	193,170	37,977	-	-	231,147
Weak	11,306	10,398	-	-	21,704
Defaulted	-	-	3,858	1,037	4,895
Gross loans and advances at amortised cost	616,059	65,438	3,858	1,037	686,392
Allowance for ECL	(1,227)	(1,624)	(329)	(366)	(3,546)
Net loans and advances at amortised cost	614,832	63,814	3,529	671	682,846
Coverage ratio	0.20%	2.48%	8.53%	35.29%	0.52%
Loans and advances at FVTPL					21,888
Unearned income					(515)
Capitalised brokerage and other origination costs					3,475
Net carrying amount					707,694

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[1] Represents Stage 3 exposures from Suncorp Bank at the date of acquisition recognised net of allowance for ECL.

17. Financial risk management (continued)

Credit risk (continued)

Net loans and advances

The Company	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2024					
Strong	366,329	14,061	-	-	380,390
Satisfactory	121,820	33,813	-	-	155,633
Weak	11,433	11,945	-	-	23,378
Defaulted	-	-	4,574	485	5,059
Gross loans and advances at amortised cost	499,582	59,819	4,574	485	564,460
Allowance for ECL	(1,006)	(1,150)	(339)	(220)	(2,715)
Net loans and advances at amortised cost	498,576	58,669	4,235	265	561,745
Coverage ratio	0.20%	1.92%	7.41%	45.36%	0.48%
Loans and advances at FVTPL					24,439
Unearned income					(489)
Capitalised brokerage and other origination costs					3,303
Net carrying amount					588,998
As at 30 September 2023					
Strong	315,206	11,682	-	-	326,888
Satisfactory	160,357	31,769	-	-	192,126
Weak	10,906	8,362	-	-	19,268
Defaulted	-	-	2,994	731	3,725
Gross loans and advances at amortised cost	486,469	51,813	2,994	731	542,007
Allowance for ECL	(1,026)	(1,239)	(251)	(279)	(2,795)
Net loans and advances at amortised cost	485,443	50,574	2,743	452	539,212
Coverage ratio	0.21%	2.39%	8.38%	38.17%	0.52%
Loans and advances at FVTPL					21,240
Unearned income					(483)
Capitalised brokerage and other origination costs					3,048
Net carrying amount					563,017

17. Financial risk management (continued)

Credit risk (continued)

Off-balance sheet commitments - undrawn and contingent facilities

			Stage 3		
Consolidated	Stage 1 $m	Stage 2 $m	Collectively assessed $m	Individually assessed $m	Total $m
As at 30 September 2024					
Strong	200,720	1,497	-	-	202,217
Satisfactory	26,496	3,249	-	-	29,745
Weak	880	931	-	-	1,811
Defaulted	-	-	101	26	127
Gross undrawn and contingent facilities subject to ECL	228,096	5,677	101	26	233,900
Allowance for ECL included in Other provisions (refer to Note 22)	(658)	(156)	(27)	(5)	(846)
Net undrawn and contingent facilities subject to ECL	227,438	5,521	74	21	233,054
Coverage ratio	0.29%	2.75%	26.73%	19.23%	0.36%
Undrawn and contingent facilities not subject to ECL[1]					65,098
Net undrawn and contingent facilities					298,152
As at 30 September 2023					
Strong	189,980	1,234	-	-	191,214
Satisfactory	30,007	4,276	-	-	34,283
Weak	975	746	-	-	1,721
Defaulted	-	-	79	47	126
Gross undrawn and contingent facilities subject to ECL	220,962	6,256	79	47	227,344
Allowance for ECL included in Other provisions (refer to Note 22)	(630)	(162)	(25)	(10)	(827)
Net undrawn and contingent facilities subject to ECL	220,332	6,094	54	37	226,517
Coverage ratio	0.29%	2.59%	31.65%	21.28%	0.36%
Undrawn and contingent facilities not subject to ECL[1]					63,538
Net undrawn and contingent facilities					290,055

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[1] Commitments that can be unconditionally cancelled at any time without notice.

17. Financial risk management (continued)

Credit risk (continued)

Off-balance sheet commitments - undrawn and contingent facilities

			Stage 3		
The Company	Stage 1 $m	Stage 2 $m	Collectively assessed $m	Individually assessed $m	Total $m
As at 30 September 2024					
Strong	169,168	1,317	-	-	170,485
Satisfactory	21,053	2,225	-	-	23,278
Weak	668	522	-	-	1,190
Defaulted	-	-	66	17	83
Gross undrawn and contingent facilities subject to ECL	190,889	4,064	66	17	195,036
Allowance for ECL included in Other provisions (refer to Note 22)	(573)	(96)	(22)	(2)	(693)
Net undrawn and contingent facilities subject to ECL	190,316	3,968	44	15	194,343
Coverage ratio	0.30%	2.36%	33.33%	11.76%	0.36%
Undrawn and contingent facilities not subject to ECL[1]					55,205
Net undrawn and contingent facilities					249,548
As at 30 September 2023					
Strong	167,251	1,065	-	-	168,316
Satisfactory	25,966	3,554	-	-	29,520
Weak	753	466	-	-	1,219
Defaulted	-	-	64	35	99
Gross undrawn and contingent facilities subject to ECL	193,970	5,085	64	35	199,154
Allowance for ECL included in Other provisions (refer to Note 22)	(550)	(121)	(21)	(5)	(697)
Net undrawn and contingent facilities subject to ECL	193,420	4,964	43	30	198,457
Coverage ratio	0.28%	2.38%	32.81%	14.29%	0.35%
Undrawn and contingent facilities not subject to ECL[1]					53,958
Net undrawn and contingent facilities					252,415

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[1] Commitments that can be unconditionally cancelled at any time without notice.

17. Financial risk management (continued)

Credit risk (continued)

Investment securities - debt securities at amortised cost

			Stage 3		
Consolidated	Stage 1 $m	Stage 2 $m	Collectively assessed $m	Individually assessed $m	Total $m
As at 30 September 2024					
Strong	5,535	-	-	-	5,535
Satisfactory	72	-	-	-	72
Weak	1,518	-	-	-	1,518
Gross investment securities - debt securities at amortised cost	7,125	-	-	-	7,125
Allowance for ECL	(34)	-	-	-	(34)
Net investment securities - debt securities at amortised cost	7,091	-	-	-	7,091
Coverage ratio	0.48%	-	-	-	0.48%
As at 30 September 2023					
Strong	6,117	-	-	-	6,117
Satisfactory	112	-	-	-	112
Weak	1,558	-	-	-	1558
Gross investment securities - debt securities at amortised cost	7,787	-	-	-	7,787
Allowance for ECL	(35)	-	-	-	(35)
Net investment securities - debt securities at amortised cost	7,752	-	-	-	7,752
Coverage ratio	0.45%	-	-	-	0.45%

			Stage 3		
The Company	Stage 1 $m	Stage 2 $m	Collectively assessed $m	Individually assessed $m	Total $m
As at 30 September 2024					
Strong	5,273	-	-	-	5,273
Satisfactory	41	-	-	-	41
Weak	43	-	-	-	43
Gross investment securities - debt securities at amortised cost	5,357	-	-	-	5,357
Allowance for ECL	(1)	-	-	-	(1)
Net investment securities - debt securities at amortised cost	5,356	-	-	-	5,356
Coverage ratio	0.02%	-	-	-	0.02%
As at 30 September 2023					
Strong	5,796	-	-	-	5,796
Satisfactory	97	-	-	-	97
Weak	44	-	-	-	44
Gross investment securities - debt securities at amortised cost	5,937	-	-	-	5,937
Allowance for ECL	(1)	-	-	-	(1)
Net investment securities - debt securities at amortised cost	5,936	-	-	-	5,936
Coverage ratio	0.02%	-	-	-	0.02%

17. Financial risk management (continued)

Credit risk (continued)

Investment securities - debt securities at FVOCI

Consolidated	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2024					
Strong	131,944	-	-	-	131,944
Satisfactory	-	-	-	-	-
Investment securities - debt securities at FVOCI	131,944	-	-	-	131,944
Allowance for ECL recognised in Other comprehensive income	(20)	-	-	-	(20)
Coverage ratio	0.02%	-	-	-	0.02%
As at 30 September 2023					
Strong	88,271	-	-	-	88,271
Satisfactory	-	-	-	-	-
Investment securities - debt securities at FVOCI	88,271	-	-	-	88,271
Allowance for ECL recognised in Other comprehensive income	(15)	-	-	-	(15)
Coverage ratio	0.02%	-	-	-	0.02%

The Company	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2024					
Strong	107,388	-	-	-	107,388
Satisfactory	-	-	-	-	-
Investment securities - debt securities at FVOCI	107,388	-	-	-	107,388
Allowance for ECL recognised in Other comprehensive income	(14)	-	-	-	(14)
Coverage ratio	0.01%	-	-	-	0.01%
As at 30 September 2023					
Strong	76,320	-	-	-	76,320
Satisfactory	-	-	-	-	-
Investment securities - debt securities at FVOCI	76,320	-	-	-	76,320
Allowance for ECL recognised in Other comprehensive income	(12)	-	-	-	(12)
Coverage ratio	0.02%	-	-	-	0.02%

17. Financial risk management (continued)

Credit risk (continued)

Other financial assets

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Strong	250,471	270,012	255,180	274,741
Satisfactory[1]	7,954	2,579	7,474	2,022
Weak	534	604	188	280
Defaulted	-	-	-	-
Total carrying amount	258,959	273,195	262,842	277,043

[1] Includes Investment Securities - debt securities at FVTPL of $162 million (2023: nil) for the Group and $162 million (2023: nil) for the Company.

Concentrations of credit risk

Credit risk becomes concentrated when a number of customers are engaged in similar activities, have similar economic characteristics, or have similar activities within the same geographic region – therefore, they may be similarly affected by changes in economic or other conditions. The Group monitors its credit portfolio to manage risk concentration and rebalance the portfolio. The Group also applies single customer counterparty limits to protect against unacceptably large exposures to one single customer.

Composition of financial instruments that give rise to credit risk by industry group are presented below:

	Loans and advances		Other financial assets		Off-balance sheet credit related commitments		Total	
Consolidated	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Agriculture, forestry, fishing and mining	41,558	35,797	888	612	16,187	16,707	58,633	53,116
Business services	6,015	8,138	132	207	8,469	7,003	14,616	15,348
Construction	4,594	5,506	29	36	8,806	7,212	13,429	12,754
Electricity, gas and water supply	8,517	8,626	839	463	12,742	11,837	22,098	20,926
Entertainment, leisure and tourism	13,326	13,486	94	78	3,941	3,889	17,361	17,453
Financial, investment and insurance	80,270	77,454	242,832	278,218	61,229	62,409	384,331	418,081
Government and official institutions	15,861	8,300	122,570	80,544	1,214	1,075	139,645	89,919
Manufacturing	27,470	30,261	708	1,287	46,004	47,302	74,182	78,850
Personal lending	485,404	392,702	1,527	1,394	62,513	59,185	549,444	453,281
Property services	60,613	58,064	1,496	439	20,349	17,503	82,458	76,006
Retail trade	9,300	12,900	85	113	8,150	8,131	17,535	21,144
Transport and storage	10,764	12,110	817	369	9,099	9,215	20,680	21,694
Wholesale trade	13,078	12,538	501	660	25,149	25,783	38,728	38,981
Other	27,215	32,398	25,510	4,872	15,146	13,631	67,871	50,901
Gross total	803,985	708,280	398,028	369,292	298,998	290,882	1,501,011	1,368,454
Allowance for ECL	(3,675)	(3,546)	(34)	(35)	(846)	(827)	(4,555)	(4,408)
Subtotal	800,310	704,734	397,994	369,257	298,152	290,055	1,496,456	1,364,046
Unearned income	(515)	(515)	-	-	-	-	(515)	(515)
Capitalised brokerage and other origination costs	4,237	3,475	-	-	-	-	4,237	3,475
Maximum exposure to credit risk	804,032	707,694	397,994	369,257	298,152	290,055	1,500,178	1,367,006

17. Financial risk management (continued)

Credit risk (continued)

Composition of financial instruments that give rise to credit risk by industry group are presented below:

	Loans and advances		Other financial assets		Off-balance sheet credit related commitments		Total	
The Company	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Agriculture, forestry, fishing and mining	21,971	20,622	865	586	14,165	15,198	37,001	36,406
Business services	4,738	7,165	119	183	7,684	6,237	12,541	13,585
Construction	2,727	4,545	21	30	7,362	6,038	10,110	10,613
Electricity, gas and water supply	7,921	7,956	474	302	11,273	10,409	19,668	18,667
Entertainment, leisure and tourism	10,803	11,721	84	67	3,391	3,390	14,278	15,178
Financial, investment and insurance	77,887	74,836	250,700	282,701	57,699	58,806	386,286	416,343
Government and official institutions	15,837	8,294	95,487	68,361	455	384	111,779	77,039
Manufacturing	23,448	26,394	576	935	39,430	40,027	63,454	67,356
Personal lending	336,576	303,801	1,478	1,347	41,208	47,961	379,262	353,109
Property services	44,419	44,903	1,349	368	18,059	15,794	63,827	61,065
Retail trade	7,011	11,099	78	85	7,177	7,342	14,266	18,526
Transport and storage	9,629	10,968	624	288	8,242	8,331	18,495	19,587
Wholesale trade	10,835	10,320	414	480	21,926	22,385	33,175	33,185
Other	15,097	20,623	23,318	3,567	12,170	10,810	50,585	35,000
Gross total	588,899	563,247	375,587	359,300	250,241	253,112	1,214,727	1,175,659
Allowance for ECL	(2,715)	(2,795)	(1)	(1)	(693)	(697)	(3,409)	(3,493)
Subtotal	586,184	560,452	375,586	359,299	249,548	252,415	1,211,318	1,172,166
Unearned income	(489)	(483)	-	-	-	-	(489)	(483)
Capitalised brokerage and other origination costs	3,303	3,048	-	-	-	-	3,303	3,048
Maximum exposure to credit risk	588,998	563,017	375,586	359,299	249,548	252,415	1,214,132	1,174,731

17. Financial risk management (continued)

Credit risk (continued)

Collateral management

We use collateral for on and off-balance sheet exposures to mitigate credit risk if a counterparty cannot meet its repayment obligations. Where there is sufficient collateral, an expected credit loss is not recognised. This is largely the case for certain lending products, such as margin loans and reverse repurchase agreements that are secured by the securities purchased using the lending. For some products, the collateral provided by customers is fundamental to the product's structuring, so it is not strictly the secondary source of repayment - for example, lending secured by trade receivables is typically repaid by the collection of those receivables. During the period there was no change in our collateral policies.

The nature of collateral or security held for the relevant classes of financial assets is as follows:

Net loans and advances	
Loans - housing and personal	Housing loans are secured by mortgage(s) over property and additional security may take the form of guarantees and deposits. Personal lending (including credit cards and overdrafts) is predominantly unsecured. If we take security, then it is restricted to eligible vehicles, motor homes and other assets.
Loans - business	Business loans may be secured, partially secured or unsecured. Typically, we take security by way of a mortgage over property and/or a charge over the business or other assets. If appropriate, we may take other security to mitigate the credit risk, such as guarantees, standby letters of credit or derivative protection.
Other financial assets	
Trading assets, Investment securities, Derivatives and Other financial assets	For trading assets, we do not seek collateral directly from the issuer or counterparty. However, the collateral may be implicit in the terms of the instrument (for example, with an asset-backed security). The terms of debt securities may include collateralisation. For derivatives we will have large individual exposures to single name counterparties such as central clearing houses, financial institutions, and other institutional clients. Open derivative positions with these counterparties are aggregated and cash collateral (or other forms of eligible collateral) is exchanged daily through the respective Credit Support Annex agreements. The collateral is provided by the counterparty when their position is out of the money (or provided to the counterparty by the Group when our position is out of the money). Credit risk will remain where the full amount of the derivative exposure is not covered by any collateral.
Off-balance sheet positions	
Undrawn and contingent facilities	Collateral for off-balance sheet positions is mainly held against undrawn facilities, and they are typically performance bonds or guarantees. Undrawn facilities that are secured include housing loans secured by mortgages over residential property and business lending secured by commercial real estate and/or charges over business assets.

The table below shows the estimated value of collateral we hold and the net unsecured portion of credit exposures:

	Maximum exposure to credit risk		Total value of collateral[1]		Unsecured portion of credit exposure	
Consolidated	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Net loans and advances	804,032	707,694	667,130	569,283	136,902	138,411
Other financial assets	397,994	369,257	51,732	38,612	346,262	330,645
Off-balance sheet positions	298,152	290,055	80,258	65,723	217,894	224,332
Total	1,500,178	1,367,006	799,120	673,618	701,058	693,388

	Maximum exposure to credit risk		Total value of collateral[1]		Unsecured portion of credit exposure	
The Company	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Net loans and advances	588,998	563,017	463,804	436,544	125,194	126,473
Other financial assets	375,586	359,299	46,950	35,542	328,636	323,757
Off-balance sheet positions	249,548	252,415	52,804	50,880	196,744	201,535
Total	1,214,132	1,174,731	563,558	522,966	650,574	651,765

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[1] In estimating the value of collateral for housing loans, customers are assumed to be meeting their insurance obligations for the properties over which the mortgages are secured.

17. Financial risk management (continued)

Market risk

Market risk overview, management and control responsibilities

Market risk stems from the Group's trading and balance sheet management activities and the impact of changes and correlations between interest rates, foreign exchange rates, credit spreads, commodities, equities and the volatility within these asset classes.

The BRC delegates responsibility for day-to-day management of both market risks and compliance with market risk policies to the Credit and Market Risk Committee (CMRC) and the Group Asset and Liability Committee (GALCO).

Within overall strategies and policies established by the BRC, business units and risk management have joint responsibility for the control of market risk at the Group level. The Market Risk team (a specialist risk management unit independent of the business) allocates market risk limits at various levels and monitors and reports on them daily. This detailed framework allocates individual limits to manage and control exposures using risk factors and profit and loss limits.

Management, measurement and reporting of market risk is undertaken in two broad categories:

Traded Market Risk	Non-Traded Market Risk
Risk of loss from changes in the value of financial instruments due to movements in price factors for both physical and derivative trading positions. Principal risk categories monitored are: 1. Currency risk – potential loss arising from changes in foreign exchange rates or their implied volatilities. 2. Interest rate risk – potential loss from changes in market interest rates or their implied volatilities. 3. Credit spread risk – potential loss arising from a movement in margin or spread relative to a benchmark. 4. Commodity risk – potential loss arising from changes in commodity prices or their implied volatilities. 5. Equity risk – potential loss arising from changes in equity prices.	Risk of loss associated with the management of non-traded interest rate risk, liquidity risk and foreign exchange exposures. This includes interest rate risk in the banking book. This risk of loss arises from adverse changes in the overall and relative level of interest rates for different tenors, differences in the actual versus expected net interest margin, and the potential valuation risk associated with embedded options in financial instruments and bank products.

Measurement of market risk

We primarily manage and control market risk using Value at Risk (VaR), sensitivity analysis and stress testing.

VaR measures the Group's possible daily loss based on historical market movements. The Group's VaR approach for both traded and non-traded risk is historical simulation. We use historical changes in market rates, prices and volatilities over a 500 business day window using a one-day holding period. Back testing is used to ensure our VaR models remain accurate.

The Group measures VaR at a 99% confidence interval which means there is a 99% chance that a loss will not exceed the VaR for the relevant holding period.

17. Financial risk management (continued)

Market risk (continued)

Traded and non-traded market risk

Traded market risk

The table below shows the traded market risk VaR on a diversified basis by risk categories:

	Total Group	Total Group (excl. Suncorp Bank)[2]							
	2024	2024				2023			
Consolidated	As at $m	As at $m	High for year $m	Low for year $m	Average for year $m	As at $m	High for year $m	Low for year $m	Average for year $m
Traded value at risk 99% confidence									
Foreign exchange	3.2	3.2	11.5	2.2	5.0	2.8	6.2	1.6	3.0
Interest rate	6.5	6.4	19.2	4.8	8.7	6.7	18.3	5.1	8.5
Credit	5.7	5.7	8.1	4.2	6.7	5.9	7.7	2.5	4.5
Commodities	3.3	3.3	5.0	1.8	2.9	4.0	6.6	1.8	3.0
Equity	-	-	-	-	-	-	-	-	-
Diversification benefit[1]	(10.0)	(9.9)	n/a	n/a	(10.2)	(9.7)	n/a	n/a	(8.1)
Total VaR	8.7	8.7	22.5	8.0	13.1	9.7	18.2	7.2	10.9

	2024				2023			
The Company	As at $m	High for year $m	Low for year $m	Average for year $m	As at $m	High for year $m	Low for year $m	Average for year $m
Traded value at risk 99% confidence								
Foreign exchange	3.4	7.7	1.9	4.4	2.6	6.0	1.5	2.8
Interest rate	5.6	18.4	4.7	8.5	6.3	15.5	4.8	8.0
Credit	5.5	7.9	4.2	6.4	5.6	7.1	1.9	4.3
Commodity	2.6	5.0	1.6	2.5	2.1	4.5	1.1	2.7
Equity	-	-	-	-	-	-	-	-
Diversification benefit[1]	(9.0)	n/a	n/a	(9.2)	(8.6)	n/a	n/a	(7.8)
Total VaR	8.1	24.6	6.7	12.6	8.0	16.2	6.7	10.0

[1] The diversification benefit reflects risks that offset across categories. The high and low VaR figures reported for each factor did not necessarily occur on the same day as the high and low VaR reported for the Group as a whole. Consequently, a diversification benefit for high and low would not be meaningful and is therefore omitted from the table.

[2] Excludes the 2 months of immaterial Suncorp Bank VaR impacts post-acquisition.

17. Financial risk management (continued)

Market risk (continued)

Traded and non-traded market risk (continued)

Non-traded market risk

Balance sheet risk management

The principal objectives of balance sheet risk management are to maintain acceptable levels of interest rate and liquidity risk to mitigate the negative impact of movements in interest rates on the earnings and market value of the Group's banking book, while ensuring the Group maintains sufficient liquidity to meet its obligations as they fall due.

Interest rate risk management

Non-traded interest rate risk relates to the potential adverse impact of changes in market interest rates on the Group's future Net interest income. This risk arises from two principal sources, namely mismatches between the repricing dates of interest bearing assets and liabilities; and the investment of capital and other non-interest bearing liabilities and assets. Interest rate risk is reported using VaR and scenario analysis (based on the impact of a 1% rate shock). The table below shows VaR figures for non-traded interest rate risk for the combined Group as well as Australia, New Zealand and Rest of World geographies which are calculated separately.

	Total Group	Total Group (excl. Suncorp Bank)[2]							
	2024	2024				2023			
Consolidated	As at $m	As at $m	High for year $m	Low for year $m	Average for year $m	As at $m	High for year $m	Low for year $m	Average for year $m
Non-traded value at risk 99% confidence									
Australia	96.8	97.7	97.7	70.8	78.9	81.2	93.2	72.0	82.2
New Zealand	27.4	27.4	28.2	24.3	25.9	35.3	35.3	26.1	31.1
Rest of World	32.9	32.9	39.5	29.0	34.8	32.2	32.8	23.2	27.9
Diversification benefit[1]	(62.2)	(63.0)	n/a	n/a	(46.9)	(52.6)	n/a	n/a	(45.6)
Total VaR	94.9	95.0	99.5	81.3	92.7	96.1	101.5	86.4	95.6

	2024				2023			
The Company	As at $m	High for year $m	Low for year $m	Average for year $m	As at $m	High for year $m	Low for year $m	Average for year $m
Non-traded value at risk 99% confidence								
Australia	97.7	97.7	70.8	78.9	81.2	93.2	72.0	82.2
New Zealand	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0
Rest of World	33.5	39.7	31.1	36.6	34.0	34.5	23.7	28.4
Diversification benefit[1]	(37.8)	n/a	n/a	(31.8)	(30.5)	n/a	n/a	(26.6)
Total VaR	93.4	93.4	74.2	83.7	84.7	92.4	76.4	84.0

[1] The diversification benefit reflects risks that offset across categories. The high and low VaR figures reported for each factor did not necessarily occur on the same day as the high and low VaR reported for the Group as a whole. Consequently, a diversification benefit for high and low would not be meaningful and is therefore omitted from the table.

[2] Excludes the 2 months of immaterial Suncorp Bank VaR impacts post-acquisition.

17. Financial risk management (continued)

Market risk (continued)

We undertake scenario analysis to stress test the impact of extreme events on the Group's market risk exposures (excluding Suncorp Bank). We model a 1% overnight parallel positive shift in the yield curve to determine the potential impact on our Net interest income over the next 12 months. This is a standard risk measure which assumes the parallel shift is reflected in all wholesale and customer rates.

The table below shows the outcome of this risk measure for the current and previous financial years, expressed as a percentage of reported Net interest income.

	Consolidated		The Company	
	2024	2023	2024	2023
Impact of 1% rate shock on the next 12 months' net interest income				
As at period end	0.68%	0.96%	0.38%	0.73%
Maximum exposure	1.20%	1.17%	1.06%	0.90%
Minimum exposure	0.27%	0.38%	0.09%	0.02%
Average exposure (in absolute terms)	0.78%	0.80%	0.61%	0.56%

Equity securities designated at FVOCI

Our investment securities contain equity investment holdings which predominantly comprise Bank of Tianjin and other unlisted equities. The market risk impact on these equity investments is not captured by the Group's VaR processes for traded and non-traded market risks. Therefore, the Group regularly reviews the valuations of the investments within the portfolio and assesses whether the investments are appropriately measured based on the recognition and measurement policies set out in Note 11 Investment securities.

Foreign currency risk – structural exposures

Our investment of capital in foreign operations - for example, branches, subsidiaries or associates with functional currencies other than the Australian Dollar - exposes the Group to the risk of changes in foreign exchange rates. Variations in the value of these foreign operations arising as a result of exchange differences are reflected in the foreign currency translation reserve in equity. Where considered appropriate, the Group enters into hedges of the foreign exchange exposures from its foreign operations.

Similarly, the Group may enter into economic hedges against larger foreign exchange denominated revenue streams (primarily New Zealand Dollar, US Dollar and US Dollar correlated). The primary objective of hedging is to ensure that, if practical, the effect of changes in foreign exchange rates on the consolidated capital ratios are minimised.

17. Financial risk management (continued)

Liquidity and funding risk

Liquidity risk overview, management and control responsibilities

Liquidity risk is the risk that the Group is either:

- unable to meet its payment obligations (including repaying depositors or maturing wholesale debt) when they fall due; or
- does not have the appropriate amount, tenor and composition of funding and liquidity to fund increases in its assets.

Management of liquidity and funding risks are overseen by GALCO. The Group's liquidity and funding risks are governed by a set of Board-approved principles and include:

- maintaining the ability to meet all payment obligations in the immediate term;
- ensuring that the Group maintains Board-approved 'survival horizons' under a range of idiosyncratic, and general market, liquidity stress scenarios, at a country and Group-wide level, to meet cash flow obligations over the short to medium term;
- maintaining strength in the Group's balance sheet structure to ensure long term resilience in the liquidity and funding risk profile;
- ensuring the liquidity management framework is compatible with local regulatory requirements;
- preparing daily liquidity reports and scenario analysis to quantify the Group's positions;
- targeting a diversified funding base to avoid undue concentrations by investor type, maturity, market source and currency;
- holding a portfolio of high quality liquid assets to protect against adverse funding conditions and to support day-to-day operations; and
- establishing detailed contingency plans to cover different liquidity crisis events.

The Group operates under a non-operating holding company structure whereby:

- ANZBGL's liquidity risk management framework remains unchanged and continues to operate its own liquidity and funding program, governance frameworks and reporting regime reflecting its authorised deposit-taking institution (ADI) operations;
- ANZGHL (parent entity) has no material liquidity risk given the structure and nature of the balance sheet; and
- ANZ Non-Bank Group is not expected to have separate funding arrangements and will rely on ANZGHL for funding.

A separate liquidity policy has been established for ANZGHL and ANZBGL Group to reflect the differing nature of liquidity risk inherent in each business model. ANZGHL will ensure that the parent entity and ANZ Non-Bank Group holds sufficient cash reserves to meet operating and financing requirements.

Key areas of measurement for liquidity risk

Scenario modelling of funding sources

Group's liquidity risk appetite is defined by a range of regulatory and internal liquidity metrics mandated by the ANZBGL Board. The metrics cover a range of scenarios of varying duration and level of severity.

The objective of this framework is to:

- Provide protection against shorter term extreme market dislocation and stress.
- Maintain structural strength in the balance sheet by ensuring that an appropriate amount of longer-term assets are funded with longer-term funding.
- Ensure that no undue timing concentrations exist in the Group's funding profile.

Key components of this framework include the Liquidity Coverage Ratio (LCR), which is a severe short term liquidity stress scenario, the Net Stable Funding Ratio (NSFR), a longer-term structural liquidity measure (both of which are mandated by banking regulators including APRA), and internally-developed liquidity scenarios for stress-testing purposes.

Liquid assets

Group holds a portfolio of high quality (unencumbered) liquid assets to protect Group's liquidity position in a severely stressed environment and to meet regulatory requirements. High quality liquid assets comprise three categories consistent with Basel III LCR requirements:

- Highest-quality liquid assets - cash and highest credit quality government, central bank or public sector securities eligible for repurchase with central banks to provide same-day liquidity.
- High-quality liquid assets - high credit quality government, central bank or public sector securities, high quality corporate debt securities and high quality covered bonds eligible for repurchase with central banks to provide same-day liquidity.
- Alternative liquid assets (ALA) - eligible securities that the RBNZ will accept in its domestic market operations and asset qualifying as collateral for the CLF.

Group monitors and manages the size and composition of its liquid assets portfolio on an ongoing basis in line with regulatory requirements and the risk appetite set by the ANZBGL Board.

17. Financial risk management (continued)

Liquidity and funding risk (continued)

Liquidity risk outcomes[1]

Liquidity Coverage Ratio - ANZBGL's Liquidity Coverage Ratio (LCR) averaged 133% for 2024, (2023: 130%) and above the regulatory minimum of 100%.

Net Stable Funding Ratio - ANZBGL's Net Stable Funding Ratio (NSFR) as at 30 September 2024 was 116% (2023: 116%), above the regulatory minimum of 100%.

[1] This information is not within the scope of the external audit of the Group Financial Report by the Group's external auditor, KPMG. The Liquidity Coverage Ratio and Net Stable Funding Ratio are non-IFRS disclosures and are disclosed as part of the Group's APS 330 *Public Disclosure* and disclosed in APRA Reporting Form ARF 210 *Liquidity* which will be subject to specific procedures in accordance with Prudential Standard APS 310 *Audit and Related Matters*.

Liquidity crisis contingency planning

Group maintains APRA-endorsed liquidity crisis contingency plans for analysing and responding to a liquidity threatening event at a country and Group-wide level. Key liquidity contingency crisis planning requirements and guidelines include:

Ongoing business management	Early signs/ mild stress	Severe stress
• establish crisis/severity levels • liquidity limits • early warning indicators	• monitoring and review • management actions not requiring business rationalisation	• activate contingency funding plans • management actions for altering asset and liability behaviour
Assigned responsibility for internal and external communications and the appropriate timing to communicate		

Since the precise nature of any stress event cannot be known in advance, we design the plans to be flexible to the nature and severity of the stress event with multiple variables able to be accommodated in any plan.

Group funding

The Group monitors the composition and stability of its funding so that it remains within the Group's funding risk appetite. This approach ensures that an appropriate proportion of the Group's assets are funded by stable funding sources, including customer deposits; longer-dated wholesale funding (with a remaining term exceeding one year); and equity.

Funding plans prepared	Considerations in preparing funding plans
• 3 year strategic plan prepared annually • annual funding plan as part of the Group's planning process • forecasting in light of actual results as a calibration to the annual plan	• customer balance sheet growth • changes in wholesale funding including: targeted funding volumes; markets; investors; tenors; and currencies for senior, secured, subordinated, hybrid transactions and market conditions • liquidity stress testing

RBA term funding facility

As an additional source of funding, in March 2020, the RBA announced a Term Funding Facility (TFF) for the banking system to support lending to Australian businesses. The TFF is a three-year secured funding facility to ADIs at a fixed rate of 0.25% for drawdowns up to 4 November 2020, and reduced to 0.10% for new drawdowns from 4 November 2020 onwards. The TFF was closed to drawdowns on 30 June 2021.

As at 30 September 2024, there was nil drawn under the RBA's TFF, as it was fully repaid in the 2024 financial year (2023: $8.1 billion).

RBNZ funding for lending programme and term lending facility

Between May 2020 and July 2021, the RBNZ made funds available under a Term Lending Facility (TLF) to promote lending to businesses. The TLF is a five-year secured funding facility for New Zealand banks at a fixed rate of 0.25%.

In November 2020 the RBNZ announced a Funding for Lending Programme (FLP) which aimed to lower the cost of borrowing for New Zealand businesses and households. The FLP is a three-year secured funding facility for New Zealand banks at a floating rate of the New Zealand Official Cash Rate (OCR). New Zealand banks were able to obtain initial funding of up to 4% of their lending to New Zealand resident households, non-financial businesses and non-profit institutions serving households as at 31 October 2020 (eligible loans). The initial allocation closed on 6 June 2022. An additional allocation of up to 2% of eligible loans was available, subject to certain conditions until 6 December 2022.

As at 30 September 2024, ANZ Bank New Zealand had drawn $0.2 billion under the TLF (2023: $0.3 billion) and $2.3 billion under the FLP (2023: $3.2 billion).

17. Financial risk management (continued)

Liquidity and funding risk (continued)

Residual contractual maturity analysis of the group's liabilities

The tables below provide residual contractual maturity analysis of financial liabilities as at 30 September within relevant maturity groupings. All outstanding debt issuance and subordinated debt is profiled on the earliest date on which the Group may be required to pay. All at-call liabilities are reported in the 'Less than 3 months' category unless there is a longer minimum notice period. The amounts represent principal and interest cash flows and therefore may differ from equivalent amounts reported on Balance Sheet.

It should be noted that this is not how the Group manages its liquidity risk. The management of this risk is detailed on page 155.

Consolidated	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	After 5 years $m	Total $m
As at 30 September 2024					
Settlement balances owed by ANZ	16,188	-	-	-	16,188
Collateral received	6,583	-	-	-	6,583
Deposits and other borrowings	744,041	158,247	11,040	199	913,527
Liability for acceptances	425	-	-	-	425
Debt issuances[1]	8,327	36,858	112,728	20,384	178,297
Derivative liabilities (excluding those held for balance sheet management)[2]	47,622	-	-	-	47,622
Lease liabilities	105	313	917	947	2,282
Derivative assets and liabilities (balance sheet management)[3]					
- Funding:					
Receive leg	(66,248)	(60,183)	(83,371)	(14,359)	(224,161)
Pay leg	66,981	60,260	84,472	14,661	226,374
- Other balance sheet management:					
Receive leg	(189,769)	(42,388)	(36,763)	(21,831)	(290,751)
Pay leg	185,946	40,718	33,393	19,266	279,323
As at 30 September 2023					
Settlement balances owed by ANZ	19,267	-	-	-	19,267
Collateral received	10,382	-	-	-	10,382
Deposits and other borrowings	674,762	137,488	9,762	241	822,253
Liability for acceptances	646	-	-	-	646
Debt issuances[1]	4,738	23,908	88,270	16,017	132,933
Derivative liabilities (excluding those held for balance sheet management)[2]	48,150	-	-	-	48,150
Lease liabilities	100	264	872	743	1,979
Derivative assets and liabilities (balance sheet management)[3]					
- Funding:					
Receive leg	(29,459)	(40,907)	(90,906)	(14,001)	(175,273)
Pay leg	28,852	41,385	90,230	13,986	174,453
- Other balance sheet management:					
Receive leg	(142,289)	(44,586)	(35,720)	(19,866)	(242,461)
Pay leg	138,899	42,867	34,198	19,872	235,836

[1] Callable wholesale debt instruments have been included at their next call date. Balance includes subordinated debt instruments that may be settled in cash or in equity, at the option of the Group and subordinated debt issued by ANZ New Zealand which constitutes Tier 2 capital under RBNZ requirements but does not qualify as the APRA Tier 2 requirements.

[2] The full mark-to-market after any adjustments for Settle to Market of derivative liabilities (excluding those held for balance sheet management) is included in the 'Less than 3 months' category.

[3] Includes derivatives designated into hedging relationships of $456 million (2023: $272 million) and $7,176 million (2023: $9,060 million) categorised as held for trading but form part of the Group's balance sheet managed activities.

At 30 September 2024, $249,988 million (2023: $240,711 million) of the Group's undrawn facilities and $49,010 million (2023: $50,171 million) of its issued guarantees mature in less than 1 year, based on the earliest date on which the Group may be required to pay.

17. Financial risk management (continued)

Liquidity and funding risk (continued)

The Company	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	After 5 years $m	Total $m
As at 30 September 2024					
Settlement balances owed by ANZ	11,317	-	-	-	11,317
Collateral received	6,061	-	-	-	6,061
Deposits and other borrowings	589,605	114,499	4,813	197	709,114
Liability for acceptances	329	-	-	-	329
Debt issuances[1]	6,780	30,135	86,529	17,705	141,149
Derivative liabilities (excluding those held for balance sheet management)[2]	52,979	-	-	-	52,979
Lease liabilities	84	249	685	768	1,786
Derivative assets and liabilities (balance sheet management)[3]					
- Funding:					
Receive leg	(63,238)	(52,317)	(65,194)	(12,371)	(193,120)
Pay leg	63,728	52,291	66,280	12,677	194,976
- Other balance sheet management:					
Receive leg	(185,273)	(36,714)	(29,311)	(20,391)	(271,689)
Pay leg	181,397	35,094	26,075	17,776	260,342
As at 30 September 2023					
Settlement balances owed by ANZ	16,574	-	-	-	16,574
Collateral received	9,452	-	-	-	9,452
Deposits and other borrowings	567,239	109,010	3,718	232	680,199
Liability for acceptances	391	-	-	-	391
Debt issuances[1]	4,321	20,669	75,192	13,297	113,479
Derivative liabilities (excluding those held for balance sheet management)[2]	53,111	-	-	-	53,111
Lease liabilities	80	207	715	725	1,727
Derivative assets and liabilities (balance sheet management)[3]					
- Funding:					
Receive leg	(26,321)	(31,549)	(70,627)	(10,871)	(139,368)
Pay leg	25,602	31,952	69,816	10,860	138,230
- Other balance sheet management:					
Receive leg	(136,668)	(38,700)	(27,047)	(18,876)	(221,291)
Pay leg	133,496	37,540	26,247	18,914	216,197

[1] Callable wholesale debt instruments have been included at their next call date. Balance includes subordinated debt instruments that may be settled in cash or in equity, at the option of the Company.

[2] The full mark-to-market after any adjustments for Settle to Market of derivative liabilities (excluding those held for balance sheet management) is included in the 'Less than 3 months' category.

[3] Includes derivatives designated into hedging relationships of $210 million (2023: $255 million) and $4,278 million (2023: $4,145 million) categorised as held for trading but form part of the Company's balance sheet managed activities.

At 30 September 2024, $216,838 million (2023: $206,405 million) of the Company's undrawn facilities and $45,770 million (2023: $46,707 million) of its issued guarantees mature in less than 1 year, based on the earliest date on which the Company may be required to pay.

18. Fair value of financial assets and financial liabilities

Classification of financial assets and financial liabilities

The Group recognises and measures financial instruments at either fair value or amortised cost, with a significant number of financial instruments on the Balance Sheet at fair value.

Fair value is the best estimate of the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The following tables set out the classification of financial assets and liabilities according to their measurement bases together with their carrying amounts as recognised on the Balance Sheet.

		2024			2023		
Consolidated	Note	At amortised cost $m	At fair value $m	Total $m	At amortised cost $m	At fair value $m	Total $m
Financial assets							
Cash and cash equivalents	8	113,710	37,255	150,965	140,588	27,566	168,154
Settlement balances owed to ANZ		5,484	-	5,484	9,349	-	9,349
Collateral paid		10,090	-	10,090	8,558	-	8,558
Trading assets	9	-	45,755	45,755	-	37,004	37,004
Derivative financial instruments	10	-	54,370	54,370	-	60,406	60,406
Investment securities	11	7,091	133,171	140,262	7,752	89,217	96,969
Net loans and advances	12	779,246	24,786	804,032	685,806	21,888	707,694
Regulatory deposits		665	-	665	646	-	646
Other financial assets		4,547	-	4,547	4,417	-	4,417
Total		920,833	295,337	1,216,170	857,116	236,081	1,093,197
Financial liabilities							
Settlement balances owed by ANZ		16,188	-	16,188	19,267	-	19,267
Collateral received		6,583	-	6,583	10,382	-	10,382
Deposits and other borrowings	14	862,165	43,001	905,166	781,314	33,889	815,203
Derivative financial instruments	10	-	55,254	55,254	-	57,482	57,482
Payables and other liabilities	15	12,571	6,023	18,594	10,717	5,267	15,984
Debt issuances	16	154,572	1,816	156,388	114,678	1,336	116,014
Total		1,052,079	106,094	1,158,173	936,358	97,974	1,034,332

18. Fair value of financial assets and financial liabilities (continued)

Classification of financial assets and financial liabilities (continued)

		2024			2023		
The Company	Note	At amortised cost $m	At fair value $m	Total $m	At amortised cost $m	At fair value $m	Total $m
Financial assets							
Cash and cash equivalents	8	100,892	36,396	137,288	127,309	27,099	154,408
Settlement balances owed to ANZ		5,019	-	5,019	8,935	-	8,935
Collateral paid		8,797	-	8,797	7,717	-	7,717
Trading assets	9	-	38,427	38,427	-	30,693	30,693
Derivative financial instruments	10	-	57,627	57,627	-	59,989	59,989
Investment securities	11	5,356	108,610	113,966	5,936	77,265	83,201
Net loans and advances	12	564,559	24,439	588,998	541,777	21,240	563,017
Regulatory deposits		222	-	222	284	-	284
Due from controlled entities		21,864	2,451	24,315	24,173	1,894	26,067
Other financial assets		3,090	-	3,090	3,024	-	3,024
Total		709,799	267,950	977,749	719,155	218,180	937,335
Financial liabilities							
Settlement balances owed by ANZ		11,317	-	11,317	16,574	-	16,574
Collateral received		6,061	-	6,061	9,452	-	9,452
Deposits and other borrowings	14	662,910	40,960	703,870	643,868	31,207	675,075
Derivative financial instruments	10	-	57,467	57,467	-	57,511	57,511
Due to controlled entities		25,560	100	25,660	26,737	157	26,894
Payables and other liabilities	15	8,797	5,677	14,474	8,357	4,922	13,279
Debt issuances	16	120,155	2,795	122,950	95,881	2,332	98,213
Total		834,800	106,999	941,799	800,869	96,129	896,998

18. Fair value of financial assets and financial liabilities (continued)

Financial assets and financial liabilities measured at fair value

The fair valuation of financial assets and financial liabilities is generally determined at the individual instrument level.

If the Group holds offsetting risk positions, then the portfolio exception in AASB 13 *Fair Value Measurement* (AASB 13) is used to measure the fair value of such groups of financial assets and financial liabilities. The Group measures the portfolio based on the price that would be received to sell a net long position (an asset) for a particular risk exposure, or to transfer a net short position (a liability) for a particular risk exposure.

Fair value designation

The Group designates certain loans and advances, deposits and other borrowings and debt issuances as fair value through profit or loss:

- where they contain separable embedded derivatives and are managed on a fair value basis, the total fair value movements are recognised in profit or loss in the same period as the movement on any associated hedging instruments; or
- in order to eliminate an accounting mismatch which would arise if the assets or liabilities were otherwise carried at amortised cost. This mismatch arises due to measuring the derivative financial instruments (used to mitigate interest rate risk of these assets or liabilities) at fair value through profit or loss.

The Group's approach ensures that it recognises the fair value movements on the assets or liabilities in profit or loss in the same period as the movement on the associated derivatives.

The Group may also designate certain loans and advances, deposits and other borrowings and debt issuances as fair value through profit or loss where they are managed on a fair value basis to align the measurement with how the financial instruments are managed.

Fair value approach and valuation techniques

The Group uses valuation techniques to estimate the fair value of assets and liabilities for recognition, measurement and disclosure purposes where no quoted price in an active market for that asset or liability exists. This includes the following:

Asset or liability	Fair value approach
Financial instruments classified as: - Derivative financial assets and financial liabilities (including trading and non-trading) - Repurchase agreements < 90 days - Net loans and advances - Deposits and other borrowings - Debt issuances	Discounted cash flow techniques are used whereby contractual future cash flows of the instrument are discounted using wholesale market interest rates, or market borrowing rates for debt or loans with similar maturities or yield curves appropriate for the remaining term to maturity.
Other financial instruments held for trading: - Securities sold short - Debt and equity securities	Valuation techniques are used that incorporate observable market inputs for financial instruments with similar credit risk, maturity and yield characteristics. Equity securities where an active market does not exist are measured using comparable company valuation multiples (such as price-to-book ratios).
Financial instruments classified as: - Investment securities – debt or equity	Valuation techniques use comparable multiples (such as price-to-book ratios) or discounted cashflow (DCF) techniques incorporating, to the extent possible, observable inputs from instruments with similar characteristics.

There were no significant changes to valuation approaches during the current or prior periods.

18. Fair value of financial assets and financial liabilities (continued)

Fair value hierarchy

The Group categorises assets and liabilities carried at fair value into a fair value hierarchy in accordance with AASB 13 based on the observability of inputs used to measure the fair value:

- Level 1 - valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuations using inputs other than quoted prices included within Level 1 that are observable for a similar asset or liability, either directly or indirectly; and
- Level 3 - valuations where significant unobservable inputs are used to measure the fair value of the asset or liability.

There were no significant changes to levelling approaches during the current or prior periods. The following table presents assets and liabilities carried at fair value in accordance with the fair value hierarchy:

	Fair value measurements							
	Quoted price in active markets (Level 1)		Using observable inputs (Level 2)		Using unobservable inputs (Level 3)		Total	
Consolidated	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Assets								
Cash and cash equivalents (measured at fair value)	-	-	37,255	27,566	-	-	37,255	27,566
Trading assets[1]	31,507	26,388	14,233	10,614	15	2	45,755	37,004
Derivative financial instruments[1]	131	935	54,214	59,448	25	23	54,370	60,406
Investment securities[1]	111,060	71,355	21,055	16,924	1,056	938	133,171	89,217
Net loans and advances	-	-	24,429	21,159	357	729	24,786	21,888
Total	142,698	98,678	151,186	135,711	1,453	1,692	295,337	236,081
Liabilities								
Deposits and other borrowings (designated at fair value)	-	-	43,001	33,889	-	-	43,001	33,889
Derivative financial instruments[1]	393	218	54,846	57,241	15	23	55,254	57,482
Payables and other liabilities	5,804	4,841	219	426	-	-	6,023	5,267
Debt issuances (designated at fair value)	-	-	1,816	1,336	-	-	1,816	1,336
Total	6,197	5,059	99,882	92,892	15	23	106,094	97,974

[1] During 2024, $1,119 million of assets were transferred from Level 1 to Level 2 (2023: $3,624 million transferred from Level 1 to Level 2) and $4,913 million of assets were transferred from Level 2 to Level 1 (2023: $1,452 million transferred from Level 2 to Level 1) for the Group due to a change in the observability of market price and/or valuation inputs. There were no other material transfers between Level 1, Level 2 and Level 3 during the year. Transfers into and out of levels are measured at the beginning of the reporting period in which the transfer occurred, and do not include assets and liabilities acquired as part of Suncorp Bank.

	Fair value measurements							
	Quoted price in active markets (Level 1)		Using observable inputs (Level 2)		Using unobservable inputs (Level 3)		Total	
The Company	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Assets								
Cash and cash equivalents (measured at fair value)	-	-	36,396	27,099	-	-	36,396	27,099
Trading assets[1]	27,048	22,264	11,364	8,427	15	2	38,427	30,693
Derivative financial instruments[1]	126	900	57,477	59,066	24	23	57,627	59,989
Investment securities[1]	90,608	63,879	16,951	12,449	1,051	937	108,610	77,265
Net loans and advances	-	-	24,082	20,511	357	729	24,439	21,240
Due from controlled entities	246	-	2,205	1,894	-	-	2,451	1,894
Total	118,028	87,043	148,475	129,446	1,447	1,691	267,950	218,180
Liabilities								
Deposits and other borrowings (designated at fair value)	-	-	40,960	31,207	-	-	40,960	31,207
Derivative financial instruments[1]	324	210	57,131	57,287	12	14	57,467	57,511
Payables and other liabilities	5,473	4,500	204	422	-	-	5,677	4,922
Debt issuances (designated at fair value)	-	-	2,795	2,332	-	-	2,795	2,332
Due to controlled entities	-	-	100	157	-	-	100	157
Total	5,797	4,710	101,190	91,405	12	14	106,999	96,129

[1] During 2024, $1,119 million of assets were transferred from Level 1 to Level 2 (2023: $2,139 million transferred from Level 1 to Level 2) and $2,622 million of assets were transferred from Level 2 to Level 1 (2023: $1,155 million transferred from Level 2 to Level 1) due to a change in the observability of market price and/or valuation inputs. There were no other material transfers between Level 1, Level 2 and Level 3 during the year. Transfers into and out of levels are measured at the beginning of the reporting period in which the transfer occurred.

18. Fair value of financial assets and financial liabilities (continued)

Fair value measurement incorporating unobservable market data

Level 3 fair value measurements

Level 3 financial instruments are a net asset of $1,438 million (2023: $1,669 million) for the Group and $1,435 million (2023: $1,676 million) for the Company. The assets and liabilities which incorporate significant unobservable inputs are:

- equity and debt securities for which there is no active market or traded prices cannot be observed;
- loans and advances measured at fair value for which there is no observable market data; and
- derivatives referencing market rates that cannot be observed primarily due to lack of market activity.

Level 3 transfers

During the year, there were no material transfers into or out of Level 3 for the Group and the Company (2023: $218 million of loans and advances measured at fair value were transferred from Level 2 to Level 3 for the Group and the Company).

The material Level 3 financial instruments as at 30 September 2024 are listed as below:

i) Investment securities - equity holdings classified as FVOCI

Bank of Tianjin (BoT)

The Group holds an investment in the Bank of Tianjin. The investment is valued based on comparative price-to-book (P/B) multiples (a P/B multiple is the ratio of the market value of equity to the book value of equity). The extent of judgement applied in determining the appropriate multiple and comparator group from which the multiple is derived resulted in the Level 3 classification. As at 30 September 2024, the BoT equity holding balance was $958 million (2023: $849 million). The increase in the BoT fair valuation was due to an increase in the P/B multiple used in the valuation and foreign currency translation impacts.

Other equity investments

The Group holds $98 million (2023: $89 million) and the Company holds $93 million (2023: $87 million) of unlisted equities classified as FVOCI, for which there are no active markets or traded prices available, resulting in a Level 3 classification. The increase in unlisted equity holdings balance was mainly due to new purchases during the year and foreign currency translation impacts.

ii) Net loans and advances - classified as FVTPL

Syndicated loans

The Group holds $357 million (2023: $729 million) of syndicated loans for sale which are measured at FVTPL for which there is no observable market data available. The decrease in the Level 3 loan balances was mainly due to scheduled repayments as well as foreign currency translation impacts.

Sensitivity to Level 3 data inputs

When we make assumptions due to significant inputs to a valuation not being directly observable (Level 3 inputs), then changing these assumptions changes the Group's estimate of the instrument's fair value. Favourable and unfavourable changes are determined by changing the primary unobservable parameters used to derive the fair valuation.

Investment securities - equity holdings

The valuations of the equity investments are sensitive to variations in selected unobservable inputs, with valuation techniques used including P/B multiples and discounted cashflow techniques. If for example, a 10% increase or decrease to the primary input into the valuations were to occur (such as the P/B multiple), it would result in a $106 million increase or decrease in the fair value of the portfolio, which would be recognised in shareholders' equity in the Group ($105 million for the Company), with no impact to net profit or loss.

Net loans and advances

Syndicated loan valuations are sensitive to credit spreads in determining their fair valuation. For the syndicated loans which are primarily investment grade loans, an increase or decrease in credit spreads would have an immaterial impact on net profit or net assets of the Group. For the remaining syndicated loans, the Group may, where deemed necessary, utilise Credit Risk Insurance to mitigate the credit risks associated with those loans. The effect of this would also result in an immaterial impact to the net profit or net assets of the Group.

Other

The remaining Level 3 balance is immaterial and changes in inputs have a minimal impact on net profit and net assets of the Group.

Deferred fair value gains and losses

Where fair value is determined using unobservable inputs significant to the fair value of a financial instrument, the Group does not immediately recognise the difference between the transaction price and the amount determined based on the valuation technique (day one gain or loss) in profit or loss. After initial recognition, the Group recognises the deferred amount in profit or loss on a straight-line basis over the life of the transaction or until all inputs become observable. Day one gains and losses which have been deferred are not material.

18. Fair value of financial assets and financial liabilities (continued)

Financial assets and financial liabilities not measured at fair value

The financial assets and financial liabilities listed below are carried at amortised cost on the Group's Balance Sheet. While this is the value at which we expect the assets will be realised and the liabilities settled, the Group provides an estimate of the fair value of the financial assets and financial liabilities at balance date in the tables below.

Fair values of financial assets and liabilities carried at amortised cost not included in the tables below approximate their carrying values. These financial assets and liabilities are either short term in nature or are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

			Categorised into fair value hierarchy							
	At amortised cost		Quoted price in active markets (Level 1)		Using observable inputs (Level 2)		Using unobservable inputs (Level 3)		Total fair value	
Consolidated	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Financial assets										
Investment securities	7,091	7,752	-	-	7,078	7,712	-	-	7,078	7,712
Net loans and advances	779,246	685,806	-	-	17,693	19,619	761,657	664,120	779,350	683,739
Total	786,337	693,558	-	-	24,771	27,331	761,657	664,120	786,428	691,451
Financial liabilities										
Deposits and other borrowings	862,165	781,314	-	-	862,368	781,106	-	-	862,368	781,106
Debt issuances	154,572	114,678	32,244	30,786	123,667	83,867	-	-	155,911	114,653
Total	1,016,737	895,992	32,244	30,786	986,035	864,973	-	-	1,018,279	895,759

			Categorised into fair value hierarchy							
	At amortised cost		Quoted price in active markets (Level 1)		Using observable inputs (Level 2)		Using unobservable inputs (Level 3)		Total fair value	
The Company	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Financial assets										
Investment securities	5,356	5,936	-	-	5,355	5,896	-	-	5,355	5,896
Net loans and advances	564,559	541,777	-	-	17,335	19,224	547,021	521,474	564,356	540,698
Total	569,915	547,713	-	-	22,690	25,120	547,021	521,474	569,711	546,594
Financial liabilities										
Deposits and other borrowings	662,910	643,868	-	-	662,965	643,755	-	-	662,965	643,755
Debt issuances	120,155	95,881	29,758	28,496	91,466	67,309	-	-	121,224	95,805
Total	783,065	739,749	29,758	28,496	754,431	711,064	-	-	784,189	739,560

18. Fair value of financial assets and financial liabilities (continued)

Financial assets and financial liabilities not measured at fair value (continued)

The following table sets out the Group's basis of estimating the fair values of financial assets and liabilities carried at amortised cost where the carrying value is not typically a reasonable approximation of fair value.

Financial asset and liability	Fair value approach
Investment securities - debt securities at amortised cost	Calculated based on quoted market prices or observable inputs as applicable. If quoted market prices are not available, we use a discounted cash flow model using a yield curve appropriate for the remaining term to maturity of the debt instrument. The fair value reflects adjustments to credit spreads applicable for that instrument.
Net loans and advances to banks	Discounted cash flows using prevailing market rates for loans with similar credit quality.
Net loans and advances to customers	Present value of future cash flows, discounted using a curve that incorporates changes in wholesale market rates, the Group's cost of wholesale funding and the customer margin, as appropriate.
Deposit liability without a specified maturity or at call	The amount payable on demand at the reporting date. We do not adjust the fair value for any value we expect the Group to derive from retaining the deposit for a future period.
Interest bearing fixed maturity deposits and other borrowings and acceptances with quoted market rates	Market borrowing rates of interest for debt with a similar maturity are used to discount contractual cash flows to derive the fair value.
Debt issuances	Calculated based on quoted market prices or observable inputs as applicable. If quoted market prices are not available, we use a discounted cash flow model using a yield curve appropriate for the remaining term to maturity of the debt instrument. The fair value reflects adjustments to credit spreads applicable to the Group for that instrument.

Key judgements and estimates

A significant portion of financial instruments are carried on the Balance Sheet at fair value. The Group therefore regularly evaluates the key valuation assumptions used in the determination of the fair valuation of financial instruments incorporated within the financial statements, as this can involve a high degree of judgement and estimation in determining the carrying values at the balance date.

In determining the fair valuation of financial instruments, the Group has considered the impact of related economic and market conditions on fair value measurement assumptions and the appropriateness of valuation inputs in these estimates, notably valuation adjustments, as well as the impact of these matters on the classification of financial instruments in the fair value hierarchy.

Most of the valuation models the Group uses employ only observable market data as inputs. For certain financial instruments, we may use data that is not readily observable in current markets. If we use unobservable market data, then we need to exercise more judgement to determine fair value depending on the significance of the unobservable input to the overall valuation. Generally, we derive unobservable inputs from other relevant market data and compare them to observed transaction prices where available. When establishing the fair value of a financial instrument using a valuation technique, the Group also considers any required valuation adjustments in determining the fair value. We may apply adjustments (such as credit valuation adjustments and funding valuation adjustments – refer to Note 10 Derivative financial instruments) to reflect the Group's assessment of factors that market participants would consider in determining fair value of a particular financial instrument.

19. Assets charged as security for liabilities and collateral accepted as security for assets

The following disclosure excludes the amounts presented as collateral paid and received in the Balance Sheet that relate to derivative liabilities and derivative assets respectively. The terms and conditions of those collateral agreements are included in the standard Credit Support Annex that forms part of the International Swaps and Derivatives Association Master Agreement under which most of our derivatives are executed.

Assets charged as security for liabilities

Assets charged as security for liabilities include the following types of instruments:

- securities provided as collateral for repurchase transactions. These transactions are governed by standard industry agreements;
- specified residential mortgages provided as security for notes and bonds issued to investors as part of the Group's covered bond programs;
- collateral provided to central banks; and
- collateral provided to clearing houses.

The carrying amount of assets pledged as security are as follows:

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Securities sold under arrangements to repurchase[1]	45,709	47,552	41,384	42,002
Residential mortgages provided as security for covered bonds	34,235	31,188	21,027	21,017
Other	6,339	6,152	6,203	6,077

[1] The amounts disclosed as securities sold under arrangements to repurchase include both:
- assets pledged as security which continue to be recognised on the Group's Balance Sheet; and
- assets repledged, which are included in the disclosure below.

Collateral accepted as security for assets

The Group has received collateral associated with various financial transactions. Under certain arrangements the Group has the right to sell, or to repledge, the collateral received. These arrangements are governed by standard industry agreements.

The fair value of collateral we have received and that which we have sold or repledged is as follows:

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Fair value of assets which can be sold or repledged	68,145	52,184	65,329	51,519
Fair value of assets sold or repledged	39,699	33,493	39,058	33,218

20. Offsetting

We offset financial assets and financial liabilities on the Balance Sheet (in accordance with AASB 132 *Financial Instruments: Presentation*) when there is:

- a current legally enforceable right to set off the recognised amounts in all circumstances; and
- an intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

The following table identifies financial assets and financial liabilities which have not been offset but are subject to enforceable master netting agreements (or similar arrangements) and the related amounts not offset in the Balance Sheet. We have not taken into account the effect of over-collateralisation.

			Amount subject to master netting agreement or similar			
Consolidated	Total amounts recognised in the Balance Sheet $m	Amounts not subject to master netting agreement or similar $m	Total $m	Financial instruments[4] $m	Financial collateral (received)/ pledged[4] $m	Net amount $m
As at 30 September 2024						
Derivative financial assets[1]	54,370	(3,534)	50,836	(38,192)	(7,702)	4,942
Reverse repurchase, securities borrowing and similar agreements[2]						
- at amortised cost	6,870	(1,258)	5,612	-	(5,606)	6
- at fair value through profit or loss	57,032	(12,183)	44,849	(1,957)	(42,830)	62
Total financial assets	118,272	(16,975)	101,297	(40,149)	(56,138)	5,010
Derivative financial liabilities[1]	(55,254)	2,881	(52,373)	38,192	6,244	(7,937)
Repurchase, securities lending and similar agreements[3]						
- at amortised cost	(4,675)	2,168	(2,507)	-	2,507	-
- at fair value through profit or loss	(39,640)	14,185	(25,455)	1,957	23,484	(14)
Total financial liabilities	(99,569)	19,234	(80,335)	40,149	32,235	(7,951)
As at 30 September 2023						
Derivative financial assets[1]	60,406	(3,290)	57,116	(38,070)	(13,049)	5,997
Reverse repurchase, securities borrowing and similar agreements[2]						
- at amortised cost	4,145	(124)	4,021	-	(4,021)	-
- at fair value through profit or loss	44,088	(10,505)	33,583	(2,401)	(31,182)	-
Total financial assets	108,639	(13,919)	94,720	(40,471)	(48,252)	5,997
Derivative financial liabilities[1]	(57,482)	5,096	(52,386)	38,070	6,547	(7,769)
Repurchase, securities lending and similar agreements[3]						
- at amortised cost	(12,744)	1,117	(11,627)	-	11,627	-
- at fair value through profit or loss	(31,710)	13,304	(18,406)	2,401	16,005	-
Total financial liabilities	(101,936)	19,517	(82,419)	40,471	34,179	(7,769)

[1] Derivative assets and liabilities recognised in the Balance Sheet reflect the impact of certain central clearing collateral arrangements, whereby collateral that qualifies as legal settlement has reduced the carrying value of those associated derivative balances.

[2] Reverse repurchase agreements:
- with less than 90 days to maturity are presented in the Balance Sheet within Cash and cash equivalents; or
- with 90 days or more to maturity are presented in the Balance Sheet within Net loans and advances.

[3] Repurchase agreements are presented on the Balance Sheet within Deposits and other borrowings.

[4] The amount of financial instruments and financial collateral disclosed is limited to the net balance sheet exposure of the relevant financial assets or liabilities, and any over-collateralisation is excluded from the tables.

20. Offsetting (continued)

			Amount subject to master netting agreement or similar			
The Company	Total amounts recognised in the Balance Sheet $m	Amounts not subject to master netting agreement or similar $m	Total $m	Financial instruments[4] $m	Financial collateral (received)/ pledged[4] $m	Net amount $m
As at 30 September 2024						
Derivative financial assets[1]	57,627	(2,527)	55,100	(43,360)	(7,258)	4,482
Reverse repurchase, securities borrowing and similar agreements[2]						
- at amortised cost	4,911	(600)	4,311	-	(4,307)	4
- at fair value through profit or loss	56,173	(11,596)	44,577	(1,685)	(42,830)	62
Total financial assets	118,711	(14,723)	103,988	(45,045)	(54,395)	4,548
Derivative financial liabilities[1]	(57,467)	1,594	(55,873)	43,360	5,577	(6,936)
Repurchase, securities lending and similar agreements[3]						
- at amortised cost	(2,103)	2,103	-	-	-	-
- at fair value through profit or loss	(38,903)	14,099	(24,804)	1,685	23,106	(13)
Total financial liabilities	(98,473)	17,796	(80,677)	45,045	28,683	(6,949)
As at 30 September 2023						
Derivative financial assets[1]	59,989	(1,096)	58,893	(41,574)	(11,716)	5,603
Reverse repurchase, securities borrowing and similar agreements[2]						
- at amortised cost	4,021	-	4,021	-	(4,021)	-
- at fair value through profit or loss	43,553	(10,143)	33,410	(2,248)	(31,162)	-
Total financial assets	107,563	(11,239)	96,324	(43,822)	(46,899)	5,603
Derivative financial liabilities[1]	(57,511)	2,760	(54,751)	41,574	6,356	(6,821)
Repurchase, securities lending and similar agreements[3]						
- at amortised cost	(8,955)	865	(8,090)	-	8,090	-
- at fair value through profit or loss	(31,125)	12,872	(18,253)	2,248	16,005	-
Total financial liabilities	(97,591)	16,497	(81,094)	43,822	30,451	(6,821)

[1] Derivative assets and liabilities recognised in the Balance Sheet reflect the impact of certain central clearing collateral arrangements, whereby collateral that qualifies as legal settlement has reduced the carrying value of those associated derivative balances.

[2] Reverse repurchase agreements:
- with less than 90 days to maturity are presented in the Balance Sheet within Cash and cash equivalents; or
- with 90 days or more to maturity are presented in the Balance Sheet within Net loans and advances.

[3] Repurchase agreements are presented on the Balance Sheet within Deposits and other borrowings.

[4] The amount of financial instruments and financial collateral disclosed is limited to the net balance sheet exposure of the relevant financial assets or liabilities, and any over-collateralisation is excluded from the tables

21. Goodwill and other intangible assets

Consolidated	Goodwill[1] 2024 $m	Goodwill[1] 2023 $m	Software 2024 $m	Software 2023 $m	Other Intangibles 2024 $m	Other Intangibles 2023 $m	Total 2024 $m	Total 2023 $m
Balance at start of year	2,978	2,906	913	896	70	75	3,961	3,877
Additions[2]	1,402	-	430	332	-	-	1,832	332
Amortisation expense[3]	-	-	(319)	(316)	-	(2)	(319)	(318)
Impairment expense	-	-	(9)	-	(7)	-	(16)	-
Written-off on disposal/exit[4]	-	(78)	-	-	-	(7)	-	(85)
Foreign currency exchange difference	(37)	150	-	1	-	4	(37)	155
Balance at end of year	4,343	2,978	1,015	913	63	70	5,421	3,961
Cost[5]	4,343	2,978	7,975	8,127	69	78	12,387	11,183
Accumulated amortisation	n/a	n/a	(6,960)	(7,214)	(6)	(8)	(6,966)	(7,222)
Carrying amount	4,343	2,978	1,015	913	63	70	5,421	3,961

The Company	Goodwill[1] 2024 $m	Goodwill[1] 2023 $m	Software 2024 $m	Software 2023 $m	Other Intangibles 2024 $m	Other Intangibles 2023 $m	Total 2024 $m	Total 2023 $m
Balance at start of year	62	62	873	872	-	1	935	935
Additions	-	-	343	310	-	-	343	310
Amortisation expense	-	-	(274)	(310)	-	(1)	(274)	(311)
Impairment expense	-	-	(9)	-	-	-	(9)	-
Foreign currency exchange difference	-	-	-	1	-	-	-	1
Balance at end of year	62	62	933	873	-	-	995	935
Cost[5]	62	62	7,630	7,800	6	7	7,698	7,869
Accumulated amortisation	n/a	n/a	(6,697)	(6,927)	(6)	(7)	(6,703)	(6,934)
Carrying amount	62	62	933	873	-	-	995	935

[1] Goodwill excludes notional goodwill in equity accounted investments.

[2] 2024 includes $1,402 million of provisional goodwill and $103 million of provisional intangibles on acquisition of Suncorp Bank.

[3] 2024 includes $36 million of accelerated amortisation expense from Suncorp Bank on alignment to the Group's software capitalisation policy.

[4] 2023 includes goodwill written-off on disposal of Cashrewards to ANZ NBH Pty Ltd.

[5] Includes impact of foreign currency translation differences.

Impairment testing for cash generating units containing goodwill

Goodwill acquired in a business combination is tested for impairment annually and whenever there are indicators of potential impairment. Goodwill is allocated at the date of acquisition to the cash generating unit (CGU) or group of CGUs that are expected to benefit from the synergies of the related business combination.

Goodwill is considered to be impaired if the carrying amount of the relevant CGU exceeds its recoverable amount. We estimate the recoverable amount of each CGU to which goodwill is allocated using a fair value less costs of disposal (FVLCOD) approach, with a value-in-use (VIU) assessment performed where the FVLCOD is less than the carrying amount.

Goodwill is allocated to the following CGUs based on the lowest level at which goodwill is monitored.

Cash generating units:	2024 $m	2023 $m
Australia Retail	100	100
Institutional	1,245	1,261
New Zealand	1,596	1,617
Suncorp Bank	1,402	-

21. Goodwill and other intangible assets (continued)

We estimate the FVLCOD of each CGU to which goodwill is allocated by applying observable price earnings multiples of comparable companies to the estimated future maintainable earnings of each CGU. A deduction is then made for estimated costs of disposal. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

Management's approach and the key assumptions used in determining FVLCOD are as follows:

Key assumption	Approach to determining the value (or values) for each key assumption
Future maintainable earnings	Future maintainable earnings for each CGU is estimated as the sum of: • The Group's 2025 financial plan for each CGU; and • An allocation of the central costs recorded outside of the CGUs to which goodwill is allocated. Where relevant, adjustments are made to the Group's financial plan to reflect the long-term expectations for items such as expected credit losses.
Price/Earnings (P/E) multiple	P/E multiples applicable to each CGU have been derived from a comparator group of publicly traded companies, and include a 30% control premium, discussed below. In the case of the New Zealand and Institutional CGUs, management has made downwards adjustments to P/E multiples to address specific factors relevant to those CGUs. A control premium has been applied which recognises the increased consideration a potential acquirer would be willing to pay in order to gain sufficient ownership to achieve control over the relevant activities of the CGU. For each CGU, the control premium has been estimated as 30% of the comparator group P/E multiple based on historical transactions.
Costs of disposal	Costs of disposal have been estimated as 2% of the fair value of the CGU based on those observed from historical and recent transactions.

Our impairment testing did not result in the impairment of goodwill as at 30 September 2024.

The FVLCOD estimates for each CGU are sensitive to assumptions about P/E multiples, future maintainable earnings and control premium (30%). However, each CGU would continue to show a surplus in recoverable amount over carrying amount even where other reasonably possible alternative estimates were used.

21. Goodwill and other intangible assets (continued)

Recognition and measurement

The table below details how we recognise and measure different intangible assets:

	Goodwill	Software	Other Intangibles
Definition	Excess amount the Group has paid in acquiring a business over the fair value of the identifiable assets and liabilities acquired.	Purchased software owned by the Group is capitalised. Internal and external costs incurred in building software and computer systems costing greater than $20 million are capitalised as assets. Those less than $20 million are expensed in the year in which the costs are incurred. Costs incurred in planning or evaluating software proposals or in maintaining systems after implementation are not capitalised.	Management fee rights arising from acquisition of funds management business and other intangible assets arising from contractual rights.
Carrying value	Cost less any accumulated impairment losses. Allocated to the cash generating unit to which the acquisition relates.	Initially, measured at cost or if acquired in a business combination at the acquisition date fair value. Subsequently, carried at cost less accumulated amortisation and impairment losses.	Initially, measured at fair value at acquisition. Subsequently, carried at cost less accumulated amortisation and impairment losses.
Useful life	Indefinite. Goodwill is reviewed for impairment at least annually or when there is an indication of impairment.	Except for major core infrastructure, amortised over periods between 2-5 years; however major core infrastructure may be amortised over 7 years subject to approval by the Audit Committee. Purchased software is amortised over 2 years unless it is considered integral to other assets with a longer useful life.	Management fee rights with an indefinite life are reviewed for impairment at least annually or when there is an indication of impairment. Other intangible assets are amortised over 3 years.
Depreciation method	Not applicable.	Straight-line method.	Not applicable to indefinite life intangible assets. Straight-line method for assets with a finite life.

21. Goodwill and other intangible assets (continued)

Key judgements and estimates

Management judgement is used to assess the recoverable value of goodwill and other intangible assets, and the useful economic life of an asset, or whether an asset has an indefinite life. We reassess the recoverability of the carrying value at each reporting date.

Goodwill

A number of key judgements are required in the determination of whether or not a goodwill balance is impaired including:

- the level at which goodwill is allocated – consistent with prior periods the CGUs to which goodwill is allocated are the Group's revenue generating segments that benefit from relevant historical business combinations generating goodwill.
- determination of the carrying amount of each CGU which includes an allocation, on a reasonable and consistent basis, of corporate assets and liabilities that are not directly attributable to the CGUs to which goodwill is allocated.
- assessment of the recoverable amount of each CGU including:
    - selection of the model used to determine the fair value – the Group has used the market multiple approach to estimate the fair value; and
    - selection of the key assumptions in respect of future maintainable earnings, the P/E multiple applied, including selection of an appropriate comparator group and determination of an appropriate control premium, and costs of disposal as described above.

Software and other intangible assets

At each reporting date, software and other intangible assets are assessed for indicators of impairment and, where such indicators are identified, an impairment assessment is performed. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the carrying amount of the asset is written down immediately. Those assets not yet ready for use are tested for impairment annually.

In addition, the expected useful lives of intangible assets are assessed at each reporting date. The assessment requires management judgement, and in relation to our software assets, a number of factors can influence the expected useful lives. These factors include changes to business strategy, significant divestments and the pace of technological change.

22. Other provisions

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
ECL allowance on undrawn and contingent facilities[1]	846	827	693	697
Customer remediation	394	459	333	425
Restructuring costs	80	98	70	83
Non-lending losses, frauds and forgeries	90	73	77	62
Other	174	257	146	232
Total other provisions	1,584	1,714	1,319	1,499

[1] Refer to note 13 Allowance for expected credit losses for movement analysis.

Consolidated	Customer remediation $m	Restructuring costs $m	Non-lending losses, frauds and forgeries $m	Other $m
Balance at 1 October 2023	459	98	73	257
New and increased provisions made during the year	158	160	22	36
Provisions used during the year	(178)	(142)	(5)	(50)
Unused amounts reversed during the year	(45)	(36)	-	(69)
Balance at 30 September 2024	394	80	90	174

The Company	Customer remediation $m	Restructuring costs $m	Non-lending losses, frauds and forgeries $m	Other $m
Balance at 1 October 2023	425	83	62	232
New and increased provisions made during the year	108	145	29	32
Provisions used during the year	(163)	(124)	(14)	(49)
Unused amounts reversed during the year	(37)	(34)	-	(69)
Balance at 30 September 2024	333	70	77	146

22. Other provisions (continued)

Customer remediation

Customer remediation includes provisions for expected refunds to customers, remediation project costs and related customer and regulatory claims, penalties and litigation costs and outcomes.

Restructuring costs

Provisions for restructuring costs arise from activities related to changes in the scope of business undertaken by the Group or the manner in which that business is undertaken and include employee termination benefits. Costs relating to on-going activities are not provided for and are expensed as incurred.

Non-lending losses, frauds and forgeries

Non-lending losses include losses arising from certain legal actions not directly related to amounts of principal outstanding for loans and advances and losses arising from forgeries, frauds and the correction of operational issues. The amounts recognised are the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties that surround the events and circumstances that affect the provision.

Other

Other provisions comprise various other provisions including workers compensation, make-good provisions associated with leased premises, warranties and indemnities provided in connection with various disposals of businesses and assets, and contingent liabilities recognised as part of a business combination.

Recognition and measurement

The Group recognises provisions when there is a present obligation arising from a past event, an outflow of economic resources is probable, and the amount of the provision can be measured reliably.

The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the timing and amount of the obligation. Where a provision is measured using the estimated cash flows required to settle the present obligation, its carrying amount is the present value of those cash flows.

Key judgements and estimates

The Group holds provisions for various obligations including customer remediation, restructuring costs, non-lending losses, frauds and forgeries and litigation related claims. These provisions involve judgements regarding the timing and outcome of future events, including estimates of expenditure required to satisfy such obligations. Where relevant, expert legal advice has been obtained and, in light of such advice, provisions and/or disclosures as deemed appropriate have been made.

In relation to customer remediation, determining the amount of the provisions, which represent management's best estimate of the cost of settling the identified matters, requires the exercise of significant judgement. It will often be necessary to form a view on a number of different assumptions, including the number of impacted customers, the average refund per customer, the associated remediation project costs, and the implications of regulatory exposures and customer claims having regard to their specific facts and circumstances. There is a heightened level of estimation uncertainty where the customer remediation provision relates to a legal proceeding or matter. The appropriateness of the underlying assumptions is reviewed on a regular basis against actual experience and other relevant evidence including expert legal advice, and adjustments are made to the provisions where appropriate.

23. Shareholders' equity

Shareholders' equity

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Ordinary share capital	27,065	29,082	26,988	29,005
Reserves				
Foreign currency translation reserve[1]	(360)	570	(341)	58
Share option reserve	105	82	105	82
FVOCI reserve	(979)	(554)	(937)	(538)
Cash flow hedge reserve	(422)	(1,872)	(503)	(1,824)
Transactions with non-controlling interests reserve	(22)	(22)	-	-
Total reserves	(1,678)	(1,796)	(1,676)	(2,222)
Retained earnings	42,602	41,277	39,184	34,195
Share capital and reserves attributable to shareholders of the Company	67,989	68,563	64,496	60,978
Non-controlling interests[2]	771	522	-	-
Total shareholders' equity	68,760	69,085	64,496	60,978

[1] As a result of the closure of a number of international entities, the associated foreign currency translation reserve was recycled from Other comprehensive income to profit or loss, resulting in a $22 million gain recognised in Other operating income in 2024 (2023: $43 million gain).

[2] ANZ Bank New Zealand issued $256 million of perpetual preference shares in 2024 that are considered non-controlling interests to the Group.

Ordinary share capital

The table below details the movement in ordinary shares and share capital for the year.

	2024		2023	
Consolidated	Number of shares	$m	Number of shares	$m
Balance at start of the year	3,003,366,782	29,082	2,989,923,751	28,797
Dividend reinvestment plan issuances	-	-	8,406,978	206
Bonus option plan	-	-	1,657,422	-
Employee share and option plans	-	(17)	3,378,631	79
Capital return	-	(2,000)	-	-
Balance at end of year	3,003,366,782	27,065	3,003,366,782	29,082

	2024		2023	
The Company	Number of shares	$m	Number of shares	$m
Balance at start of the year	3,003,366,782	29,005	2,989,923,751	28,720
Dividend reinvestment plan issuances	-	-	8,406,978	206
Bonus option plan	-	-	1,657,422	-
Employee share and option plans	-	(17)	3,378,631	79
Capital return	-	(2,000)	-	-
Balance at end of year	3,003,366,782	26,988	3,003,366,782	29,005

23. Shareholders' equity (continued)

Non-controlling interests

	Profit attributable to non-controlling interests		Equity attributable to non-controlling interests		Dividend paid to non-controlling interests	
Consolidated	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
ANZ Bank New Zealand PPS[1]	32	26	758	512	32	26
Other	3	2	13	10	-	1
Total	35	28	771	522	32	27

[1] On 19 March 2024, ANZ Bank New Zealand Limited issued $256 million (NZD275 million) of PPS.

ANZ Bank New Zealand Preference Shares

Perpetual Preference Shares (PPS) externally issued by ANZ Bank New Zealand Limited (ANZ Bank New Zealand), a member of the Group, are considered non-controlling interests of the Group.

The key terms of the PPS are as follows:

PPS dividends

Holders of PPS are entitled to receive dividends that are discretionary, non-cumulative and subject to conditions. If a PPS dividend is not paid, there are certain restrictions on the ability of ANZ Bank New Zealand to pay a dividend on its ordinary shares. Holders of the PPS have no other rights participate in the profits or property of ANZ Bank New Zealand.

Redemption features

Holders of PPS have no right to require that the PPS be redeemed. ANZ Bank New Zealand may, at its option, redeem all of the PPS on an optional redemption date (being each scheduled quarterly dividend payment date from the first optional redemption date), or at any time following the occurrence of a tax event or regulatory event, subject to prior written approval of RBNZ and certain other conditions being met.

23. Shareholders' equity (continued)

Recognition and measurement ✓

Ordinary shares	Ordinary shares have no par value. They entitle holders to receive dividends, or proceeds available on winding up of the Company, in proportion to the number of fully paid ordinary shares held. They are recognised at the amount paid per ordinary share net of directly attributable costs. Every holder of fully paid ordinary shares present at a meeting of the Company in person, or by proxy, is entitled to: • on a show of hands, one vote; and • on a poll, one vote, for each share held.
Treasury shares	Treasury shares are shares in the Company which: • the ANZ Employee Share Acquisition Plan purchases on market and have not yet distributed, or • the Company issues to the ANZ Employee Share Acquisition Plan and have not yet been distributed. Treasury shares are deducted from share capital and excluded from the weighted average number of ordinary shares used in the earnings per share calculations.
Reserves:	
Foreign currency translation reserve	Includes differences arising on translation of assets and liabilities into Australian dollars when the functional currency of a foreign operation (including subsidiaries and branches) is not Australian dollars. In this reserve, we reflect any offsetting gains or losses on hedging these exposures, together with any tax effect.
Cash flow hedge reserve	Includes fair value gains and losses associated with the effective portion of designated cash flow hedging instruments together with any tax effect.
FVOCI reserve	Includes changes in the fair value of certain debt securities and equity securities included within Investment Securities together with any tax effect. In respect of debt securities classified as measured at FVOCI, the FVOCI reserve records accumulated changes in fair value arising subsequent to initial recognition, except for those relating to allowance for ECL, interest income and foreign currency exchange gains and losses which are recognised in profit or loss. As debt securities at FVOCI are recorded at fair value, the balance of the FVOCI reserve is net of the ECL allowance associated with such assets. When a debt security measured at FVOCI is derecognised, the cumulative gain or loss recognised in the FVOCI reserve in respect of that security is reclassified to profit or loss and presented in other operating income. In respect of the equity securities classified as measured at FVOCI, the FVOCI reserve records accumulated changes in fair value arising subsequent to initial recognition (including any related foreign exchange gains or losses). When an equity security measured at FVOCI is derecognised, the cumulative gain or loss recognised in the FVOCI reserve in respect of that security is not recycled to profit or loss.
Share option reserve	Includes amounts which arise on the recognition of share-based compensation expense.
Transactions with non-controlling interests reserve	Includes the impact of transactions with non-controlling shareholders in their capacity as shareholders.
Non-controlling interests	Share in the net assets of controlled entities attributable to equity interests which the Group does not own directly or indirectly.

24. Capital management

Capital management framework

The Group's capital management framework includes managing capital at Level 1 and Level 2.

The Group's framework includes managing to Board approved risk appetite settings and maintaining all regulatory requirements. APRA requirements at Level 1 and Level 2 include the Group operating at or above APRAs expectation for Domestic Systematically Important Banks (D-SIBs) following the implementation of APRA's Capital Reform.

All requirements were satisfied as at 30 September 2024.

Capital management strategy

The Group's capital management strategy aims to protect the interests of depositors, creditors and shareholders. We achieve this through an Internal Capital Adequacy Assessment Process (ICAAP) whereby the Group conducts detailed strategic and capital planning over a 3-year time horizon.

The process involves:

- forecasting economic variables, financial performance of divisions and the financial impact of new strategic initiatives to be implemented during the planning period;
- performing stress tests under different economic scenarios to determine the level of additional capital (stress capital buffer) needed to absorb losses that may be experienced under an economic downturn;
- reviewing capital position and targets against the Group's risk profile; and
- developing a capital plan, taking into account capital ratio targets, ECM requirements, current and future capital issuances requirements and options around capital products, timing and markets to execute the capital plan under differing market and economic conditions.

The capital plan is approved by the Board and updated as required. The Board and senior management are provided with regular updates of the Group's capital position. Any material actions required to ensure ongoing prudent capital management are submitted to the Board for approval. Throughout the year, the Group maintained compliance with all the regulatory requirements related to Capital Adequacy in the jurisdictions in which it operates.

24. Capital management (continued)

Regulatory environment

Australia

As the ANZ Bank Group is an Authorised Deposit-taking Institution (ADI) in Australia, it is primarily regulated by APRA under the *Banking Act 1959 (Cth)*. ANZ Bank Group must comply with the minimum regulatory capital requirements, prudential capital ratios and specific reporting levels that APRA sets and which are consistent with the global Basel III capital framework. This is the common framework for determining the appropriate level of bank regulatory capital as set by the Basel Committee on Banking Supervision. APRA minimum requirements are summarised below:

Regulatory capital definition

Common Equity Tier 1 (CET1) Capital	Tier 1 Capital	Tier 2 Capital	Total Capital
Shareholders' equity adjusted for specific items.	CET1 capital plus certain securities with complying loss absorbing characteristics known as Additional Tier 1 capital.	Subordinated debt instruments which have a minimum term of 5 years at issue date.	Tier 1 plus Tier 2 capital.

Minimum Prudential Capital Ratios (PCRs)

CET1 Ratio	Tier 1 Ratio	Total Capital Ratio
CET1 capital divided by total risk weighted assets must be at least 4.5%.	Tier 1 capital divided by total risk weighted assets must be at least 6.0%.	Total capital divided by total risk weighted assets must be at least 8.0%. For D-SIBs, Total Capital Ratio must be of at least 11% from 1st Jan 2024. Refer below for details.

Reporting Levels

Level 1	Level 2	Level 3
The ADI on a stand-alone basis (that is ANZBGL and specified subsidiaries which are consolidated to form the ADI's Extended Licensed Entity).	The consolidated Group less certain subsidiaries and associates that are excluded under prudential standards.	A conglomerate ANZGHL Group at the widest level.

As at 30 September 2024, APRA also requires the ADI to hold additional CET1 buffers as follows:

- a capital conservation buffer (CCB) of 4.75% which is inclusive of the additional 1% surcharge for domestically systemically important banks (D-SIBs). APRA has determined that ANZ is a D-SIB.
- a countercyclical capital buffer which is set on a jurisdictional basis. The requirement is currently set at 1% for Australia.

Additionally in December 2021, APRA announced that it requires all D-SIBs including the Group to increase its minimum total capital ratio requirement by 3% of RWA by January 2024, and a further 1.5% of RWA by January 2026 (total increase of 4.5%). APRA expects this to be predominantly met by Tier 2 capital, with an equivalent decrease in other senior funding. The Group is on track to meet these requirements as at reporting date.

In September 2024, APRA also released a discussion paper "A more effective capital framework for a crisis", which outlines potential amendments to APRA's prudential framework to ensure that the capital strength of the Australian banking system operates more effectively in stress. The changes are proposed to come into effect from January 2027 with the main change being replacing the current requirement for 1.5% of Additional Tier 1 capital (AT1) with 0.25% of CET1 capital and 1.25% of Tier 2 capital.

Insurance and funds management

As required by APRA's Prudential Standards, insurance and funds management activities are:

- de-consolidated for the purposes of calculating capital adequacy; and
- excluded from the risk-based capital adequacy framework.

We deduct the investment in these controlled entities 100% from CET1 capital, and if we include any profits from these activities in the ANZ Bank Group's results, then we exclude them from the determination of CET1 capital to the extent they have not been remitted.

Outside Australia

In addition to APRA, the Group's branch operations and major banking subsidiary operations are also overseen by local regulators such as the Reserve Bank of New Zealand, the US Federal Reserve, the UK Prudential Regulation Authority, the Monetary Authority of Singapore, the Hong Kong Monetary Authority and the China Banking and Insurance Regulatory Commission. They may impose minimum capital levels on operations in their individual jurisdictions.

24. Capital management (continued)

ANZ Bank Group[1]

The following table provides details of ANZ Bank Group's capital adequacy ratios at 30 September:

	Consolidated	
	2024 $m	2023 $m
Qualifying capital		
Tier 1		
Shareholders' equity and non-controlling interests	68,760	69,085
Prudential adjustments to shareholders' equity	(721)	(396)
Gross Common Equity Tier 1 capital	68,039	68,689
Deductions	(13,570)	(10,895)
Common Equity Tier 1 capital	54,469	57,794
Additional Tier 1 capital[2]	8,207	8,232
Tier 1 capital	62,676	66,026
Tier 2 capital[3]	29,189	24,959
Total qualifying capital	91,865	90,985
Capital adequacy ratios (Level 2)		
Common Equity Tier 1	12.2%	13.3%
Tier 1	14.0%	15.2%
Tier 2	6.5%	5.8%
Total capital ratio	20.6%	21.0%
Risk weighted assets	446,582	433,327

[1] This information is not within the scope of the external audit of the Group Financial Report by the Group's external auditor, KPMG. The information presented in this table is a regulatory requirement disclosed in Part A of ARF 110 *Capital Adequacy* which will be subject to audit in accordance with Prudential Standard APS 310 *Audit and Related Matters*.

[2] This includes Additional Tier 1 capital of $8,207 million (2023: $8,232 million) (refer to Note 16 Debt issuances) including a regulatory adjustments and deductions of -$70 million (2023: nil)

[3] This includes Tier 2 capital of $28,584 million (2023: 23,707 million) (refer to Note 16 Debt issuances), a general reserve for impairment of financial assets of $1,711 million (2023: $1,776 million) and regulatory adjustments and deductions of -$1,107 million (2023: -$524 million)

25. Controlled entities

The ultimate parent of the Group is ANZ Group Holdings Limited	Incorporated in Australia	Nature of Business Banking
The Group holds 100% of the voting interests in all controlled entities, unless noted otherwise.		
The material controlled entities of the Group are:		
Australia and New Zealand Banking Group Ltd	Australia	Banking
SBGH Limited	Australia	Banking
ANZ Bank (Vietnam) Limited[1]	Vietnam	Banking
ANZ Funds Pty Ltd	Australia	Holding Company
ANZ Bank (Kiribati) Limited[1] (75% ownership)	Kiribati	Banking
ANZ Bank (Samoa) Limited[1]	Samoa	Banking
ANZ Bank (Vanuatu) Limited[2]	Vanuatu	Banking
ANZ Holdings (New Zealand) Limited[1]	New Zealand	Holding Company
ANZ Bank New Zealand Limited[1]	New Zealand	Banking
ANZ Investment Services (New Zealand) Limited[1]	New Zealand	Funds Management
ANZ New Zealand (Int'l) Limited[1]	New Zealand	Finance
ANZ New Zealand Investments Holdings Limited[1]	New Zealand	Holding Company
ANZ New Zealand Investments Limited[1]	New Zealand	Funds Management
ANZNZ Covered Bond Trust[1,3]	New Zealand	Finance
ANZ International Private Limited[1]	Singapore	Holding Company
ANZcover Insurance Private Ltd[1]	Singapore	Captive-Insurance
ANZ Lenders Mortgage Insurance Pty Ltd	Australia	Mortgage Insurance
ANZ Residential Covered Bond Trust[3]	Australia	Finance
Australia and New Zealand Bank (China) Company Limited[1]	China	Banking
Australia and New Zealand Banking Group (PNG) Limited[1]	Papua New Guinea	Banking
Citizens Bancorp	Guam	Holding Company
ANZ Guam Inc	Guam	Banking
Institutional Securitisation Services Limited	Australia	Securitisation Manager
PT Bank ANZ Indonesia[1] **(99% ownership)**	Indonesia	Banking

[1] Audited by overseas KPMG firms — either as part of the Group audit, or for standalone financial statements as required.

[2] Audited by Law Partners.

[3] Not owned by the Group. Control exists as the Group retains substantially all the risks and rewards of the operations.

Changes to material controlled entities

On 31 July 2024, the Group acquired 100% of the shares in SBGH Limited, the immediate holding company of Suncorp Bank. Refer to Note 34 Suncorp Bank acquisition for further details.

Citizens Bancorp and ANZ Guam Inc have ceased business as at 30 September 2024.

Significant restrictions

Controlled entities that are subject to prudential regulation may be required to maintain minimum capital or other regulatory requirements which may, from time to time, limit the entity's ability to transfer assets, pay dividends or make other capital distributions to the parent entity or to other entities in the Group. The Group manages such restrictions within our risk management framework, as outlined in Note 17 Financial risk management and our capital management strategy, as outlined in Note 24 Capital management.

As at 30 September 2024, restrictions on the ability of an entity within the Group to transfer assets, pay dividends or make other capital distributions to other entities in the Group were not material to the liquidity or capital management of the Group.

25. Controlled entities (continued)

Recognition and measurement

The Group's subsidiaries are those entities it controls through:

- being exposed to, or having rights to, variable returns from the entity; and
- being able to affect those returns through its power over the entity.

The Group assesses whether it has power over those entities by examining the Group's existing rights to direct the relevant activities of the entity.

If the Group sells or acquires subsidiaries during the year, it includes their operating results in the Group results to the date of disposal or from the date of acquisition. When the Group's control ceases, it derecognises the assets and liabilities of the subsidiary, any related non-controlling interest and other components of equity.

If the Group's ownership interest in a subsidiary changes in a way that does not result in a loss of control, then the Group accounts for that as a transaction with equity holders in their capacity as equity holders.

All transactions between Group entities are eliminated on consolidation.

26. Investment in associates

Significant associates of the Group are:

		Ordinary share interest		Carrying amount $m	
Name of entity	Principal activity	2024	2023	2024	2023
AMMB Holdings Berhad (AmBank)[1]	Banking and insurance	0%	22%	-	881
PT Bank Pan Indonesia (PT Panin)	Consumer and business bank	39%	39%	1,415	1,440
Total carrying value of associates[2]				1,415	2,321

[1] The Group fully disposed its interest in AmBank in 2024.

[2] Includes the impact of foreign currency translation recognised in the foreign currency translation reserve.

Financial information on significant associates

Set out below is the summarised financial information of each associate that is significant to the Group. The summarised financial information is based on the associates' IFRS financial information and may require the use of unaudited financial information as each associate has a different financial year to the Group (PT Panin 31 December, AmBank 31 March).

	AMMB Holdings Berhad[1]		PT Bank Pan Indonesia	
Principal place of business and country of incorporation	Malaysia		Indonesia	
	2024 $m	2023 $m	2024 $m	2023 $m
Summarised results				
Operating income	-	1,517	1,062	1,273
Profit/(Loss) for the year	-	545	218	372
Other comprehensive income/(loss)	-	87	(41)	24
Total comprehensive income/(loss)	-	632	177	396
Less: Total comprehensive (income)/loss attributable to non–controlling interests	-	(8)	(19)	(69)
Total comprehensive income/(loss) attributable to owners of associate	-	624	158	327
Summarised financial position				
Total assets[2]	-	62,057	20,616	20,498
Total liabilities[2]	-	58,015	16,078	16,928
Total net assets[2]	-	4,042	4,538	3,570
Less: Non-controlling interests of associate	-	(301)	(353)	(348)
Net assets attributable to owners of associate	-	3,741	4,185	3,222
Reconciliation to carrying amount of Group's interest in associate[3]				
Carrying amount at the beginning of the year	881	790	1,440	1,318
Investment	-	-	-	-
Group's share of total comprehensive income/(loss)	69	138	42	138
Dividends received from associate	(14)	(42)	-	-
Foreign currency translation reserve adjustments	(21)	(5)	(67)	(16)
Partial disposal of investment	(668)	-	-	-
Loss on partial disposal of investment	(21)	-	-	-
Foreign currency translation reserve reclassified to profit or loss	(5)	-	-	-
Less: Carrying value reclassified as Investment securities	(221)	-	-	-
Carrying amount at the end of the year	-	881	1,415	1,440
Market value of Group's investment in associate[4]	-	875	1,448	1,167

[1] On 6 March 2024, the Group partially disposed of its interest in AmBank, reducing its investment by $668 million and its ordinary share interest from 22% to 5%. Following the decrease in ownership, the Group ceased equity accounting for AmBank and reclassified the investment as Investment securities at fair value through other comprehensive income. On 31 May 2024, the Group disposed of its remaining 5% interest in AmBank.

[2] Includes market value adjustments (including goodwill) the Group made at the time of acquisition (and adjustments for any differences in accounting policies).

[3] For AmBank this includes movements up to cessation of equity accounting.

[4] Market value is based on a price per share at reporting date and does not include any adjustments for the size of our holding.

26. Investment in associates (continued)

Impairment assessment

The Group assesses the carrying value of its associates investments for impairment indicators. The impairment assessment of non-lending assets identified that one of the Group's associated investments PT Panin had indicators of impairment as a result of its carrying value exceeding its fair value less costs of disposal (FVLCD) at times throughout the year. No impairment was recognised as its carrying value was supported by its FVLCD at 30 September 2024.

Recognition and measurement

An associate is an entity for which the Group has significant influence over its operating and financial policies but which it does not control. The Group accounts for associates using the equity method. Its investments in associates are carried at cost plus the post-acquisition share of changes in the associate's net assets less accumulated impairments. Dividends the Group receives from associates are recognised as a reduction in the carrying amount of the investment. The Group includes goodwill recognised by the associate in the carrying amount of the investment. It does not individually test the goodwill incorporated in the associates carrying amount for impairment.

At least at each reporting date, the Group reviews investments in associates for any indication of impairment. If an indication of impairment exists, then the Group determines the recoverable amount of the associate using the higher of:

- the associate's fair value less cost of disposal; and
- its value-in-use (VIU).

We use a discounted cash flow methodology, and when applicable, other methodologies (such as capitalisation of earnings methodology), to determine the recoverable amount when determining a VIU.

Key judgements and estimates

Investments in associates and joint ventures are assessed at each reporting date and tested for impairment when there is an indication that the investment may be impaired. In addition, the Group is required to assess at each reporting date whether the recoverable amount of the Group's investment has increased to such a level as to support the reversal of any prior period impairments.

27. Structured entities

A Structured Entity (SE) is an entity that has been designed such that voting or similar rights are not the dominant factor in determining who controls the entity. SEs are generally established with restrictions on their ongoing activities in order to achieve narrow and well defined objectives.

SEs are classified as subsidiaries and consolidated when control exists. If the Group does not control a SE, then it is not consolidated. This note provides information on both consolidated and unconsolidated SEs.

The Group's involvement with SEs is as follows:

Type	Details
Securitisation	The Group establishes SEs to securitise customer loans and advances that it has originated, in order to diversify sources of funding for liquidity management. Securitisation programs include customer loans and advances assigned to bankruptcy remote SEs to provide either security for obligations payable on notes issued by the SEs to external investors or create assets held by the Group eligible for repurchase agreements with applicable central banks. The Group retains control over these SEs and therefore they are consolidated. Refer to Note 28 Transfers of financial assets for further details. The Group also establishes SEs on behalf of customers to securitise their loans or receivables. The Group may manage these securitisation vehicles or provide liquidity or other support. Additionally, the Group may acquire interests in securitisation vehicles set up by third parties through holding securities issued by such entities. In limited circumstances where control exists, the Group consolidates the SE.
Covered bond issuances	Certain loans and advances have been assigned to bankruptcy remote SEs to provide security for issuances of debt securities by the Group. The Group retains control over these SEs and therefore they are consolidated. Refer to Note 28 Transfers of financial assets for further details.
Structured finance arrangements	The Group is involved with SEs established: • in connection with structured lending transactions to facilitate debt syndication and/or to ring-fence collateral; and • to own assets that are leased to customers in structured leasing transactions. The Group may manage the SE, hold minor amounts of the SE's capital, or provide risk management products (derivatives) to the SE. In most instances, the Group does not control these SEs. In limited circumstances where control exists, the Group consolidates the SE.
Funds management activities	The Group is the scheme manager for a number of Managed Investment Schemes (MIS) in New Zealand. These MIS are financed through the issue of units to investors and the Group considers them to be SEs. The Group's interests in these MIS are limited to receiving fees for services or providing risk management products (derivatives). These interests do not create significant exposures that would allow the Group to control the funds. Therefore, these MIS are not consolidated.

Consolidated structured entities

Financial or other support provided to consolidated structured entities

The Group provides financial support to consolidated SEs as outlined below.

Securitisation and covered bond issuances	The Group provides lending facilities, derivatives and commitments to these SEs and/or holds debt instruments they have issued.
Structured finance arrangements	The assets held by these SEs are normally pledged as collateral for financing provided. Certain consolidated SEs are financed entirely by the Group while others are financed by syndicated loan facilities in which the Group is a participant. The financing provided by the Group includes lending facilities where the Group's exposure is limited to the amount of the loan and any undrawn amount. Additionally, the Group has provided Letters of Support to these consolidated SEs confirming that the Group will not demand repayment of the financing provided for the ensuing 12 month period.

The Group did not provide any non-contractual support to consolidated SEs during the year (2023: nil). Other than as disclosed above, the Group does not have any current intention to provide financial or other support to consolidated SEs.

27. Structured entities (continued)

Unconsolidated structured entities

Group's interest in unconsolidated structured entities

An 'interest' in an unconsolidated SE is any form of contractual or non-contractual involvement with a SE that exposes the Group to variability of returns from the performance of that SE. These interests include, but are not limited to: holdings of debt or equity securities; derivatives that pass-on risks specific to the performance of the SE, lending, loan commitments, financial guarantees, and fees from funds management activities.

For the purpose of disclosing interests in unconsolidated SEs:

- no disclosure is made if the Group's involvement is not more than a passive interest - for example: when the Group's involvement constitutes a typical customer-supplier relationship. On this basis, exposures to unconsolidated SEs that arise from lending, trading and investing activities are not considered disclosable interests - unless the design of the structured entity allows the Group to participate in decisions about the relevant activities (being those that significantly affect the entity's returns).
- 'interests' do not include derivatives intended to expose the Group to market-risk (rather than performance risk specific to the SE) or derivatives through which the Group creates, rather than absorbs, variability of the unconsolidated SE (such as purchase of credit protection under a credit default swap).

The table below sets out the Group's interests in unconsolidated SEs together with the maximum exposure to loss that could arise from those interests:

	Securitisation		Structured finance		Total	
	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
On-balance sheet interests						
Investment securities	1,819	2,070	-	-	1,819	2,070
Gross loans and advances	11,447	10,367	23	24	11,470	10,391
Total on-balance sheet	13,266	12,437	23	24	13,289	12,461
Off-balance sheet interests						
Commitments (facilities undrawn)	2,279	3,270	-	-	2,279	3,270
Guarantees	50	50	-	-	50	50
Total off-balance sheet	2,329	3,320	-	-	2,329	3,320
Maximum exposure to loss	15,595	15,757	23	24	15,618	15,781

In addition to the interests above, the Group earned funds management fees from unconsolidated investment funds of $184 million (2023: $177 million) during the year.

The Group's maximum exposure to loss represents the maximum amount of loss that the Group could incur as a result of its involvement with unconsolidated SEs if loss events were to take place - regardless of the probability of occurrence. This does not in any way represent the actual losses expected to be incurred. Furthermore, the maximum exposure to loss is stated gross of the effects of hedging and collateral arrangements entered into to mitigate the Group's exposure to loss.

The maximum exposure to loss has been determined as:

- the carrying amount of Investment securities measured at amortised cost; and
- the carrying amount plus the undrawn amount of any committed loans and advances.

The size of unconsolidated SEs is indicated by total assets which vary by SE with the largest single SE having a value of approximately $4.7 billion.

The Group did not provide any non-contractual support to unconsolidated SEs during the year (2023: nil) nor does it have any current intention to provide financial or other support to unconsolidated SEs.

27. Structured entities (continued)

Sponsored unconsolidated structured entities

The Group may also sponsor unconsolidated SEs in which it has no disclosable interest.

For the purposes of this disclosure, the Group considers itself the 'sponsor' of an unconsolidated SE if it is the primary party involved in the design and establishment of that SE and:

- the Group is the major user of that SE; or
- the Group's name appears in the name of that SE, or on its products; or
- the Group provides implicit or explicit guarantees of that SE's performance.

The Group has sponsored the ANZ PIE Fund in New Zealand, which invests only in deposits with ANZ Bank New Zealand. The Group does not provide any implicit or explicit guarantees of the capital value or performance of investments in the ANZ PIE Fund. There was no income received from, nor assets transferred to, this entity during the year.

Key judgements and estimates

Significant judgement is required in assessing whether the Group has control over Structured Entities. Judgement is required to determine the existence of:

- power over the relevant activities (being those that significantly affect the entity's returns); and
- exposure to variable returns of the entity.

28. Transfers of financial assets

In the normal course of business the Group enters into transactions where it transfers financial assets directly to third parties or to SEs. These transfers may result in the Group fully, or partially, derecognising those financial assets - depending on the Group's exposure to the risks and rewards or control over the transferred assets. If the Group retains substantially all of the risk and rewards of a transferred asset, the transfer does not qualify for derecognition and the asset remains on the Group's Balance Sheet in its entirety.

Securitisations

Net loans and advances include residential mortgages securitised under the Group's securitisation programs which are assigned to bankruptcy remote SEs to provide security for obligations payable on the notes issued by the SEs. The holders of the issued notes have full recourse to the pool of residential mortgages which have been securitised and the Group cannot otherwise pledge or dispose of the transferred assets.

In some instances, the Group is also the holder of the securitised notes issued by the SEs. In addition, the Group is entitled to any residual income of the SEs and sometimes enters into derivatives with the SEs. The Group retains the risks and rewards of the residential mortgages and continues to recognise the mortgages as financial assets.

The Group is exposed to variable returns from its involvement with these securitisation SEs and has the ability to affect those returns through its power over the SEs activities. The SEs are therefore consolidated by the Group.

Covered bonds

The Group operates various global covered bond programs to raise funding in its primary markets. Net loans and advances include residential mortgages assigned to bankruptcy remote SEs associated with these covered bond programs. In respect of each program, a covered bond guarantor has guaranteed payments of interest and principal pursuant to a guarantee which is secured over its assets, including these residential mortgages. Substantially all of the assets of each covered bond guarantor consist of that covered bond guarantor's equitable interests in mortgage loans secured by residential real estate.

The covered bond holders have dual recourse to the issuer and the cover pool of assets. The issuer cannot otherwise pledge or dispose of the transferred assets, however, subject to legal arrangements it may repurchase and substitute assets as long as the required cover is maintained.

The Group is required to maintain the cover pool at a level sufficient to cover the bond obligations. In addition, the Group is entitled to any residual income of the covered bond SEs (after all payments to the covered bond holders and external parties) and enters into derivatives with the SEs. The Group retains the majority of the risks and rewards of the residential mortgages and continues to recognise the mortgages as financial assets.

The Group is exposed to variable returns from its involvement with the covered bond SEs and has the ability to affect those returns through its power over the SEs activities. The SEs are therefore consolidated by the Group. The covered bonds issued externally are included within debt issuances.

Repurchase agreements

When the Group sells securities subject to repurchase agreements under which we retain substantially all the risks and rewards of ownership, then those assets do not qualify for derecognition. An associated liability is recognised for the consideration received from the counterparty.

Structured finance arrangements

The Group arranges funding for certain customer transactions through structured leasing. These transactions are recognised on Group's Balance Sheet as lease receivables or loans. At times, other financial institutions participate in the funding of these arrangements. This participation involves a proportionate transfer of the rights to the assets recognised by the Group. The participating banks have limited recourse to the leased assets and related proceeds. Where the Group continues to be exposed to some of the risks of the transferred assets through a derivative or other continuing involvement, the Group does not derecognise the lease receivable or loan. Instead, the Group recognises an associated liability representing its obligations to the participating financial institutions.

The tables below set out the balance of assets transferred that do not qualify for derecognition, along with the associated liabilities.

	Securitisations[1,2]		Covered bonds		Repurchase agreements		Structured finance arrangements	
Consolidated	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Current carrying amount of assets transferred	**3,730**	886	**34,235**	31,188	**45,709**	47,552	**15**	27
Carrying amount of associated liabilities	**3,640**	880	**18,931**	18,223	**44,315**	44,454	**15**	27

	Securitisations[1,2]		Covered bonds		Repurchase agreements		Structured finance arrangements	
The Company	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Current carrying amount of assets transferred	**714**	886	**21,027**	21,017	**41,384**	42,002	**-**	-
Carrying amount of associated liabilities	**714**	886	**21,027**	21,017	**41,006**	40,080	**-**	-

[1] Does not include transfers to internal structured entities where there are no external investors.

[2] The securitisation noteholders have recourse only to the pool of residential mortgages which have been securitised. The carrying value of securitised assets and the associated liabilities approximates their fair value.

29. Superannuation and post employment benefit obligations

Set out below is a summary of amounts recognised in the Balance Sheet in respect of the defined benefit superannuation schemes:

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Defined benefit obligation and scheme assets				
Present value of funded defined benefit obligation	(998)	(959)	(873)	(839)
Fair value of scheme assets	1,150	1,131	1,003	991
Net defined benefit asset	152	172	130	152
As represented in the Balance Sheet				
Net liabilities arising from defined benefit obligations included in Payables and other liabilities	(4)	(4)	(4)	(4)
Net assets arising from defined benefit obligations included in Other assets	156	176	134	156
Net defined benefit asset	152	172	130	152
Weighted average duration of the benefit payments reflected in the defined benefit obligation (years)	11.3	11.4	10.9	10.9

As at the most recent reporting dates of the schemes, the aggregate surplus of net market value of assets over the value of accrued benefits on a funding basis was $71 million (2023: $53 million surplus). In 2024, the Group made defined benefit contributions totaling $2 million (2023: $2 million). It expects to make contributions of approximately $2 million next financial year.

Governance of the schemes and funding of the defined benefit sections

The main defined benefit superannuation schemes in which the Group participates operate under trust law and are managed and administered on behalf of the members in accordance with the terms of the relevant trust deed and rules and all relevant legislation. These schemes have corporate trustees, which are wholly owned subsidiaries of the Group. The trustees are the legal owners of the assets, which are held separately from the assets of the Group, and are responsible for setting investment policy and agreeing funding requirements with the employer through the triennial actuarial valuation process.

The Group has defined benefit arrangements in Australia, Japan, New Zealand, Philippines, Taiwan and United Kingdom. The defined benefit section of the ANZ Australian Staff Superannuation Scheme, the ANZ UK Staff Pension Scheme and the ANZ National Retirement Scheme in New Zealand are the three largest plans. They have been closed to new members since 1987, 2004 and 1991 respectively. None of the schemes had a material deficit, or surplus, at the last funding valuation. The Group has no present liability under any of the schemes' trust deeds to fund a deficit (measured on a funding basis). A contingent liability of the Group may arise if any of the schemes were wound up.

On 24 June 2024, the trustees of the ANZ UK Staff Pension Scheme (Scheme) executed a GBP 455 million bulk annuity insurance policy. The insurance policy was purchased using the existing assets of the Scheme. The transaction secured an insurance asset that fully matches pension liabilities of the Scheme and is therefore measured at an amount that matches the insured scheme liabilities. The Group retains ultimate responsibility for the benefits provided to the Scheme members. In accordance with AASB 119 Employee Benefits, the impact of this transaction was to record a remeasurement loss of GBP 15 million in other comprehensive income.

Recognition and measurement

Defined benefit superannuation schemes

The Group operates a small number of defined benefit schemes. Independent actuaries calculate the liability and expenses related to providing benefits to employees under each defined benefit scheme. They use the Projected Unit Credit Method to value the liabilities. The balance sheet includes:

- a defined benefit liability if the obligation is greater than the fair value of the schemes assets; and
- an asset (capped to its recoverable amount) if the fair value of the assets is greater than the obligation.

In each reporting period, the movements in the net defined benefit liability are recognised as follows:

- the net movement relating to the current period's service cost, net interest on the defined benefit liability, past service costs and other costs (such as the effects of any curtailments and settlements) as operating expenses;
- remeasurements of the net defined benefit liability (which comprise actuarial gains and losses and return on scheme assets, excluding interest income included in net interest) directly in retained earnings through other comprehensive income; and
- contributions of the Group directly against the net defined benefit position.

Defined contribution superannuation schemes

The Group operates a number of defined contribution schemes. It also contributes (according to local law, in the various countries in which it operates) to Government and other plans that have the characteristics of defined contribution plans. The Group's contributions to these schemes are recognised as personnel expenses when they are incurred.

29. Superannuation and post employment benefit obligations (continued)

Key judgements and estimates

The main assumptions we use in valuing defined benefit obligations are listed in the table below. A change to any assumptions, or applying different assumptions, could have an effect on the Statement of Other Comprehensive Income and Balance Sheet.

Consolidated	2024	2023	Sensitivity analysis change in significant assumptions	Increase/(decrease) in defined benefit obligation	
				2024 $m	2023 $m
Discount rate (% p.a.)	1.5-5.35	1.15-5.6	0.5% increase	(45)	(43)
Future salary increases (% p.a.)	2.0-3.7	2.0-3.5			
Future pension indexation					
In payment (% p.a.)/In deferment (% p.a.)	2.3-3.3/2.8	2.9-3.4/2.8	0.5% increase	36	34
Life expectancy at age 60 for current pensioners			1 year increase	34	33
– Males (years)	26.3-28.4	26.3-28.3			
– Females (years)	29.3-30.3	29.2-30.2			

The Company	2024	2023	Sensitivity analysis change in significant assumptions	Increase/(decrease) in defined benefit obligation	
				2024 $m	2023 $m
Discount rate (% p.a.)	5.0-5.35	5.5-5.6	0.5% increase	(39)	(38)
Future salary increases (% p.a.)	3.5	3.5			
Future pension indexation					
In payment (% p.a.)/In deferment (% p.a.)	2.6-3.3/2.8	2.9-3.3/2.8	0.5% increase	30	29
Life expectancy at age 60 for current pensioners			1 year increase	30	29
– Males (years)	26.3-28.4	26.3-28.3			
– Females (years)	29.3-30.3	29.2-30.2			

30. Employee share and option plans

The Group operates a number of employee share and option schemes under the ANZ Employee Share Acquisition Plan and the ANZ Share Option Plan which are operated by the Company. These are Group share-based payment arrangements under which shares in ANZGHL (ANZ shares) are allocated or granted to employees of the Group.

ANZ Employee Share Acquisition Plan

ANZ Employee Share Acquisition Plan schemes that operated during 2024 and 2023 were the Deferred Share Plan and the Variable Pay to Shares (VPS) Offer. The ANZ Incentive Plan (ANZIP) (the variable remuneration plan operating across the Group) has Short Term Variable Remuneration or Variable Remuneration delivered under the Deferred Share Plan or ANZ Share Option Plan for eligible employees.

Deferred Share Plan

i) ANZ Incentive Plan (ANZIP) – Short Term Variable Remuneration (STVR) and Variable Remuneration (VR) – deferred shares

Award Type	STVR (deferred shares)	STVR/VR historical (deferred shares)	VR (deferred shares)	VR historical (deferred shares)
Eligibility	Chief Executive Officer (CEO), Group Executive Committee (ExCo) and Group General Manager Internal Audit (GGM IA)[1].		All other employees (excluding select roles in the United Kingdom (UK)/China/Hong Kong (HK)[2]).	
Financial Year (FY) of grant	2023 and 2022 Performance and Remuneration Review (PRR): granted in FY24 & FY23	Historical grants: on foot during FY24 & FY23	Grants from 1 Oct 2023: granted in FY24	2023 and 2022 PRR: granted in FY24 & FY23 Historical grants: on foot during FY24 & FY23
Grant approach	50% of the CEO, ExCo and GGM IA's Short Term Variable Remuneration (STVR) deferred as shares.	50% of the CEO's STVR, 25% of ExCo's Variable Remuneration (VR) (except for the Chief Risk Officer (CRO)), and 33% of the CRO and GGM IA's VR, deferred as shares.	If VR is at or exceeds AUD 125,000, then 40% of total VR amount is deferred as shares.	If VR is at or exceeds AUD 100,000, then 60% of total VR amount is deferred as shares.
Conditions	Deferred over years two and three, where year 1 includes the performance period (i.e., 1 October to 30 September). Granted in late November.		Deferred over a minimum of four years (including the performance period), vesting no faster than on a pro-rata basis and only after two years (i.e., 33% year two, 33% year three, 34% year four).	Deferred over years two, three and four, where year 1 includes the performance period. Granted in late November.
Allocation value	Deferred shares granted based on the Volume Weighted Average Price (VWAP) of ANZ shares traded on the ASX in the five trading days leading up to and including 1 October.	Deferred shares granted based on the VWAP of ANZ shares traded on the ASX in the five trading days leading up to and including the date of grant.		

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[1] All ANZGHL/ANZBGL Financial Accountability Regime (FAR) Accountable Executives.

[2] Specific deferral arrangements also exist under ANZIP for roles defined as specific country level Material Risk Takers (MRTs), in line with local regulatory requirements.

ii) Exceptional circumstances

Remuneration forgone	In exceptional circumstances, we grant deferred shares to certain employees when they start with the Group to compensate them for remuneration they have forgone from their previous employer. The vesting period generally aligns with the remaining vesting period of the remuneration they have forgone, and therefore varies between grants.
Retention	We may grant deferred shares to high performing employees who are regarded as a significant retention risk to the Group.

30. Employee share and option plans (continued)

iii) Further information

Cessation	Unless the Board[1] decides otherwise, employees forfeit their unvested deferred shares if they resign, are terminated on notice, or are dismissed for serious misconduct. The deferred shares may be held in trust beyond the deferral period.
Dividends	Dividends are reinvested in the Dividend Reinvestment Plan.
Instrument	Deferred share rights may be granted instead of deferred shares in some countries as locally appropriate (see deferred share rights Section).
Expensing value (fair value)	We expense the fair value of deferred shares on a straight-line basis over the relevant vesting period and we recognise the expense as a share-based compensation expense with a corresponding increase in equity. Deferred shares are expensed based on the one-day VWAP at the date of grant.
2024 and 2023 grants	During the 2024 year, we granted 2,863,800 deferred shares (2023: 2,244,181) with a weighted average allocation value of $24.45 (2023: $24.37).
Downward adjustment	Deferred shares remain at risk and the Board has the discretion to adjust the number of deferred shares downwards, including to zero at any time before the vesting date (malus), and limited to select employees[2], recovery post vesting (i.e., clawback). The Group's downward adjustment provisions are detailed in Section 4.5 of the 2024 Remuneration Report. Board discretion was exercised to apply malus to 4,138 deferred shares in 2024 (2023: nil).

[1] References to 'the Board' throughout this note means the Boards of ANZGHL and ANZBGL.

[2] Clawback applies to the CEO, ExCo and GGM IA (for awards granted in the 2023 and 2024 financial years), and to select senior employees in jurisdictions where clawback regulations apply.

Variable Pay to Shares (VPS) Offer

Eligibility, grant approach and conditions	VPS provides employees in Australia the opportunity to receive up to $1,000 worth of ANZ shares with concessional tax treatment (where criteria are met). All ANZ shares are held by a custodian or nominee appointed by the Trustee on the Trustee's behalf and are restricted for 3 years. During this time employees benefit from dividend payments which are reinvested through the Dividend Reinvestment Plan (DRP) and have voting entitlements. After the restriction period has been reached the shares can sold or transferred.
Allocation value	Granted based on the VWAP of ANZ shares traded on the ASX in the five trading days leading up to and including the date of grant.
Expensing value (fair value)	Expensed based on the one-day VWAP at the date of grant.
2024 grants	During the 2024 year, we granted 51,619 shares on 22 November 2023 (2023: 55,600) at an issue price of $24.20 (2023: $24.46).

Expensing of the ANZ Employee Share Acquisition Plan

Expensing value (fair value)	The fair value of shares we granted during 2024 under the Deferred Share Plan and VPS Offer, measured as at the date of grant of the shares, is $71.4 million (2023: $56.5 million) based on 2,915,419 shares (2023: 2,299,781) with a weighted average VWAP of $24.48 (2023: $24.57).

30. Employee share and option plans (continued)

ANZ Share Option Plan

Allocation	We may grant selected employees options/rights which entitle them to acquire fully paid ordinary ANZ shares at a fixed price at the time the options/rights vest. Voting and dividend rights will be attached to the ordinary shares allocated on exercise of the options/rights. Each option/right entitles the holder to one ordinary share subject to the terms and conditions imposed on grant. Exercise price of options, determined in accordance with the rules of the plan, is generally based on the VWAP of the shares traded on the ASX in the week leading up to and including the date of grant. For rights, the exercise price is nil.
Rules	Prior to the exercise of the option/right, if ANZ changes its share capital due to a bonus share issue, pro-rata new share issue or reorganisation, the following adjustments are required: • Issue of bonus shares - When the holder exercises their option, they are also entitled to be issued the number of bonus shares they would have been entitled to had they held the underlying shares at the time of the bonus issue; • Pro-rata share offer - We will adjust the exercise price of the option in the manner set out in the ASX Listing Rules; and • Reorganisation - In respect of rights, if there is a bonus issue or reorganisation of ANZ's share capital, then the Board may adjust the number of rights or the number of underlying shares so that there is no advantage or disadvantage to the holder. Holders otherwise have no other entitlements to participate: • in any new issue of ANZ securities before they exercise their options/rights; or • in a share issue of a body corporate other than ANZ (such as a subsidiary). Any portion of the award which vests may, at the Boards discretion, be satisfied by a cash equivalent payment rather than shares.
Expensing value (fair value)	We expense the fair value of options/rights on a straight-line basis over the relevant vesting period and we recognise the expense as a share-based compensation expense with a corresponding increase in equity. Factors considered in determining the fair value include: the market performance conditions, share price volatility, life of the instrument, dividend yield, and share price at grant date.
Satisfying vesting	Any portion of the award of options/rights (that have met the applicable time and performance conditions) may be satisfied by a cash equivalent payment rather than shares at Board discretion. In financial year 2024, all deferred share rights were satisfied through a share allocation, other than 95,968 deferred share rights (2023: 70,231) for which a cash payment was made. 100% of the performance rights (PR) granted in late 2019 (2019 PR award) were lapsed, as the performance hurdles were not met when tested in November 2023 – the end of the performance period. There were no PR due to vest in financial year 2023, as a result of a change in the performance period from three years to four years.
Cessation	The provisions that apply if the employee's employment ends are in Section 8.2.3 of the 2024 Remuneration Report.
Downward adjustment	As per Deferred Share Plan.

30. Employee share and option plans (continued)

Option plans that operated during 2024 and 2023

i) Long Term Variable Remuneration (LTVR) and Variable Remuneration (VR) - restricted rights (RR), performance rights (PR), and deferred share rights (DSR)

Award Type	LTVR (RR & PR)	LTVR / VR historical (PR)	ANZIP VR (DSR)	ANZIP historical VR (DSR)
Eligibility	CEO, ExCo and GGM IA[1]	CEO and ExCo[1]	All other employees (excluding select roles in the UK/China/HK[2]) in countries where DSR may be granted instead of deferred shares	
FY of grant	2023 and 2022 PRR: granted in FY24 & FY23	Historical grants: on foot during FY24 & FY23	Grants from 1 Oct 2023: granted in FY24	2023 and 2022 PRR: granted in FY24 & FY23 Historical grants: on foot during FY24 & FY23
Grant approach	50% of the CEO and ExCo's (except for the CRO) LTVR was received as RR and 50% as PR. 100% of the CRO and GGM IA's LTVR was received as RR.	100% of the CEO's LTVR and 50% of ExCo's VR (except for the CRO who received 50% VR as DSR instead) was received as PR.	If VR is at or exceeds AUD 125,000, then 40% of total VR amount is deferred.	If VR is at or exceeds AUD 100,000, then 60% of total VR amount is deferred.
Conditions	RR and PR provide a right to acquire one ordinary ANZ share at nil cost – subject to time and performance conditions. Awarded subject to: • RR: pre grant assessment (risk-based measures) • RR and PR: shareholder approval at Annual General Meeting (AGM) for CEO award Performance condition tested at end of four-year performance period: • RR: pre vest assessment (risk-based measures) • PR: relative and absolute Total Shareholder Return (TSR) hurdles Deferral period[3] = four-year performance period (commencing 1 October) + holding period (which commences the day after end of performance period and finishes on the 4th, 5th or 6th anniversary of grants (CEO only for year 6)). Further details provided in Section 9.1 of the 2024 Remuneration Report.	Awarded at the end of the year subject to shareholder approval at AGM for CEO award. PR performance condition tested (relative and absolute TSR hurdles) at the end of four-year performance period. The four-year performance period commenced on 22 November to 21 November four years later. The deferral period is four years. Further details are provided in Section 5.2.3a of the 2021 Remuneration Report.	DSR provide a right to acquire one ordinary ANZ share at nil cost after a specified vesting period. Deferred over a minimum of four years (including the performance period), vesting no faster than on a pro-rata basis and only after two years (i.e., 33% year two, 33% year three, 34% year four).	DSR provide a right to acquire one ordinary ANZ share at nil cost after a specified vesting period. Deferred over years two, three and four, where year 1 includes the performance period.
Allocation value	Face value of ANZ shares traded on the ASX in the five trading days leading up to and including 1 October (beginning of the financial year).		The fair value at the date of grant is used to determine the number of DSR to be allocated and is also used for expensing purposes. The fair value is adjusted for the absence of dividends during the vesting period.	

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[1] All ANZGHL/ANZBGL FAR Accountable Executives.

[2] Specific deferral arrangements also exist under ANZIP for roles defined as specific country level MRTs, in line with local regulatory requirements.

[3] A dividend equivalent payment (DEP) is paid in cash at the end of the relevant deferral period, but is only made to the extent that all or part of the underlying rights meet the relevant performance condition and vest to the individual. Dividend equivalents accrue over the full deferral period for RR, and only during the holding period for PR.

30. Employee share and option plans (continued)

Award Type	LTVR (RR & PR)	LTVR / VR historical (PR)	ANZIP VR (DSR)	ANZIP historical VR (DSR)
Allocation timing	LTVR awarded around late November/December (subject to shareholder approval for CEO).		Granted in late November.	
	Start of FY	End of FY		
2024 grants	During 2024, we granted 376,821 RR and 313,156 PR (2023: 393,419 RR and 325,880 PR).		During 2024, we granted 3,588,912 DSR (no performance hurdles) (2023: 2,386,278).	
Downward adjustment	Board discretion was not exercised to apply malus or clawback to any RR or PR in 2024 (2023: nil PR).		Board discretion was not exercised to apply malus or clawback to any deferred share rights in 2024 (2023: nil).	

ii) Exceptional circumstances

Remuneration forgone	As per Deferred Share Plan in countries where DSR may be granted instead of deferred shares.
Retention	

Options, deferred share rights, restricted rights and performance rights on issue

As at 7 November 2024, there were 487 holders of 6,177,236 DSR on issue, 11 holders of 739,812 RR on issue and 11 holders of 1,427,926 PR on issue.

Options/rights movements

This table shows the options/rights over unissued ANZ shares and their related weighted average (WA) exercise prices as at the beginning and end of 2024 and the movements during 2024:

	Opening balance 1 Oct 2023	Granted	Forfeited[1]	Expired	Exercised	Closing balance 30 Sep 2024
Number of options/rights	6,719,516	4,278,889	(632,985)	0	(2,014,320)	8,351,100
WA exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
WA closing share price						$27.34
WA remaining contractual life						1.8 years
WA exercise price of all exercisable options/rights outstanding						$0.00
Outstanding exercisable options/rights						118,965

This table shows the options/rights over unissued ANZ shares and their related weighted average exercise prices as at the beginning and end of 2023 and the movements during 2023:

	Opening balance 1 Oct 2022	Granted	Forfeited[1]	Expired	Exercised	Closing balance 30 Sep 2023
Number of options/rights	6,209,040	3,105,577	(428,483)	0	(2,166,618)	6,719,516
WA exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
WA closing share price						$24.30
WA remaining contractual life						1.9 years
WA exercise price of all exercisable options/rights outstanding						$0.00
Outstanding exercisable options/rights						124,377

[1] Refers to any circumstance where equity can be forfeited (for example on cessation, downward adjustment or performance conditions not met).

All of the shares issued as a result of the exercise of options/rights during 2024 and 2023, were issued at a nil exercise price.

30. Employee share and option plans (continued)

As at the date of the signing of the Directors' Report on 7 November 2024:

- no options/rights over ordinary shares have been granted since the end of 2024; and
- 6,126 shares issued as a result of the exercise of options/rights since the end of 2024, all with a nil exercise price.

Fair value assumptions

When determining the fair value, we apply the standard market techniques for valuation, including Monte Carlo and/or Black Scholes pricing models. We do so in accordance with the requirements of AASB 2 *Share-based Payments*. The models take into account early exercise of vested equity, non-transferability and internal/external performance hurdles (if any).

The table below shows the significant assumptions we used as inputs into our fair value calculation of instruments granted during the period. We present the values as weighted averages, but the specific values we use for each allocation are the ones we use for the fair value calculation.

	2024			2023		
	Deferred share rights	Restricted rights	Performance rights	Deferred share rights	Restricted rights	Performance rights
Exercise price ($)	0.00	0.00	0.00	0.00	0.00	0.00
Share closing price at grant date ($)	24.38	24.66	24.60	24.67	24.54	24.51
Expected volatility of ANZ share price (%)[1]	19.98	20.0	20.0	20.0	20.0	20.0
Equity term (years)	2.1	6.6	6.6	2.1	6.6	6.6
Vesting period (years)	2.0	4.6	4.6	2.0	4.6	4.6
Expected life (years)	2.0	4.6	4.6	2.0	4.6	4.6
Expected dividend yield (%)	6.5	6.5	6.5	6.25	6.25	6.25
Risk free interest rate (%)	4.18	4.03	4.05	3.20	3.36	3.36
Fair value ($)	21.44	10.32	18.44	21.81	18.61	9.85

[1] Expected volatility represents a measure of the amount by which ANZ's share price is expected to fluctuate over the life of the rights. The measure of volatility used in the model is the annualised standard deviation of the continuously compounded rates of return on the historical share price over a defined period of time preceding the date of grant. This historical average annualised volatility is then used to estimate a reasonable expected volatility over the expected life of the rights.

Satisfying equity awards

All shares underpinning equity awards may be purchased on market, reallocated or be newly issued shares, or a combination.

The equity we purchased on market during the 2024 financial year (either under the ANZ Employee Share Acquisition Plan and the ANZ Share Option Plan, or to satisfy options or rights) for all employees amounted to 5,211,778 shares at an average price of $24.17 per share (2023: 816,023 shares at an average price of $24.35 per share).

31. Related party disclosures

Key Management Personnel compensation

Key Management Personnel (KMP) are Directors of ANZBGL (whether executive directors or otherwise), and those personnel with a key responsibility for the strategic direction and management of the Group (i.e., members of the Group Executive Committee (ExCo)) who have Financial Accountability Regime (FAR) accountability and who report to the CEO. KMP compensation included within total personnel expenses in Note 4 Operating expenses is as follows:

	Consolidated	
	2024 $'000	2023[1] $'000
Short-term benefits	20,017	21,072
Post-employment benefits	572	483
Other long-term benefits	280	212
Termination benefits	-	31
Share-based payments	11,199	8,303
Total	32,068	30,101

[1] Includes former disclosed KMP until the end of their employment.

Key Management Personnel loan transactions

Loans made to KMP are made in the ordinary course of business and on normal commercial terms and conditions that are no more favourable than those given to other employees or customers, including the term of the loan, security required and the interest rate. No amounts have been written off during the period, or individual provisions raised in respect of these balances. Details of the terms and conditions of lending products can be found on anz.com. The aggregate balance of loans (including credit card balances) made, guaranteed or secured, and undrawn facilities to KMP including their related parties, were as follows:

	Consolidated		The Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Loans advanced[1]	23,447	30,555	13,211	20,150
Undrawn facilities[1]	2,319	1,685	1,995	1,373
Interest charged[2]	1,078	1,346	778	523

[1] Balances are as at balance date (for KMP in office at balance date) or at the date of cessation of former KMP. Comparative balances have been adjusted for balances relating to new KMP, or KMP who departed in the prior year.

[2] Interest charged is for all KMP's during the period.

Key Management Personnel holdings of ANZ securities

KMP, including their related parties, held the Company's subordinated debt and shares, share rights and options over shares in ANZGHL directly, indirectly or beneficially as shown below:

	Consolidated	
	2024 Number	2023 Number
Shares, options and rights[1]	3,613,895	3,410,800
Subordinated debt[1]	20,180	21,140

[1] Balances are as at balance date (for KMP in office at balance date) or at the date of cessation of former KMP. Comparative balances have been adjusted for balances relating to new KMP, or KMP who departed in the prior year.

31. Related party disclosures (continued)

Other transactions of Key Management Personnel and their related parties

The aggregate of deposits of KMP and their related parties with the Group were $44 million (2023: $41 million) and with the Company were $30 million (2023: $27 million).

Other transactions with KMP and their related parties include amounts paid to the Group in respect of investment management service fees, brokerage and bank fees and charges. The Group has reimbursed KMP for the costs incurred for security and secretarial services associated with the performance of their duties. These transactions are conducted on normal commercial terms and conditions no more favourable than those given to other employees or customers. Gifts were provided to KMP, including on their retirement, amounting to $7,005 during the year (2023: $2,476).

Associates

We disclose significant associates in Note 26 Investments in associates. During the course of the financial year, transactions conducted with all associates were on terms equivalent to those made on an arm's length basis.

	Consolidated		The Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Amounts receivable from associates	19	13	-	-
Amounts payable to associates	1,064	990	-	-
Interest revenue from associates	-	9,391	-	7,860
Interest expense to associates	76	353	-	307
Other revenue from associates	-	5,816	-	5,816
Other expenses paid to associates	2,933	3,088	-	704
Dividend income from associates	13,771	42,316	-	-
Undrawn facilities[1]	919	931	-	-

[1] Comparatives have been amended to include unutilised limits from revolving credit facilities.

There have been no material guarantees given or received. No amounts receivable from associates have been written-off during the period, nor individual provisions raised in respect of these balances.

Subsidiaries

We disclose material controlled entities in Note 25 Controlled entities. During the financial year, subsidiaries conducted transactions with each other and with associates on terms equivalent to those on an arm's length basis. As at 30 September 2024, we consider all outstanding amounts on these transactions to be fully collectible.

Other intragroup transactions include providing management and administrative services, staff training, data processing facilities, transfer of tax losses, and the leasing of premises and equipment. The Company also issued letters of comfort and guarantees in respect of certain subsidiaries in the normal course of business.

31. Related Party Disclosures (continued)

Related Entities

Transactions with related entities include leasing arrangements, funding activities, deposits and tax funding arrangements.

These transactions are conducted on terms equivalent to those on an arm's length basis. As at 30 September 2024, we consider all outstanding amounts on these transactions to be fully recoverable.

The following balances with related ANZ Group entities were outstanding at 30 September:

	2024 $m	2023 $m
Amounts due from ultimate controlling entity	36	85
Amounts due from other related entities	755	696
Amounts due to ultimate controlling entity	10	1
Amount due to parent entity	47	-
Amounts due to other related entities	315	270
Deposits from ultimate controlling entity	1,258	183
Deposits from other related entities	165	111
Undrawn facilities for other related entities	105	31

The following transactions occurred with related ANZ Group entities:

	2024 $m	2023 $m
Dividend paid to parent entity	5,267	4,387
Capital return to parent entity	2,039	-
Interest paid to ultimate controlling entity	28	6
Interest paid to other related entities	45	26
Other expenses paid to other related entities	7	-
Interest received from other related entities	64	42
Other revenue received from other related entities	34	18

In addition, ANZBGL has right-of-use assets of $536 million (2023: $689 million) and lease liabilities of $672 million (2023: $815 million) with ANZ Group Services Pty Ltd at 30 September 2024. For the year ended 30 September 2024, the associated depreciation on the right-of-use assets was $43 million (2023: $36 million) and interest paid on the lease liabilities was $29 million (2023: $15 million) (the interest paid on lease liabilities has been included in the table above within interest paid to other related entities).

32. Commitments, contingent liabilities and contingent assets

Credit related commitments and contingencies

	Consolidated		The Company	
	2024 $m	2023 $m	2024 $m	2023 $m
Contract amount of:				
Undrawn facilities	**249,988**	240,711	**204,782**	206,405
Guarantees and letters of credit	**22,509**	23,556	**19,515**	20,816
Performance related contingencies	**26,501**	26,615	**25,944**	25,891
Total	**298,998**	290,882	**250,241**	253,112

Undrawn facilities

The majority of undrawn facilities are subject to customers maintaining specific credit and other requirements or conditions. Many of these facilities are expected to be only partially used, and others may never be used at all. As such, the total of the nominal principal amounts is not necessarily representative of future liquidity risks or future cash requirements. Based on the earliest date on which the Group may be required to pay, the full amount of undrawn facilities for the Group mature within 12 months.

Guarantees, letters of credit and performance related contingencies

Guarantees, letters of credit and performance related contingencies relate to transactions that the Group has entered into as principal.

Letters of credit involve the Group issuing letters of credit guaranteeing payment in favour of an exporter. They are secured against an underlying shipment of goods or backed by a confirmatory letter of credit from another bank.

Performance-related contingencies are liabilities that oblige the Group to make payments to a third party if the customer fails to fulfil its non-monetary obligations under the contract.

To reflect the risks associated with these transactions, we apply the same credit origination, portfolio management and collateral requirements that we apply to loans. The contract amount represents the maximum potential amount that we could lose if the counterparty fails to meet its financial obligations. As the facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements. Based on the earliest date on which the Group may be required to pay, the full amount of guarantees and letters of credit and performance-related contingencies for the Group mature within 12 months.

Other contingent liabilities

There are outstanding court proceedings, claims and possible claims for and against the Group. Where relevant, expert legal advice has been obtained and, in the light of such advice, provisions (refer to Note 22 Other provisions) and/or disclosures as deemed appropriate have been made. In some instances we have not disclosed the estimated financial impact of the individual items either because it is not practicable to do so or because such disclosure may prejudice the interests of the Group.

A description of contingent liabilities and contingent assets as at 30 September 2024 is set out below.

Regulatory and customer exposures

The Group regularly engages with its domestic and international regulators and other statutory and supervisory bodies. The nature of these regulatory interactions can be wide ranging and include regulatory investigations, surveillance and reviews, reportable situations, formal and informal inquiries and regulatory supervisory activities in Australia and globally. The Group also receives notices and requests for information from its regulators and other bodies from time to time as part of both industry-wide and Group-specific reviews and makes disclosures to its regulators at its own instigation.

There has been a recent increase in the number of matters on which the Group has engaged with its regulators. Recent interactions relate to matters including:

- markets transactions and data reporting;
- anti-money laundering and counter-terrorism financing obligations, processes and procedures; and
- non-financial risk management practices including customer service processes relating to complaints, hardship and deceased estates, compliance with mandatory reporting obligations, the application of interest and fees on certain products and the financial accountability regime.

The possible exposures associated with the Group's regulatory interactions may include civil enforcement actions, criminal proceedings, fines and penalties, imposition of capital or liquidity requirements, customer remediation, the requirement to conduct independent reviews, sanctions or the exercise of other regulatory powers.

There may also be exposures to customers, third parties and shareholders which are additional to any regulatory exposures. These could include class actions or claims for compensation or other remedies.

The outcomes and total costs associated with these possible regulatory, customer and other exposures remain uncertain.

32. Commitments, contingent liabilities and contingent assets (continued)

Other contingent liabilities (continued)

South African rate action

In February 2017, the South African Competition Commission commenced proceedings against local and international banks including the Company alleging breaches of the cartel provisions of the *South African Competition Act* in respect of trading in the South African rand. The potential civil penalty or other financial impact is uncertain.

Esanda dealer car loan litigation

In August 2020, a class action was brought against the Company alleging unfair conduct, misleading or deceptive conduct and equitable mistake in relation to the use of flex commissions in dealer arranged Esanda car loans. An agreement to settle the claim was reached in October 2024. The Company will pay $85 million in settlement, which is covered by existing provisions held at 30 September 2024. The settlement is without admission of liability and remains subject to court approval.

Onepath superannuation litigation

In December 2020, a class action was brought against OnePath Custodians, OnePath Life and the Company alleging that OnePath Custodians breached its obligations under superannuation legislation, and its duties as trustee, in respect of superannuation investments and fees. The claim also alleges that the Company was involved in some of OnePath Custodians' investment breaches. An agreement to settle the claim was reached in October 2024. The Company will contribute $14 million to the settlement, which is covered by existing provisions held at 30 September 2024. The settlement is without admission of liability and remains subject to court approval.

New Zealand loan information litigation

In September 2021, a representative proceeding was brought against ANZ Bank New Zealand Limited, alleging breaches of disclosure requirements under consumer credit legislation in respect of variation letters sent to certain loan customers. ANZ Bank New Zealand Limited is defending the allegations.

Credit cards litigation

In November 2021, a class action was brought against the Company alleging that certain interest terms in credit card contracts were unfair contract terms and that it was unconscionable for the Company to rely on them. An agreement to settle the claim was reached in March 2024. The Company will pay $57.5 million in settlement, which is covered by existing provisions held at 30 September 2024. The settlement is without admission of liability and remains subject to court approval.

Security recovery actions

Various claims have been made or are anticipated, arising from security recovery actions taken to resolve impaired assets. These claims will be defended.

Warranties, indemnities and performance management fees

The Group has provided warranties, indemnities and other commitments in favour of the seller/purchaser and other persons in connection with various acquisitions/disposals of businesses and assets and other transactions, covering a range of matters and risks. It is exposed to claims under those warranties, indemnities and commitments, some of which are currently active. The outcomes and total costs associated with these exposures remain uncertain.

The Group has entered an arrangement to pay performance management fees to external fund managers in the event predetermined performance criteria are satisfied in relation to certain Group investments. The satisfaction of the performance criteria and associated performance management fee remains uncertain.

32. Commitments, contingent liabilities and contingent assets (continued)

Other contingent liabilities (continued)

Clearing and settlement obligations

Certain group companies have a commitment to comply with rules governing various clearing and settlement arrangements which could result in a credit risk exposure and loss if another member institution fails to settle its payment clearing activities. The Group's potential exposure arising from these arrangements is unquantifiable in advance.

Certain group companies hold memberships of central clearing houses, including ASX Clear (Futures), London Clearing House (LCH) SwapClear, Korea Exchange (KRX), Hong Kong Exchange (HKEX), the Clearing Corporation of India, Taiwan Futures Exchange and the Shanghai Clearing House. These memberships allow the relevant group company to centrally clear derivative instruments in line with cross-border regulatory requirements. Common to all of these memberships is the requirement for the relevant group company to make default fund contributions. In the event of a default by another member, the relevant group company could potentially be required to commit additional default fund contributions which are unquantifiable in advance.

Parent entity guarantees

Certain group companies have issued letters of comfort and guarantees in respect of certain subsidiaries in the normal course of business. Under these letters and guarantees, the issuing entity undertakes to ensure that those subsidiaries continue to meet their financial obligations, subject to certain conditions including that the subsidiary remains a controlled entity.

Sale of Grindlays business

On 31 July 2000, the Company completed the sale to Standard Chartered Bank (SCB) of ANZ Grindlays Bank Limited (Grindlays) and certain other businesses. The Company provided warranties and indemnities relating to those businesses.

The indemnified matters include civil penalty proceedings and criminal prosecutions brought by Indian authorities against Grindlays and certain of its officers, in relation to certain transactions conducted in 1991 that are alleged to have breached the *Foreign Exchange Regulation Act, 1973*. Civil penalties were imposed in 2007 which are the subject of ongoing appeals.

Contingent assets

National Housing Bank

The Company is pursuing recovery of the proceeds of certain disputed cheques which were credited to the account of a former Grindlays customer in the early 1990s.

The disputed cheques were drawn on the National Housing Bank (NHB) in India. Proceedings between Grindlays and NHB concerning the proceeds of the cheques were resolved in early 2002.

Recovery is now being pursued from the estate of the Grindlays customer who received the cheque proceeds. Any amounts recovered are to be shared between the Company and NHB.

33. Auditor fees

	Consolidated		The Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
KPMG Australia				
Audit or review of financial reports	11,016	9,567	10,486	9,134
Audit-related services[1]	4,597	3,882	4,528	3,808
Non-audit services[2]	27	10	27	10
Total[3]	15,640	13,459	15,041	12,952
Overseas related practices of KPMG Australia				
Audit or review of financial reports	5,930	6,157	2,058	1,994
Audit-related services[1]	2,191	1,933	809	911
Non-audit services[2]	153	95	-	-
Total	8,274	8,185	2,867	2,905
Total auditor fees[4]	23,914	21,644	17,908	15,857

[1] Group audit-related services comprise prudential and regulatory services of $4.16 million (2023: $4.11 million), comfort letters $0.72 million (2023: $0.57 million) and other services $1.91 million (2023: $1.14 million). Company audit-related services comprise prudential and regulatory services of $3.76 million (2023: $3.69 million), comfort letters $0.68 million (2023: $0.53 million) and other services $0.90 million (2023: $0.50 million).

[2] The nature of non-audit services for the Group includes methodology, procedural, operational and administrative reviews. Further details are provided in the Directors' Report.

[3] Inclusive of goods and services tax.

[4] Total auditor fees do not include fees paid to other audit firms where KPMG is in joint audit arrangement or not the auditor amounting to $0.80 million (2023: $0.55 million) for the Group. Total fees paid to other audit firms where KPMG is in a joint audit arrangement or not the auditor amounting to $0.56 million (2023: $0.45 million) for the Company.

Under Group policy, KPMG Australia or any of its related practices are allowed to provide assurance and other audit-related services that, while outside the scope of the statutory audit, are consistent with the role of an external auditor. These include prudential and regulatory reviews requested by regulators such as APRA. Any other services that are not audit or audit-related services are non-audit services. Group policy allows certain non-audit services to be provided where the service would not contravene auditor independence requirements. KPMG Australia or any of its related practices may not provide services that are perceived to be in conflict with the role of the external auditor or breach auditor independence. These include consulting advice and subcontracting of operational activities normally undertaken by management, and engagements where the external auditor may ultimately be required to express an opinion on its own work.

34. Suncorp Bank acquisition

On 31 July 2024, the Group acquired 100% of the shares in SBGH Limited, the immediate holding company of Suncorp Bank. Suncorp Bank provides banking and related services to retail, commercial, small and medium enterprises and agribusiness customers in Australia. The transaction was undertaken to accelerate the growth of the Group's retail and commercial businesses while also improving the geographic balance of its business in Australia.

Assets acquired and liabilities assumed as at acquisition date are disclosed on a provisional basis, with goodwill of $1,402 million recognised and allocated to the Suncorp Bank division, pending completion of the final consideration payable, and the purchase price allocation (PPA).

Provisional goodwill is attributable to the assembled workforce and expected synergies arising from the economies of scale from the integration and consolidation of platforms and funding benefits. It will not be deductible for tax purposes.

The provisional balances are pending the completion of the PPA exercise that commenced following completion on 31 July 2024 but remains in progress at the date of this report. At 30 September 2024, the most significant adjustments have been the elimination of the pre-acquisition allowance for ECL, capitalised brokerage and other origination costs, and related deferred tax balances. The PPA exercise will identify the acquired tangible and intangible assets and assumed liabilities and measure their acquisition-date values. The Group expects that on completion of the PPA in the 2025 financial year, the acquired assets (including loans and advances and intangible assets) and assumed liabilities (including deposits and debt issuances) will be restated to their acquisition-date values with a corresponding adjustment to goodwill.

Assets acquired and liabilities assumed as at acquisition date (provisional)	2024 $m
Assets	
Cash and cash equivalents	1,333
Collateral paid	80
Trading assets	2,307
Derivative financial instruments	310
Investment securities	9,920
Gross loans and advances	69,745
Deferred tax assets	48
Intangible assets	103
Other assets	431
Total assets	**84,277**
Liabilities	
Collateral received	48
Deposits and other borrowings	62,438
Derivative financial instruments	279
Payables and other liabilities	731
Provisions	89
Debt issuances	15,847
Total liabilities	**79,432**
Net assets acquired	**4,845**
Cash consideration paid[1,2]	6,247
Provisional value of goodwill	**1,402**

[1] Subject to final completion activities.

[2] The cash consideration of $6.2 billion includes payment for Suncorp Bank's Tier 2 notes ($606 million) and Capital Notes ($564 million).

Included in the Consolidated Income Statement and Statement of Comprehensive Income since 31 July 2024 is operating income of $257 million and net loss after tax of $122 million in respect of the acquired business. Had Suncorp Bank been acquired on 1 October 2023, the operating income and profit after tax of the combined Group for the twelve months ended 30 September 2024 was estimated to be ~$21,600 million and ~$6,900 million respectively.

The Group incurred acquisition-related costs of $21 million (2023: $12 million) on legal fees and due diligence costs, recognised in Other operating expenses in the Income Statement.

34. Suncorp Bank acquisition (continued)

Recognition and measurement ✓

Business combinations are accounted for using the acquisition method of accounting. The cost of acquisition is measured at the fair value of the transferred consideration, including where relevant, any contingent consideration. Acquisition-related costs are expensed when incurred. Identifiable assets and liabilities, along with contingent consideration, are valued at their fair values on the acquisition date. Goodwill is calculated as the excess of the consideration over the net of identifiable assets and liabilities. The acquired business operations are included in our financial statements from the acquisition date.

35. Events since the end of the financial year

Other than matters outlined in the Financial Report, there have been no significant events from 30 September 2024 to the date of signing this report.

Directors' Declaration

The Directors of Australia and New Zealand Banking Group Limited declare that:

a) In the Directors' opinion:

  i) the financial statements and notes of the Company and the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:

    A. section 296, that they comply with the Australian Accounting Standards and any further requirements of the *Corporations Regulations 2001*; and

    B. section 297, that they give a true and fair view of the financial position of the Company and the Consolidated Entity as at 30 September 2024 and of their performance for the year ended on that date; and

  ii) the Consolidated Entity Disclosure Statement required by section 295(3A) of the *Corporations Act 2001* and included on pages 206 to 208 of the financial report is true and correct; and

  iii) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

b) The notes to the financial statements of the Company and the Consolidated Entity include a statement that the financial statements and notes of the Company and the Consolidated Entity comply with International Financial Reporting Standards; and

c) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors.

Paul D O'Sullivan
Chairman

7 November 2024

Shayne C Elliott
Managing Director

To the shareholders of Australia and New Zealand Banking Group Limited

Report on the audits of the Financial Reports

Opinions

We have audited the consolidated **Financial Report** of Australia and New Zealand Banking Group Limited (the Group Financial Report). We have also audited the **Financial Report** of Australia and New Zealand Banking Group Limited (the Company Financial Report).

In our opinion, each of the accompanying Group Financial Report and Company Financial Report gives a true and fair view, including of the **Group's** and of the **Company's** financial position as at 30 September 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The respective **Financial Reports** of the Group and Company comprise:

- Balance Sheets as at 30 September 2024
- Income Statements, Statements of Comprehensive Income, Statements of Changes in Equity, and Cash Flow Statements for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 September 2024
- Notes including material accounting policies
- Directors' Declaration.

The **Group** consists of Australia and New Zealand Banking Group Limited (the **Company**) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinions

We conducted our audits in accordance with *Australian Auditing Standards* and *International Standards on Auditing*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audits of the Financial Reports* section of our report.

We are independent of the Group and Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audits of the Financial Reports in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The **Key Audit Matters** we identified for the Group and Company are:

- Allowance for expected credit losses
- Subjective and complex valuation of financial instruments held at fair value
- IT systems and controls.

The **Key Audit Matters** for the Group are:

- Carrying value of investments in PT Bank Pan Indonesia (PT Panin)
- Acquisition of Suncorp Bank.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our respective audits of the Financial Reports of the current period.

These matters were addressed in the context of our audits of each of the Financial Reports as a whole, and in forming our opinions thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Allowance for expected credit losses (Group: $4,555m; Company: $3,409m)

Refer to Note 13 to the Group and Company Financial Reports.

The Key Audit Matter

Allowance for expected credit losses (ECL) is a Key Audit Matter due to the significance of the loans and advances balances to the Group and Company's financial statements and the inherent complexity of the Group and Company's expected credit loss models (ECL models) used to measure ECL allowances. These models are reliant on data and estimates including probability weighted economic scenarios and other key assumptions such as defining a significant increase in credit risk (SICR).

AASB 9 Financial Instruments requires the Group and Company to measure ECL on a forward-looking basis reflecting a range of economic conditions. Temporary adjustments are made by the Group and Company to address known ECL model limitations or emerging trends in the loan portfolios. We exercise significant judgement in challenging the economic scenarios and the judgmental temporary adjustments the Group and Company apply.

Additional subjectivity and judgement is applied in the Group and Company's modelling due to the heightened uncertainty associated with the impact of the economic outlook and its impact on customers, increasing our audit effort thereon.

How the matter was addressed in our audit

Our audit procedures for the allowance for ECL included assessing the Group and Company's significant accounting policies against the requirements of the accounting standard. Additionally, our procedures included testing the Group and Company's key controls in relation to:

- The ECL model governance, monitoring and validation processes which involved assessment of model performance;
- The assessment and approval of the forward-looking macroeconomic assumptions and scenario weightings through challenge applied by the Group and Company's internal governance processes;
- Reconciliation of the data used in the ECL calculation process to gross balances recorded within the general ledger as well as source systems;
- Customer credit rating (CCR), a key input into the SICR assumption for wholesale loans (non-retail loans). This covered elements such as: approval of new lending facilities against the Group and Company's lending policies, monitoring of counterparty credit quality against the Group and Company's exposure criteria for internal factors specific to the counterparty or external macroeconomic factors, and accuracy and timeliness of CCR and security indicator (SI) assessments against lending policies and regulatory requirements;
- IT system controls which record retail loans lending arrears, group exposures into delinquency buckets, and re-calculate individual allowances. We tested automated calculation and change management controls and evaluated the Group and Company's oversight of the portfolios, with a focus on controls over delinquency monitoring.

We tested relevant General Information Technology Controls (GITCs) in relation to the key IT applications used by the Group and Company in measuring ECL allowances as detailed in the IT Systems and Controls Key Audit Matter below.

In addition to controls testing, our procedures included:

- Obtaining an understanding of the Group and Company's processes to determine ECL allowances, evaluating the ECL model methodologies against established market practices and criteria in the accounting standards;
- Reperforming a sample of credit assessments for wholesale loans controlled by the Group and Company's workout and recovery team assessed as higher risk or impaired, and a sample of other loans, focusing on larger exposures assessed by the Group and Company as showing signs of deterioration, or in areas of emerging risk;
- For each loan sampled, we challenged the Group and Company's assessment of CCR and SI using the customer's financial position, the valuation of security, and, where relevant, the risk of stranded assets, to inform our overall assessment of loan recoverability and the impact on the credit allowance. To do this, we used the information on the Group and Company's loan file, portfolio and industry reviews, external rating and publications and, we enquired regarding the facts and circumstances of the case with the Relationship Manager;
- Exercising our judgement, our procedures included using our understanding of relevant industries and the macroeconomic environment and comparing data and assumptions used by the Group and Company in recoverability assessments to externally sourced evidence, such as, external credit ratings, publicly available audited financial statements and comparable external valuations of collateral held. Where relevant, we assessed the forecast timing of future cash flows in the context of underlying valuations and approved business plans and challenged key assumptions in the valuations;
- Working with our credit risk specialists, we assessed the accuracy of the Group and Company's ECL model estimates by re-performing, for a sample of loans, the calculation of the ECL allowance using our independently derived calculation tools and comparing this to the amount recorded by the Group and Company;
- Working with our economic specialists, we challenged the Group and Company's forward-looking macroeconomic assumptions and scenarios incorporated in the Group and Company's ECL models. We compared the Group and Company's forecast GDP, unemployment rates, CPI and property price indices to relevant publicly available macroeconomic information, and considered other known variables and information obtained through our other audit procedures to identify contradictory indicators;
- Testing the implementation of the Group and Company's SICR methodology by re-performing the staging calculation for a sample of loans taking into consideration movements in the CCR from loan origination and comparing our result to actual staging applied on an individual account level in the Group and Company's ECL model;
- Assessing the accuracy of the data used in the ECL models by checking a sample of data fields, such as, account balance and CCR to relevant source systems;
- Assessing the appropriateness of the Group and Company's disclosures in the Financial Report, using our understanding obtained from our testing and against the requirements of the accounting standards.

Key Audit Matters (continued)

We challenged key assumptions used by the Group and Company in their temporary adjustments. This included:

- Assessing temporary adjustments against the Group and Company's ECL model and data deficiencies identified in the Group and Company's model validation processes, particularly in light of the significant volatility in economic scenarios;
- Comparing underlying data used in concentration risk and economic cycle allowances to underlying loan portfolio characteristics of recent loss experience, current market conditions and specific risks in the Group and Company's loan portfolios;
- Assessing certain temporary adjustments identified by the Group and Company against internal and external information;
- Assessing the completeness of temporary adjustments by checking the consistency of risks we identified in the loan portfolios against the Group and Company's assessment.

Subjective and complex valuation of financial instruments held at fair value:

Group:

- Fair value of level 3 asset positions $1,453m
- Fair value of level 3 liability positions $15m
- Fair value of level 2 asset positions $151,186m*
- Fair value of level 2 liability positions $99,882m*

Company:

- Fair value of level 3 asset positions $1,447m
- Fair value of level 3 liability positions $12m
- Fair value of level 2 asset positions $148,475m*
- Fair value of level 2 liability positions $101,190m*

*This KAM relates to our audit procedures for structured notes, derivatives (mainly cancellable swaps and FX options) and fair value adjustments (credit valuation adjustment and funding valuation adjustment) within the level 2 population, that are valued using more complex valuation models.

Refer to Note 18 to the Group and Company Financial Reports.

The Key Audit Matter

The fair value of the Group and Company's Level 3 and certain Level 2 (Level 2) financial instruments is determined by the Group and Company's application of valuation techniques which often involve the exercise of judgement and the use of assumptions and estimates.

The valuation of Level 3 and Level 2 financial instruments held at fair value is a Key Audit Matter due to:

- The high degree of estimation uncertainty and potentially significant range of reasonable outcomes associated with the valuation of financial instruments classified as Level 3 where significant pricing inputs used in the valuation methodology and models are not observable;
- The complexity and subjectivity associated with the Group and Company's valuation models for certain Level 2 derivatives and structured notes leading to an increase in estimation uncertainty.

These factors increased the level of judgement applied by us and our audit effort thereon.

In addressing this Key Audit Matter, we involved our valuation specialists to supplement our senior team members who understand the methods, assumptions and data relevant to the Group and Company's valuation of financial instruments.

How the matter was addressed in our audit

Our audit procedures in addressing this Key Audit Matter included:

- Assessing the population of financial instruments held at fair value by the Group and Company to identify portfolios with a higher risk of misstatement arising from significant judgements over valuation either due to unobservable inputs or complex/subjective models;
- Testing the design and operating effectiveness of key controls relating specifically to these financial instruments, including those in relation to:
  - independent price verification (IPV), including completeness of portfolios and valuation inputs subject to IPV;
  - model validation at inception and periodically, including assessment of model limitation and assumptions;
  - review, approval and challenge of daily profit and loss by a control function;
  - collateral management process, including review and approval of margin reconciliations with clearing houses; and
  - review and approval of fair value adjustments (FVAs), including exit price and portfolio level adjustments.
- In relation to the subjective valuation of certain Level 2 and Level 3 financial instruments, with our valuation specialists:
  - Assessing the reasonableness of key inputs and assumptions using comparable data in the market and available alternatives;
  - Comparing the Group and Company's valuation methodology to industry practice and the criteria in the accounting standards; and
  - Independently revaluing a selection of financial instruments and FVAs of the Group and Company. This involved sourcing independent inputs from comparable data in the market and available alternatives. We challenged and assessed differences against the Group and Company's valuations.
- Assessing the appropriateness of the Group and Company's disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.

Key Audit Matters (continued)

Carrying value of investments in PT Bank Pan Indonesia (PT Panin) ($1,415m)

Refer to Note 26 to the Group Financial Report.

The Key Audit Matter

The carrying value of the Group's investment in PT Panin is a Key Audit Matter due to certain conditions increasing the possibility of this investment being impaired, plus the risk of inaccurate forecasts or a wider range of possible outcomes for us to consider, including:

- the presence of impairment indicators resulting from the carrying value of the investment in PT Panin exceeding the Fair Value Less Costs of Disposal (FVLCOD) at times throughout the year;
- historical volatility in the market price of the PT Panin shares;
- impairment has been recognised in prior periods.

The presence of these conditions necessitated increased judgement by us to assess the Group's valuation methods and associated investment value determined by the Group.

We involved our valuation specialists to supplement our senior team members in assessing this Key Audit Matter.

How the matter was addressed in our audit

Working with our valuation specialists, our procedures included:

- Evaluating the appropriateness of the recoverable amount methods applied by the Group against the requirements of the accounting standards;
- Independently evaluating FVLCOD method and assessing the market liquidity of the share price at the reporting date, in light of the historical volatility in the market price;
- Independently evaluating the valuation derived from the value in use method used by the Group. This included:
    - Assessing the integrity of the model used, including the accuracy of the underlying calculation formulas;
    - Assessing the Group's key assumptions used in the model by comparing to external observable metrics, historical experience, our knowledge of the market and current market practice;
    - Independently developing a discount rate range considered comparable using publicly available market data for comparable entities, adjusted for factors specific to the investment and the market and industry it operates in;
    - Comparing the forecast earnings contained in the model to the approved PT Panin financial plan, released financial results and against available market data;
    - Assessing the accuracy of previous forecasts to inform our evaluation of current forecasts incorporated in the model;
    - Considering the sensitivity of the models by varying key assumptions within a reasonable possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures.
- Assessing the Group's disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.

IT systems and controls

The Key Audit Matter

The Group's businesses utilise many complex, interdependent Information Technology (IT) systems to process and record a high volume of transactions. The controls over access, changes to and operation of relevant IT systems are key to the recording of financial information and the preparation of a financial report which provides a true and fair view of the Group and Company's financial position and performance.

The IT systems and controls, as they impact the financial recording and reporting of the Group and Company's transactions, is a Key Audit Matter as our audit approach could significantly differ depending on the effective operation of these Group and Company IT controls. We work with our IT specialists in this regard.

How the matter was addressed in our audit

Our testing focused on the technology control environments for key IT applications (systems) used in processing significant financial transactions and recording balances in the general ledgers, and the automated controls embedded within these systems which link the technology-enabled business processes. Working with our IT specialists our audit procedures included:

- Assessing the governance and higher-level controls across the relevant IT environments, including policy design, policy review and awareness, and IT Risk and cyber security management practices;
- Testing the design and operating effectiveness of the Group and Company's key controls with respect to:
    - user access management, including how users are on-boarded, monitored, and removed on a timely basis from key IT applications and infrastructure. We also tested controls for managing privileged roles and functions across relevant IT applications and the underlying infrastructure;
    - change management for systems relevant to financial reporting, including authorisation of changes prior to development, testing and approvals prior to migration into the production environment of key IT applications. We assessed appropriateness of users with access to release changes to IT application production environments against their job roles;
    - access to and monitoring of system batch job schedules.
- Design and operating effectiveness testing of key automated business process controls including those relating to enforcing segregation of duties to avoid conflicts from inappropriate role combinations within IT applications. We tested key controls over:
    - System configurations to perform calculations and mappings of financial transactions, identification of transactions requiring approval and automated reconciliation controls (both between systems and intra-system); and
    - Data integrity of key system reporting used in our audit procedures and the Group and Company's financial reporting.

Key Audit Matters (continued)

Acquisition of Suncorp Bank

Refer to Note 34 to the Group Financial Report.

The Key Audit Matter

On 31 July 2024, the Group acquired 100% of the shares in SBGH Limited, the immediate holding company of Suncorp Bank for a total cash consideration of $6.2bn. This transaction is a Key Audit Matter given the size of the acquisition and its impact to the Group's financial statements.

We focused our audit effort on the recoverability of the provisional goodwill recognised given the transaction was entered into two years prior to the settlement date.

We involved our senior team members, including specialists, in assessing this Key Audit Matter.

How the matter was addressed in our audit

Our procedures included:

- Evaluating the Group's acquisition accounting approach against the criteria and requirements of the accounting standards;
- Reading the underlying transaction agreements to understand the key terms of the Group's acquisition, nature of the assets and liabilities acquired, and consideration paid;
- Testing the provisional fair value of the loans and advances acquired and deposits and other borrowings assumed, amongst other balance sheet items acquired, to the underlying records of SBGH as at 31 July 2024 and their consideration of fair value amounts;
- Assessing the consideration paid against the underlying transaction agreements and evidence of payments;
- Together with our valuation specialists, we assessed the Group's determination of the recoverability of provisional goodwill recognised. This included:
  - Understanding the Group's provisional goodwill impairment assessment;
  - Challenging the key assumptions used by the Group. We did this using external observable metrics, historical experience, our knowledge of the industry and current market practice;
  - Evaluating the sensitivity of the model used by the Group by varying key assumptions within a reasonably possible range.
- Recalculating the provisional goodwill recognised and comparing it to the amount recorded by the Group;
- Assessing the appropriateness of the Group's disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other information

Other Information is financial and non-financial information in Australia and New Zealand Banking Group Limited's annual report which is provided in addition to the Financial Reports and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinions on the Financial Reports do not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audits of the Financial Reports, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Reports or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Reports

The Directors are responsible for:

- preparing the Financial Reports in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of each of the Group and Company, and in compliance with *Australian Accounting Standards and the Corporations Regulations 2001*
- implementing necessary internal controls to enable the preparation of a Financial Reports in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of each of the Group and Company, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audits of the Financial Reports

Our objective is:

- to obtain reasonable assurance about whether each of the Financial Reports as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinions.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* and *International Standards on Auditing* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audits of the Financial Reports is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf.This description forms part of our Auditor's Report.

These responsibilities also apply to our audits performed in accordance with *international standards on auditing*

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Australia and New Zealand Banking Group Limited for the year ended 30 September 2024, complies with *Section 300A* of the *Corporations Act 2001* and is prepared, in all material respects, in accordance with the accompanying basis of preparation to the Remuneration Report.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001* and the accompanying basis of preparation to the Remuneration Report.

Our responsibilities

We have audited the Remuneration Report included in pages 34 to 75 of the Directors' report for the year ended 30 September 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Maria Trinci

Maria Trinci
Partner

Melbourne
7 November 2024

Australia and New Zealand Banking Group Limited (ANZ) ABN 11 005 357 522

shareholder.anz.com

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

2023 / ANNUAL REPORT

REMUNERATION REPORT

Ilana Atlas, AO
Chair – Human Resources Committee

2023 Remuneration Report – audited

Dear Shareholder,

ANZ delivered strong results strategically, financially and culturally in financial year 2023. Our performance highlights are contained in the Chairman and CEO's messages within the Annual Report.

The Group achieved a total shareholder return (TSR) of 20% over the past financial year with contribution from both share price appreciation and dividends paid. ANZ's three-year TSR was 76%.

The team has produced good year-on-year outcomes while investing in a number of longer-term strategic initiatives that will position us well for the future. This includes ongoing investment in our Retail Platform ANZ Plus which at the end of 2023 had 465K customers and $9.4bn in deposits, growth in our industry leading high returning Institutional Payments Cash Management and Platform Services businesses and in our Commercial business which delivered close to 20% of ANZ's Group Profit.

The Group maintained a high degree of risk discipline during this volatile period with the foundational work completed over prior years positioning us well to manage financial and non-financial risk in a considered and thoughtful way. There was a material uplift in the work to embed a non-financial risk framework, and other risk related programs remain on track despite their complexity.

Our employee engagement score has remained the highest in the Australian banking sector and improved even further to now sit equal to the world's best companies in any industry. We have made substantial progress in hiring and promoting women into leadership roles, and significantly, three of our four Divisions are now led by women.

2023 variable remuneration outcomes

As a Board, we believe we have appropriately recognised the results achieved by the executive team who have delivered a strong result for the bank and shareholders, in a challenging environment.

Our Chief Executive Officer (CEO), Shayne Elliott, performed well this year and in the Board's view deserves an assessment of well above target for his personal objectives. He also has ultimate accountability for the broader Group's performance which was assessed as above target.

The Board determined the appropriate 2023 Short Term Variable Remuneration (STVR) outcome was 96% of his maximum opportunity (120% of target opportunity). This is the first above target STVR award for the CEO since commencing in the role in 2016.

2023 Long Term Variable Remuneration (LTVR) was the first LTVR award under our new executive remuneration structure. A recap of the remuneration structure (to ensure compliance with APRA *CPS 511 Remuneration),* is summarised in section 3.2. The CEO's proposed 2024 LTVR of $3.375m will be subject to a shareholder vote at the upcoming Annual General Meeting (AGM).

For Disclosed Executives, the Board approved 2023 STVR outcomes which range from 80% to 100% of maximum opportunity (average 89%). This reflects their individual and Divisional performance and the above target assessment for Group performance. 2023 LTVR (50% performance rights and 50% restricted rights) was awarded at full opportunity at the start of the 2023 year, following the Board's pre grant assessment for restricted rights determining that no reduction was required.

There were no performance rights due to vest in financial year 2023, as a result of a change in the performance period from three years to four years in 2019.

2023 fixed remuneration

As reported last year, effective for 2023, Disclosed Executives (excluding the CEO), received a fixed remuneration (FR) adjustment of ~4% as a result of the changes we made to the executive remuneration structure in 2022 (i.e., to balance the significant reduction in their maximum variable remuneration opportunity from 402% to 235% of FR). There were no further increases except for the Group Executive, Technology & Group Services who received a market adjustment reflecting the expansion of responsibilities effective 1 November 2022.

Changes to the way we remunerate executives

For future LTVR awards of performance rights (i.e., these changes apply from financial year 2024 and do not apply to awards currently on foot), the Board has approved that:

- for the relative TSR hurdle: DBS Bank Limited to be removed from the Select Financial Services (SFS) comparator group to better balance the weighting of international peers in our comparator group;
- for the absolute Compound Annual Growth Rate (CAGR) TSR hurdle: CAGR targets to be based on the time weighted cost of capital over the four-year performance period (rather than the cost of capital at the start of the period), to better reflect cyclical factors impacting shareholders for improved shareholder alignment.

See section 7.2.5 for detail.

Non-Executive Director (NED) fees

While there were no changes to NED fees for 2023, some uplifts for 2024 have been approved. For 2024, there is no uplift to the Board Chair fee, a 2% uplift to the NED member fee (noting that this is the first increase since 2016), and uplifts to fees for Committee chairs and members (see section 9.1).

This was a year of good performance, where we achieved good results in the year, while also making significant progress towards creating long-term value. Thank you to all our employees for their commitment and contribution this year.

On behalf of the Board, I invite you to consider our Remuneration Report which will be presented to shareholders at the 2023 AGM.

Ilana Atlas, AO Chair – Human Resources Committee

CONTENTS

The Remuneration Report for Australia and New Zealand Banking Group Limited (ANZBGL) outlines our remuneration strategy and structure and the remuneration practices that apply to Key Management Personnel (KMP). This report has been prepared, and audited, as required by the *Corporations Act 2001*. It forms part of the Directors' Report.

It should be noted that ANZ Group Holdings Limited (ANZGHL) replaced Australia and New Zealand Banking Group Limited (ANZBGL) as the listed entity on 3 January 2023 under a scheme of arrangement approved by shareholders at the Annual General Meeting (AGM) on 15 December 2022. This report includes disclosures for the full financial year 2023 (1 October 2022 to 30 September 2023). Ordinary shares and employee equity (deferred shares, deferred share rights, restricted rights and performance rights) held prior to 3 January 2023 were previously ANZBGL related equity – post the listing of ANZGHL the equity was converted to ANZGHL related equity. **References to 'the Board' throughout this report mean the Boards of ANZGHL and ANZBGL.** Section 4 Group Performance relates to ANZGHL rather than ANZBGL given this forms the basis for determining performance and remuneration outcomes for the CEO and Disclosed Executives.

1 WHO IS COVERED BY THIS REPORT

KMP are Directors of the Group (or entity) (whether executive directors or otherwise), and those personnel with a key responsibility for the strategic direction and management of the Group (or entity) (i.e., members of the Group Executive Committee (ExCo)) who have Banking Executive Accountability Regime (BEAR) accountability and who report to the Chief Executive Officer (CEO) (referred to as Disclosed Executives).

1.1 Disclosed Executive and Non-Executive Director changes[1]

There were several changes to our KMP during the 2023 year:

- Graham Hodges commenced as a Non-Executive Director (NED) on 8 February 2023.
- Graeme Liebelt retired as a NED on 15 December 2022, at the conclusion of the 2022 AGM.
- Holly Kramer commenced as a NED on 1 August 2023.
- Gerard Florian was appointed to the expanded role of Group Executive, Technology & Group Services, and Antony Strong was appointed to ExCo as Group Executive, Strategy & Transformation, effective 1 November 2022.
- Clare Morgan commenced with ANZ in the Group Executive, Australia Commercial role effective 6 March 2023.
- Kathryn van der Merwe concluded as ANZ's Group Executive, Talent & Culture and Service Centres in May 2023 – the responsibilities of the role were subsequently split on an acting capacity[1], with Richard Howell appointed as Acting Group Executive, Talent & Culture from 1 June 2023.

1.2 Key Management Personnel (KMP)

The KMP whose remuneration is disclosed in this year's report are:

2023 Non-Executive Directors (NEDs) – Current

P O'Sullivan	Chairman
I Atlas	Director
J Halton	Director
G Hodges	Director from 8 February 2023 (ANZBGL NED only)
J Key	Director
H Kramer	Director from 1 August 2023
J Macfarlane	Director
C O'Reilly	Director
J Smith	Director

2023 Non-Executive Directors (NEDs) – Former

G Liebelt	Former Director – retired 15 December 2022

2023 Chief Executive Officer (CEO) and Disclosed Executives – Current

S Elliott	CEO and Executive Director
M Carnegie	Group Executive, Australia Retail
K Corbally	Chief Risk Officer (CRO)
F Faruqui	Chief Financial Officer (CFO)
G Florian	Group Executive, Technology & Group Services from 1 November 2022 (previously Group Executive, Technology to 31 October 2022)
R Howell	Acting Group Executive, Talent & Culture (GE T&C) from 1 June 2023
C Morgan	Group Executive, Australia Commercial from 6 March 2023
A Strong	Group Executive, Strategy & Transformation from 1 November 2022
A Watson	Group Executive and CEO, New Zealand
M Whelan	Group Executive, Institutional

2023 Disclosed Executives – Former

K van der Merwe	Former Group Executive, Talent & Culture and Service Centres (GE T&C) – concluded in role 31 May 2023 and ceased employment 30 June 2023

Changes to KMP since the end of 2023 up to the date of signing the Directors' Report, as announced:

- Richard Howell ceased as Acting Group Executive, Talent & Culture, effective 8 October 2023.
- Elisa Clements appointed to ExCo as Group Executive, Talent & Culture, effective 9 October 2023.

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[1] The responsibility for ANZ's Capability Centres (formally known as Service Centres) in an acting capacity was taken over by Sreeram Iyer, Chief Operating Officer Institutional, who does not meet the definition of a KMP.

2 2023 OUTCOMES AT A GLANCE

Chief Executive Officer (CEO) remuneration

FOR 2023, OUR CEO:

- Had no increase to fixed remuneration (FR).
- Was awarded Short Term Variable Remuneration (STVR) of 96% of maximum opportunity, reflecting his overall performance assessment of well above target (see section 5.2.1).
- Was awarded Long Term Variable Remuneration (LTVR) of $3.375m following shareholder approval at the 2022 AGM.
- Received total remuneration of $4.6m in 2023 (i.e., includes the value of prior equity awards which vested in 2023 as per section 5.1).

Disclosed Executive remuneration

FOR 2023:

- Disclosed Executives received a FR adjustment on 1 October 2022 (in accordance with changes we made to the executive remuneration structure in 2022, previously disclosed in the 2022 Remuneration Report). There were no further increases to FR for Disclosed Executives for 2023 except for the Group Executive, Technology & Group Services who received a market adjustment reflecting the expansion of responsibilities effective 1 November 2022.
- Disclosed Executives' STVR outcomes averaged 89% of maximum opportunity, with individual outcomes ranging from 80% to 100% of maximum opportunity.
- Disclosed Executives were awarded their full LTVR opportunity of 135% of FR (100% of FR for the CRO) (see section 5.4).

Restricted rights and Performance rights outcomes (CEO and Disclosed Executives)

The Board determined that the 2023 LTVR restricted rights (RR) should be made at full award value based on the outcome of the pre grant assessment (see section 5.3).

There were no performance rights (PR) due to vest in financial year 2023, as a result of a change in the performance period from three years to four years (i.e., 2018 PR award vested in Nov/Dec 2021, however 2019 PR award is not due to vest until Nov/Dec 2023).

Non-Executive Director (NED) fees

No increases to NED fees for 2023 (see section 9.1).

3 OVERVIEW OF ANZ'S REMUNERATION STRUCTURE

3.1 Remuneration framework overview

The following overview highlights how the executive remuneration framework supports ANZ's purpose and strategy, reinforces ANZ's focus on risk management, and aligns to shareholder value.

ANZ'S PURPOSE AND STRATEGY[1]

Is underpinned by our Performance and Remuneration Policies which include our Reward Principles:

- 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 as much as **what** is achieved
- Fair and simple to understand

With remuneration delivered to our CEO and Disclosed Executives through:

- Fixed remuneration (FR)
- Variable remuneration
  - Short Term Variable Remuneration (STVR)
  - Long Term Variable Remuneration (LTVR)

Reinforced by aligning remuneration and risk:

- Assessing behaviours based on ANZ's values and risk/compliance standards (including the BEAR)
- Determining variable remuneration outcomes with risk as a modifier – impacting outcomes at both a pool and individual level
- Weighting remuneration toward the longer-term with a significant proportion at risk
- Emphasising risk in the determination and vesting of LTVR RR (see section 7.2.4)
- Reinforcing the importance of risk culture in driving sustainable long-term performance in the LTVR design
- Providing material weight to non-financial metrics (particularly risk) in line with APRA requirements
- Ensuring risk measures are considered over a long time horizon (up to 5 and 6 years)
- Determining accountability and applying consequences where appropriate
- Strengthening risk consequences with clawback (see section 7.3)
- Prohibiting the hedging of unvested equity

While supporting the alignment of executives and shareholders through:

- Substantial shareholding requirements
- Significant variable remuneration deferral up to 5 and 6 years in ANZ equity
- Use of relative and absolute total shareholder return (TSR) hurdles
- Consideration of cash profit and economic profit in determining the ANZ Incentive Plan (ANZIP) variable remuneration pool
- Consideration of the shareholder experience (in respect of the share price and dividend) in determining ANZIP pool and individual outcomes

While governed by:

The Human Resources (HR) Committee and the Board determining FR and the variable remuneration outcomes for the CEO and each Disclosed Executive. Additionally, the CEO's LTVR outcome is also subject to shareholder approval at the AGM.

Board discretion (with supporting decision-making frameworks) is applied when determining performance and remuneration outcomes (including grant of short and long-term variable remuneration awards), before any scheduled release of previously deferred remuneration (see section 7.3), before the vesting of LTVR RR (see section 7.2.4), and in applying any required consequences (see section 8).

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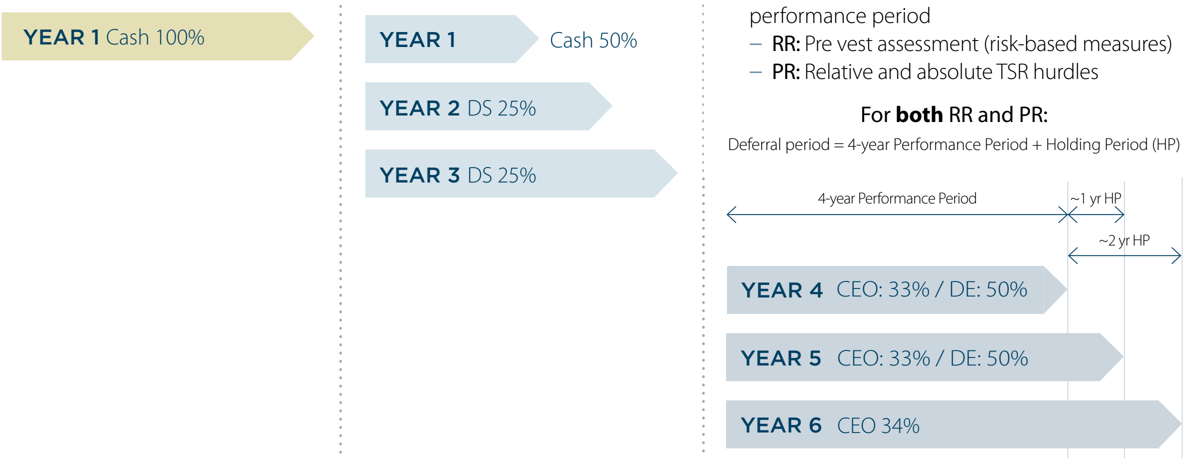
[1] See the 'Our purpose and strategy' section of the Annual Report.

3.2 Overview of remuneration structure

CEO and Disclosed Executives (DEs) (excluding CRO[1])

	Fixed Remuneration **(FR)**	Short Term Variable Remuneration **(STVR)**[2]	Long Term Variable Remuneration **(LTVR)**
Mix at Maximum	30%	30%	40%
Maximum opportunity	100% of FR	100% of FR	135% of FR
Delivery	Cash and superannuation contributions	50% Cash 50% Deferred shares (DS)	50% Restricted rights (RR) 50% Performance rights (PR)
Timing/ deferral		Awarded at end of year based on Group and individual performance	• Awarded at start of year subject to – **RR:** Pre grant assessment (risk-based measures) – **RR & PR:** Shareholder approval at AGM for CEO award • Performance condition tested at end of 4-year performance period – **RR:** Pre vest assessment (risk-based measures) – **PR:** Relative and absolute TSR hurdles For **both** RR and PR: Deferral period = 4-year Performance Period + Holding Period (HP)



All variable remuneration is subject to the Board's ongoing discretion to apply in-year adjustments, malus and clawback

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1. CRO mix: 33.3% FR / 33.3% STVR / 33.3% LTVR. STVR maximum opportunity: the same as CEO/DE at 100% of FR, LTVR maximum opportunity: 100% of FR and delivered as 100% RR to support independence. **2.** If the CEO receives above target STVR, the amount above target will be delivered as 40% cash and 60% DS (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*.

As communicated in our 2022 Remuneration Report, the introduction of a new Prudential Standard *CPS 511 Remuneration* by our regulator APRA drove a detailed review of the way we reward our CEO and Disclosed Executives. The Board approved changes to the executive remuneration structure, effective from the 2022 financial year.

The structure has been designed to:

- Maintain a strong focus on performance and risk management
- Promote effective management of financial and non-financial risks
- Provide material weight to non-financial metrics for variable remuneration outcomes (in line with APRA requirements)
- Ensure long-term focus and shareholder alignment
- Balance meeting the *CPS 511* requirements and having a market competitive remuneration structure

Key features of the structure include:

- Balanced vesting over the short and long-term, with deferral of a significant proportion of variable remuneration (~80%) over 2 to 5 years (and over 2 to 6 years for the CEO)
- Strong risk and remuneration consequences, including clawback applying for two years post the payment/vesting of all variable remuneration
- Rewarding executives for both annual performance and also performance over the longer term
- Future focused LTVR comprising a combination of risk-based and TSR hurdles

4 GROUP PERFORMANCE

4.1 Assessment against the ANZ Group Performance Framework for 2023

The ANZ Group Performance Framework is approved by the Board at the start of each year. It plays a key role to:

- message internally what matters most;
- reinforce the importance of sound management in addition to risk, financial, customer, and people outcomes; and
- inform focus of effort, prioritisation and decision-making across ANZ.

Assessment of performance against the ANZ Group Performance Framework provides a key input:

- in determining the size of the ANZ Incentive Plan (ANZIP) pool, which funds STVR for Disclosed Executives; and
- in the overall performance assessment for the CEO (50% weighting) and Disclosed Executives (25% - 50% weighting), which informs STVR outcomes.

A range of objective indicators and subjective factors are considered including management input on work undertaken, evidence of outcomes realised and lessons learned, and with consideration given to the operating, regulatory and competitive environment.

Overall, performance in 2023 was assessed as above target with all business lines contributing strongly.

On the following pages we have outlined ANZ's 2023 performance objectives and provided a summary of outcomes for each of the key performance categories to inform the overall assessment for 2023.

As managing risk appropriately is fundamental to the way ANZ operates, risk forms an integral part of the assessment, directly impacting the overall ANZ Group Performance Framework outcome (a modifier ranging from 0% to 110% of the ANZ Group Performance assessment).

•

RISK

Modifier

0 TO 110%

Overall assessment

On target (no adjustment)

×

FINANCIAL DISCIPLINE & OPERATIONAL RESILIENCE		**CUSTOMER**		**PEOPLE & CULTURE**
35% weight	+	35% weight	+	30% weight
Overall assessment **Well above target**		Overall assessment **Below target**		Overall assessment **Above target**

=

OVERALL

Group Performance

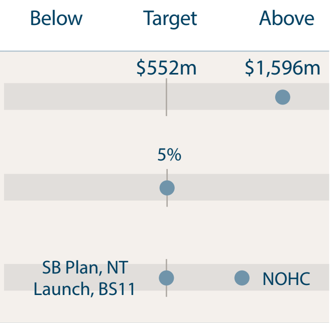
Assessment

Above target

FINANCIAL DISCIPLINE & OPERATIONAL RESILIENCE

Assessment (35% weight): **Well above target**

Key objectives	Outcomes
Run core businesses well, focused on delivering sustainable growth and operational improvements	
Deliver Group economic profit to plan or better in a high-quality manner	**Economic Profit** (ex large / notables[1])
Contain total cost growth to support the ambition of our 3yr Strategic Plan	**Total Cost Growth** (fx adj ex large / notables[1])
Deliver / progress key change programs – plan for day 1 integration of Suncorp Bank (SB), NOHC structure, BS11, Ngā Tapuwae (NT)	**Programs**

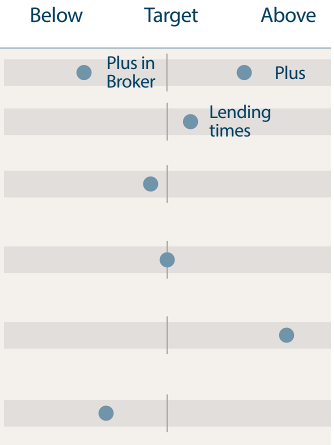


- Significant improvement in financial performance (see section 4.2.1) with Economic Profit[2] (+293%) and Cash NPAT (+14%) up YoY, as a result of:
  - Strong growth in net interest income (+11% YoY), driven by (i) disciplined volume growth across our divisions and (ii) improved margin outcomes – in a supportive rate environment, but in the face of continuing home loan competition and customer shifts to higher rate deposit products.
  - All four businesses performing strongly against their Plans.
  - Continued low credit impairment charges ($245m), as a result of improved portfolio credit quality, and long-term discipline regarding customer selection.
- Costs were managed well in line with market guidance (of +5% YoY, fx adj ex large/notables), with significant productivity gains and management focus on our investment slate, which helped to partially offset significant headwinds (e.g., inflationary pressure).
- We implemented the NOHC structure in a short time frame, BS11 was delivered (the first of any bank in NZ), Ngā Tapuwae has launched (to move ANZ NZ core to cloud and redesign business for greater resilience, agility and lower cost), and we are operationally ready to integrate Suncorp (if our application to the Australian Competition Tribunal is successful).

CUSTOMER

Assessment (35% weight): **Below target**

Key objectives	Outcomes
Deliver great customer outcomes, focused on improving the financial wellbeing, sustainability and experience of priority segments	
Australia Retail: accelerate ANZ Plus customer acquisition and engagement and ensure Plus Home Loan is in market, including the broker channel; and maintain home lending turnaround times in line with or better than major banks	**Aus Retail** **Aus Retail**
Australia Commercial: materially improve customer and banker experience	**Aus Commercial**
New Zealand: continue to make banking easier	**NZ**
Institutional: make meaningful progress on environmental sustainability strategies	**Institutional**
Business Services: transition our four business services to a uniform service approach	**Business Services**



- **Australia Retail:** Significant progress with ANZ Plus, exceeding 2023 targets related to active customers (465K vs 400K target), funds under management (FUM) ($9.4bn vs $4bn target), and Net Promoter Score (NPS) scores (e.g., Join NPS of +52 vs 45 target). Plus Home Loans launched, although not via the broker channel as planned. Turnaround times in Classic Home Loans have been stable for the entire year and within the range targeted (<3 days), while growing market share (32 bps), and improving Home Lending NPS from 71.1 in 2022 to 76.1 in 2023.
- **Australia Commercial:** Strategy is being executed with early signs of success (e.g., faster and simpler application process; time to final decision on a small business loan improved from 12 to 9.3 days, launch of market leading "streamlined unsecured lending" offering simpler processes, NPS of 29.9 vs 26.5 in 2022); however we targeted a more material improvement in customer and banker experience.
- **New Zealand:** Remain #1 for Brand Consideration. Data capability enhanced with acquisition of DOT Loves Data. Successful launch of Business Regrowth Loans and Business Visa Debit for business customers.
- **Institutional:** Continued leading Asia Pacific market in improving social and environmental outcomes and supporting our customers' transition to net zero – having achieved close to $47bn of our 2025 sustainable solutions target of $50bn on 31 March 2023, and rolled out a new $100bn target (by the end of 2030) from 1 April 2023. Institutional extended its leadership in the Peter Lee[3] surveys, with the highest Relationship Strength Index scores ever achieved by any bank in both Australia and NZ, and our best ever Transaction Banking results (including ranking #1 for product development and innovation, and system implementation for the first time), further strengthening our leadership in the provision of Payments and Cash Management solutions in Australia and NZ (#1 market share).
- **Business Services:** Our ambition to build enterprise-wide Business Services as a more efficient and resilient path to service delivery, is behind plan, however progress has been made.

1. 2. 3. See footnotes over page.

PEOPLE & CULTURE

Assessment (30% weight): **Above target**

Key objectives

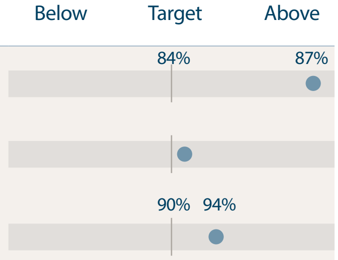
Build a culture where our diverse teams are engaged and optimised for success

Maintain industry leading **employee engagement**

Continue to improve our **project delivery capability**

Retain **high performers** (particularly those with the critical skills and priority capabilities to reinvent banking)

Outcomes



- We have continued our purposeful focus on strengthening leadership, capability, culture and project delivery, as evidenced by the execution of a range of supporting initiatives delivering value, our highly engaged workforce, and recognition as a great place to work.
  - Our engagement score is industry leading for financial services at 87% (vs 84% in 2022), and equal to the world's best companies in any industry, and we have also maintained our #1 ranking amongst major bank peers in Glassdoor[4] employer of choice ratings.
  - We made good progress on Women in Leadership at 37.3% (vs a target of 36.9%), and up on 2022 outcome of 35.9%. Three out of four of our business divisions are led by women.
  - Our project delivery capability continues to improve, and after a sustained effort and investment we are seeing material uplift in our delivery capability (supported by various independent reports to the Board).
  - Uplift in leadership capability with investment in a range of programs (e.g., Lead@ANZ rolled out to ~5,600 people leaders, Executive Leadership Series with NPS>50). Capability uplift in priority areas (e.g., launch of Engineering Career Pathways to support the development of technical mastery across critical specialisations, roll out of a Customer Coaching program, implementation of Career Programs strategy resulting in a 100% increase in applications to the 2024 Graduate Program).

RISK MODIFIER

Assessment: **On target (no adjustment)**

Continued sound risk discipline with no major regulatory, credit, audit or market breaches.

- Strong credit outcome with no material credit events recorded.
- Ongoing progress in delivering key regulatory commitments and uplifting non-financial risk management (through the further implementation of our new Group wide non-financial risk framework), although the APRA imposed operational risk overlay of $500m remains.
- Strengthening risk culture (including achieving the target state of 'Sound' and continuing to achieve a high 'Speak Up' index of 84%), reflecting sustained efforts to encourage people to speak up and challenge each other respectfully.
- No repeat adverse audits, no material Risk Appetite Statement breaches, and no material non-financial risk events.

BOARD DISCRETION

Assessment: **No adjustment**

After several years of focus on simplifying ANZ through the sale of businesses and cost restructuring, ANZ has successfully delivered sustainable growth in the remaining core businesses against a backdrop of increased changes in consumer behaviour, a slowdown in the economy, as well as increasing disruption in Financial Services (via the rise of new digitally enabled business models and non-bank competitors). The outcome also aligns strongly with the shareholder experience (see section 4.2.2).

Overall, the Board view that an 'above target' assessment accurately reflects overall performance in 2023, noting that STVR outcomes for the CEO and Disclosed Executives also take into consideration performance against individual objectives.

OVERALL ASSESSMENT

Assessment: **Above target**

The above target assessment appropriately reflects our performance with all business lines each contributing strongly together to achieve above target financial results and strong performance against our strategic objectives - positioning ANZ well for the future.

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1. The Group's results include a number of items collectively referred to as large/notable items. Given the nature and significance they are considered separately given the target was established without consideration of large notables. **2.** Economic profit is a risk adjusted profit measure used to evaluate business unit performance and is not subject to audit by the external auditor. Economic profit is calculated via a series of adjustments to cash profit with the economic credit cost adjustment replacing the accounting credit loss charge; the inclusion of the benefit of imputation credits (measured at 70% of Australian tax) and an adjustment to reflect the cost of capital. The economic profit increase in 2023 was driven by higher cash profit, favourable economic credit cost adjustment and higher imputation credits, partially offset by higher cost of capital. **3.** Peter Lee Associates 2022 Large Corporate and Institutional Relationship Banking surveys, Australia and NZ. **4.** Glassdoor is a website where employees and former employees anonymously review companies and their management.

4.2 ANZ Performance Outcomes

4.2.1 ANZ'S FINANCIAL PERFORMANCE 2019–2023

When determining variable remuneration outcomes for the CEO, Disclosed Executives and employees a range of different financial indicators are considered. The Group uses cash profit[1] as a measure of performance for the Group's ongoing business activities, as this provides a basis to assess Group and Divisional performance against earlier periods and against peer institutions. The adjustments made in arriving at cash profit are included in statutory profit which is subject to audit. Although cash profit is not audited, the external auditor has informed the Audit Committee that the cash profit adjustments have been determined on a consistent basis across each period presented.

Statutory profit is flat compared to the prior financial year, while cash profit from continuing operations has increased almost 14%. Underlying performance reflects stronger revenue from lending volumes across our divisions together with improved net interest margin in a supportive rate environment which enable continued focus on investing for growth.

The table below provides ANZ's financial performance, including cash profit, over the last five years.

	2019	2020	2021	2022	2023
Statutory profit attributable to ordinary shareholders ($m)	5,953	3,577	6,162	7,119	**7,098**
Cash profit[1] ($m, unaudited)	6,161	3,660	6,181	6,496	**7,405**
Cash profit – Continuing operations ($m, unaudited)	6,470	3,758	6,198	6,515	**7,405**
Cash profit before provisions – Continuing operations ($m, unaudited)	9,958	8,369	8,396	8,968	**10,754**
Cash ROE (%) – Continuing operations (unaudited)	10.9	6.2	9.9	10.4	**10.9**
Cash EPS – Continuing operations (unaudited)	220.2	128.7	216.5	228.8	**247.1**
Share price at 30 September ($) (On 1 October 2018, opening share price was $27.80)	28.52	17.22	28.15	22.80	**25.66**
Total dividend (cents per share)	160	60	142	146	**175**
Total shareholder return (12 month %)	9.2	(36.9)	70.7	(14.0)	**20.0**

[1] Cash profit excludes non-core items included in statutory profit with the net after tax adjustment resulting in an increase to statutory profit of $307m for 2023, made up of several items. It is provided to assist readers understand the results of the core business activities of the Group.

4.2.2 ANZ TSR PERFORMANCE (1 TO 10 YEARS)

The table below compares ANZ's TSR performance against the median TSR and upper quartile TSR of the PR Select Financial Services (SFS) comparator group[1] over one to ten years, noting that for this table TSR is measured over a different timeframe (i.e., to 30 September 2023) to the performance period for our PR.

- ANZ's TSR performance was above the median TSR of the SFS comparator group[1] when comparing over one year; and
- below the median over three, five and ten years.

	Years to 30 September 2023			
	1	3	5	10
ANZ (%)	**20.0**	**76.3**	**19.7**	**46.1**
Median TSR SFS (%)	14.6	77.3	29.8	60.0
Upper quartile TSR SFS (%)	22.3	90.9	60.9	128.2

[1] See section 7.2.5 for details of the SFS comparator group.

5 2023 CEO AND DISCLOSED EXECUTIVE OUTCOMES

Variable remuneration is 'at risk' remuneration and can range from zero to maximum opportunity.

With the exception of the CEO's STVR, individual variable remuneration outcomes for all other employees including STVR for Disclosed Executives are funded under the ANZ Incentive Plan (ANZIP). The Board decides the CEO's variable remuneration outcomes separately to help mitigate potential conflicts of interest. See section 10.1.3.

At the end of each financial year the Board exercise their judgement to determine a fair and reasonable ANZIP pool. An assessment of financial performance guides the pool range but it is not a formulaic outcome. The Board considers a range of factors including:

- The ANZ Group Performance Framework assessment (see section 4.1).
- The quality of earnings and operating environment.
- The shareholder experience during 2023 such as shareholder returns and dividend comparison with prior periods.
- Our Reward Principles such as attract, motivate and keep great people (see section 7).

Annual performance objectives are set at the Group and also at the Divisional/individual level at the start of each year. They are designed to be stretching yet achievable. The HR Committee and the Board make variable remuneration outcome decisions for the CEO and Disclosed Executives following lengthy and detailed discussions and assessment, supported by comprehensive analysis of performance from a number of sources.

Where expectations are met, STVR is likely to be awarded around 80% of maximum opportunity. Where performance is below expectations, STVR will be less (potentially down to zero), and where above expectations, STVR will be more (potentially up to maximum opportunity).

LTVR will be awarded at the beginning of the year, based on full opportunity unless the LTVR RR pre grant assessment results in any reduction (and is also subject to shareholder approval for the CEO).

Remuneration outcomes have been presented in the following three ways:

i. RECEIVED remuneration
(see section 5.1)

ii. AWARDED remuneration
(see sections 5.2, 5.3 and 5.4)

iii. STATUTORY remuneration
(see section 11.1)

5.1 2023 Received remuneration

This table shows the remuneration the CEO and Disclosed Executives actually received in relation to the 2023 financial year as cash paid, or in the case of prior equity awards, the value which vested in 2023.

FR adjustments were received by Disclosed Executives in accordance with the executive remuneration structure changes made in 2022, as disclosed in the 2022 Remuneration Report. There were no other adjustments to FR for Disclosed Executives in 2023, apart from the Group Executive, Technology & Group Services whose FR was increased on 1 November 2022 from $1.15m to $1.25m to reflect the expansion of responsibilities and to improve alignment with the market.

2023 Received remuneration – CEO and Disclosed Executives:

Received value includes the value of prior equity awards which vested in that year

	Fixed remuneration $	Cash variable remuneration $	Total cash $	Deferred variable remuneration which vested during the year[1] $	Other deferred remuneration which vested during the year[1] $	Actual remuneration received[2] $
CEO AND CURRENT DISCLOSED EXECUTIVES						
S Elliott	2,500,000	1,160,000	**3,660,000**	919,413	-	**4,579,413**
M Carnegie	1,250,000	550,000	**1,800,000**	561,264	-	**2,361,264**
K Corbally	1,250,000	532,500	**1,782,500**	471,287	-	**2,253,787**
F Faruqui	1,250,000	600,000	**1,850,000**	795,274	-	**2,645,274**
G Florian[3]	1,242,000	497,500	**1,739,500**	496,698	-	**2,236,198**
R Howell[4]	231,792	180,000	**411,792**	-	-	**411,792**
C Morgan[4,5]	627,000	250,000	**877,000**	-	407,000	**1,284,000**
A Strong[4]	690,000	315,100	**1,005,100**	291,162	-	**1,296,262**
A Watson[6]	1,106,505	472,570	**1,579,075**	450,151	-	**2,029,226**
M Whelan	1,460,000	730,000	**2,190,000**	753,723	-	**2,943,723**
FORMER DISCLOSED EXECUTIVES						
K van der Merwe[1,4]	780,000	n/a	**780,000**	488,194	-	**1,268,194**

1. Deferred variable remuneration which either vested or lapsed/forfeited during the year is the point in time value of previously deferred remuneration granted as deferred shares, deferred shares rights and/or restricted rights/performance rights, and is based on the one day Volume Weighted Average Price (VWAP) of the Company's shares traded on the ASX on the date of vesting or lapsing/forfeiture multiplied by the number of deferred shares/deferred share rights and/or restricted rights/performance rights. No previously deferred variable remuneration lapsed/forfeited during the year for the CEO or Disclosed Executives (due to no performance rights due to vest in 2023) other than for K van der Merwe -$4,880,967, which relates to forfeiture on resignation of unvested deferred remuneration. **2.** The sum of fixed remuneration, cash variable remuneration and deferred variable remuneration which vested during the year. **3.** Fixed remuneration reflects changes in fixed remuneration during the financial year due to expanded role (G Florian). **4.** Fixed remuneration based on time as a Disclosed Executive (R Howell, C Morgan, A Strong, K van der Merwe). **5.** Other deferred remuneration for C Morgan relates to deferred remuneration forfeited and bonus opportunity forgone as a result of joining ANZ, that was deferred as cash and vested during the year. **6.** Paid in NZD and converted to AUD. Year to date average exchange rate used to convert NZD to AUD as at 30 September for the relevant year.

5.2 Awarded STVR

At the end of the financial year, the HR Committee makes a recommendation to the Board for their approval in respect of STVR outcomes.

STVR will vary up or down year-on-year, it is not guaranteed, and may range from zero to a maximum opportunity.

These tables show a year-on-year comparison of STVR awarded to the CEO, and Disclosed Executives for the 2022 and 2023 performance periods. STVR awarded reflects actual cash and the deferred shares component of STVR **awarded** in respect of the relevant financial year. As non-cash components are subject to future vesting outcomes, the awarded value may be higher or lower than the future realised value.

2023 remuneration outcomes reflect both the overall performance of the Group and the performance of each individual/Division.

5.2.1 CEO

The Board determined that an STVR outcome of $2.4m (96% of maximum opportunity) was appropriate for 2023 having regard to both the overall performance of the CEO and also the overall performance of the Group. This is the first above target STVR award for the CEO since commencing in the role in 2016, reflecting the above target performance outcome in 2023 as summarised below.

'WHAT' ASSESSMENT SUMMARY	
ANZ Group Performance Framework - see section 4.1 (50% weighting)	Individual Strategic Objectives - see below (50% weighting)
Assessed as: **Above target**	Assessed as: **Well above target**
'HOW' ASSESSMENT SUMMARY	
ANZ Values & Behaviours	Individual Risk / Compliance Assessment
Assessed as: **Above expectations**	Assessed as: **Met expectations**
OVERALL PERFORMANCE ASSESSMENT	
Assessed as: **Well above target (120%)**	

Awarded STVR in the relevant financial year – CEO

			Actual STVR			STVR as % of	
	Financial year	STVR maximum opportunity $	Total STVR $	STVR cash $	STVR deferred shares $	Target opportunity	Maximum opportunity
CEO							
S Elliott	2023	2,500,000	2,400,000	1,160,000	1,240,000	120%	96%
	2022	2,500,000	1,860,000	930,000	930,000	93%	74%

2023 CEO individual strategic objectives

- Drive the strategic direction of the organisation, with particular focus on growth, home lending momentum and Commercial strategy in Australia, and embed our digital transformation, Sustainability, Platforms and Ecosystems
- Focus on sound risk management, operational excellence and resilience including system stability, to ensure ANZ has robust and reliable platforms to support long-term growth
- Lead and role model the culture and accountability required to transform ANZ
- Enhance the reputation of ANZ across all stakeholder groups
- Complete Suncorp acquisition with agreed integration plan
- Continue to build ExCo effectiveness and succession pipelines for ExCo and CEO

Board assessment of performance on individual strategic objectives:

The CEO delivered a strong performance this year. After several years focused on simplification of ANZ (disposal of businesses and internal re-structures), ANZ has moved to driving sustainable growth in each of the core businesses. Pleasingly, ANZ's record financial performance in 2023 was contributed to by each of the four core business divisions. The CEO's deliverables highlight that the key strategic building blocks are in place to support long-term performance.

The CEO has focused on executing and delivering sustainable growth in our core businesses. Key results include:

- ANZ Plus being the fastest growing new bank platform in Australia, including exceeding targets related to the number of active customers, funds under management and Net Promoter Scores
- Executing the Commercial strategy, with the new Division performing strongly - in large part due to the CEO's stewardship of this business (pre appointment of GE, Australia Commercial)
- Exceeding our ambitions to grow sustainability as a source of revenue through a range of sustainability banking activities such as, labelled sustainable finance (e.g., green and sustainability linked loans, bonds and guarantees), and banking activities to fund and facilitate the transition to a net zero economy (e.g., green buildings, renewable energy, energy efficiency, sustainable infrastructure)
- Recovery of home lending momentum, with growth exceeding 1x system target
- Improving share on Institutional payment platforms, with overall payments growing by ~8%
- Building digital ecosystems in support of the broader strategy (e.g., investments in View Media Group, DOT Loves Data and Pollination, and appointment of a new CEO in Cashrewards)

There has been continued strong risk discipline championed by the CEO, with emphasis on the right behaviours to identify, discuss, and act on risks the bank confronts and takes. Strengthening operational excellence and resilience has been a key focus of the CEO. Examples include:

- Clear progress in the build of a Group wide non-financial risk framework (with strong business leadership)
- Executed a very ambitious change agenda (e.g., technology uplift programs, ANZ Plus, NOHC implementation, Suncorp acquisition, Platform Services, major regulatory programs)
- Demonstration of strong cyber resilience, and positive achievements in the area of financial crime
- Delivery of BS11[1] (the first of any New Zealand bank) and the launch of Ngā Tapuwae[2] in NZ to unlock future growth in New Zealand

A key strength of the CEO is his strong advocacy and role modelling of ANZ's values and behaviours – create opportunities, deliver what matters, succeed together – as evidenced by all business lines contributing strongly to achieve a great performance outcome. The CEO's leadership translates into continuing high employee engagement (87%) – which is equal to the Global Best In Class across all industries. Similarly, ANZ's 'Speak Up' index at 84% reflects continued efforts to encourage a culture where people feel they can challenge each other respectfully.

The CEO continues to demonstrate his ability to communicate effectively and authentically with stakeholder groups – shareholders, employees, customers, regulators, government and the community (including non-profit and environmental groups). He is regarded as a thought and industry leader both internally and externally, and engages regularly with employees and the community at large, via multiple communication and media channels, parliamentary hearings, and through proactive relationship management.

The CEO has played a key role in leading the Suncorp acquisition initiative, and has been a strong advocate of the benefits and opportunities for ANZ, our customers in Queensland, and the broader community. While the ACCC rejected ANZ's application, the CEO has ensured ANZ is well prepared for the integration of Suncorp Bank into ANZ in the event its application for Australian Competition tribunal review is successful.

The strong performance in 2023 reflects the effective support provided by the CEO to ExCo, along with key moves and appointments made to his team over the last 1 to 2 years. Executive succession and development continue to be a focus for the CEO and the Board, with the CEO making solid progress in enabling potential internal CEO successors in the future.

Overall there were many positive achievements in 2023 (positioning ANZ well to deliver against our strategic priorities), and in the Board's view the CEO deserves an overall assessment outcome of well above target.

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1. BS11 outlines the Reserve Bank of New Zealand's outsourcing policy. **2.** ANZ New Zealand has embarked on a multi-year program of work to fundamentally transform its business. Called "Ngā Tapuwae o ANZ" ("The footsteps of ANZ"), this program will change our core technology, processes and ways of working.

5.2.2 DISCLOSED EXECUTIVES

- STVR outcomes continue to differ both year-on-year and between executives demonstrating the at risk nature of this element of remuneration and the variability in Group and individual performance year-on-year. In 2023, STVR is at or above target for all Disclosed Executives (reflecting that they have all jointly delivered material value from strategic and operational decisions in 2023); however only 2 of 38 Disclosed Executives in recent reporting periods (2018 to 2022) received at or above target variable remuneration. See section 5.4 for 2023 variable remuneration awarded details.
- The average STVR outcome for current Disclosed Executives is 89% of maximum opportunity. This reflects both the overall assessment of ANZ Group performance as above target (see section 4.1), which is weighted 25% or 50%, and also individual performance (see section 6.2) which is weighted 75% or 50% depending on role. Outcomes range from 80% to 100% of maximum opportunity. The remuneration outcomes in 2023 reflect that this is a high performing team, with all business and enablement functions each contributing significantly to a strong performance outcome for ANZ.
- 2023 STVR awarded outcomes for both C Morgan and A Strong are based on their time as a Disclosed Executive during 2023 (i.e., ~7 months and ~11 months respectively).
- R Howell's 2023 STVR awarded outcome reflects the period acting as the GE T&C (i.e., ~4 months).

Awarded STVR in the relevant financial year – Disclosed Executives

			Actual STVR			STVR as % of	
	Financial year	STVR maximum opportunity $	Total STVR $	STVR cash $	STVR deferred shares $	Target opportunity	Maximum opportunity
CURRENT DISCLOSED EXECUTIVES							
M Carnegie	2023	1,250,000	1,100,000	550,000	550,000	110%	88%
	2022	1,250,000	920,000	460,000	460,000	92%	74%
K Corbally	2023	1,250,000	1,065,000	532,500	532,500	107%	85%
	2022	1,250,000	885,000	442,500	442,500	89%	71%
F Faruqui[1]	2023	1,250,000	1,200,000	600,000	600,000	120%	96%
	2022	1,212,500	1,159,150	579,575	579,575	120%	96%
G Florian	2023	1,250,000	995,000	497,500	497,500	100%	80%
	2022	1,150,000	885,000	442,500	442,500	96%	77%
R Howell[1]	2023	348,068	300,000	180,000	120,000	108%	86%
C Morgan[1]	2023	627,000	500,000	250,000	250,000	100%	80%
A Strong[1]	2023	690,000	630,200	315,100	315,100	114%	91%
A Watson[2]	2023	1,106,505	945,140	472,570	472,570	107%	85%
	2022	1,108,830	845,483	422,742	422,742	95%	76%
M Whelan	2023	1,460,000	1,460,000	730,000	730,000	125%	100%
	2022	1,460,000	1,070,000	535,000	535,000	92%	73%
FORMER DISCLOSED EXECUTIVES							
K van der Merwe[3]	2023	780,000	n/a	n/a	n/a	n/a	n/a
	2022	1,040,000	800,000	400,000	400,000	96%	77%

1. STVR based on time as a Disclosed Executive in either 2022 (F Faruqui) or 2023 (R Howell, C Morgan, A Strong). R Howell STVR subject to 40% deferral (see section 7.1 for remuneration arrangements due to acting nature of appointment). **2.** Paid in NZD and converted to AUD. Year to date average exchange rate used to convert NZD to AUD as at 30 September for the relevant year. **3.** Ineligible for STVR.

5.3 Awarded LTVR and pre grant assessment outcome

The first award of LTVR under the new remuneration structure was made at the start of the 2023 financial year to Disclosed Executives (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 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 will 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.

Restricted Rights Pre Grant Assessment (see section 7.2.4)

STEP	ACTION	OUTCOME
Step 1	Assess Prudential Soundness	Met
Step 2	Assess Risk Measures	Met
Step 3	Apply Board discretion	No adjustment
Pre grant assessment outcome		100%

The PR component of LTVR is subject to TSR hurdles (see section 7.2.5), which will determine the level of vesting and subsequent value of PR at the end of the performance period.

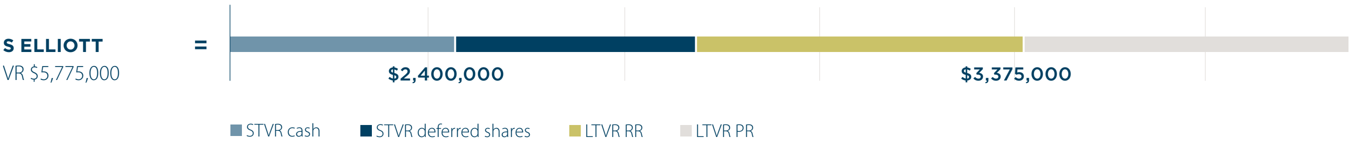
CEO LTVR: Shareholders approved at the 2022 AGM a 2023 LTVR award of $3.375m (135% of FR), delivered in the form of 50% RR and 50% PR. Similarly, shareholder approval will be sought at the 2023 AGM for a 2024 LTVR award of $3.375m.

Disclosed Executives LTVR: 2023 LTVR awarded at full opportunity (135% of new FR related to the structural change, and 100% for the CRO). Note that for C Morgan, a pro-rated 2023 LTVR was granted in September 2023 (rather than November 2022) due to commencement with ANZ partway through 2023, and R Howell was not eligible in his acting capacity. See section 7.2.3 for delivery details.

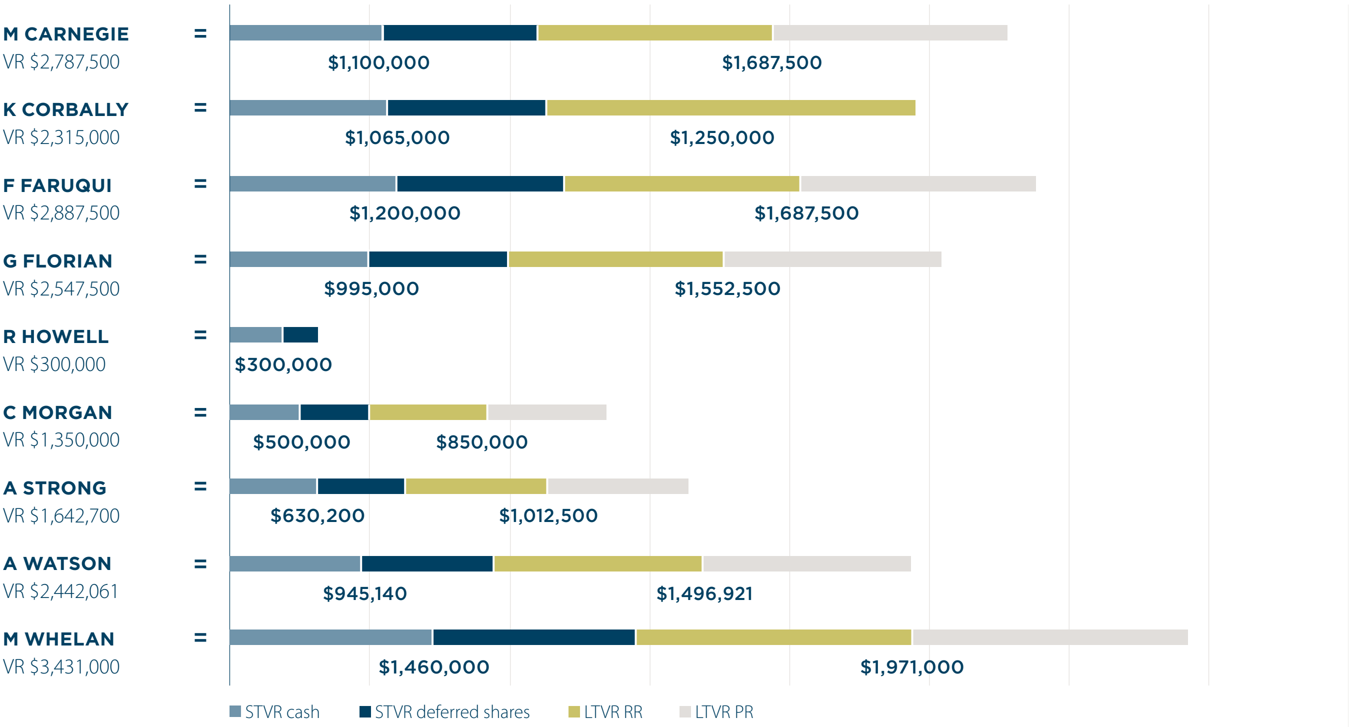
5.4 2023 Awarded VR

The below charts show the STVR and LTVR awarded to the CEO and Disclosed Executives for the year ending 30 September 2023.

CEO 2023 VR



Disclosed Executives 2023 VR



5.5 2023 Remuneration comparison with prior years

CEO - Summary of 2022 and 2023 total remuneration

AWARDED

Awarded remuneration reflects actual cash and the deferred shares component of STVR awarded in the year. As non-cash components are subject to future vesting outcomes, the awarded value may be higher or lower than the future realised value.

Awarded remuneration appears significantly higher in 2023, largely because no LTVR was awarded for 2022 (as we transitioned to the new remuneration structure and moved to awarding LTVR at the start (rather than end) of the financial year). Note, STVR is awarded at the end of the year.

RECEIVED

Received remuneration reflects the actual remuneration received in the year (i.e., cash paid and the value of previously awarded STVR deferred shares and LTVR performance rights which vested in the year).

The amount received is lower in 2023 (compared to 2022), primarily due to there being no LTVR due to vest in 2023 due to changing from a three to four-year performance period in Nov/Dec 2019.

STATUTORY

Statutory remuneration reflects remuneration in accordance with Australian Accounting Standards which includes FR and the amortised accounting value of variable remuneration, not the actual awarded or received value in respect of the relevant financial year (i.e., includes the value of STVR and LTVR expensed in the year). This is different to remuneration received in 2023 (which includes prior year awards which vested).

	AWARDED				RECEIVED	STATUTORY
	Fixed remuneration $	STVR $	LTVR $	Total remuneration $	Total remuneration $	Total remuneration $
2023	**2,500,000**	**2,400,000**	**3,375,000**	**8,275,000**	**4,579,413**	**6,186,508**
2022	2,500,000	1,860,000	n/a	4,360,000	6,000,069	5,489,133

Historical STVR and LTVR

This table shows the STVR as a % of maximum opportunity and LTVR vesting outcomes for the CEO over the last five years. STVR outcomes are reasonably aligned with financial performance trends over the corresponding 2019 to 2023 periods, with 2023 STVR higher than prior years, consistent with 2023 financial performance (see section 4.2.1).

Historical STVR and LTVR – CEO[1]

	2019	2020	2021	2022	2023
STVR[2] outcome (% of maximum opportunity)	48%	33%[3]	53%	74%	**96%**
LTVR vesting outcome (% vested)	21.8%	0%	43.3%	51.6%	**n/a**

1. Prior to 2022, the maximum STVR opportunity for the CEO was 150% of target, however under the new structure (effective from 2022) this was reduced to 125% of target, therefore the 2022 and 2023 STVR % of maximum opportunity of 74% and 96% respectively is not comparable with prior years. If the maximum opportunity had remained at 150% of target, then the 2022 and 2023 STVR outcomes for the CEO (on a like for like basis) would have equated to 62% and 80% of maximum opportunity respectively. **2.** Previously referred to as AVR pre-2022. **3.** Post 50% COVID-19 reduction.

Historical VR[1]

This table shows the VR as a % of maximum opportunity for the executives who were disclosed over the last five years.

Historical VR – Disclosed Executive

	2019	2020	2021	2022	2023
STVR[2] outcome (average % of maximum opportunity[3])	45%	36%[4]	60%	78%	**89%**
STVR[2] outcome (range % of maximum opportunity[3])	0% - 74%	31% - 44%	46% - 66%	71% - 96%	**80% - 100%**
VR PR vesting outcome (% vested)	21.8%	0%	43.3%	51.6%	**n/a**

1. Prior to 2022 the maximum VR opportunity for Disclosed Executives was 150% of combined VR target, however under the new structure (effective from 2022), this was reduced to 125% of STVR target component only, therefore the 2022 and 2023 STVR % of maximum opportunity shown above of 78% and 89% respectively are not comparable with prior years. If the maximum opportunity had remained at 150% of target, then the average 2022 and 2023 STVR outcomes for Disclosed Executives (on a like for like basis) would have equated to 65% and 74% of maximum opportunity respectively. **2.** Previously referred to as VR pre-2022. **3.** Pre 2022, % of maximum opportunity applied to the full VR due to the combined VR structure for Disclosed Executives in those years. **4.** Post 50% COVID-19 reduction.

6 STRUCTURE AND DELIVERY: PERFORMANCE

6.1 CEO performance

With regard to STVR, the CEO is assessed 50% on the ANZ Group Performance Framework and 50% on achievement of individual strategic objectives aligned to ANZ's strategy. Both the ANZ Group Performance Framework and individual strategic objectives are agreed by the Board at the start of the financial year and are stretching.

WEIGHTING OF FINANCIAL METRICS

STVR

The CEO's STVR is not formulaic – outcomes are moderated by the Risk element of the ANZ Group Performance Framework and the Board's judgement on the appropriate STVR considering all aspects of performance.

LTVR

TSR (both relative and absolute) continue to determine the outcome of LTVR PR (50% LTVR weighting). However, LTVR also includes a 50% weighted RR award that is primarily focused on risk-based measures (as part of the pre grant and pre vest assessments – see section 7.2.4). This ensures LTVR has a material weight to non-financial measures as required under the APRA Prudential Standard *CPS 511 Remuneration*.

At the end of the financial year, ANZ's performance is assessed against the ANZ Group Performance Framework, and the CEO's performance is also assessed against this, along with his individual strategic objectives, the ANZ values (behaviours), delivery of the BEAR obligations and ANZ's risk and compliance standards. In conducting the CEO's performance assessment, the HR Committee seeks input from the Chairman, CRO (on risk management), CFO (on financial performance), GE T&C (on talent and culture matters) and Group General Manager Internal Audit (GGM IA) (on internal audit matters). Material risk, audit and conduct events that have either occurred or come to light in the year are also considered, together with input from both the Audit Committee and the Risk Committee of the Board.

6.2 Disclosed Executive performance

At the start of each year, stretching performance objectives are set in the form of Divisional Performance Frameworks for each of our Disclosed Executives, in alignment with the ANZ Group Performance Framework approved by the Board.

At the end of the financial year, the performance of each Disclosed Executive[1] is assessed against the ANZ Group Performance Framework (25% to 50% weighting), their Divisional Performance Framework, ANZ's values (behaviours), delivery of BEAR obligations and ANZ's risk and compliance standards.

The ANZ Group Performance Framework weighting for Disclosed Executives reinforces the importance of collective accountability and contribution to Group outcomes. The respective 2023 weighting varies based on role focus:

- 50% Group performance weighting: CFO, GE Strategy & Transformation, GE T&C, and GE Technology & Group Services
- 25% Group performance weighting: CRO, GE Australia Retail, GE Australia Commercial, GE & CEO New Zealand, and GE Institutional

Similar to the ANZ Group Performance Framework, the Divisional Performance Frameworks include the key elements of Financial Discipline and Operational Resilience, Customer, and People and Culture, with Risk acting as a modifier.[2] The weighting of each element varies to reflect the responsibilities of each individual's role. The Financial Discipline and Operational Resilience element weightings range from 20% to 40%.

The HR Committee seeks input from the CEO, and independent reports from Risk, Finance, Talent and Culture, and Internal Audit, and also reviews material risk, audit and conduct events, and seeks input from both the Audit Committee and the Risk Committee of the Board.

The HR Committee reviews and recommends to the Board for approval the overall performance outcomes for each Disclosed Executive.

STVR and LTVR

At the end of the financial year, the CEO and HR Committee determine STVR recommendations for each Disclosed Executive, which are ultimately approved by the Board.[3] STVR varies year-on-year in line with performance – it is not guaranteed and may be adjusted up or down ranging from zero to a maximum opportunity.

As highlighted in section 4, performance against objectives impacts STVR outcomes (e.g., where expectations are met, STVR is likely to be awarded around target which equates to 80% of maximum opportunity). The degree of variance in individual STVR outcomes reflect the weighting of the Group component (i.e., roles with 50% Group weighting will generally have less differentiation), and relative performance of the different areas/individuals, ensuring appropriate alignment between performance and reward. The outcomes demonstrate the at risk nature of STVR, and that outcomes vary across the Disclosed Executives and also from year to year. The average 2023 STVR for Disclosed Executives is 89% of maximum opportunity (ranging from 80% to 100%).

LTVR under the new remuneration structure was awarded for the first time in 2023, with a pre grant assessment (focused on risk measures) resulting in a full RR award. A pre vest assessment will determine the number of RR that ultimately vest, and performance against TSR hurdles will determine the level of vesting of PR. LTVR (RR and PR) is designed to strengthen the alignment of executive interests with shareholders, and PR provide a strong link between the reward for executive performance and TSR returns over the next four-year period.

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1. Performance arrangements for the CRO are addressed additionally by the Risk Committee. Performance arrangements for the Group Executive and CEO, New Zealand are determined and approved by the ANZ NZ HR Committee/ANZ NZ Board in consultation with and endorsed by the HR Committee/Board, consistent with their respective regulatory obligations. **2.** Except for the CRO who has a percentage weighting assigned to risk measures. **3.** Remuneration arrangements for the Group Executive and CEO, New Zealand are determined and approved by the ANZ NZ Board in consultation with and endorsed by the Board, consistent with their respective regulatory obligations.

7 STRUCTURE AND DELIVERY: REMUNERATION

There are two core components of remuneration at ANZ – FR and at risk variable remuneration.

In structuring remuneration, the Board aims to find the right balance between fixed and variable remuneration (at risk), the way it is delivered (cash versus deferred remuneration) and appropriate deferral time frames (the short, medium and long-term).

The Board sets (and reviews annually) the CEO and Disclosed Executives' FR based on financial services market relativities and reflecting their responsibilities, performance, qualifications and experience.

The CEO and Disclosed Executives' variable remuneration is comprised of STVR and LTVR consistent with external market practice.

Variable remuneration is designed to focus our CEO and Disclosed Executives on stretching performance objectives supporting our business strategy, risk management and the delivery of long-term stakeholder value.

In considering variable remuneration outcomes the HR Committee and Board reflect on the **application of ANZ's Reward Principles:**

- **Reward our people for doing the right thing having regard to our customers and shareholders:** Variable remuneration should be primarily based on 'outcomes' rather than 'effort' and proportionate relative to performance. It also needs to consider the experience and expectations of a range of stakeholders (including shareholders, customers, employees, community and regulators).
- **Attract, motivate and keep great people:** In determining remuneration outcomes, the Board acknowledges the importance of balancing performance with being market competitive to ensure retention of key talent – particularly in a competitive talent landscape.
- **Focus on how things are achieved as much as what is achieved:** The Board ensures that appropriate consideration and weight is given to performance against objectives (which includes a risk modifier), a risk assessment (capturing financial and non-financial risks), and how that performance was achieved (i.e., in accordance with our values and purpose).
- **Fair and simple to understand:** Variable remuneration should be fair and consistent through the cycle and have regard to external influences outside of management's control.

Variable remuneration outcomes are based on a range of measures (as illustrated overleaf), with material weight provided to non-financial measures in accordance with Prudential Standard *CPS 511 Remuneration*. Our variable remuneration approach has a strong focus on driving long-term sustainable outcomes for shareholders. For example, STVR outcomes include a number of objectives that are considered key drivers of shareholder value, and the significant weighting to the LTVR component (around 60% of VR) as well as 50% of STVR delivered as ANZ shares, aligns a large proportion of executive remuneration to the shareholder experience (in respect of the share price and dividend).

STVR
Mix of financial and non-financial measures

Key Individual Assessment Inputs

ANZ values *Behaviours*	Risk/compliance *Including material events*	BEAR obligations
ANZ Group Performance Framework *25%-50% weighting*	Individual strategic objectives/Divisional Performance Framework *50%-75% weighting*	Control function input *Risk, Finance, T&C, Audit*

FY23 ANZ Group Performance Framework

Objectives below are examples of key drivers of shareholder value

RISK (MODIFIER)

Maintain risk discipline focused on good customer and regulatory outcomes

- Deliver major regulatory commitments
- Strengthen risk culture

×

FINANCIAL DISCIPLINE & OPERATIONAL RESILIENCE (35%)

Run core businesses well, delivering sustainable growth and operational improvements

- Deliver economic profit to plan or better in a high-quality manner
- Contain total cost growth
- Deliver/progress key change programs

+

CUSTOMER (35%)

Deliver great customer outcomes, focused on improving the financial wellbeing, sustainability and experience of priority segments

- Accelerate ANZ Plus customer acquisition and engagement
- Materially improve Commercial customer & banker experience
- Meaningfully progress environmental sustainability strategies
- Transition to uniform business services

+

PEOPLE & CULTURE (30%)

Build a culture where our diverse teams are engaged and optimised for success

- Maintain high employee engagement
- Continue to improve project capability
- Attract, retain and develop people with critical skills to reinvent banking

Additional financial and non-financial overlays considered by the Board in determining Group and individual performance and the size of the ANZIP pool include:

- Broader financial performance (beyond scorecard measures)
- The quality of earnings and operating environment
- The shareholder experience (e.g., share price growth and dividends)

LTVR RR
Mostly non-financial

LTVR PR
Financial

ALIGNED TO SHAREHOLDER EXPERIENCE

Prudential Soundness

- Capital ratio and liquidity prudential minimums

Risk Measures

- Material risk outcomes
  Considers all risk types including capital adequacy risk, compliance risk, credit risk, liquidity and funding risk, market risk, operational risk, strategic risk, technology risk and conduct risk
- APRA active supervision
- Risk culture

TSR

- 75% relative TSR
  Rewards for performance relative to that of SFS comparator group
- 25% absolute TSR
  Ensures there is a continued focus on providing positive growth – even when market is declining

  Measures absolute CAGR

STVR and LTVR provide material weight to non-financial measures as per *CPS 511*

By deferring a significant portion of variable remuneration (around 80% of maximum opportunity for the CEO and Disclosed Executives and 75% for the CRO), we seek to ensure alignment with shareholder interests, to deliver on ANZ's strategic objectives, and to ensure a focus on long-term value creation. Deferred variable remuneration has significant retention elements, and most importantly, can be adjusted downwards, including to zero, allowing the Board to hold executives accountable, individually or collectively, for the longer-term impacts of their decisions and actions.

Board discretion is applied when determining all CEO and Disclosed Executive variable remuneration outcomes including:

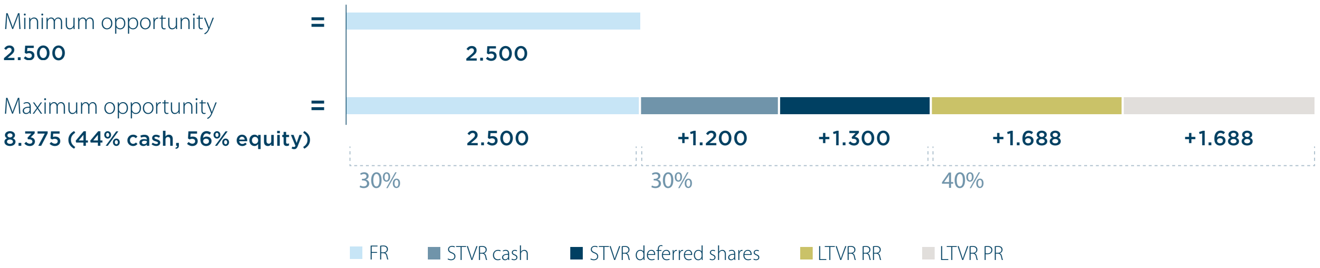
- STVR and LTVR outcomes for each financial year;
- LTVR vesting outcomes (pre vest assessment);
- Consideration of malus or further deferral before any scheduled release of previously deferred remuneration;
- Consideration of clawback for up to two years post payment or vesting of variable remuneration. See section 7.3.

7.1 Remuneration mix

The CEO and Disclosed Executives[1] have an aligned remuneration mix (30% FR, 30% STVR and 40% LTVR at maximum opportunity), and structure (with the exception of longer deferral for the CEO in line with APRA's deferral requirements).

CEO

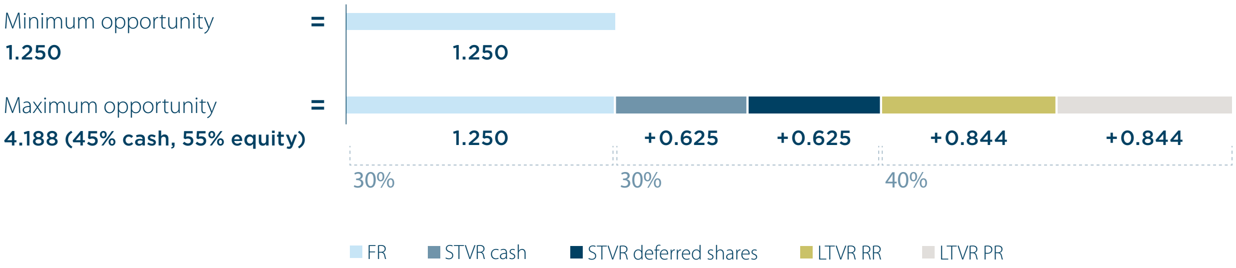
Remuneration mix – CEO ($m)



Disclosed Executives

The dollar amounts in the below example are for illustrative purposes only, and are based on the FR value of $1.25m.

Remuneration mix – Disclosed Executives[1] ($m)



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[1] Excluding CRO and Acting GE T&C.

CRO

To preserve the independence of the role and to minimise any conflicts of interest in carrying out the risk control function across the organisation, the CRO's remuneration arrangements differ to other Disclosed Executives.

While the STVR opportunity (100% of FR) is the same as the CEO and Disclosed Executives, the LTVR opportunity is different (100% of FR instead of 135% of FR) reflecting the delivery of LTVR as 100% RR (instead of 50% RR and 50% PR). Maximum variable remuneration opportunity is 200% of FR for the CRO. The remuneration mix is 33.3% FR/33.3% STVR/33.3% LTVR.

Acting GE T&C

Due to the acting nature of R Howell's appointment his remuneration arrangements differ to other Disclosed Executives. For the time spent in this acting role, his FR was set at $700k per annum from 1 June 2023 and increased to $703k from 1 July 2023 (due to the impact of the Superannuation Guarantee rate change). His VR maximum opportunity was set at 150% of FR (his remuneration mix is therefore 40% FR/60% VR). His VR will be delivered as 60% cash and 40% as shares deferred over years 4 to 5 to ensure compliance with CPS 511 deferral requirements.

7.2 Variable remuneration delivery

Variable remuneration for the CEO and the Disclosed Executives (excluding the CRO and Acting GE T&C) is delivered as follows:

- STVR as 50% cash and 50% shares deferred equally over years 2 and 3; and
- LTVR as RR and PR deferred over:
  - year 4 (33%), year 5 (33%) and year 6 (34%) for the CEO; and
  - year 4 (50%) and year 5 (50%) for Disclosed Executives.

Both RR and PR are tested against the relevant performance condition at the end of the four-year performance period and are then subject to additional holding period(s) until the completion of the respective deferral periods.

At target performance, 63% of variable remuneration for the CEO and Disclosed Executives, and 56% of variable remuneration for the CRO is deferred for at least four years (from the date the Board approved the variable remuneration in October (and the date shareholders approve the CEO's LTVR)), noting that this complies with the BEAR minimum deferral requirement of 60% for the CEO and 40% for Disclosed Executives. If the CEO receives above target STVR (as is the case in 2023), 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*.

Before any scheduled release of deferred remuneration, the Board considers whether malus should be applied to previously deferred remuneration (or further deferral of vesting), or clawback to variable remuneration previously granted, for the CEO and Disclosed Executives. See section 7.3.

7.2.1 STVR CASH – CEO AND DISCLOSED EXECUTIVES

The cash component of STVR is paid to executives at the end of the annual Performance and Remuneration Review (December 2023), and is subject to clawback for two years post payment.

7.2.2 STVR DEFERRED SHARES – CEO AND DISCLOSED EXECUTIVES

By deferring 50% of an executives' STVR as deferred shares over years two and three (and it remaining subject to malus and clawback), we enable a substantial amount of their STVR to be directly linked to delivering shareholder value. We grant deferred shares in respect of performance for the financial year ending 30 September in late November each year.

For deferred variable remuneration for the CEO and Disclosed Executives, we calculate the number of deferred shares to be granted based on the VWAP of the shares traded on the ASX in the five trading days leading up to and including 1 October (i.e., in line with the beginning of the financial year). Allocations prior to the 2022 financial year were based on the VWAP in the five trading days leading up to and including the date of grant. The VWAP used for disclosure and expensing purposes is the one-day VWAP at the date of grant, which is in line with the Accounting Standard.

In some cases, we may grant deferred share rights to executives instead of deferred shares. Each deferred share right entitles the holder to one ordinary share.

7.2.3 LTVR – CEO AND DISCLOSED EXECUTIVES[1]

LTVR reinforces the focus on achieving longer term strategic objectives, driving outperformance relative to peers, and creating long-term sustained value for all stakeholders. The following table details design features common to both LTVR RR and PR.

This section details the LTVR approach that applied to the 2023 LTVR award granted in November/ December 2022, and to the GE Australia Commercial in September 2023.

LTVR ELEMENT	DETAIL
Description	RR and PR provide a right to acquire one ordinary ANZ share at nil cost – as long as applicable time and performance conditions are met. Their future value may range from zero to an indeterminate value. The value depends on performance against the applicable performance condition and on the share price at the time of exercise.
Performance period	Both RR and PR have a four-year performance period commencing from 1 October and ending four years later on 30 September (e.g., 1 October 2022 to 30 September 2026 for the 2023 grant), noting that LTVR is awarded at the start of the financial year (rather than the end). A four-year performance period provides sufficient time for longer term performance to be reflected.
Deferral periods	The deferral period is the sum of the four-year performance period and the applicable holding period. The holding period commences the day after the end of the four-year performance period (e.g., 1 October 2026 in the case of the 2023 LTVR award), and finishes on the 4th, 5th or 6th anniversary of grants.
Exercise period	Rights can only be exercised at the end of the relevant deferral period (4, 5 or 6 years) when the rights vest and become exercisable. There is a two-year exercise period which commences at the end of the relevant deferral period for RR and PR.
Expensing	ANZ engages PricewaterhouseCoopers to independently determine the fair value of RR and PR, which is only used for expensing for accounting purposes. They consider factors including: the market performance conditions, share price volatility, life of the instrument, dividend yield, and share price at grant date.
Dividends	A dividend equivalent payment (DEP) is paid in cash at the end of the relevant deferral period, but is only made to the extent that all or part of the underlying rights meet the relevant performance condition and vest to the individual. Dividend equivalent payments accrue over the full deferral period for RR, and only during the holding period for PR.
Allocation basis	The value the Board uses to determine the number of RR and PR to be allocated to the CEO and Disclosed Executives is the face value of ANZGHL shares traded on the ASX in the five trading days leading up to and including 1 October (beginning of the financial year and LTVR performance period). LTVR is awarded around the start of the financial year in late November for Disclosed Executives and December for the CEO (subject to shareholder approval).

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[1] Excluding Acting GE T&C.

7.2.4 LTVR RESTRICTED RIGHTS – CEO AND DISCLOSED EXECUTIVES[1]

The award of RR 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.

Having a risk-based focus reflects the intent of the Prudential Standard *CPS 511 Remuneration* in ensuring remuneration arrangements appropriately incentivise individuals to prudently manage risks. The performance conditions are designed to ensure there is focus on both material risk events and building a strong risk culture over the longer term.

<table>
<tr><th>LTVR ELEMENT</th><th>PERFORMANCE CONDITION DETAIL</th></tr>
<tr><td>RR pre grant and pre vest assessments</td><td>
<p>Pre grant assessment purpose: Determines whether any reduction should be made to RR award value and is primarily based on outcomes in the prior financial year.</p>
<p>Pre vest assessment purpose: Determines whether the RR amount awarded should vest in full and is based on outcomes over the four-year performance period.</p>
<p>The pre grant and pre vest assessments also take into consideration any adjustments already applied for the same event/outcomes in either the current or prior years (i.e., adjustments to STVR and LTVR, malus and clawback), to ensure the overall impact is fair and proportionate to the severity of the outcome. Therefore, given other remuneration adjustments are likely to be considered first, and as the award of RR is future focused, it is anticipated that RR will be allocated at full value in most years – unless the outcome of the following three assessment steps determines otherwise.</p>
<table>
<tr><th>STEP 1
Assess Prudential soundness</th><th>STEP 2
Assess risk measures</th><th>STEP 3
Apply Board discretion</th></tr>
<tr><td>• Nil award if ANZ does not meet capital ratio and liquidity prudential minimums.</td><td>• Consideration of any Material Risk Outcomes from executive actions or inactions which is expected to/or has resulted in significant impacts.
• Consideration of any significant adverse change in APRA's Active Supervision level.
• Consideration of Risk Culture (additional measure for pre vest) that examines whether or not ANZ has maintained (or made progress towards) a sound risk culture, considering both executive actions or inactions.</td><td>• Board to determine whether any reduction should be made to LTVR RR outcome based on consideration of a range of factors, including:
– the outcomes from steps 1 and 2;
– the impact, if any, of the issue/s on ANZ's reputation/standing in the market;
– whether the issue was specific to ANZ, the banking industry or the broader market;
– any impacts already applied (e.g., regarding downward adjustment mechanisms, pre grant assessment impact to LTVR RR);
– whether any impact should be made on an individual or collective basis.</td></tr>
</table>
<p>The assessments are not intended to be formulaic given the circumstances requiring the application of Board discretion will typically be different or unique, however a Board decision making framework is in place to guide the Board in applying discretion.</p>
</td></tr>
<tr><td>Material risk outcomes process</td><td>
<p>The consideration of material risk outcomes is a key process that forms part of our broader Accountability and Consequence Framework (A&CF) (see section 8), and is a comprehensive bottom-up process designed to ensure that all relevant events are surfaced and considered appropriately. Key steps include:</p>
• Risk, conduct and audit events are reported in ANZ's Compliance & Operational Risk System.
• Divisional Accountability Groups review serious risk, conduct and audit events, and provide recommendations regarding accountability and consequences, where appropriate.
• Enterprise Accountability Group (EAG) reviews recommendations of the Divisional Accountability Groups and make final determination (with some exceptions where local Board approval is required or for material risk takers and other non-administrative direct reports to the CEO, where Board approval is required).
• HR Committee reviews most serious risk, conduct and audit events (as part of independent report from CRO) and determines impacts at the Group, Division and individual level for the CEO and ExCo.
</td></tr>
</table>

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[1] Excluding Acting GE T&C.

7.2.5 LTVR PERFORMANCE RIGHTS – CEO AND DISCLOSED EXECUTIVES EXCLUDING THE CRO[1]

LTVR ELEMENT	PERFORMANCE CONDITION DETAIL
Performance rights hurdles	The PR have TSR performance hurdles reflecting the importance of focusing on achieving longer term strategic objectives and aligning executives' and shareholders' interests. There are two TSR performance hurdles for the 2023 grants of PR: • 75% will be measured against a relative TSR hurdle. • 25% will be measured against an absolute TSR hurdle. TSR represents the change in value of a share plus the value of reinvested dividends paid. We regard it as the most appropriate long-term measure – it focuses on the delivery of shareholder value and is a well understood and tested mechanism to measure performance. The combination of relative and absolute TSR hurdles provides balance to the plan by: • Relative: rewarding executives for performance that exceeds that of comparator companies; and • Absolute: ensuring there is a continued focus on providing positive growth – even when the market is declining. The two hurdles measure separate aspects of performance: • the relative TSR hurdle measures our TSR compared to that of the Select Financial Services (SFS) comparator group, made up of core local and global competitors. This comparator group is chosen to broadly reflect the geographies and business segments in which ANZ competes for revenue; and • the absolute Compound Annual Growth Rate (CAGR) TSR hurdle provides executives with a more direct line of sight to the level of shareholder return to be achieved. It also provides a tighter correlation between the executives' rewards and the shareholders' financial outcomes. We will measure ANZ's TSR against each hurdle at the end of the four-year performance period to determine whether any PR becomes exercisable. We measure relative and absolute TSR hurdles independently from the other – for example one may vest fully or partially but the other may not vest.
Relative TSR hurdle for PR	The relative TSR hurdle is an external hurdle that measures our TSR against that of the SFS comparator group over four years. The SFS comparator group is made up of: Bank of Queensland Limited; Bendigo and Adelaide Bank Limited; Commonwealth Bank of Australia Limited; DBS Bank Limited; Macquarie Group Limited; National Australia Bank Limited; Standard Chartered PLC; Suncorp Group Limited; and Westpac Banking Corporation. For future LTVR awards of PR (i.e., from financial year 2024), the Board approved for DBS Bank Limited to be removed from the comparator group (noting that this change does not apply to awards currently on foot). This change reflects the need to better balance the weighting of international peers in our comparator group to more appropriately reflect the change in capital allocated to Asia compared to when international comparators were originally included in 2015 (as part of the super regional strategy at that time). When considering an appropriate cohort of peers for benchmarking TSR performance, the Board take into consideration organisations with a similar scope of activities, common geographical focus, broadly comparable risk compliance and regulatory profiles, and relative stability and transparency across market cycles.

If our TSR when compared to the TSR of the comparator group	then the percentage of PR that vest
is less than the 50th percentile	is nil
reaches at least the 50th percentile, but is less than the 75th percentile	is 50% plus 2% for every one percentile increase above the 50th percentile
reaches or exceeds the 75th percentile	is 100%

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[1] Excluding Acting GE T&C.

LTVR ELEMENT	PERFORMANCE CONDITION DETAIL
Absolute TSR hurdle for PR	The absolute CAGR TSR hurdle is an internal hurdle as to whether ANZ achieves or exceeds a threshold level of growth the Board sets at the start of the performance period. The Board reviews and approves the absolute TSR targets each year for the PR award. When reviewing the targets, the Board references ANZ's assessed Cost of Capital (CoC). The CoC is determined using methodologies including the Capital Asset Pricing Model (CAPM). The CoC is regularly reviewed and updated to reflect current market conditions. Due to the prospective nature of the 2023 PR and given the increased volatility in the 10-year bond rate, the Board determined it was appropriate to use the 2H average CoC as the CAGR TSR target for the 2023 PR.

If the absolute CAGR of our TSR	then the percentage of 2023 PR that vest
is less than 9.125%	is nil
is 9.125%	is 50%
reaches at least 9.125%, but is less than 13.688%	is progressively increased on a pro-rata, straight-line, basis from 50% to 100%
reaches or exceeds 13.688%	is 100%

LTVR ELEMENT	PERFORMANCE CONDITION DETAIL
	For future LTVR awards of PR (i.e., from financial year 2024), the CAGR TSR hurdle will be based on the time weighted CoC over the four-year performance period of the PR. Therefore, the CAGR TSR target will be adjusted on a time weighted basis unless the Board applies discretion not to adjust. The CoC will be reviewed by the Board on a quarterly basis based on the output from the CAPM methodology (which takes into consideration the risk-free bond rate, the market risk premium and the beta – i.e., the volatility of ANZ's historical share price relative to the market). Any CoC changes approved by the Board throughout the performance period are prospective only (i.e., reflect current market factors) and will form part of the dynamic absolute TSR target calculation. Moving to a dynamic target that reflects the changes in CoC over the performance period (rather than a static target at the beginning of the performance period), is more responsive to changes in both interest rates and risks, and is considered more appropriate and fairer from both an investor and executive perspective, and supports better shareholder alignment.
Calculating TSR performance	When calculating performance against TSR, we: • reduce the impact of share price volatility – by using an averaging calculation over a 90-trading day period for start and end values; • ensure an independent measurement – by engaging the services of an external organisation, to calculate ANZ's performance against both the absolute and relative TSR hurdles; and • test the performance against the relevant hurdle once only at the end of the four-year performance period – the rights lapse if the performance hurdle is not met – there is no retesting.

7.3 Downward adjustment – Board discretion

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, Disclosed Executives 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) (for other employees) considers whether any further deferral, malus, or clawback should be applied. See section 8 for details.

8 ACCOUNTABILITY AND CONSEQUENCE FRAMEWORK

The Enterprise Accountability Group (EAG) is the primary governance mechanism for the operation of the Accountability and Consequence Framework (A&CF).

8.1 Role of the EAG

The EAG is chaired by the CEO and members include the CRO, CFO and GE T&C. It operates under the delegated authority of the HR Committee and is responsible for:

- supporting the Board in monitoring the implementation and ongoing effectiveness of ANZ's A&CF;
- reviewing the most material risk, conduct and audit events for accountability and the application of consequences, where appropriate;
- providing guidance to the Divisions and considering initiatives across the Divisions to strengthen risk behaviours;
- acknowledging material positive risk events and recognising risk role models, whose achievements are profiled across the organisation; and
- approving the release or application of downward adjustment for deferred variable remuneration (noting that for the CEO and Disclosed Executives this is approved by the Board).

8.2 Material positive risk events

The EAG review material positive risk decisions and events – times when our proactive approach to identifying and mitigating risk have had a material positive outcome. Reviewing these examples provides an opportunity to acknowledge the importance of these events and share learnings across the enterprise.

8.3 Risk role models

In 2023, 81 individuals were recognised by the EAG for role modelling outstanding risk behaviours through their efforts to identify, manage and mitigate the organisation's risks and contribute to our strong risk culture. Recognition provided included a personalised e-mail from the CEO, local recognition events, and having their achievement profiled on our intranet and in internal newsletters.

8.4 Compliance with Prudential Standard *CPS 511 Remuneration*

ANZ's A&CF is an integral part of our enterprise approach to meeting the requirements of APRA Prudential Standard *CPS 511 Remuneration.*

We introduced clawback provisions for the CEO and our Disclosed Executives effective 2022, in addition to existing downward adjustment tools such as in year adjustment, further deferral and malus.

In 2023, we have continued to raise employee awareness with respect to accountability and consequences through explicit references to the A&CF (including remuneration consequences) in employee training and communications and performance and remuneration policy documents.

In addition, as part of our annual performance and remuneration process, we have provided our People Leaders with guidance regarding appropriate (and in some cases, mandatory) remuneration consequences for conduct and performance issues, including insights from the previous year's consequences applied. These activities are part of our continued focus on consistency in application of remuneration consequence across ANZ globally.

8.5 Consideration of consequences for material risk, audit and conduct events

The EAG has processes in place to ensure that we mitigate the risk of conflicts of interest in reviewing events and determining accountability and consequences. For example, when undertaking accountability reviews, a recommendation regarding the review leader and scope must be sent to the CRO (or in the case of an event involving Group Risk to the CEO), for review and approval to ensure the individual is capable of undertaking an impartial and unbiased review.

Considerations regarding accountability and consequences for our most senior executives are considered and determined by the HR Committee and Board.

Reports on the most material risk, audit and conduct issues were presented to the HR, Risk and Audit Committees at a concurrent meeting. This information was considered by the Board when considering the performance of the Group and the 2023 ANZIP variable remuneration pool for all employees and determining the performance and remuneration outcomes of the CEO and Disclosed Executives.

The HR Committee and Board consider accountability and consequences for the CEO and Disclosed Executives, including the application of malus and clawback (see section 7.3). No malus or clawback was applied to the remuneration of the CEO and Disclosed Executives during 2023.

When determining consequences, consideration is given to the level of accountability, and the severity of the issue, including customer impacts. Consequences may include, for example, one or more of the following: counselling, formal warnings, impacts to in year performance and remuneration outcomes or application of malus to previously deferred remuneration and ultimately termination of employment or clawback for the most serious issues.

8.6 Evolving the A&CF

Our ongoing focus on accountability, consequences and driving a strong risk culture supports our customer commitment that when things go wrong, we fix them quickly and hold executives, current (and former where we can), to account where appropriate. We are also focused on ensuring that we learn from the cause of the event, mitigate the risk of future recurrences and continuously seek to strengthen our risk culture. We review the effectiveness of the A&CF every year and implement enhancements to further strengthen the A&CF based on regulatory and internal stakeholder input.

8.7 Speak up culture

We continue to raise employee awareness of, and promote the various ways employees can speak up and raise issues and ideas for improvement including through initiatives such as:

- a global awareness campaign to mark World Whistleblower Day in June, which included a conversation guide designed to support People Leaders with team discussions on the importance of speaking up and promotion of whistleblowing;
- digital communications designed to build confidence and trust in the Whistleblower Program and process; and
- through monitoring responses in our employee engagement surveys.

Key risk and speak-up scores, including 'The People Leaders in the area I work demonstrate personal accountability for risk and sound risk behaviours' (91%), 'I can raise issues and concerns without fear of reprisals' (81%) and 'When I speak up, my ideas, opinions and concerns are heard' (84%) remained strong and consistent with 2022 and 2021 results.[1]

8.8 Application of consequences

In 2023, there were 1,330 employee relations cases involving alleged breaches of our Code, with 501 resulting in a formal consequence or the employee leaving ANZ, down from 518 in 2022. Breaches ranged from compliance/procedural breaches (23%), through to general unacceptable behaviour (31.7%), email/systems misuse (9.2%), attendance issues (20.8%), fraud/theft (5.4%), conflict of interest (5.6%) and breaches of our Equal Opportunity, Bullying and Harassment Policy (3.6%). Outcomes following investigations of breaches this year included 100 terminations, 314 warnings and 87 employees leaving ANZ.

In relation to the application of consequences to our senior leadership population (senior executives, executives and senior managers), 30 current and former employees (21 in 2022) had a consequence applied as a result of the application of our Code of Conduct Policy and/or findings of accountability for a relevant event. Consequences included warnings, impacts on performance and remuneration outcomes and dismissal.

All employees and contractors across the enterprise are required to complete mandatory learning modules. Permanent employees who fail to complete their mandatory learning requirements within 30 days of the due date are (in the absence of genuinely exceptional circumstances) ineligible for any FR increase or variable remuneration award as part of our annual Performance and Remuneration Review. In 2023, the mandatory learning course compliance rate across the enterprise was 99.6%.

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[1] Results reported are taken from the Q2 and/or Q4 employee engagement surveys, and Risk Culture Survey.

9 NON-EXECUTIVE DIRECTOR (NED) REMUNERATION

9.1 Remuneration structure

The HR Committee reviewed NED fees and determined not to increase fees for 2023.

For 2024, the HR Committee has reviewed and approved a 2% increase to the NED member fee (from $240,000 to $245,000) which has remained unchanged since 2016. The Board Chairman fee remains unchanged. Following review, the HR Committee also approved the alignment of the fee structure across all Committees increasing each Committee chair fee to $68,000, and each Committee member fee to $34,000. This fee review considered increased complexity in the regulatory environment, uplifts for ANZ's broader employee population, and the external market.

The fee structure is applicable to NEDs of ANZGHL and ANZBGL. Fees prior to the implementation of the Non-Operating Holding Company (NOHC) structure related to membership of the ANZBGL Board, and post implementation are viewed as a single fee covering both Boards (i.e., membership of ANZGHL and ANZBGL Boards/Committees). Currently the fee structure applies irrespective of whether NEDs serve on one or more Boards.

NEDs receive a fee for being a Director of the Board, and additional fees for either chairing, or being a member of a Board Committee. The Chairman of the Board does not receive additional fees for serving on a Board Committee.

In setting Board and Committee fees, the following are considered: general industry practice, ASX Corporate Governance Principles and Recommendations, the responsibilities and risks attached to the NED role, the time commitment expected of NEDs on Group and Company matters, and fees paid to NEDs of comparable companies.

ANZ compares NED fees to a comparator group of Australian listed companies with a similar market capitalisation, with particular focus on the major financial services institutions. This is considered an appropriate group, given similarity in size and complexity, nature of work and time commitment by NEDs.

To maintain NED independence and impartiality:

- NED fees are not linked to the performance of the Group; and
- NEDs are not eligible to participate in any of the Group's variable remuneration arrangements.

The current aggregate fee pool for NEDs of $4m was approved by shareholders at the 2012 AGM. The annual total of NEDs' fees, including superannuation contributions, is within this agreed limit.

This table shows the NED fee policy structure for 2023.

2023 NED fee policy structure	2023	
	Chair fee	Member fee
Board[1,2]	$850,000	$240,000
Audit Committee	$65,000	$32,500
Risk Committee	$65,000	$32,500
HR Committee	$65,000	$32,500
Digital Business & Technology Committee	$55,000	$27,500
Ethics, Environment, Social & Governance Committee	$55,000	$27,500

1. Including superannuation. **2.** The Chairman of the Board does not receive additional fees for serving on a Board Committee. The Chairman of the Board and NEDs do not receive a fee for serving on the Nomination and Board Operations Committee.

NED shareholding guidelines

We expect our NEDs to hold ANZ shares. NEDs are required:

- to accumulate shares – over a five-year period from their appointment to the value of:
  - 100% of the NED member fee for Directors;
  - 100% of the Chairman fee for the Chairman; and
- to maintain this shareholding while they are a Director of ANZ.

Based on the ANZ share price as at 30 September 2023, all NEDs meet or, if less than five years' tenure, are on track to meet the holding guideline.

9.2 2023 Statutory remuneration – NEDS

The following table outlines the statutory remuneration of NEDs[1] disclosed in accordance with Australian Accounting Standards.

1. In addition to the fee shown below, Sir John Key received NZD 422,050 in 2022 and 2023 for his role as Chairman of ANZ Bank New Zealand Limited.

2023 Statutory remuneration – NEDS

		Short-term NED benefits		Post-employment	
	Financial year	Fees[1] $	Non monetary benefits[2] $	Super contributions[1] $	Total remuneration[3] $
CURRENT NON-EXECUTIVE DIRECTORS					
P O'Sullivan	**2023**	**824,181**	**-**	**25,819**	**850,000**
	2022	813,501	6,128	23,999	843,628
I Atlas	**2023**	**339,181**	**-**	**25,819**	**365,000**
	2022	330,751	-	23,999	354,750
J Halton	**2023**	**329,181**	**-**	**25,819**	**355,000**
	2022	318,001	-	23,999	342,000
G Hodges[4]	**2023**	**176,745**	**-**	**17,102**	**193,847**
J Key	**2023**	**301,681**	**-**	**25,819**	**327,500**
	2022	290,251	-	23,999	314,250
H Kramer[4]	**2023**	**35,841**	**-**	**3,942**	**39,783**
J Macfarlane	**2023**	**336,443**	**-**	**25,819**	**362,262**
	2022	301,501	-	23,999	325,500
C O'Reilly[4]	**2023**	**344,181**	**-**	**25,819**	**370,000**
	2022	302,863	-	22,579	325,442
J Smith[4]	**2023**	**298,889**	**-**	**25,819**	**324,708**
	2022	36,003	-	3,780	39,783
FORMER NON-EXECUTIVE DIRECTORS					
G Liebelt[4]	**2023**	**72,439**	**2,104**	**-**	**74,543**
	2022	360,427	-	6,323	366,750
Total of all Non-Executive Directors	**2023**	**3,058,762**	**2,104**	**201,777**	**3,262,643**
	2022	2,753,298	6,128	152,677	2,912,103

1. Year-on-year differences in fees relate to changes to the NED fees and also to the superannuation Maximum Contribution Base. G Liebelt elected to receive all payments in fees and therefore did not receive superannuation contributions during 2022 and 2023 with exception to fees paid in Q422. **2.** Non monetary benefits generally consist of company-funded benefits (and the associated Fringe Benefits Tax) such as car parking and gifts provided upon retirement. **3.** Long-term benefits and share-based payments do not apply for the NEDs. **4.** Remuneration based on time as a NED (2022 for C O'Reilly and J Smith, 2023 for G Hodges, H Kramer and G Liebelt).

10 REMUNERATION GOVERNANCE

10.1 The Human Resources (HR) Committee

10.1.1 ROLE OF THE HR COMMITTEE

The HR Committee has been established by the ANZGHL Board, and has been delegated authority to act as the remuneration committee for ANZBGL. The HR Committee supports the Board on remuneration and other HR matters. It reviews the remuneration policies and practices of the Group, and monitors market practice and regulatory and compliance requirements in Australia and overseas.

During the year the HR Committee met on five occasions and reviewed and approved, or made recommendations to the Board on matters including:

- remuneration for the CEO and other key executives (broader than those disclosed in the Remuneration Report) in accordance with the ANZ Group Performance and Remuneration Policy and ANZBGL Performance and Remuneration Policy, and fees for the NEDs;
- matters related to the implementation of APRA's Prudential Standard *CPS 511 Remuneration*, and updates on the BEAR, and Treasury's Financial Accountability Regime (FAR);
- the ANZ Group Performance Framework (annual objectives setting and assessment) and annual variable remuneration spend;
- performance and reward outcomes for key senior executives, including the consideration of material events that have either occurred or came to light in the year;
- the release, further deferral or application of malus of deferred remuneration or clawback;
- key senior executive appointments and terminations;
- the review of the ANZ Group Performance and Remuneration Policy and ANZBGL Performance and Remuneration Policy, and the Accountability & Consequence Framework (A&CF);
- building capabilities required to deliver on our strategy;
- succession plans for key senior executives; and
- culture, diversity and inclusion, employee engagement, and how we work in a post COVID environment.

More details about the role of the HR Committee, including its Charter, can be found on our website. Go to anz.com > Our company > Strong governance framework > ANZ Human Resources Committee Charter.

10.1.2 LINK BETWEEN REMUNERATION AND RISK

The HR Committee has a strong focus on the relationship between business performance, risk management and remuneration, aligned with our business strategy. The chairs of the Risk and Audit Committees and the full Board (ANZGHL and ANZBGL) are in attendance for specific HR Committee meetings. A concurrent meeting of the HR, Risk and Audit Committees was held to review:

- material risk, conduct and audit events that either occurred or came to light in 2023;
- 2023 performance and variable remuneration recommendations at both the Group, CEO and Disclosed Executive level.

To further reflect the importance of the link between remuneration and risk:

- the Board had two NEDs (in addition to the Chairman) in 2023 who served on both the HR Committee and the Risk Committee;
- the HR Committee has free and unfettered access to risk and financial control personnel (the CRO and CFO attend HR Committee meetings for specific agenda items);
- the CRO (together with GE T&C and GGM IA) provides an independent report to the HR Committee on the most material risk, conduct and audit events (as relevant) to help inform considerations of performance and remuneration, and accountability and consequences at the Group, Divisional and individual level;
- the CRO also provides an independent report to assist the Board in their assessment of performance and remuneration outcomes for the CEO and Disclosed Executives;
- the chairs of the Risk and Audit Committees are asked to provide input to ensure appropriate consideration of all relevant risk and internal audit issues;
- the ANZ Group Performance Framework and Divisional Performance Frameworks include Risk as a key element acting as a modifier, and it forms an integral part of each framework's assessment and directly impacts the overall outcomes; and
- the LTVR RR pre grant and pre vest assessments undertaken by the Board are primarily based on non-financial risk outcomes.

10.1.3 CONFLICT OF INTEREST

To help mitigate potential conflicts of interest:

- management are not in attendance when their own performance or remuneration is being discussed by the HR Committee or Board;
- the CEO's STVR is funded and determined separately from the ANZIP variable remuneration pool;
- the CRO's remuneration arrangements differ to other Disclosed Executives to preserve the independence of the role;
- the EAG also has processes in place to help mitigate conflicts of interest as outlined in section 8; and
- the HR Committee seeks input from a number of sources to inform their consideration of performance and remuneration outcomes for the CEO and Disclosed Executives including:
  - independent reports from Risk, Finance, Talent and Culture, and Internal Audit;
  - material risk, conduct and audit event data provided by the CRO;
  - input from both the Audit Committee and the Risk Committee of the Board.

10.1.4 EXTERNAL ADVISORS PROVIDED INFORMATION BUT NOT RECOMMENDATIONS

The HR Committee can engage independent external advisors as needed.

Throughout the year, the HR Committee 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.

During the year, ANZ did not receive any remuneration recommendations from external advisors about the remuneration of KMP.

ANZ employs in-house remuneration professionals who provide recommendations to the HR Committee and the Board. The Board made its decisions independently, using the information provided and with careful regard to ANZ's strategic objectives, purpose and values, risk appetite and the Performance and Remuneration Policies and Principles.

10.2 Internal governance

10.2.1 HEDGING PROHIBITION

All deferred equity must remain at risk until it has fully vested. Accordingly, executives and their associated persons must not enter into any schemes that specifically protect the unvested value of equity allocated. If they do so, then they would forfeit the relevant equity.

10.2.2 CEO AND DISCLOSED EXECUTIVES' SHAREHOLDING GUIDELINES

We expect the CEO and each Disclosed Executive to, over a five-year period:

- accumulate ANZ shares to the value of 200% of their FR; and
- maintain this shareholding level while they are an executive of ANZ.

Executives are permitted to sell ANZ securities to meet taxation obligations on employee equity even if below the 200% guideline. However, tax obligations for the purpose of these guidelines is limited to that arising from the initial taxing point event (i.e., when the deferred shares vest or rights are exercised).

Shareholdings include all vested and unvested equity (excluding PR). Based on equity holdings as at 30 September 2023, the CEO and all Disclosed Executives meet or, if less than five years' tenure, are on track to meet their minimum shareholding guidelines requirements.

10.2.3 CEO AND DISCLOSED EXECUTIVES' CONTRACT TERMS AND EQUITY TREATMENT

The details of the contract terms and the equity treatment on termination (in accordance with the Conditions of Grant) relating to the CEO and Disclosed Executives are below. Although they are similar, they vary in some cases to suit different circumstances.

Type of contract	Permanent ongoing employment contract.
Notice on resignation	• 12 months by CEO; • 6 months by Disclosed Executives.[1]
Notice on termination by ANZ[2]	• 12 months by ANZ for CEO and Disclosed Executives.[3] However, ANZ may immediately terminate an individual's employment at any time in the case of serious misconduct. In that case, the individual will be entitled only to payment of FR up to the date of their termination and their statutory entitlements.
How unvested equity is treated on leaving ANZ	Executives who resign or are terminated will forfeit all their unvested deferred equity – unless the Board determines otherwise. If an executive is terminated due to redundancy or they are classified as a 'good leaver', unless the Board determines otherwise, then: • their STVR (deferred shares/share rights) remain on foot and are released at the original vesting date; • their LTVR (RR/PR) (for grants awarded from 31 December 2020) remain on foot and are released at the original vesting date (to the extent that the performance hurdles are met); and • their PR[4] (for grants awarded pre 31 December 2020) are prorated for service to the full notice termination date and released at the original vesting date (to the extent that the performance hurdles are met). On an executive's death or total and permanent disablement, their deferred equity vests. Unvested equity remains subject to malus post termination.
Change of control (applies to the CEO only)	If a change of control or other similar event occurs, then we will test the performance conditions applying to the CEO's LTVR (RR/PR). They will vest to the extent that the performance conditions are satisfied.

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[1] 3 months by the former Acting GE T&C. [2] For M Carnegie, K Corbally, F Faruqui, G Florian, R Howell, C Morgan, A Strong, M Whelan and K van der Merwe, their contracts state that in particular circumstances they may be eligible for a retrenchment benefit in accordance with the relevant ANZ policy, as varied from time to time. For A Watson, notice on retrenchment is 6 weeks and compensation on retrenchment is calculated on a scale up to a maximum of 79 weeks after 25 years' service. [3] 6 months by ANZ for the Acting GE T&C. [4] Or deferred share rights granted to the CRO instead of PR.

11 OTHER INFORMATION

11.1 2023 Statutory remuneration – CEO and Disclosed Executives

The following table outlines the statutory remuneration disclosed in accordance with Australian Accounting Standards. While it shows the FR awarded (cash and superannuation contributions) and also the cash component of the 2023 variable remuneration award, it does not show the actual variable remuneration awarded or received in 2023 (see sections 5.1 to 5.4), but instead shows the amortised accounting value for this financial year of deferred remuneration (including prior year awards).

2023 Statutory remuneration – CEO and Disclosed Executives

		Short–term employee benefits			Post–employment	
	Financial year	Cash salary[1] $	Non monetary benefits[2] $	Total cash incentive[3] $	Other cash[4] $	Super contributions[5] $
CEO AND CURRENT DISCLOSED EXECUTIVES						
S Elliott	**2023**	**2,474,181**	**15,676**	**1,160,000**	**-**	**25,819**
	2022	2,476,001	15,384	930,000	-	23,999
M Carnegie	**2023**	**1,224,181**	**77,341**	**550,000**	**-**	**26,319**
	2022	1,176,001	31,041	460,000	-	24,499
K Corbally	**2023**	**1,224,181**	**10,176**	**532,500**	**-**	**25,819**
	2022	1,176,001	9,884	442,500	-	23,999
F Faruqui[9]	**2023**	**1,224,181**	**11,423**	**600,000**	**-**	**25,819**
	2022	1,159,194	174,222	579,575	-	4,806
G Florian[10]	**2023**	**1,216,181**	**23,179**	**497,500**	**-**	**25,819**
	2022	1,072,169	18,569	442,500	-	23,999
R Howell[9]	**2023**	**224,942**	**-**	**180,000**	**-**	**6,850**
C Morgan[4,9]	**2023**	**608,220**	**15,707**	**250,000**	**407,000**	**18,780**
A Strong[9]	**2023**	**670,504**	**-**	**315,100**	**-**	**19,496**
A Watson[8,11]	**2023**	**1,062,823**	**21,431**	**472,570**	**-**	**60,557**
	2022	1,019,021	22,049	422,742	-	70,686
M Whelan	**2023**	**1,434,181**	**10,176**	**730,000**	**-**	**25,819**
	2022	1,376,001	9,884	535,000	-	23,999
FORMER DISCLOSED EXECUTIVES						
K van der Merwe[12]	**2023**	**760,635**	**7,190**	**-**	**-**	**19,865**
	2022	976,001	16,034	400,000	-	24,499

1. Cash salary includes any adjustments required to reflect the use of ANZ's Lifestyle Leave Policy for the period in the KMP role. **2.** Non monetary benefits generally consist of company-funded benefits (and the associated Fringe Benefits Tax) such as car parking, taxation services and costs met by the Company in relation to relocation/accommodation. **3.** The total cash incentive relates to the cash component of STVR only. The relevant amortisation of the STVR deferred components is included in share-based payments and has been amortised over the vesting period. The total STVR was approved by the ANZBGL and ANZGHL Boards on 17 October 2023, and in addition for A Watson by the ANZ NZ Board on 17 October 2023. 100% of the cash component of the STVR awarded for the 2022 and 2023 years vested to the executive in the applicable financial year. **4.** Other cash and other equity allocations (C Morgan) relate to the employment arrangements of deferred variable remuneration forfeited and bonus opportunity forgone as a result of joining ANZ. **5.** For Australian based executives, the 2022 and 2023 superannuation contributions reflect the Superannuation Guarantee Contribution based on the Maximum Contribution Base. F Faruqui's 2022 amount reflects a part year superannuation contribution. A Watson participates in KiwiSaver where ANZ provides an employer superannuation contribution matching member contributions up to 4% of total gross pay. KiwiSaver employer superannuation contributions are also contributed on top of cash STVR at the time of payment. **6.** For Australian based executives, long service leave accrued takes into consideration the impact of changes to the Superannuation Guarantee percentage. Year-on-year fluctuations in long service leave accrued relate to the impact of historical fixed remuneration increases on the accrual as calculated at the end of each

Long-term employee benefits	Share-based payments[7]						
	Total amortisation value of						
	Variable remuneration				Other equity allocations[4,8]		
Long service leave accrued during the year[6] $	Deferred shares $	Deferred share rights $	Restricted rights $	Performance rights $	Deferred shares $	Termination benefits $	Total remuneration $
35,112	**1,061,506**	**-**	**212,024**	**1,202,190**	**-**	**-**	**6,186,508**
33,306	933,786	-	-	1,076,657	-	-	5,489,133
22,858	**548,990**	**-**	**132,871**	**298,501**	**-**	**-**	**2,881,061**
17,151	522,450	-	-	129,603	-	-	2,360,745
27,518	**568,319**	**265,999**	**196,849**	**-**	**-**	**-**	**2,851,361**
34,577	513,883	238,579	-	-	-	-	2,439,423
19,332	**600,306**	**56,608**	**132,871**	**364,031**	**-**	**-**	**3,034,571**
17,524	465,805	178,143	-	302,636	-	-	2,881,905
30,978	**531,235**	**-**	**122,240**	**270,977**	**-**	**-**	**2,718,109**
15,812	512,134	-	-	171,181	-	-	2,256,364
9,321	**62,538**	**-**	**-**	**-**	**-**	**-**	**483,651**
5,367	**67,909**	**-**	**1,414**	**798**	**29,899**	**-**	**1,405,094**
18,550	**354,547**	**-**	**73,347**	**38,600**	**-**	**-**	**1,490,144**
6,612	**528,328**	**-**	**117,866**	**222,922**	**46**	**-**	**2,493,155**
4,068	505,698	2,132	-	119,057	312	-	2,165,765
36,172	**700,447**	**-**	**155,192**	**393,646**	**-**	**-**	**3,485,633**
17,779	666,495	-	-	181,892	-	-	2,811,050
-	**(418,392)**	**-**	**-**	**(591,168)**	**-**	**30,626**	**(191,244)**
14,409	472,124	-	-	177,072	-	-	2,080,139

financial year. **7.** As required by AASB 2 *Share-based payments,* the amortisation value includes a proportion of the fair value (taking into account market-related vesting conditions) of all equity that had not yet fully vested as at the commencement of the financial year. The fair value is determined at grant date and is allocated on a straight-line basis over the relevant vesting period. The amount included as remuneration neither relates to, nor indicates, the benefit (if any) that the executive may ultimately realise if the equity becomes exercisable. No terms of share-based payments have been altered or modified during the financial year. There were no cash settled share-based payments or any other form of share-based payment compensation during the financial year for the CEO or Disclosed Executives. **8.** Other equity allocations (A Watson) relate to shares received in relation to the historical Employee Share Offer which provided a grant of ANZ shares in each financial year to eligible employees subject to Board approval. **9.** Remuneration based on time as a Disclosed Executive in either 2022 (F Faruqui) or 2023 (R Howell, C Morgan, A Strong). **10.** Fixed remuneration reflects changes in fixed remuneration during the financial year due to expanded role (G Florian). **11.** Paid in NZD and converted to AUD. **12.** 2023 remuneration for K van der Merwe based on time as a Disclosed Executive up to date of cessation 30 June 2023 (noting her annual fixed remuneration for 2023 was $1.04m). Share-based payments include the expensing treatment on resignation for unvested deferred remuneration (including reversals for forfeiture on resignation). Termination benefits reflect payment for accrued annual leave in accordance with her contract, payable on resignation.

11.2 Equity holdings

For the equity granted to the CEO and Disclosed Executives in November/December 2022, the CEO's deferred shares were purchased on the market and the deferred shares for Disclosed Executives were satisfied through the new issue of shares. For deferred share rights, which vested to Disclosed Executives in November 2022, where the rights were not able to be satisfied through the reallocation of previously forfeited shares they were satisfied through the new issue of shares.

11.2.1 CEO AND DISCLOSED EXECUTIVES' EQUITY GRANTED, VESTED, EXERCISED/SOLD AND LAPSED/FORFEITED

The table below sets out details of deferred shares and rights that we granted to the CEO and Disclosed Executives:

- during the 2023 year, relating to 2022 Performance and Remuneration Review outcomes; or
- in prior years and that then vested, were exercised/sold or which lapsed/were forfeited during the 2023 year.

Equity granted, vested, exercised/sold and lapsed/forfeited – CEO and Disclosed Executives

							Vested			Lapsed/Forfeited			Exercised/Sold				
Name	Type of equity	Number granted[1]	Equity fair value (for 2023 grants only) $	Grant date	First date exercisable	Date of expiry	Number	%	Value[2] $	Number	%	Value[2] $	Number	%	Value[2] $	Vested and exercisable as at 30 Sep 2023[3]	Unexercisable as at 30 Sep 2023[4]
CEO AND CURRENT DISCLOSED EXECUTIVES																	
S Elliott	Deferred shares	8,622		22-Nov-18	22-Nov-22	-	8,622	100	213,125	-	-	-	(8,622)	100	205,036	-	-
	Deferred shares	6,002		22-Nov-19	22-Nov-22	-	6,002	100	148,362	-	-	-	(6,002)	100	142,731	-	-
	Deferred shares	8,130		07-Dec-20	22-Nov-22	-	8,130	100	200,963	-	-	-	(8,130)	100	193,336	-	-
	Deferred shares	14,441		22-Nov-21	22-Nov-22	-	14,441	100	356,963	-	-	-	(14,441)	100	343,416	-	-
	Deferred shares	20,156	22.94	01-Oct-22	22-Nov-23	-	-	-	-	-	-	-	-	-	-	-	20,156
	Deferred shares	20,156	22.94	01-Oct-22	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	20,156
	Restricted rights	24,138	18.75	15-Dec-22	15-Dec-26	15-Dec-28	-	-	-	-	-	-	-	-	-	-	24,138
	Restricted rights	24,138	17.65	15-Dec-22	15-Dec-27	15-Dec-29	-	-	-	-	-	-	-	-	-	-	24,138
	Restricted rights	24,869	16.61	15-Dec-22	15-Dec-28	15-Dec-30	-	-	-	-	-	-	-	-	-	-	24,869
	Performance rights	18,103	11.26	15-Dec-22	15-Dec-26	15-Dec-28	-	-	-	-	-	-	-	-	-	-	18,103
	Performance rights	6,034	7.29	15-Dec-22	15-Dec-26	15-Dec-28	-	-	-	-	-	-	-	-	-	-	6,034
	Performance rights	18,103	10.26	15-Dec-22	15-Dec-27	15-Dec-29	-	-	-	-	-	-	-	-	-	-	18,103
	Performance rights	6,034	7.20	15-Dec-22	15-Dec-27	15-Dec-29	-	-	-	-	-	-	-	-	-	-	6,034
	Performance rights	18,652	9.34	15-Dec-22	15-Dec-28	15-Dec-30	-	-	-	-	-	-	-	-	-	-	18,652
	Performance rights	6,217	7.07	15-Dec-22	15-Dec-28	15-Dec-30	-	-	-	-	-	-	-	-	-	-	6,217
M Carnegie	Deferred shares	5,202		22-Nov-18	22-Nov-22	-	5,202	100	128,587	-	-	-	-	-	-	5,202	-
	Deferred shares	3,961		22-Nov-19	22-Nov-22	-	3,961	100	97,911	-	-	-	-	-	-	3,961	-
	Deferred shares	5,323		07-Dec-20	22-Nov-22	-	5,323	100	131,578	-	-	-	-	-	-	5,323	-
	Deferred shares	8,220		22-Nov-21	22-Nov-22	-	8,220	100	203,188	-	-	-	-	-	-	8,220	-
	Deferred shares	9,970	22.94	01-Oct-22	22-Nov-23	-	-	-	-	-	-	-	-	-	-	-	9,970
	Deferred shares	9,969	22.94	01-Oct-22	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	9,969
	Restricted rights	18,286	19.36	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	18,286
	Restricted rights	18,286	18.22	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	18,286
	Performance rights	13,715	11.27	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	13,715
	Performance rights	4,571	7.46	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	4,571
	Performance rights	13,715	10.13	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	13,715
	Performance rights	4,571	7.32	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	4,571

							Vested			Lapsed/ Forfeited			Exercised/Sold				
Name	Type of equity	Number granted[1]	Equity fair value (for 2023 grants only) $	Grant date	First date exercisable	Date of expiry	Number	%	Value[2] $	Number	%	Value[2] $	Number	%	Value[2] $	Vested and exercis-able as at 30 Sep 2023[3]	Unexer-cisable as at 30 Sep 2023[4]
CEO AND CURRENT DISCLOSED EXECUTIVES																	
K Corbally	Deferred shares	3,007		22-Nov-18	22-Nov-22	-	3,007	100	74,329	-	-	-	(3,007)	100	74,464	-	-
	Deferred shares	3,829		22-Nov-19	22-Nov-22	-	3,829	100	94,648	-	-	-	(3,829)	100	94,820	-	-
	Deferred shares	5,581		07-Dec-20	22-Nov-22	-	5,581	100	137,955	-	-	-	(5,581)	100	138,206	-	-
	Deferred shares	6,649		22-Nov-21	22-Nov-22	-	6,649	100	164,355	-	-	-	(6,649)	100	164,654	-	-
	Deferred shares	9,590	22.94	01-Oct-22	22-Nov-23	-	-	-	-	-	-	-	-	-	-	-	9,590
	Deferred shares	9,590	22.94	01-Oct-22	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	9,590
	Restricted rights	27,091	19.36	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	27,091
	Restricted rights	27,091	18.22	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	27,091
F Faruqui	Deferred shares	10,486		22-Nov-21	22-Nov-22	-	10,486	100	259,200	-	-	-	(1,963)	19	48,523	8,523	-
	Deferred shares	12,950	22.94	01-Oct-22	22-Nov-23	-	-	-	-	-	-	-	-	-	-	-	12,950
	Deferred shares	12,949	22.94	01-Oct-22	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	12,949
	Deferred share rights	5,158		07-Dec-20	22-Nov-22	29-Nov-22	5,158	100	127,499	-	-	-	(5,158)	100	127,499	-	-
	Deferred share rights	8,033		22-Nov-19	22-Nov-22	29-Nov-22	8,033	100	198,565	-	-	-	(8,033)	100	198,565	-	-
	Deferred share rights	8,496		22-Nov-18	22-Nov-22	29-Nov-22	8,496	100	210,010	-	-	-	(8,496)	100	210,010	-	-
	Restricted rights	18,286	19.36	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	18,286
	Restricted rights	18,286	18.22	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	18,286
	Performance rights	13,715	11.27	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	13,715
	Performance rights	4,571	7.46	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	4,571
	Performance rights	13,715	10.13	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	13,715
	Performance rights	4,571	7.32	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	4,571
G Florian	Deferred shares	1,609		22-Nov-18	22-Nov-21	-	-	-	-	-	-	-	(1,609)	100	39,614	-	-
	Deferred shares	3,251		22-Nov-18	22-Nov-22	-	3,251	100	80,360	-	-	-	(476)	15	11,861	2,775	-
	Deferred shares	3,367		22-Nov-19	22-Nov-21	-	-	-	-	-	-	-	(3,367)	100	82,313	-	-
	Deferred shares	2,244		22-Nov-19	22-Nov-22	-	2,244	100	55,469	-	-	-	(2,244)	100	54,859	-	-
	Deferred shares	6,442		07-Dec-20	22-Nov-21	-	-	-	-	-	-	-	(6,442)	100	157,487	-	-
	Deferred shares	4,829		07-Dec-20	22-Nov-22	-	4,829	100	119,367	-	-	-	(4,829)	100	118,054	-	-
	Deferred shares	9,770		22-Nov-21	22-Nov-22	-	9,770	100	241,502	-	-	-	(9,770)	100	238,846	-	-
	Deferred shares	9,590	22.94	01-Oct-22	22-Nov-23	-	-	-	-	-	-	-	-	-	-	-	9,590
	Deferred shares	9,590	22.94	01-Oct-22	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	9,590
	Restricted rights	16,823	19.36	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	16,823
	Restricted rights	16,823	18.22	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	16,823
	Performance rights	12,617	11.27	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	12,617
	Performance rights	4,205	7.46	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	4,205
	Performance rights	12,617	10.13	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	12,617
	Performance rights	4,205	7.32	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	4,205
R Howell[5]																	
C Morgan[5]	Deferred shares	3,025	24.52	20-Aug-23	20-Aug-24	-	-	-	-	-	-	-	-	-	-	-	3,025
	Deferred shares	5,082	24.52	20-Aug-23	20-Aug-24	-	-	-	-	-	-	-	-	-	-	-	5,082
	Deferred shares	5,082	24.52	20-Aug-23	20-Aug-25	-	-	-	-	-	-	-	-	-	-	-	5,082
	Restricted rights	18,422	19.45	25-Sep-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	18,422
	Performance rights	13,816	11.89	25-Sep-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	13,816
	Performance rights	4,605	8.24	25-Sep-23	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	4,605

							Vested			Lapsed/ Forfeited			Exercised/Sold				
Name	Type of equity	Number granted[1]	Equity fair value (for 2023 grants only) $	Grant date	First date exercisable	Date of expiry	Number	%	Value[2] $	Number	%	Value[2] $	Number	%	Value[2] $	Vested and exercis-able as at 30 Sep 2023[3]	Unexer-cisable as at 30 Sep 2023[4]
CEO AND CURRENT DISCLOSED EXECUTIVES																	
A Strong[5]	Deferred shares	4,361		22-Nov-19	22-Nov-22	-	4,361	100	107,798	-	-	-	(4,361)	100	103,826	-	-
	Deferred shares	3,229		07-Dec-20	22-Nov-22	-	3,229	100	79,817	-	-	-	(639)	20	15,213	2,590	-
	Deferred shares	4,189		22-Nov-21	22-Nov-22	-	4,189	100	103,547	-	-	-	-	-	-	4,189	-
	Deferred shares	6,133	24.72	22-Nov-22	22-Nov-23	-	-	-	-	-	-	-	-	-	-	-	6,133
	Deferred shares	6,132	24.72	22-Nov-22	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	6,132
	Deferred shares	6,132	24.72	22-Nov-22	22-Nov-25	-	-	-	-	-	-	-	-	-	-	-	6,132
	Restricted rights	10,972	19.36	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	10,972
	Restricted rights	10,972	18.22	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	10,972
	Performance rights	8,229	11.27	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	8,229
	Performance rights	2,743	7.46	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	2,743
	Performance rights	8,229	10.13	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	8,229
	Performance rights	2,743	7.32	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	2,743
A Watson	Deferred shares	3,901		22-Nov-19	22-Nov-22	-	3,901	100	96,428	-	-	-	(3,901)	100	97,341	-	-
	Deferred shares	4,354		07-Dec-20	22-Nov-22	-	4,354	100	107,625	-	-	-	(4,354)	100	108,644	-	-
	Deferred shares	9,924		22-Nov-21	22-Nov-22	-	9,924	100	245,308	-	-	-	(9,924)	100	247,632	-	-
	Deferred shares	9,162	22.94	01-Oct-22	22-Nov-23	-	-	-	-	-	-	-	-	-	-	-	9,162
	Deferred shares	9,162	22.94	01-Oct-22	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	9,162
	Employee Share Offer	32		02-Dec-19	02-Dec-22	-	32	100	790	-	-	-	-	-	-	32	-
	Restricted rights	16,221	19.36	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	16,221
	Restricted rights	16,221	18.22	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	16,221
	Performance rights	12,166	11.27	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	12,166
	Performance rights	4,055	7.46	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	4,055
	Performance rights	12,166	10.13	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	12,166
	Performance rights	4,055	7.32	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	4,055
M Whelan	Deferred shares	7,072		22-Nov-18	22-Nov-22	-	7,072	100	174,811	-	-	-	(7,072)	100	174,726	-	-
	Deferred shares	6,998		22-Nov-19	22-Nov-22	-	6,998	100	172,981	-	-	-	(6,998)	100	172,897	-	-
	Deferred shares	4,722		07-Dec-20	22-Nov-22	-	4,722	100	116,722	-	-	-	(4,722)	100	116,665	-	-
	Deferred shares	11,700		22-Nov-21	22-Nov-22	-	11,700	100	289,209	-	-	-	(11,700)	100	289,068	-	-
	Deferred shares	11,595	22.94	01-Oct-22	22-Nov-23	-	-	-	-	-	-	-	-	-	-	-	11,595
	Deferred shares	11,595	22.94	01-Oct-22	22-Nov-24	-	-	-	-	-	-	-	-	-	-	-	11,595
	Restricted rights	21,358	19.36	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	21,358
	Restricted rights	21,358	18.22	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	21,358
	Performance rights	16,019	11.27	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	16,019
	Performance rights	5,339	7.46	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	-	-	-	-	-	-	-	5,339
	Performance rights	16,019	10.13	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-		-	-	-	-	-	-	16,019
	Performance rights	5,339	7.32	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	-	-	-	-	-	-	-	5,339

							Vested			Lapsed/ Forfeited			Exercised/Sold				
Name	Type of equity	Number granted[1]	Equity fair value (for 2023 grants only) $	Grant date	First date exercisable	Date of expiry	Number	%	Value[2] $	Number	%	Value[2] $	Number	%	Value[2] $	Vested and exercis-able as at 30 Sep 2023[3]	Unexer-cisable as at 30 Sep 2023[4]
FORMER DISCLOSED EXECUTIVES																	
K van der Merwe[6]	Deferred shares	524		22-Nov-18	22-Nov-19	-	-	-	-	-	-	-	(524)	100	12,962	-	-
	Deferred shares	3,577		22-Nov-18	22-Nov-20	-	-	-	-	-	-	-	(3,577)	100	88,481	-	-
	Deferred shares	3,577		22-Nov-18	22-Nov-21	-	-	-	-	-	-	-	(3,577)	100	88,481	-	-
	Deferred shares	3,577		22-Nov-18	22-Nov-22	-	3,577	100	88,419	-	-	-	(1,192)	33	29,485	2,385	-
	Deferred shares	3,301		22-Nov-19	22-Nov-22	-	3,301	100	81,596	-	-	-	-	-	-	3,301	-
	Deferred shares	1,650		22-Nov-19	22-Nov-23	-	-	-	-	(1,650)	100	(39,067)	-	-	-	-	-
	Deferred shares	4,293		07-Dec-20	22-Nov-22	-	4,293	100	106,117	-	-	-	-	-	-	4,293	-
	Deferred shares	2,862		07-Dec-20	22-Nov-23	-	-	-	-	(2,862)	100	(67,763)	-	-	-	-	-
	Deferred shares	1,431		07-Dec-20	22-Nov-24	-	-	-	-	(1,431)	100	(33,882)	-	-	-	-	-
	Deferred shares	8,579		22-Nov-21	22-Nov-22	-	8,579	100	212,062	-	-	-	-	-	-	8,579	-
	Deferred shares	6,433		22-Nov-21	22-Nov-23	-	-	-	-	(6,433)	100	(152,313)	-	-	-	-	-
	Deferred shares	4,288		22-Nov-21	22-Nov-24	-	-	-	-	(4,288)	100	(101,527)	-	-	-	-	-
	Deferred shares	2,144		22-Nov-21	22-Nov-25	-	-	-	-	(2,144)	100	(50,763)	-	-	-	-	-
	Deferred shares	8,669	22.94	01-Oct-22	22-Nov-23	-	-	-	-	(8,669)	100	(205,255)	-	-	-	-	-
	Deferred shares	8,669	22.94	01-Oct-22	22-Nov-24	-	-	-	-	(8,669)	100	(205,255)	-	-	-	-	-
	Restricted rights	15,214	19.36	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	(15,214)	100	(360,220)	-	-	-	-	-
	Restricted rights	15,214	18.22	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	(15,214)	100	(360,220)	-	-	-	-	-
	Performance rights	25,510		22-Nov-19	22-Nov-23	22-Nov-25	-	-	-	(25,510)	100	(603,998)	-	-	-	-	-
	Performance rights	8,503		22-Nov-19	22-Nov-23	22-Nov-25	-	-	-	(8,503)	100	(201,325)	-	-	-	-	-
	Performance rights	23,213		07-Dec-20	22-Nov-24	22-Nov-26	-	-	-	(23,213)	100	(549,612)	-	-	-	-	-
	Performance rights	7,737		07-Dec-20	22-Nov-24	22-Nov-26	-	-	-	(7,737)	100	(183,188)	-	-	-	-	-
	Performance rights	33,140		22-Nov-21	22-Nov-25	22-Nov-27	-	-	-	(33,140)	100	(784,652)	-	-	-	-	-
	Performance rights	11,046		22-Nov-21	22-Nov-25	22-Nov-27	-	-	-	(11,046)	100	(261,535)	-	-	-	-	-
	Performance rights	11,410	11.27	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	(11,410)	100	(270,153)	-	-	-	-	-
	Performance rights	3,803	7.46	22-Nov-22	22-Nov-26	22-Nov-28	-	-	-	(3,803)	100	(90,043)	-	-	-	-	-
	Performance rights	11,410	10.13	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	(11,410)	100	(270,153)	-	-	-	-	-
	Performance rights	3,803	7.32	22-Nov-22	22-Nov-27	22-Nov-29	-	-	-	(3,803)	100	(90,043)	-	-	-	-	-

1. For the purpose of the five highest paid executive disclosures, Executives are defined as Disclosed Executives or other members of the ExCo. For the 2023 financial year the five highest paid executives include five Disclosed Executives. Rights granted to Disclosed Executives as remuneration in 2023 are included in the table. No rights have been granted to the CEO, Disclosed Executives or the five highest paid executives since the end of 2023 up to the Directors' Report sign-off date. **2.** The point in time value of deferred shares/deferred share rights and/or restricted rights/performance rights is based on the one day VWAP of the Company's shares traded on the ASX on the date of vesting, lapsing/forfeiture or exercising/sale/transfer out of trust, multiplied by the number of deferred shares/deferred share rights and/or restricted rights/performance rights. The exercise price for all deferred share rights/restricted rights/performance rights is $0.00. No terms or conditions of grant of the share-based payment transactions have been altered or modified during the reporting period. **3.** The number vested and exercisable is the number of shares, options and rights that remain vested at the end of the reporting period. No shares, options and rights were vested and unexercisable. **4.** Performance rights granted in prior years (by grant date) that remained unexerciseable at 30 September 2023 or date ceased as a KMP include:

	Nov-19	Nov-20	Nov-21	Nov-22
S Elliott	168,066	159,308	126,353	73,143
M Carnegie	40,816	38,378	42,345	36,572
K Corbally	-	-	-	-
F Faruqui	69,118	34,045	54,006	36,572
G Florian	23,128	34,820	50,324	33,644
R Howell	-	-	-	-
C Morgan	-	-	-	18,421
A Strong	-	-	-	21,944
A Watson	-	31,389	51,117	32,442
M Whelan	72,108	34,045	60,266	42,716
K van der Merwe	-	-	-	-

Performance rights granted to S Elliott in 2023 were approved by shareholders at the 2022 AGM in accordance with ASX Listing Rule 10.14. **5.** Equity transactions disclosed from date commenced as a Disclosed Executive. There were no disclosable transactions for R Howell. **6.** Equity transactions disclosed up to date ceased as a KMP.

11.2.2 NED, CEO AND DISCLOSED EXECUTIVES' EQUITY HOLDINGS

The table below sets out details of equity held directly, indirectly or beneficially by each NED, the CEO and each Disclosed Executive, including their related parties.

Equity holdings – NED, CEO and Disclosed Executives

Name	Type of equity	Opening balance at 1 Oct 2022	Granted during the year as remuneration[1]	Received during the year on exercise of options or rights	Resulting from any other changes during the year[2]	Closing balance at 30 Sep 2023[3,4]
CURRENT NON-EXECUTIVE DIRECTORS						
P O'Sullivan	Ordinary shares	4,350	-	-	-	4,350
	Capital notes 7	9,250	-	-	-	9,250
I Atlas	Ordinary shares	15,318	-	-	-	15,318
J Halton	Ordinary shares	9,653	-	-	405	10,058
G Hodges[5]	Ordinary shares	201,635	-	-	(17,234)	184,401
	Capital notes 4	1,350	-	-	-	1,350
J Key	Ordinary shares	10,500	-	-	-	10,500
H Kramer[5]	Ordinary shares	5,828	-	-	-	5,828
J Macfarlane	Ordinary shares	19,042	-	-	-	19,042
	Capital notes 3	5,000	-	-	(5,000)	-
	Capital notes 6	2,140	-	-	-	2,140
	Capital notes 7	2,000	-	-	-	2,000
	Capital notes 8	-	-	-	5,000	5,000
C O'Reilly	Ordinary shares	6,400	-	-	-	6,400
J Smith	Ordinary shares	2,779	-	-	-	2,779
FORMER NON-EXECUTIVE DIRECTORS						
G Liebelt[6]	Ordinary shares	21,671	-	-	-	21,671
	Capital notes 6	2,500	-	-	-	2,500
	Capital notes 7	2,500	-	-	-	2,500
CEO AND CURRENT DISCLOSED EXECUTIVES						
S Elliott	Deferred shares	69,986	40,312	-	(37,195)	73,103
	Ordinary shares	395,108	-	-	100,532	495,640
	Vested shares 1yr restriction	56,989	-	-	(56,989)	-
	Restricted rights	-	73,145	-	-	73,145
	Performance rights	453,727	73,143	-	-	526,870
M Carnegie	Deferred shares	112,834	19,939	-	-	132,773
	Ordinary shares	34,098	-	-	7,482	41,580
	Restricted rights	-	36,572	-	-	36,572
	Performance rights	121,539	36,572	-	-	158,111
K Corbally	Deferred shares	45,844	19,180	-	(19,066)	45,958
	Ordinary shares	1,381	-	-	2,964	4,345
	Capital notes 6	1,400	-	-	-	1,400
	Deferred share rights	62,675	-	-	-	62,675
	Restricted rights	-	54,182	-	-	54,182
F Faruqui	Deferred shares	28,006	25,899	-	(1,963)	51,942
	Ordinary shares	100,380	-	21,687	(1,550)	120,517
	Deferred share rights	31,467	-	(21,687)	-	9,780
	Restricted rights	-	36,572	-	-	36,572
	Performance rights	157,169	36,572	-	-	193,741
G Florian	Deferred shares	56,605	19,180	-	(28,737)	47,048
	Ordinary shares	37,583	-	-	18,029	55,612
	Restricted rights	-	33,646	-	-	33,646
	Performance rights	108,272	33,644	-	-	141,916
R Howell[5]	Deferred shares	12,138	-	-	-	12,138
	Ordinary shares	324	-	-	(324)	-
C Morgan[5]	Deferred shares	-	13,189	-	-	13,189
	Ordinary shares	25	-	-	(25)	-
	Restricted rights	-	18,422	-	-	18,422
	Performance rights	-	18,421	-	-	18,421
A Strong[5]	Deferred shares	23,382	18,397	-	(5,000)	36,779
	Ordinary shares	2,264	-	-	1,971	4,235
	Restricted rights	-	21,944	-	-	21,944
	Performance rights	-	21,944	-	-	21,944
A Watson	Deferred shares	41,956	18,324	-	(18,179)	42,101
	Employee Share Offer	61	-	-	-	61
	Ordinary shares	37,581	-	-	13,393	50,974
	Restricted rights	-	32,442	-	-	32,442
	Performance rights	82,506	32,442	-	-	114,948
M Whelan	Deferred shares	56,260	23,190	-	(30,492)	48,958
	Ordinary shares	46,963	-	-	233	47,196
	Restricted rights	-	42,716	-	-	42,716
	Performance rights	166,419	42,716	-	-	209,135

FORMER DISCLOSED EXECUTIVES						
K van der Merwe[6]	Deferred shares	63,515	17,338	-	(45,016)	**35,837**
	Ordinary shares	29,407	-	-	1,918	**31,325**
	Restricted rights	-	30,428	-	(30,428)	-
	Performance rights	109,149	30,426	-	(139,575)	-

1. Details of options/rights granted as remuneration during 2023 are provided in the previous table. **2.** Shares resulting from any other changes during the year include the net result of any shares purchased (including under the ANZ Share Purchase Plan), forfeited, sold or acquired under the Dividend Reinvestment Plan. **3.** The following shares (included in the holdings above) were held on behalf of the NEDs, CEO and Disclosed Executives (i.e., indirect beneficially held shares) as at 30 September 2023 (or the date ceased as a KMP): P O'Sullivan - 0, I Atlas - 15,318, J Halton - 0, G Hodges - 0, J Key - 10,500, H Kramer - 5,828, J Macfarlane - 28,182, C O'Reilly - 0, J Smith - 0, G Liebelt - 8,436, S Elliott - 562,395, M Carnegie - 132,773, K Corbally - 47,358, F Faruqui - 51,942, G Florian - 56,947, R Howell - 12,138, C Morgan - 13,189, A Strong - 36,779, A Watson - 42,162, M Whelan - 92,771, K van der Merwe - 35,837. **4.** Zero rights were vested and exercisable, and zero options/rights were vested and unexerciseable as at 30 September 2023. There was no change in the balance as at the Directors' Report sign-off date. **5.** Commencing balance is based on holdings as at the date of commencement as a KMP. **6.** Concluding balance is based on holdings as at the date ceased as a KMP.

11.3 Loans

11.3.1 OVERVIEW

When we lend to NEDs, the CEO or Disclosed Executives, we do so in the ordinary course of business and on normal commercial terms and conditions that are no more favourable than those given to other employees or customers – this includes the term of the loan, the security required and the interest rate. Details of the terms and conditions of lending products can be found on anz.com. No amounts have been written off during the period, or individual assessed allowance for expected credit losses raised in respect of these balances.

Total loans to NEDs, the CEO and Disclosed Executives, including their related parties at 30 September 2023 (including those with balances less than $100,000) was $31,068,195 (2022: $30,679,346) with interest paid of $1,346,442 (2022: $790,118) during the period.

11.3.2 NED, CEO AND DISCLOSED EXECUTIVES' LOAN TRANSACTIONS

The table below sets out details of loans outstanding to NEDs, the CEO and Disclosed Executives including their related parties, if – at any time during the year – the individual's aggregate loan balance exceeded $100,000.

Loan transactions – NED, CEO and Disclosed Executives

Name	Opening balance at 1 Oct 2022[1] $	Closing balance at 30 Sep 2023 $	Interest paid and payable in the reporting period[2] $	Highest balance in the reporting period $
CURRENT NON-EXECUTIVE DIRECTORS				
P O'Sullivan	731,495	**657,998**	28	736,813
G Hodges	2,173,487	**2,322,549**	105,411	3,307,728
J Key	3,703,009	**3,583,961**	285,191	3,927,633
H Kramer	3,177,784	**3,189,935**	29,733	3,198,854
J Macfarlane	9,364,205	**5,907,690**	539,941	10,643,712
CEO AND CURRENT DISCLOSED EXECUTIVES				
S Elliott	2,521,407	**2,467,062**	84,378	2,561,192
M Carnegie	3,374	**5,602,183**	18,855	5,646,088
G Florian	4,250,856	**2,324,157**	79,239	4,293,369
A Strong	1,461,490	**1,715,981**	62,505	1,852,107
M Whelan	1,550,938	**1,528,458**	89,738	1,601,107
FORMER DISCLOSED EXECUTIVES				
K van der Merwe[3]	1,655,942	**1,696,038**	49,224	1,733,877
Total	**30,593,988**	**30,996,013**	**1,344,242**	**39,502,479**

1. Opening balances have been adjusted for new and leaving KMP. **2.** Actual interest paid after considering offset accounts. The loan balance is shown gross, however the interest paid takes into account the impact of offset amounts. **3.** Closing balance is as at the date ceased as a KMP.

11.4 Other transactions

Other transactions with NEDs, the CEO and Disclosed Executives, and their related parties included deposits.

Other transactions – NED, CEO and Disclosed Executives

	Opening balance at 1 Oct 2022[1] $	Closing balance at 30 Sep 2023[2,3] $
Total KMP deposits	30,432,187	**40,819,935**

1. Opening balance is at 1 October 2022 or the date of commencement as a KMP if part way through the year and it has been adjusted to take into account timing variances. **2.** Closing balance is at 30 September 2023 or at the date ceased as a KMP if part way through the year. **3.** Interest received on deposits for 2023 was $1,001,678 (2022: $140,355).

Other transactions with KMP and their related parties included amounts paid to the Group in respect of investment management service fees, brokerage, bank fees and charges. The Group has reimbursed KMP for the costs incurred for security and secretarial services associated with the performance of their duties. These transactions are conducted on normal commercial terms and conditions are no more favourable than those given to other employees or customers.

FINANCIAL REPORT

Financial Statements

Notes to the Financial Statements

INCOME STATEMENT

		Consolidated		The Company	
For the year ended 30 September	Note	2023 $m	2022 $m	2023 $m	2022 $m
Interest income[1]		**49,927**	23,609	**41,144**	18,408
Interest expense		**(33,352)**	(8,735)	**(29,026)**	(7,433)
Net interest income	2	**16,575**	14,874	**12,118**	10,975
Other operating income	3	**3,577**	4,235	**5,401**	6,424
Net income from insurance business	3	**89**	140	**-**	-
Share of associates' profit/(loss)	3	**225**	177	**(18)**	(12)
Operating income		**20,466**	19,426	**17,501**	17,387
Operating expenses	4	**(10,087)**	(9,579)	**(8,488)**	(8,123)
Profit before credit impairment and income tax		**10,379**	9,847	**9,013**	9,264
Credit impairment (charge)/release	13	**(245)**	232	**(75)**	265
Profit before income tax		**10,134**	10,079	**8,938**	9,529
Income tax expense	5	**(2,941)**	(2,940)	**(1,964)**	(1,933)
Profit after tax from continuing operations		**7,193**	7,139	**6,974**	7,596
Profit/(Loss) after tax from discontinued operations		**-**	(19)	**-**	-
Profit for the year		**7,193**	7,120	**6,974**	7,596
Comprising:					
Profit attributable to shareholders of the Company		**7,165**	7,119	**6,974**	7,596
Profit attributable to non-controlling interests		**28**	1	**-**	-

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[1] Includes interest income calculated using the effective interest method on financial assets measured at amortised cost or fair value through other comprehensive income of $46,918 million (2022: $22,844 million) in the Group and $37,235 million (2022: $17,123 million) in the Company.

The notes appearing on pages 82 to 205 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

	Consolidated		The Company	
For the year ended 30 September	2023 $m	2022 $m	2023 $m	2022 $m
Profit after tax from continuing operations	7,193	7,139	6,974	7,596
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Investment securities - equity securities at FVOCI	(30)	(55)	(23)	(119)
Other reserve movements[1]	(80)	127	(105)	132
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation reserve	718	(759)	64	139
Other reserve movements	199	(4,180)	378	(4,132)
Income tax attributable to the above items	(22)	1,172	(73)	1,186
Share of associates' other comprehensive income[2]	31	(40)	-	-
Other comprehensive income after tax from continuing operations	816	(3,735)	241	(2,794)
Profit/(Loss) after tax from discontinued operations	-	(19)	-	-
Total comprehensive income for the year	8,009	3,385	7,215	4,802
Comprising total comprehensive income attributable to:				
Shareholders of the Company	7,954	3,399	7,215	4,802
Non-controlling interests[1]	55	(14)	-	-

[1] The Group includes foreign currency translation differences attributable to non-controlling interests of $27 million (2022: -$15 million).

[2] The Group's share of associates' other comprehensive income, that may be reclassified subsequently to profit or loss in the Group, includes:

	2023 $m	2022 $m
FVOCI reserve gain/(loss)	25	(56)
Defined benefits gain/(loss)	6	15
Foreign currency translation reserve gain/(loss)	-	1
Total	31	(40)

The notes appearing on pages 82 to 205 form an integral part of these financial statements.

BALANCE SHEET

As at 30 September	Note	Consolidated 2023 $m	Consolidated 2022 $m	The Company 2023 $m	The Company 2022 $m
Assets					
Cash and cash equivalents[1]	8	**168,154**	168,132	**154,408**	155,483
Settlement balances owed to ANZ		**9,349**	4,762	**8,935**	4,024
Collateral paid		**8,558**	12,700	**7,717**	11,368
Trading assets	9	**37,004**	35,237	**30,693**	28,073
Derivative financial instruments	10	**60,406**	90,174	**59,989**	88,056
Investment securities	11	**96,969**	86,153	**83,201**	72,399
Net loans and advances	12	**707,694**	672,407	**563,017**	537,345
Regulatory deposits		**646**	632	**284**	249
Due from controlled entities		**-**	-	**26,067**	22,860
Shares in controlled entities	25	**-**	-	**16,277**	17,630
Investments in associates	26	**2,321**	2,181	**-**	53
Current tax assets		**37**	46	**9**	43
Deferred tax assets	5	**3,386**	3,384	**2,988**	2,992
Goodwill and other intangible assets	21	**3,961**	3,877	**935**	935
Premises and equipment		**2,360**	2,431	**1,923**	2,171
Other assets		**5,196**	3,613	**3,636**	2,402
Total assets		**1,106,041**	1,085,729	**960,079**	946,083
Liabilities					
Settlement balances owed by ANZ		**19,267**	13,766	**16,574**	10,224
Collateral received		**10,382**	16,230	**9,452**	14,425
Deposits and other borrowings	14	**815,203**	797,281	**675,075**	665,607
Derivative financial instruments	10	**57,482**	85,149	**57,511**	84,500
Due to controlled entities		**-**	-	**26,894**	25,305
Current tax liabilities		**305**	829	**133**	488
Deferred tax liabilities	5	**60**	83	**47**	54
Payables and other liabilities	15	**15,932**	9,835	**13,279**	8,562
Employee entitlements		**568**	549	**424**	409
Other provisions	22	**1,714**	1,872	**1,499**	1,648
Debt issuances	16	**116,014**	93,734	**98,213**	75,828
Total liabilities		**1,036,927**	1,019,328	**899,101**	887,050
Net assets		**69,114**	66,401	**60,978**	59,033
Shareholders' equity					
Ordinary share capital	23	**29,082**	28,797	**29,005**	28,720
Reserves	23	**(1,796)**	(2,606)	**(2,222)**	(2,546)
Retained earnings	23	**41,306**	39,716	**34,195**	32,859
Share capital and reserves attributable to shareholders of the Company	23	**68,592**	65,907	**60,978**	59,033
Non-controlling interests	23	**522**	494	**-**	-
Total shareholders' equity	23	**69,114**	66,401	**60,978**	59,033

[1] Includes Settlement balances owed to ANZ that meet the definition of Cash and cash equivalents.

The notes appearing on pages 82 to 205 form an integral part of these financial statements.

CASH FLOW STATEMENT

	Consolidated		The Company	
For the year ended 30 September	2023 $m	2022 $m	2023 $m	2022 $m
Profit after income tax	7,193	7,120	6,974	7,596
Adjustments to reconcile to net cash provided by/(used in) operating activities:				
Allowance for expected credit losses	245	(232)	75	(265)
Depreciation and amortisation	941	1,008	795	867
(Gain)/Loss on sale of premises and equipment	43	(8)	31	(1)
Net derivatives/foreign exchange adjustment	3,505	(4,434)	3,074	(4,687)
(Gain)/Loss on sale from divestments	(29)	(252)	70	(246)
Other non-cash movements[1]	(90)	(48)	124	235
Net (increase)/decrease in operating assets:				
Collateral paid	4,143	(2,638)	3,590	(2,054)
Trading assets	(23)	8,020	(1,769)	6,355
Net loans and advances[1]	(28,289)	(46,364)	(25,708)	(41,990)
Net intra-group loans and advances	-	-	(1,481)	978
Other assets[1]	(1,725)	(190)	(1,333)	(81)
Net increase/(decrease) in operating liabilities:				
Deposits and other borrowings	21,866	48,879	21,353	45,058
Settlement balances owed by ANZ	5,278	(3,486)	6,314	(4,769)
Collateral received	(5,848)	9,468	(4,886)	8,074
Other liabilities	(1,015)	3,333	(1,295)	3,426
Total adjustments	(998)	13,056	(1,046)	10,900
Net cash (used in)/provided by operating activities[2]	6,195	20,176	5,928	18,496
Cash flows from investing activities				
Investment securities assets:				
Purchases	(51,974)	(34,292)	(46,130)	(30,065)
Proceeds from sale or maturity	41,401	32,797	35,495	28,201
Proceeds from divestments, net of cash disposed	1,135	394	1,174	(5)
Net movement in shares in controlled entities	-	(65)	(29)	(133)
Net investments in other assets	(604)	(651)	(612)	(667)
Net cash (used in)/provided by investing activities	(10,042)	(1,817)	(10,102)	(2,669)
Cash flows from financing activities				
Deposits and other borrowings drawn down	(11,105)	1,226	(12,002)	-
Debt issuances:[3]				
Issue proceeds	44,182	23,422	40,428	20,145
Redemptions	(23,985)	(26,017)	(19,641)	(21,985)
Dividends paid[4]	(4,700)	(3,784)	(4,673)	(3,782)
On market purchase of treasury shares	(21)	(117)	(21)	(117)
Repayment of lease liabilities	(337)	(218)	(277)	(226)
Share buyback	-	(846)	-	(846)
ANZ Bank New Zealand Perpetual Preference Shares	-	492	-	-
Share entitlement issue	-	3,497	-	3,497
Net cash (used in)/provided by financing activities	4,034	(2,345)	3,814	(3,314)
Net (decrease)/increase in Cash and cash equivalents	187	16,014	(360)	12,513
Cash and cash equivalents at beginning of year	168,132	151,260	155,483	141,436
Effects of exchange rate changes on Cash and cash equivalents	(165)	858	(715)	1,534
Cash and cash equivalents at end of year	168,154	168,132	154,408	155,483

[1] Certain non-cash movements were reclassified to Net loans and advances and Other assets to better reflect the net movement in operating assets. Comparatives have been restated. (2022: reduction to Other non-cash movements of $861 million, a decrease in Net loans and advances of $14 million, and an increase in Other assets of $875 million) for the Group. (2022: reduction to Other non-cash movements of $723 million, a decrease in Net loans and advances of $13 million, and an increase in Other assets of $736 million) for the Company.

[2] Net cash (used in)/provided by operating activities for the Group includes interest received of $48,362 million (2022: $22,748 million), interest paid of $30,738 million (2022: $7,857 million) and income taxes paid of $3,501 million (2022: $2,171 million). Net cash (used in)/provided by operating activities for the Company includes interest received of $40,353 million (2022: $17,672 million), interest paid of $26,846 million (2022: $6,692 million) and income taxes paid of $2,384 million (2022: $1,443 million).

[3] Non-cash movements on Debt issuances include a loss of $2,084 million (2022: $4,725 million gain) from unrealised movements primarily due to fair value hedging adjustments and foreign exchange losses for the Group, and include a loss of $1,598 million (2022: $3,420 million gain) from unrealised movements primarily due to fair value hedging and foreign exchange losses for the Company.

[4] Cash outflow for shares purchased to satisfy the dividend reinvestment plan are classified in Dividends paid.

The notes appearing on pages 82 to 205 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Consolidated	Ordinary share capital $m	Reserves $m	Retained earnings $m	Share capital and reserves attributable to shareholders of the Company $m	Non-controlling interests $m	Total shareholders' equity $m
As at 1 October 2021	25,984	1,228	36,453	63,665	11	63,676
Profit or loss from continuing operations	-	-	7,138	7,138	1	7,139
Profit or loss from discontinued operations	-	-	(19)	(19)	-	(19)
Other comprehensive income for the year from continuing operations	-	(3,835)	115	(3,720)	(15)	(3,735)
Total comprehensive income for the year	-	(3,835)	7,234	3,399	(14)	3,385
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(3,965)	(3,965)	(2)	(3,967)
Dividend reinvestment plan[1]	183	-	-	183	-	183
Group share buy-back[2]	(846)	-	-	(846)	-	(846)
Share entitlement issue[3]	3,497	-	-	3,497	-	3,497
Other equity movements:						
Employee share and option plans	(21)	-	-	(21)	-	(21)
Preference shares issued[4]	-	-	(7)	(7)	499	492
Other items	-	1	1	2	-	2
As at 30 September 2022	28,797	(2,606)	39,716	65,907	494	66,401
Profit or loss from continuing operations	-	-	7,165	7,165	28	7,193
Other comprehensive income for the year from continuing operations	-	863	(74)	789	27	816
Total comprehensive income for the year	-	863	7,091	7,954	55	8,009
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(5,559)	(5,559)	(27)	(5,586)
Dividend reinvestment plan[1]	206	-	-	206	-	206
Other equity movements:						
Employee share and option plans	79	-	-	79	-	79
Net transfers following Restructure	-	(39)	39	-		-
Other items	-	(14)	19	5	-	5
As at 30 September 2023	29,082	(1,796)	41,306	68,592	522	69,114

[1] 8.4 million shares were issued under the Dividend Reinvestment Plan for the 2022 final dividend (2022 interim dividend: 7.2 million; 2021 final dividend: nil). On-market share purchases for the DRP in 2022 were $204 million.

[2] The Group completed its $1.5 billion on-market share buy-back of ANZ ordinary shares on 25 March 2022 resulting in 31 million shares being cancelled in 2022.

[3] The Group issued 187.1 million new ordinary shares under the share entitlement offer in 2022.

[4] Perpetual preference shares issued by ANZ Bank New Zealand, a wholly owned subsidiary of ANZBGL, are considered non-controlling interests to the Group.

The notes appearing on pages 82 to 205 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

The Company	Ordinary share capital $m	Reserves $m	Retained earnings $m	Total shareholders' equity $m
As at 1 October 2021	25,907	341	29,132	55,380
Profit for the year	-	-	7,596	7,596
Other comprehensive income for the year	-	(2,888)	94	(2,794)
Total comprehensive income for the year	-	(2,888)	7,690	4,802
Transactions with equity holders in their capacity as equity holders:				
Dividends paid	-	-	(3,965)	(3,965)
Dividend reinvestment plan[1]	183	-	-	183
Group share buy-back[2]	(846)	-	-	(846)
Share entitlement issue[3]	3,497			3,497
Other equity movements:				
Employee share and option plans	(21)	-	-	(21)
Other items	-	1	2	3
As at 30 September 2022	28,720	(2,546)	32,859	59,033
Profit for the year	-	-	6,974	6,974
Other comprehensive income for the year	-	319	(78)	241
Total comprehensive income for the year	-	319	6,896	7,215
Transactions with equity holders in their capacity as equity holders:				
Dividends paid	-	-	(5,559)	(5,559)
Dividend reinvestment plan[1]	206	-	-	206
Other equity movements:				
Employee share and option plans	79	-	-	79
Other items	-	5	(1)	4
As at 30 September 2023	29,005	(2,222)	34,195	60,978

[1] 8.4 million shares were issued under the Dividend Reinvestment Plan for the 2022 final dividend (2022 interim dividend: 7.2 million; 2021 final dividend: nil). On-market share purchases for the DRP in 2022 were $204 million.

[2] The Company completed its $1.5 billion on-market share buy-back on 25 March 2022 resulting in 31 million shares being cancelled in 2022.

[3] The Company issued 187.1 million new ordinary shares under the share entitlement offer in 2022.

The notes appearing on pages 82 to 205 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ABOUT OUR FINANCIAL STATEMENTS

ORGANISATIONAL RESTRUCTURE

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 (the Restructure). The ANZ Bank Group comprises the majority of the 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.

On Restructure, each ANZ shareholder received one ANZGHL ordinary share for each ANZ ordinary share that they held prior to the implementation of the Restructure. The Restructure is accounted for as a reverse acquisition in the ANZGHL consolidated financial statements as at 30 September 2023, with ANZBGL identified as the acquirer in accordance with AASB 3 *Business Combinations*.

As a result of the Restructure, the ANZBGL consolidated results for the 2023 financial year end consist of:

- the results of the former ANZ Group for the period 1 October 2022 to 2 January 2023;
- the result of ANZBGL and its subsidiaries (Group) for the period 3 January to 30 September 2023.

Refer to Accounting Policies Applicable to the Restructure section below for further details.

GENERAL INFORMATION

These are the financial statements for ANZBGL (the Company) and its controlled entities (together, the Group or Consolidated Entity) for the year ended 30 September 2023. The Company is a public company incorporated and domiciled in Australia with debt listed on securities exchanges. The Company is a subsidiary of ANZGHL and is regulated by APRA as an ADI. The address of the Company's registered office and its principal place of business is ANZ Centre, 833 Collins Street, Docklands, Victoria, Australia 3008. The Group provides banking and financial services to individuals and business customers and operates in and across 29 markets.

On 10 November 2023, the Directors resolved to authorise the issue of these financial statements. Information in the financial statements is included only to the extent we consider it material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if, for example:

- the amount is significant in size (quantitative factor);
- the information is significant by nature (qualitative factor);
- the user cannot understand the Group's results without the specific disclosure (qualitative factor);
- the information is critical to a user's understanding of the impact of significant changes in the Group's business during the period - for example, business acquisitions or disposals (qualitative factor);
- the information relates to an aspect of the Group's operations that is important to its future performance (qualitative factor); and
- the information is required under legislative requirements of the *Corporations Act 2001*, the *Banking Act 1959 (Cth)* or by the Group's principal regulators, including the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA).

This section of the financial statements:

- outlines the basis upon which the Group's financial statements have been prepared; and
- discusses any new accounting standards or regulations that directly impact the financial statements.

BASIS OF PREPARATION

This financial report is a general purpose (Tier 1) financial report prepared by a 'for profit' entity, in accordance with Australian Accounting Standards (AASs) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Corporations Act 2001*, and *International Financial Reporting Standards* (IFRS) and interpretations published by the International Accounting Standards Board (IASB).

We present the financial statements of the Group in Australian dollars, which is the Company's functional and presentation currency. We have rounded values to the nearest million dollars ($m), unless otherwise stated, as allowed under the *ASIC Corporations (Rounding in Financial/Directors Report) Instrument 2016/191*. We measure the financial statements of each entity in the Group using the currency of the primary economic environment in which that entity operates (the functional currency).

1. ABOUT OUR FINANCIAL STATEMENTS (continued)

BASIS OF MEASUREMENT AND PRESENTATION

We have prepared the financial information in accordance with the historical cost basis - except the following assets and liabilities which we have stated at their fair value:

- derivative financial instruments and in the case of fair value hedging, a fair value adjustment made to the underlying hedged item;
- financial instruments held for trading;
- financial assets and financial liabilities designated at fair value through profit or loss (FVTPL);
- financial assets at fair value through other comprehensive income (FVOCI); and
- assets and liabilities classified as held for sale (except those required to be at carrying value).

In accordance with AASB 119 *Employee Benefits* we have measured defined benefit obligations using the Projected Unit Credit Method.

There were no discontinued operations in the current period. For the purpose of comparative information, discontinued operations in the prior period are separately presented from the results of the continuing operations as a single line item 'Profit/(Loss) after tax from discontinued operations' in the Income Statement.

BASIS OF CONSOLIDATION

The consolidated financial statements of the Group comprise the financial statements of the Company and all its subsidiaries. An entity, including a structured entity, is considered a subsidiary of the Group when we determine that the Company has control over the entity. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. We assess power by examining existing rights that give the Company the current ability to direct the relevant activities of the entity. We have eliminated, on consolidation, the effect of all transactions between entities in the Group.

FOREIGN CURRENCY TRANSLATION

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the relevant functional currency at the exchange rate prevailing at the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the relevant spot rate. Any foreign currency translation gains or losses that arise are included in profit or loss in the period they arise.

We measure translation differences on non-monetary items classified as FVTPL and report them as part of the fair value gain or loss on these items. For non-monetary items classified as investment securities measured at FVOCI, translation differences are included in other comprehensive income.

FINANCIAL STATEMENTS OF FOREIGN OPERATIONS THAT HAVE A FUNCTIONAL CURRENCY THAT IS NOT AUSTRALIAN DOLLARS

The financial statements of our foreign operations are translated into Australian dollars for consolidation into the Group financial statements using the following method:

Foreign currency item	Exchange rate used
Assets and liabilities	The reporting date rate
Equity	The initial investment date rate
Income and expenses	The average rate for the period – but for a significant transaction if we believe the average rate is not reasonable, then we use the rate at the date of the transaction

Exchange differences arising from the translation of financial statements of foreign operations are recognised in the foreign currency translation reserve in equity. When we dispose of a foreign operation, the cumulative exchange differences are transferred to profit or loss.

FIDUCIARY ACTIVITIES

The Group provides fiduciary services to third parties including custody, nominee and trustee services. This involves the Group holding assets on behalf of third parties and making decisions regarding the purchase and sale of financial instruments. If ANZ is not the beneficial owner or does not control the assets, then we do not recognise these transactions in these financial statements, except when required by accounting standards or another legislative requirement.

1. ABOUT OUR FINANCIAL STATEMENTS (continued)

ACCOUNTING POLICIES APPLICABLE TO THE RESTRUCTURE

The implementation of the non-operating holding company involved the transfer of assets and entities between companies within the wider ANZGHL Group. This had implications for the ANZBGL consolidated financial statements due to the transfers extending outside of the Group. From an accounting perspective, since the transfers were between wholly owned entities, these are considered common control transactions. As there is no specific accounting standard for such transfers, the Group is required to make an accounting policy choice.

The Group's accounting policy for the transfer of the assets and entities between companies under common control is to apply book value accounting. Under this approach, any differences between book value and the transfer price are recorded in equity. The accounting policy choice did not have a material impact on profit and loss or equity when the assets were transferred as part of the Restructure. Refer to Note 31 Related Party Disclosures for details of the transfer.

KEY JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates and assumptions about past and future events. Further information on the key judgements and estimates that we consider material to the financial statements are contained within each relevant note to the financial statements.

The global economy is facing challenges associated with high inflation and interest rates, labour market constraints, and continuing geopolitical tensions which contribute to an elevated level of estimation uncertainty involved in the preparation of these financial statements.

The Group has made various accounting estimates in this Financial Report based on forecasts of economic conditions which reflect expectations and assumptions at 30 September 2023 about future events considered reasonable in the circumstances. Thus there is a considerable degree of judgement involved in preparing these estimates. Actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of these differences may significantly impact accounting estimates included in these financial statements. The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses and recoverable amounts of non-financial assets.

The impact of these uncertainties on each of these accounting estimates is discussed in the relevant notes in this Financial Report. Readers should consider these disclosures in light of the inherent uncertainties described above.

1. ABOUT OUR FINANCIAL STATEMENTS (continued)

INTEREST RATE BENCHMARK REFORM

Interbank offered rates (IBORs) reform is the global transition away from IBORs and their replacement by risk-free rates (RFRs). IBOR reforms have had a wide-ranging impact for the Group and our customers given the fundamental differences between IBORs and RFRs. Accordingly, the Group established an enterprise-wide Benchmark Transition Program to manage the operational, market, legal, conduct and financial reporting risks associated with IBOR transition.

As at 30 September 2023 the Group's Program is largely complete, and included the implementation of the required processes, technology and product capabilities that ensured the transitions were successfully undertaken. In line with regulatory announcements made in early 2021, IBOR rates including Pound Sterling (GBP), Euro (EUR), Swiss Franc (CHF) and Japanese Yen (JPY), and the 1-week and 2-month US Dollar (USD) London Interbank Offered Rate (LIBOR) rate settings ceased on 31 December 2021 and were replaced by alternative RFRs. The Group's exposure to IBOR reform was primarily concentrated in other USD LIBOR settings which ceased on 30 June 2023. No material changes were made to the Group's risk management strategy because of IBOR reform and the use of IBOR rates in new products was phased out in accordance with industry and supervisory guidance. The transition activities had an immaterial impact to the Group's profit and loss.

To support any legacy contracts referencing these benchmarks across the industry, the 1-month, 3-month and 6-month USD settings will continue to be published using an alternative 'synthetic' methodology. The Group continues to manage a small number of loan and derivative contracts whose transition is being managed with customers, and a small number of debt issuances with investors. These remaining contracts will either mature or transition ahead of the synthetic USD LIBOR cessation date of 30 September 2024. The Group has an immaterial exposure to other announced benchmark cessation events expected to occur between 2024 and 2026.

ACCOUNTING STANDARDS ADOPTED IN THE PERIOD

Accounting policies have been consistently applied, unless otherwise noted.

AASB 2023-2 *AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS – INTERNATIONAL TAX REFORM – PILLAR TWO MODEL RULES*

In May 2023, the Federal Government announced it will implement key aspects of Pillar Two of the OECD/G20 Two-Pillar Solution to address the tax challenges arising from digitalisation of the economy. This measure is not yet law. Other jurisdictions in which ANZ operates are also considering implementation of the regime. The ANZ Group is expected to be within the scope of associated legislation. In anticipation of legislation being enacted, the AASB issued AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules* in June 2023. The Group has applied the mandatory exemption included in para. 4A of this standard and will apply the whole amending standard from 1 October 2023. This amending standard stipulates a mandatory temporary exemption from recognising deferred tax assets and liabilities related to Pillar Two income taxes. The Group is monitoring progress of associated legislation and has not yet determined the expected impact on its financial statements.

ACCOUNTING STANDARDS NOT EARLY ADOPTED

A number of new standards, amendments to standards and interpretations have been published but are not mandatory for the financial statements for the year ended 30 September 2023 and have not been applied by the Group in preparing these financial statements. Further details of these are set out below.

GENERAL HEDGE ACCOUNTING

AASB 9 *Financial Instruments* (AASB 9) introduced new hedge accounting requirements which more closely align accounting with risk management activities undertaken when hedging both financial and non-financial risks. AASB 9 provided the Group with an accounting policy choice to continue to apply the AASB 139 *Financial Instruments: Recognition and Measurement* (AASB 139) hedge accounting requirements until the International Accounting Standards Board's ongoing project on Dynamic Risk Management (macro hedge accounting) is completed. The Group continues to apply the hedge accounting requirements of AASB 139.

1. ABOUT OUR FINANCIAL STATEMENTS (continued)

ACCOUNTING STANDARDS NOT EARLY ADOPTED (continued)

AASB 17 *INSURANCE CONTRACTS* (AASB 17)

The final version of AASB 17 was issued in July 2017 and is not effective for the Group until 1 October 2023. It will replace AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*. AASB 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts.

The measurement, presentation and disclosure requirements under AASB 17 are significantly different from current accounting standards. Although the overall profit recognised in respect of insurance contracts will not change, it is expected that the timing of profit recognition will change.

AASB 17 will not have a material impact on the Group.

DEFERRED TAX RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION

AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* amends AASB 112 *Income Taxes*. It clarifies that entities are required to recognise deferred tax on transactions for which there is both an asset and a liability and that give rise to equal taxable and deductible temporary differences which may apply to leases and decommissioning or restoration obligations. This amendment is effective for the Group from 1 October 2023 and will not have a material impact on the Group.

LEASE LIABILITY IN A SALE AND LEASEBACK

AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback* amends AASB 16 *Leases* and specifies the accounting for variable lease payments by seller-lessees in sale and leaseback transactions. The amendment is effective from 1 October 2024 and will not have a material impact on the Group.

2. NET INTEREST INCOME

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Net interest income				
Interest income by type of financial asset				
Financial assets at amortised cost	44,303	21,737	35,000	16,289
Investment securities at FVOCI	2,615	1,107	2,235	834
Trading assets	1,654	700	1,413	547
Financial assets at FVTPL	1,355	65	1,449	177
External interest income	49,927	23,609	40,097	17,847
Controlled entities' income	-	-	1,047	561
Interest income	49,927	23,609	41,144	18,408
Interest expense by type of financial liability				
Financial liabilities at amortised cost	(31,334)	(8,019)	(26,016)	(6,170)
Securities sold short	(451)	(214)	(392)	(191)
Financial liabilities designated at FVTPL	(1,214)	(162)	(1,104)	(151)
External interest expense	(32,999)	(8,395)	(27,512)	(6,512)
Controlled entities expense	-	-	(1,161)	(581)
Interest expense	(32,999)	(8,395)	(28,673)	(7,093)
Major bank levy	(353)	(340)	(353)	(340)
Net interest income	16,575	14,874	12,118	10,975

RECOGNITION AND MEASUREMENT

NET INTEREST INCOME

Interest Income and Expense

We recognise interest income and expense in net interest income for all financial instruments, including those classified as held for trading, assets measured at FVOCI, and assets and liabilities designated at FVTPL. We use the effective interest rate method to calculate the amortised cost of assets held at amortised cost and to recognise interest income on financial assets measured at amortised cost and FVOCI. The effective interest rate is the rate that discounts the stream of estimated future cash receipts or payments over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability. For assets subject to prepayment, we determine their expected life on the basis of historical behaviour of the particular asset portfolio taking into account contractual obligations and prepayment experience.

We recognise fees and costs, which form an integral part of the financial instrument (for example loan origination fees and costs), using the effective interest rate method. These are presented as part of interest income or expense depending on whether the underlying financial instrument is a financial asset or financial liability.

Major Bank Levy

The Major Bank Levy Act 2017 (levy or major bank levy) applies a rate of 0.06% to certain liabilities of ANZBGL. The levy represents a finance cost and it is presented as interest expense in the Income Statement.

3. NON-INTEREST INCOME

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Non-interest income				
Fee and commission income				
Lending fees[1]	397	374	362	340
Non-lending fees	2,275	2,394	1,533	1,744
Commissions	85	103	55	74
Funds management income	246	261	22	27
External fee and commission income	3,003	3,132	1,972	2,185
Controlled entities' income	-	-	187	244
Fee and commission income	3,003	3,132	2,159	2,429
Fee and commission expense	(1,057)	(1,160)	(553)	(695)
Net fee and commission income	1,946	1,972	1,606	1,734
Other income				
Net foreign exchange earnings and other financial instruments income[2]	1,535	1,993	1,272	1,296
Gain on completion of ANZ Worldline partnership	-	307	-	307
Impairment of interest in controlled entities	-	-	-	(180)
Release of foreign currency translation reserve	43	(65)	-	-
Loss on disposal of financial planning and advice business	-	(62)	-	(22)
Loss on disposal of data centres in Australia	(43)	-	(32)	-
Dividends received from controlled entities	-	-	2,562	3,181
Other	96	90	(7)	108
Other income	1,631	2,263	3,795	4,690
Other operating income	3,577	4,235	5,401	6,424
Net income from insurance business	89	140	-	-
Share of associates' profit/(loss)	225	177	(18)	(12)
Non-interest income	3,891	4,552	5,383	6,412

[1] Lending fees exclude fees treated as part of the effective yield calculation in Interest income.

[2] Includes fair value movements (excluding realised and accrued interest) on derivatives not designated as accounting hedges entered into to manage interest rate and foreign exchange risk, ineffective portions of cash flow hedges, and fair value movements in financial assets and liabilities designated at FVTPL.

3. NON-INTEREST INCOME (continued)

✓ RECOGNITION AND MEASUREMENT

OTHER OPERATING INCOME

Fee and Commission Revenue

We recognise fee and commission revenue arising from contracts with customers (a) over time when the performance obligation is satisfied across more than one reporting period, or (b) at a point in time when the performance obligation is satisfied immediately or is satisfied within one reporting period.

- lending fees exclude fees treated as part of the effective yield calculation of interest income. Lending fees include certain guarantee and commitment fees where the loan or guarantee is not likely to be drawn upon, and other fees charged for providing customers a distinct good or service that are recognised separately from the underlying lending product.
- non-lending fees include fees associated with deposit and credit card accounts, interchange fees and fees charged for specific customer transactions such as international transaction fees. Where the Group provides multiple goods or services to a customer under the same contract, the Group allocates the transaction price of the contract to distinct performance obligations based on the relative stand-alone selling price of each performance obligation. Revenue is recognised as each performance obligation is satisfied.
- commissions represent fees from third parties where we act as an agent by arranging a third party (such as an insurance provider) to provide goods and services to a customer. In such cases, we are not primarily responsible for providing the underlying good or service to the customer. If the Group collects funds on behalf of a third party when acting as an agent, we only recognise the net commission retained as revenue. When the commission is variable based on factors outside our control (such as a trail commission), revenue is only recognised if it is highly probable that a significant reversal of the variable amount will not be required in future periods.
- funds management income represents fees earned from customers for providing asset management services. Revenue is recognised over the period in which the asset management services are delivered. Performance fees associated with funds management activities are only recognised when it becomes highly probable the performance hurdle will be achieved.

Net Foreign Exchange Earnings and Other Financial Instruments Income

We recognise the following as net foreign exchange earnings and other financial instruments income:

- exchange rate differences arising on the settlement of monetary items and translation differences on monetary items translated at rates different to those at which they were initially recognised or included in a previous financial report;
- fair value movements (excluding realised and accrued interest) on derivatives not designated as accounting hedges that we use to manage interest rate and foreign exchange risk on funding instruments;
- the ineffective portions of fair value hedges, cash flow hedges and net investment hedges;
- immediately upon sale or repayment of a hedged item, the unamortised fair value adjustments to items designated as fair value hedges and amounts accumulated in equity related to designated cash flow hedges;
- fair value movements on financial assets and financial liabilities designated at FVTPL or held for trading;
- amounts released from the FVOCI reserve when a debt instrument classified as FVOCI is sold; and
- the gain or loss on derecognition of financial assets or liabilities measured at amortised cost.

Gain or Loss on Disposal of Non-Financial Assets

The gain or loss on the disposal of assets is the difference between the carrying value of the asset and the proceeds of disposal net of costs. This is recognised in Other income in the year in which control of the asset transfers to the buyer.

When a non-financial asset or group of assets is classified as held for sale, it is measured at the lower of its carrying amount immediately prior to reclassification and fair value less costs to sell, with any remeasurement recognised in Other operating income to align with the classification of gain or loss on sale that would have applied if the sale had completed during the year.

3. NON-INTEREST INCOME (continued)

RECOGNITION AND MEASUREMENT

NET INCOME FROM INSURANCE BUSINESS

We recognise:

- premiums received (net of reinsurance premiums paid) based on an assessment of the likely pattern in which risk will emerge over the term of the policies written. This assessment is undertaken periodically and updated in accordance with the latest pattern of risk emergence; and
- claims incurred net of reinsurance, on an accruals basis once the liability to the policy owner has been established under the terms of the contract and through actuarial assumptions of future claims.

SHARE OF ASSOCIATES' PROFIT/(LOSS)

The equity method is applied to accounting for associates. Under the equity method, our share of the after tax results of associates is included in the Income Statement and the Statement of Comprehensive Income.

4. OPERATING EXPENSES

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Personnel				
Salaries and related costs	5,157	4,754	3,791	3,494
Superannuation costs	396	375	335	317
Other	183	167	154	127
Personnel	5,736	5,296	4,280	3,938
Premises				
Rent	71	88	50	67
Depreciation	437	419	338	344
Other	176	214	123	168
Premises	684	721	511	579
Technology				
Depreciation and amortisation	501	578	455	521
Subscription licences and outsourced services	1,007	899	695	648
Other	178	144	144	162
Technology	1,686	1,621	1,294	1,331
Restructuring	169	101	146	78
Other				
Advertising and public relations	176	165	133	128
Professional fees	857	935	795	864
Freight, stationery, postage and communication	175	172	128	128
Other	604	568	1,201	1,077
Other	1,812	1,840	2,257	2,197
Operating expenses	10,087	9,579	8,488	8,123

4. OPERATING EXPENSES (continued)

RECOGNITION AND MEASUREMENT

OPERATING EXPENSES

Operating expenses are recognised as services are provided to the Group, over the period in which an asset is consumed, or once a liability is created.

SALARIES AND RELATED COSTS - ANNUAL LEAVE, LONG SERVICE LEAVE AND OTHER EMPLOYEE BENEFITS

Wages and salaries, annual leave and other employee entitlements expected to be paid or settled within twelve months of employees rendering service are measured at their nominal amounts using remuneration rates that the Group expects to pay when the liabilities are settled.

We accrue employee entitlements relating to long service leave using an actuarial calculation. It includes assumptions regarding staff departures, leave utilisation and future salary increases. The result is then discounted using market yields at the reporting date. The market yields are determined from a blended rate of high quality corporate bonds with terms to maturity that closely match the estimated future cash outflows.

If we expect to pay short term cash bonuses, then a liability is recognised when the Group has a present legal or constructive obligation to pay this amount (as a result of past service provided by the employee) and the obligation can be reliably measured.

Personnel expenses also include share-based payments which may be cash or equity settled. We calculate the fair value of equity settled remuneration at grant date, which is then amortised over the vesting period, with a corresponding increase in share capital or the share option reserve as applicable. When we estimate the fair value, we take into account market vesting conditions, such as share price performance conditions. We take non-market vesting conditions, such as service conditions, into account by adjusting the number of equity instruments included in the expense.

After the grant of an equity-based award, the amount we recognise as an expense is reversed when non-market vesting conditions are not met, for example an employee fails to satisfy the minimum service period specified in the award due to resignation, termination or notice of dismissal for serious misconduct. However, we do not reverse the expense if the award does not vest due to the failure to meet a market-based performance condition.

Further information on share-based payment schemes operated by the Group during the current and prior year is included in Note 30 Employee Share and Option Plans.

5. INCOME TAX

INCOME TAX EXPENSE

Reconciliation of the prima facie income tax expense on pre-tax profit with the income tax expense recognised in profit or loss:

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Profit before income tax from continuing operations	**10,134**	10,079	**8,938**	9,529
Prima facie income tax expense at 30%	**3,040**	3,024	**2,681**	2,859
Tax effect of permanent differences:				
Net (gain)/loss from divestments/closures	**-**	(83)	**-**	(113)
Share of associates' (profit)/loss	**(68)**	(53)	**5**	4
Interest on convertible instruments	**92**	49	**92**	49
Overseas tax rate differential	**(163)**	(128)	**(95)**	(70)
Provision for foreign tax on dividend repatriation	**41**	155	**35**	150
Rebatable and non-assessable dividends	**-**	-	**(769)**	(954)
Impairment of interest in controlled entities	**-**	-	**-**	54
Other	**(2)**	4	**23**	(21)
Subtotal	**2,940**	2,968	**1,972**	1,958
Income tax (over)/under provided in previous years	**1**	(28)	**(8)**	(25)
Income tax expense	**2,941**	2,940	**1,964**	1,933
Current tax expense	**2,887**	2,694	**2,012**	1,725
Adjustments recognised in the current year in relation to the current tax of prior years	**1**	(28)	**(8)**	(25)
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	**53**	274	**(40)**	233
Income tax expense	**2,941**	2,940	**1,964**	1,933
Australia	**1,640**	1,844	**1,568**	1,755
Overseas	**1,301**	1,096	**396**	178
Effective tax rate	**29.0%**	29.2%	**22.0%**	20.3%

5. INCOME TAX (continued)

DEFERRED TAX ASSETS AND LIABILITIES

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Deferred tax assets balances comprise temporary differences attributable to:				
Amounts recognised in the Income Statement:				
Collectively assessed allowances for expected credit losses	**1,128**	1,065	**897**	880
Individually assessed allowances for expected credit losses	**102**	148	**79**	119
Provision for employee entitlements	**294**	252	**243**	206
Other provisions	**263**	314	**209**	240
Software	**917**	867	**781**	708
Other	**290**	285	**238**	218
Total	**2,994**	2,931	**2,447**	2,371
Amounts recognised directly in Other Comprehensive Income:		-		
Cash flow hedge reserve	**818**	882	**789**	891
Other reserves	**29**	20	**27**	16
Total	**847**	902	**816**	907
Total deferred tax assets (before set-off)	**3,841**	3,833	**3,263**	3,278
Set-off of deferred tax balances pursuant to set-off provisions	**(455)**	(449)	**(275)**	(286)
Net deferred tax assets	**3,386**	3,384	**2,988**	2,992

	2023 $m	2022 $m	2023 $m	2022 $m
Deferred tax liabilities balances comprise temporary differences attributable to:				
Amounts recognised in the Income Statement:				
Finance leases	**95**	79	**6**	(15)
Other	**303**	300	**212**	232
Total	**398**	379	**218**	217
Amounts recognised directly in Other Comprehensive Income:				
Foreign currency translation reserve	**36**	36	**36**	36
Cash flow hedge reserve	**17**	8	**7**	8
FVOCI reserve	**17**	57	**19**	31
Defined benefit obligations	**47**	52	**42**	48
Total	**117**	153	**104**	123
Total deferred tax liabilities (before set-off)	**515**	532	**322**	340
Set-off of deferred tax balances pursuant to set-off provisions	**(455)**	(449)	**(275)**	(286)
Net deferred tax liabilities	**60**	83	**47**	54

5. INCOME TAX (continued)

TAX CONSOLIDATION

The Company and all its wholly owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Following the Restructure on 3 January 2023, ANZGHL is the head entity in the tax-consolidated group. We recognise each of the following in the separate financial statements of members of the tax consolidated group on a 'group allocation' basis: tax expense/income, and deferred tax liabilities/assets that arise from temporary differences for members of the tax-consolidated group.

Under a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by each member of the tax-consolidated group in relation to the tax contribution amounts payable or receivable between members of the tax-consolidated group and the head entity ANZGHL.

Members of the tax-consolidated group have also entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities were the head entity to default on its income tax payment obligations.

UNRECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

Unrecognised deferred tax assets related to unused realised tax losses (on revenue account) total $1 million (2022: $1 million) for the Group and nil (2022: nil) for the Company.

Unrecognised deferred tax liabilities related to additional potential foreign tax costs (assuming all retained earnings in offshore branches and subsidiaries are repatriated) total $286 million (2022: $250 million) for the Group and $30 million (2022: $18 million) for the Company.

RECOGNITION AND MEASUREMENT

INCOME TAX EXPENSE

Income tax expense comprises both current and deferred taxes and is based on the accounting profit adjusted for differences in the accounting and tax treatments of income and expenses (that is, taxable income). We recognise tax expense in profit or loss except when the tax relates to items recognised directly in equity and other comprehensive income, in which case we recognise the tax directly in equity or other comprehensive income respectively.

CURRENT TAX EXPENSE

Current tax is the tax we expect to pay on taxable income for the year, based on tax rates (and tax laws) which are enacted at the reporting date. We recognise current tax as a liability (or asset) to the extent that it is unpaid (or refundable).

DEFERRED TAX ASSETS AND LIABILITIES

We account for deferred tax using the balance sheet method. Deferred tax arises because the accounting income is not always the same as the taxable income. This creates temporary differences, which usually reverse over time. Until they reverse, we recognise a deferred tax asset, or liability, on the balance sheet. We measure deferred taxes at the tax rates that we expect will apply to the period(s) when the asset is realised, or the liability settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

We offset current and deferred tax assets and liabilities only to the extent that:

- they relate to income taxes imposed by the same taxation authority;
- there is a legal right and intention to settle on a net basis; and
- it is allowed under the tax law of the relevant jurisdiction.

KEY JUDGEMENTS AND ESTIMATES

Judgement is required in determining provisions held in respect of uncertain tax positions. The Group estimates its tax liabilities based on its understanding of the relevant law in each of the countries in which it operates and seeks independent advice where appropriate.

6. DIVIDENDS

ORDINARY SHARE DIVIDENDS

Dividends determined by the Board of the Company are recognised with a corresponding reduction of retained earnings on the dividend payment date. Accordingly, the final dividend announced for the current financial year is paid in the following financial year. Following the Restructure on 3 January 2023, ANZGHL is the head entity in the tax-consolidated group, and the franking and imputation credits have been transferred by the Company to ANZGHL.

Dividends	% of total	Amount per share	Total dividend $m
Financial Year 2022			
2021 final dividend paid[1,2]		72 cents	2,030
2022 interim dividend paid[1,2]		72 cents	2,012
Bonus option plan adjustment			(77)
Dividends paid during the year ended 30 September 2022			3,965
Cash	90.2%		3,577
Dividend reinvestment plan[3]	9.8%		388
Dividends paid during the year ended 30 September 2022			3,965
Financial Year 2023			
2022 final dividend paid[1,2]		74 cents	2,213
2023 special dividend paid to ANZ BH Pty Ltd		33 cents	1,000
2023 interim dividend paid to ANZ BH Pty Ltd		79 cents	2,387
Dividends paid during the year ended 30 September 2023			5,600
Cash	96.3%		5,394
Dividend reinvestment plan	3.7%		206
Dividends paid during the year ended 30 September 2023			5,600

Dividends announced and to be paid after year-end	Payment date	Amount per share	Total dividend $m
2023 final dividend	22 December 2023	94 cents	2,825

[1] Carries New Zealand imputation credits of NZD 9 cents for the 2022 final dividend and 2022 interim dividend, and NZD 8 cents for the 2021 final dividend.

[2] Fully franked for Australian tax purposes (30% tax rate).

[3] Includes on-market share purchases for the DRP of $204 million.

DIVIDEND REINVESTMENT PLAN AND BONUS OPTION PLAN

ANZBGL's Dividend Reinvestment Plan (DRP) and Bonus Option Plan (BOP) ceased to operate following implementation of the Restructure on 3 January 2023.

RESTRICTIONS ON THE PAYMENT OF DIVIDENDS

APRA's written approval is required before paying dividends on the ordinary shares of the Company if:

- the aggregate dividends exceed the Company's after tax earnings (in calculating those after tax earnings, we take into account any payments we made on senior capital instruments) in the financial year to which they relate; or
- ANZ's Common Equity Tier 1 capital ratio falls within capital range buffers specified by APRA.

If the Company fails to pay a dividend or distribution on its ANZ Capital Notes or ANZ Capital Securities on the scheduled payment date, it may (subject to a number of exceptions) be restricted from resolving to pay or paying any dividend on the Company's ordinary shares.

7. SEGMENT REPORTING

DESCRIPTION OF SEGMENTS

The Group's six operating segments are presented on a basis that is consistent with the information provided internally to the Chief Executive Officer, who is the chief operating decision maker. This reflects the way the Group's businesses are managed, rather than the legal structure of the Group.

We measure the performance of operating segments on a cash profit basis. To calculate cash profit, we exclude items from profit after tax attributable to shareholders. For 2023 and 2022, the adjustments relate to impacts of economic hedges and revenue and expense hedges which represent timing differences that will reverse through earnings in the future. Transactions between divisions across segments within ANZ are conducted on an arm's-length basis and disclosed as part of the income and expenses of these segments.

The presentation of divisional results has been impacted by the following structural changes during the period. Prior period comparatives have been restated:

- Non-banking businesses - transfer of non-banking businesses held in the Australia Commercial and Institutional divisions to the Group Centre division which were then disposed as part of the Restructure.
- Corporate customer re-segmentation - certain business and property finance customers were transferred from the New Zealand division to the Institutional division.
- Cost reallocations - certain costs were reallocated across the Australia Retail, Australia Commercial, Institutional and Group Centre divisions.

The reportable segments are divisions engaged in providing either different products or services or similar products and services in different geographical areas. They are as follows:

Australia Retail

The Australia Retail division provides a full range of banking services to Australian consumers. This includes Home Loans, Deposits, Credit Cards and Personal Loans. Products and services are provided via the branch network, home loan specialists, contact centres, a variety of self-service channels (digital and internet banking, website, ATMs and phone banking) and third-party brokers. It also includes the costs related to the development and operation of the ANZ Plus proposition for retail customers.

Australia Commercial

The Australia Commercial division provides a full range of banking products and financial services, including asset financing, across the following customer segments: SME Banking (small business owners and medium commercial customers), and Specialist Business (large commercial customers, and high net worth individuals and family groups).

Institutional

The Institutional division services global institutional and corporate customers, and governments across Australia, New Zealand and International (including Papua New Guinea (PNG)) via the following business units:

- **Transaction Banking** provides customers with working capital and liquidity solutions including documentary trade, supply chain financing, commodity financing as well as cash management solutions, deposits, payments and clearing.
- **Corporate Finance** provides customers with loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance and corporate advisory services.
- **Markets** provides customers with risk management services in foreign exchange, interest rates, credit, commodities, and debt capital markets in addition to managing the Group's interest rate exposure and liquidity position.

New Zealand

The New Zealand division comprises the following business units:

- **Personal** provides a full range of banking and wealth management services to consumer and private banking customers. We deliver our services via our internet and app-based digital solutions and a network of branches, mortgage specialists, relationship managers and contact centres.
- **Business and Agri** (previously Business) provides a full range of banking services through our digital, branch and contact centre channels, and traditional relationship banking and sophisticated financial solutions through dedicated managers. These cover privately owned small, medium and large enterprises, the agricultural business segment, government and government-related entities.

Pacific

The Pacific division provides products and services to retail and commercial customers (including multi-nationals) and to governments located in the Pacific region, excluding PNG which forms part of the Institutional division.

Group Centre

Group Centre division provides support to the operating divisions, including technology, property, risk management, financial management, treasury, strategy, marketing, human resources, corporate affairs, and shareholder functions. It also includes minority investments in Asia.

7. SEGMENT REPORTING (continued)

OPERATING SEGMENTS

Year ended 30 September 2023	Australia Retail $m	Australia Commercial $m	Institutional $m	New Zealand $m	Pacific $m	Group Centre $m	Group Total $m
Net interest income	5,716	3,224	4,040	3,149	123	323	16,575
Net fee and commission income	546	322	685	398	19	(24)	1,946
Net income from insurance business	89	-	-	-	-	-	89
Other income[1,2]	16	43	2,009	11	66	(80)	2,065
Share of associates' profit/(loss)	-	-	-	-	-	225	225
Other operating income	651	365	2,694	409	85	121	4,325
Operating income[1,2]	6,367	3,589	6,734	3,558	208	444	20,900
Operating expenses	(3,542)	(1,423)	(2,708)	(1,291)	(145)	(978)	(10,087)
Cash profit before credit impairment and income tax	2,825	2,166	4,026	2,267	63	(534)	10,813
Credit impairment (charge)/release	(135)	(107)	80	(112)	28	1	(245)
Cash profit before income tax	2,690	2,059	4,106	2,155	91	(533)	10,568
Income tax expense and non-controlling interests[1,2]	(816)	(619)	(1,143)	(603)	(20)	105	(3,096)
Cash profit/(loss) from continuing operations	1,874	1,440	2,963	1,552	71	(428)	7,472
Cash profit/(loss) from discontinued operations							-
Cash profit/(loss)							7,472
Economic hedges[1]							(217)
Revenue and expense hedges[2]							(90)
Profit after tax attributable to shareholders							7,165
Includes non-cash items:							
Share of associates' profit/(loss)	-	-	-	-	-	225	225
Depreciation and amortisation	(77)	(5)	(164)	(105)	(10)	(580)	(941)
Equity-settled share based payment expenses	(6)	(2)	(73)	(4)	-	(20)	(105)
Credit impairment (charge)/release	(135)	(107)	80	(112)	28	1	(245)

Financial position	Australia Retail $m	Australia Commercial $m	Institutional $m	New Zealand $m	Pacific $m	Group Centre $m	Group Total $m
Goodwill	100	-	1,261	1,617	-	-	2,978
Investments in associates	-	-	-	-	-	2,321	2,321
Total external assets	315,184	61,916	538,827	125,178	3,391	61,545	1,106,041
Total external liabilities	168,866	119,341	452,779	122,924	3,862	169,155	1,036,927

[1] The cash profit adjustment for economic hedges applies to the Institutional, New Zealand and Group Centre divisions with $305 million loss recognised in Other operating income and $88 million benefit recognised in Income tax expense.

[2] The cash profit adjustment for revenue and expense hedges applies to the Group Centre division with $129 million loss recognised in Other operating income and $39 million benefit recognised in Income tax expense.

7. SEGMENT REPORTING (continued)

OPERATING SEGMENTS (continued)

Year ended 30 September 2022	Australia Retail $m	Australia Commercial $m	Institutional $m	New Zealand $m	Pacific $m	Group Centre $m	Group Total $m
Net interest income	5,527	2,568	3,697	2,871	96	115	14,874
Net fee and commission income	477	404	648	428	26	(11)	1,972
Net income from insurance business	140	-	-	-	-	-	140
Other income[1,2]	5	258	1,003	32	42	44	1,384
Share of associates' profit/(loss)	-	-	-	-	-	177	177
Other operating income	622	662	1,651	460	68	210	3,673
Operating income[1,2]	6,149	3,230	5,348	3,331	164	325	18,547
Operating expenses	(3,397)	(1,301)	(2,566)	(1,273)	(153)	(889)	(9,579)
Cash profit before credit impairment and income tax	2,752	1,929	2,782	2,058	11	(564)	8,968
Credit impairment (charge)/release	129	133	27	(45)	6	(18)	232
Cash profit before income tax	2,881	2,062	2,809	2,013	17	(582)	9,200
Income tax expense and non-controlling interests[1,2]	(872)	(511)	(872)	(564)	(8)	142	(2,685)
Cash profit/(loss) from continuing operations	2,009	1,551	1,937	1,449	9	(440)	6,515
Cash profit/(loss) from discontinued operations							(19)
Cash profit/(loss)							6,496
Economic hedges[1]							569
Revenue and expense hedges[2]							54
Profit after tax attributable to shareholders							7,119
Includes non-cash items:							
Share of associates' profit/(loss)	-	-	-	-	-	177	177
Depreciation and amortisation	(87)	(12)	(158)	(116)	(10)	(626)	(1,009)
Equity-settled share based payment expenses	(5)	(1)	(72)	(4)	(1)	(19)	(102)
Credit impairment (charge)/release	129	133	27	(45)	6	(18)	232

Financial position	Australia Retail $m	Australia Commercial $m	Institutional $m	New Zealand $m	Pacific $m	Group Centre $m	Group Total $m
Goodwill	178	-	1,198	1,530	-	-	2,906
Investments in associates	-	-	-	-	-	2,181	2,181
Total external assets	292,876	59,983	544,066	116,218	3,707	68,879	1,085,729
Total external liabilities	153,494	118,355	473,114	115,263	4,065	155,037	1,019,328

[1] The cash profit adjustment for economic hedges applies to the Institutional, New Zealand and Group Centre divisions with $802 million gain recognised in Other operating income and $233 million expense recognised in Income tax expense.

[2] The cash profit adjustment for economic hedges applies to the Group Centre division with $77 million gain recognised in Other operating income and $23 million expense recognised in Income tax expense.

7. SEGMENT REPORTING (continued)

SEGMENT INCOME BY PRODUCTS AND SERVICES

The primary sources of our external income across all divisions are Interest income and Other operating income, which includes net fee and commission income, net foreign exchange earnings and other financial instruments income. The Australia Retail, Australia Commercial, New Zealand, and Pacific divisions derive income from products and services in retail and commercial banking. The Institutional division derives its income from institutional products and market services. No single customer amounts to greater than 10% of the Group's income.

GEOGRAPHICAL INFORMATION

The reportable segments operate across three geographical regions as follows:

- Australia Retail division - Australia
- Australia Commercial division - Australia
- Institutional division - all three geographical regions
- New Zealand division - New Zealand
- Pacific division – Rest of World
- Group Centre division - all three geographical regions

Discontinued operations results are included in the Australia geography. The Rest of World geography includes Asia, Pacific, Europe and the Americas.

The following table sets out total operating income earned including discontinued operations and assets to be recovered in more than one year based on the geographical regions in which the Group operates.

	Australia		New Zealand		Rest of World		Total	
	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Total operating income[1]	**12,677**	12,462	**4,463**	4,501	**3,326**	2,547	**20,466**	19,510
Assets to be recovered in more than one year[2]	**407,221**	384,724	**119,278**	109,191	**28,877**	32,350	**555,376**	526,265

[1] Includes Operating income earned from discontinued operations of nil (2022: $84 million).

[2] Represents Net loans and advances based on the contractual maturity.

FINANCIAL ASSETS

Outlined below is a description of how we classify and measure financial assets as they apply to the note disclosures that follow.

CLASSIFICATION AND MEASUREMENT

Financial assets - general

There are three measurement classifications for financial assets under AASB 9: amortised cost, FVTPL and FVOCI. Financial assets are classified into these measurement classifications on the basis of two criteria:

- the business model within which the financial asset is managed; and
- the contractual cash flow characteristics of the financial asset (specifically whether the contractual cash flows represent solely payments of principal and interest).

The resultant financial asset classifications are as follows:

- Amortised cost: Financial assets with contractual cash flows that comprise solely payments of principal and interest and which are held in a business model whose objective is to collect their cash flows;
- FVOCI: Financial assets with contractual cash flows that comprise solely payments of principal and interest and which are held in a business model whose objective is to collect their cash flows or to sell the assets; and
- FVTPL: Any other financial assets not falling into the categories above are measured at FVTPL.

Fair value option for financial assets

A financial asset may be irrevocably designated on initial recognition:

- at FVTPL when the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise; or
- at FVOCI for investments in equity securities, where that instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination.

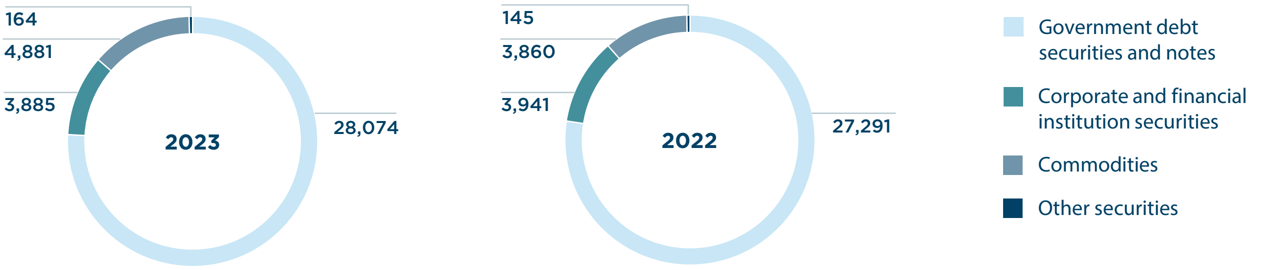
8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and other balances, as outlined below, that are convertible into cash with an insignificant risk of changes in value and with remaining maturities of three months or less, including reverse repurchase agreements.

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Coins, notes and cash at bank	**1,070**	1,147	**667**	787
Securities purchased under agreements to resell in less than 3 months[1]	**31,711**	15,996	**31,120**	14,372
Balances with central banks	**105,689**	127,790	**94,389**	118,928
Settlement balances owed to ANZ within 3 months	**29,684**	23,199	**28,232**	21,396
Cash and cash equivalents	**168,154**	168,132	**154,408**	155,483

[1] During 2023, the Group commenced the management of repurchase agreements and reverse repurchase agreements on a fair value basis within the trading book in its Markets business. This resulted in the associated repurchase and reverse repurchase agreements being recognised and measured at FVTPL.

9. TRADING ASSETS



	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Government debt securities and notes	**28,074**	27,291	**23,144**	21,881
Corporate and financial institution securities	**3,885**	3,941	**2,914**	2,700
Commodities	**4,881**	3,860	**4,471**	3,348
Other securities	**164**	145	**164**	144
Total	**37,004**	35,237	**30,693**	28,073

RECOGNITION AND MEASUREMENT

Trading assets are financial instruments or other assets we either:

- acquire principally for the purpose of selling in the short-term; or
- hold as part of a portfolio we manage for short-term profit making.

Trading assets include commodity inventories measured at fair value less cost to sell in accordance with the broker trader exemption under AASB 102 *Inventories*.

We recognise purchases and sales of trading assets on trade date:

- initially, we measure them at fair value; and
- subsequently, we measure them in the balance sheet at their fair value with any change in fair value recognised in profit or loss.

Assets disclosed as Trading assets are subject to the general classification and measurement policy for Financial Assets outlined at the commencement of the Group's financial assets disclosures on page 101.

KEY JUDGEMENTS AND ESTIMATES

Judgement is required when applying the valuation techniques used to determine the fair value of trading assets not valued using quoted market prices. Refer to Note 18 Fair Value of Financial Assets and Financial Liabilities for further details.

10. DERIVATIVE FINANCIAL INSTRUMENTS

Consolidated Fair Value	Assets 2023 $m	Liabilities 2023 $m	Assets 2022 $m	Liabilities 2022 $m
Derivative financial instruments - held for trading	60,059	(57,210)	89,716	(84,793)
Derivative financial instruments - designated in hedging relationships	347	(272)	458	(356)
Derivative financial instruments	60,406	(57,482)	90,174	(85,149)

The Company Fair Value	Assets 2023 $m	Liabilities 2023 $m	Assets 2022 $m	Liabilities 2022 $m
Derivative financial instruments - held for trading	59,649	(57,256)	87,650	(84,200)
Derivative financial instruments - designated in hedging relationships	340	(255)	406	(300)
Derivative financial instruments	59,989	(57,511)	88,056	(84,500)

FEATURES

Derivative financial instruments are contracts:

- whose value is derived from an underlying price index (or other variable) defined in the contract - sometimes the value is derived from more than one variable;
- that require little or no initial net investment; and
- that are settled at a future date.

Movements in the price of the underlying variables, which cause the value of the contract to fluctuate, are reflected in the fair value of the derivative.

PURPOSE

The Group's derivative financial instruments have been categorised as following:

Trading	Derivatives held in order to: • meet customer needs for managing their own risks. • manage risks in the Group that are not in a designated hedge accounting relationship (some elements of balance sheet management). • undertake market making and positioning activities to generate profits from short-term fluctuations in prices or margins.
Designated in Hedging Relationships	Derivatives designated into hedge accounting relationships in order to minimise profit or loss volatility by matching movements in underlying positions relating to: • hedges of the Group's exposures to interest rate risk and currency risk. • hedges of other exposures relating to non-trading positions.

TYPES

The Group offers or uses four different types of derivative financial instruments:

Forwards	A contract documenting the rate of interest, or the currency exchange rate, to be paid or received on a notional principal amount at a future date.
Futures	An exchange traded contract in which the parties agree to buy or sell an asset in the future for a price agreed on the transaction date, with a net settlement in cash paid on the future date without physical delivery of the asset.
Swaps	A contract in which two parties exchange one series of cash flows for another.
Options	A contract in which the buyer of the contract has the right - but not the obligation - to buy (known as a 'call option') or to sell (known as a 'put option') an asset or instrument at a set price on a future date. The seller has the corresponding obligation to fulfil the transaction to sell or buy the asset or instrument if the buyer exercises the option.

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

RISKS MANAGED

The Group offers and uses the instruments described above to manage fluctuations in the following market factors:

Foreign Exchange	Currencies at current or determined rates of exchange.
Interest Rate	Fixed or variable interest rates applying to money lent, deposited or borrowed.
Commodity	Soft commodities (that is, agricultural products such as wheat, coffee, cocoa and sugar) and hard commodities (that is, mined products such as gold, oil and gas).
Credit	Risk of default by customers or third parties.

The Group uses a number of central clearing counterparties and exchanges to settle derivative transactions. Different arrangements for posting of collateral exist with these exchanges:

- some transactions are subject to clearing arrangements which result in separate recognition of collateral assets and liabilities, with the carrying values of the associated derivative assets and liabilities held at their fair value.
- other transactions, are legally settled by the payment or receipt of collateral which reduces the carrying values of the related derivative instruments by the amount paid or received.

DERIVATIVE FINANCIAL INSTRUMENTS – HELD FOR TRADING

The majority of the Group's derivative financial instruments are held for trading. The fair value of derivative financial instruments held for trading is:

Consolidated Fair Value	Assets 2023 $m	Liabilities 2023 $m	Assets 2022 $m	Liabilities 2022 $m
Interest rate contracts				
Forward rate agreements	-	-	-	(1)
Futures contracts	294	(37)	336	(123)
Swap agreements	10,815	(15,194)	10,421	(15,031)
Options	1,805	(2,023)	1,698	(1,954)
Total	12,914	(17,254)	12,455	(17,109)
Foreign exchange contracts				
Spot and forward contracts	21,399	(19,580)	42,221	(37,426)
Swap agreements	23,230	(18,172)	32,169	(27,548)
Options	690	(1,120)	926	(1,343)
Total	45,319	(38,872)	75,316	(66,317)
Commodity and other contracts	1,812	(1,067)	1,927	(1,353)
Credit default swaps	14	(17)	18	(14)
Derivative financial instruments - held for trading[1]	60,059	(57,210)	89,716	(84,793)

[1] Includes derivatives held for balance sheet management which are not designated into accounting hedge relationships.

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

DERIVATIVE FINANCIAL INSTRUMENTS – HELD FOR TRADING (continued)

The majority of the Company's derivative financial instruments are held for trading. The fair value of derivative financial instruments held for trading is:

The Company Fair Value	Assets 2023 $m	Liabilities 2023 $m	Assets 2022 $m	Liabilities 2022 $m
Interest rate contracts				
Forward rate agreements	2	(1)	2	(7)
Futures contracts	259	(30)	240	(116)
Swap agreements	11,324	(15,178)	10,778	(15,098)
Options	1,807	(2,016)	1,684	(1,947)
Total	13,392	(17,225)	12,704	(17,168)
Foreign exchange contracts				
Spot and forward contracts	19,229	(17,595)	36,576	(33,376)
Swap agreements	24,493	(20,216)	35,526	(30,949)
Options	684	(1,110)	895	(1,331)
Total	44,406	(38,921)	72,997	(65,656)
Commodity and other contracts	1,823	(1,078)	1,923	(1,352)
Credit default swaps	28	(32)	26	(24)
Derivative financial instruments - held for trading[1]	59,649	(57,256)	87,650	(84,200)

[1] Includes derivatives held for balance sheet management which are not designated into accounting hedge relationships.

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

DERIVATIVE FINANCIAL INSTRUMENTS – DESIGNATED IN HEDGING RELATIONSHIPS

As set out in Note 1, under the accounting policy choice provided by AASB 9, the Group has continued to apply the hedge accounting requirements of AASB 139.

There are three types of hedge accounting relationships the Group utilises:

	Fair value hedge	Cash flow hedge	Net investment hedge
Objective of this hedging arrangement	To hedge our exposure to changes to the fair value of a recognised asset or liability or unrecognised firm commitment caused by interest rate or foreign currency movements.	To hedge our exposure to variability in cash flows of a recognised asset or liability, a firm commitment or a highly probable forecast transaction caused by interest rate, foreign currency and other price movements.	To hedge our exposure to exchange rate differences arising from the translation of our foreign operations from their functional currency to Australian dollars.
Recognition of effective hedge portion	The following are recognised in profit or loss at the same time: • all changes in the fair value of the underlying item relating to the hedged risk; and • the change in the fair value of the derivatives.	We recognise the effective portion of changes in the fair value of derivatives designated as a cash flow hedge in the cash flow hedge reserve.	We recognise the effective portion of changes in the fair value of the hedging instrument in the foreign currency translation reserve (FCTR).
Recognition of ineffective hedge portion	Recognised immediately in Other operating income.		
If a hedging instrument expires, or is sold, terminated, or exercised; or no longer qualifies for hedge accounting	When we recognise the hedged item in profit or loss, we recognise the related unamortised fair value adjustment in profit or loss. This may occur over time if the hedged item is amortised to profit or loss as part of the effective yield over the period to maturity.	Only when we recognise the hedged item in profit or loss is the amount previously deferred in the cash flow hedge reserve transferred to profit or loss.	The amount we defer in the foreign currency translation reserve remains in equity and is transferred to profit or loss only when we dispose of, or partially dispose of, the foreign operation.
Hedged item sold or repaid	We recognise the unamortised fair value adjustment immediately in profit or loss.	Amounts accumulated in equity are transferred immediately to profit or loss.	The gain or loss, or applicable proportion, we have recognised in equity is transferred to profit or loss on disposal or partial disposal of a foreign operation.

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

DERIVATIVE FINANCIAL INSTRUMENTS – DESIGNATED IN HEDGING RELATIONSHIPS (continued)

The fair value of derivative financial instruments designated in hedging relationships is:

	2023			2022		
Consolidated	Nominal amount $m	Assets $m	Liabilities $m	Nominal amount $m	Assets $m	Liabilities $m
Fair value hedges						
Foreign exchange spot and forward contracts	607	5	-	604	-	(37)
Interest rate swap agreements	126,881	32	(195)	106,366	79	(168)
Interest rate futures contracts	11,778	243	(9)	17,361	264	(3)
Cash flow hedges						
Interest rate swap agreements	122,704	17	(48)	125,063	33	(53)
Foreign exchange swap agreements	683	50	(19)	656	48	(44)
Foreign exchange spot and forward contracts	-	-	-	161	-	(4)
Net investment hedges						
Foreign exchange spot and forward contracts	47	-	(1)	940	34	(47)
Derivative financial instruments - designated in hedging relationships	262,700	347	(272)	251,151	458	(356)

	2023			2022		
The Company	Nominal amount $m	Assets $m	Liabilities $m	Nominal amount $m	Assets $m	Liabilities $m
Fair value hedges						
Foreign exchange spot and forward contracts	607	5	-	604	-	(37)
Interest rate swap agreements	101,587	32	(184)	80,185	65	(163)
Interest rate futures contracts	11,778	243	(9)	17,361	264	(3)
Cash flow hedges						
Interest rate swap agreements	89,173	10	(42)	94,928	28	(49)
Foreign exchange swap agreements	683	50	(19)	656	48	(44)
Foreign exchange spot and forward contracts	-	-	-	161	-	(4)
Net investment hedges						
Foreign exchange spot and forward contracts	47	-	(1)	146	1	-
Derivative financial instruments - designated in hedging relationships	203,875	340	(255)	194,041	406	(300)

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

DERIVATIVE FINANCIAL INSTRUMENTS – DESIGNATED IN HEDGING RELATIONSHIPS (continued)

The maturity profile of the nominal amounts of our hedging instruments held is:

Consolidated Nominal Amount		Average Rate	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	After 5 years $m	Total $m
As at 30 September 2023							
Fair value hedges							
Interest rate	Interest Rate	2.38%	2,314	10,533	79,350	46,462	138,659
Foreign exchange	HKD/AUD FX Rate	5.02	607	-	-	-	607
Cash flow hedges							
Interest rate	Interest Rate	2.27%	7,573	37,630	76,359	1,142	122,704
Foreign exchange[1]	AUD/USD FX Rate USD/EUR FX Rate	0.74 0.91	-	-	-	683	683
Net investment hedges							
Foreign exchange	NZD/AUD FX Rate	1.09	-	47	-	-	47
As at 30 September 2022							
Fair value hedges							
Interest rate	Interest Rate	1.65%	10,931	17,322	65,259	30,215	123,727
Foreign exchange	HKD/AUD FX Rate	5.43	604	-	-	-	604
Cash flow hedges							
Interest rate	Interest Rate	1.59%	3,317	32,145	88,461	1,140	125,063
Foreign exchange[1]	AUD/USD FX Rate USD/EUR FX Rate	0.74 0.91	40	121	-	656	817
Net investment hedges							
Foreign exchange	TWD/AUD FX Rate THB/AUD FX Rate	20.68 25.05	794	146	-	-	940

[1] Hedges of foreign exchange risk cover multiple currency pairs. The table reflects the larger currency pairs only.

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

DERIVATIVE FINANCIAL INSTRUMENTS – DESIGNATED IN HEDGING RELATIONSHIPS (continued)

The Company

Nominal Amount		Average Rate	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	After 5 years $m	Total $m
As at 30 September 2023							
Fair value hedges							
Interest rate	Interest Rate	2.49%	1,910	8,025	61,644	41,786	113,365
Foreign exchange	HKD/AUD FX Rate	5.02	607	-	-	-	607
Cash flow hedges							
Interest rate	Interest Rate	1.78%	3,154	22,353	62,577	1,089	89,173
Foreign exchange[1]	AUD/USD FX Rate USD/EUR FX Rate	0.74 0.91	-	-	-	683	683
Net investment hedges							
Foreign exchange	NZD/AUD FX Rate	1.09	-	47	-	-	47
As at 30 September 2022							
Fair value hedges							
Interest rate	Interest Rate	1.75%	10,931	13,466	48,011	25,138	97,546
Foreign exchange	HKD/AUD FX Rate	5.43	604	-	-	-	604
Cash flow hedges							
Interest rate	Interest Rate	1.37%	1,708	22,611	69,600	1,009	94,928
Foreign exchange[1]	AUD/USD FX Rate USD/EUR FX Rate	0.74 0.91	40	121	-	656	817
Net investment hedges							
Foreign exchange	TWD/AUD FX Rate	20.68	-	146	-	-	146

[1] Hedges of foreign exchange risk cover multiple currency pairs. The table reflects the larger currency pairs only.

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

DERIVATIVE FINANCIAL INSTRUMENTS – DESIGNATED IN HEDGING RELATIONSHIPS (continued)

The impacts of ineffectiveness from our designated hedge relationships by type of hedge relationship and type of risk being hedged are:

Consolidated	Ineffectiveness			
As at 30 September 2023	Change in value of hedging instrument[2] $m	Change in value of hedged item $m	Hedge ineffectiveness recognised in profit or loss[3] $m	Amount reclassified from the cash flow hedge reserve or FCTR to profit or loss[4] $m
Fair value hedges[1]				
Interest rate	(846)	870	24	-
Foreign exchange	(4)	4	-	-
Cash flow hedges[1]				
Interest rate	280	(239)	41	(13)
Foreign exchange	-	-	-	9
Net investment hedges[1]				
Foreign exchange	(39)	39	-	79
As at 30 September 2022				
Fair value hedges[1]				
Interest rate	697	(719)	(22)	-
Foreign exchange	(55)	55	-	-
Cash flow hedges[1]				
Interest rate	(3,619)	3,453	(166)	(13)
Foreign exchange	(4)	4	-	1
Net investment hedges[1]				
Foreign exchange	62	(62)	-	-

The Company	Ineffectiveness			
As at 30 September 2023	Change in value of hedging instrument[2] $m	Change in value of hedged item $m	Hedge ineffectiveness recognised in profit or loss[3] $m	Amount reclassified from the cash flow hedge reserve or FCTR to profit or loss[4] $m
Fair value hedges[1]				
Interest rate	(797)	814	17	-
Foreign exchange	(4)	4	-	-
Cash flow hedges[1]				
Interest rate	386	(344)	42	(15)
Foreign exchange	-	-	-	9
Net investment hedges[1]				
Foreign exchange	(4)	4	-	-
As at 30 September 2022				
Fair value hedges[1]				
Interest rate	1,570	(1,586)	(16)	-
Foreign exchange	(55)	55	-	-
Cash flow hedges[1]				
Interest rate	(3,643)	3,477	(166)	(13)
Foreign exchange	(4)	4	-	1
Net investment hedges[1]				
Foreign exchange	58	(58)	-	-

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[1] All hedging instruments are classified as derivative financial instruments.

[2] Changes in value of hedging instruments is before any adjustments for Settle to Market clearing arrangements.

[3] Recognised in Other operating income.

[4] Recognised in Net interest income and Other operating income.

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

DERIVATIVE FINANCIAL INSTRUMENTS – DESIGNATED IN HEDGING RELATIONSHIPS (continued)

The hedged items in relation to the Group's fair value hedges are:

Consolidated	Balance sheet presentation	Hedged risk	Carrying amount Assets $m	Carrying amount Liabilities $m	Accumulated fair value hedge adjustments on the hedged item Assets $m	Accumulated fair value hedge adjustments on the hedged item Liabilities $m
As at 30 September 2023						
Fixed rate loans and advances	Net loans and advances	Interest rate	3,472	-	(139)	-
Fixed rate debt issuance	Debt issuances	Interest rate	-	(66,190)	-	4,163
Fixed rate investment securities at FVOCI[1]	Investment securities	Interest rate	61,082	-	(5,121)	-
Equity securities at FVOCI[1]	Investment securities	Foreign exchange	607	-	79	-
Total			65,161	(66,190)	(5,181)	4,163
As at 30 September 2022						
Fixed rate loans and advances	Net loans and advances	Interest rate	10,252	-	(369)	-
Fixed rate debt issuance	Debt issuances	Interest rate	-	(51,531)	-	3,721
Fixed rate investment securities at FVOCI[1]	Investment securities	Interest rate	53,915	-	(5,349)	-
Equity securities at FVOCI[1]	Investment securities	Foreign exchange	604	-	75	-
Total			64,771	(51,531)	(5,643)	3,721

[1] The carrying amount of debt and equity instruments at FVOCI does not include the fair value hedge adjustment. The fair value hedge adjustment is included in other comprehensive income.

The cumulative amount of fair value hedge adjustments relating to ceased hedge relationships remaining on the Balance Sheet is -$13 million (2022: -$7 million).

The hedged items in relation to the Company's fair value hedges are:

The Company	Balance sheet presentation	Hedged risk	Carrying amount Assets $m	Carrying amount Liabilities $m	Accumulated fair value hedge adjustments on the hedged item Assets $m	Accumulated fair value hedge adjustments on the hedged item Liabilities $m
As at 30 September 2023						
Fixed rate loans and advances	Net loans and advances	Interest rate	3,472	-	(139)	-
Fixed rate debt issuance	Debt issuances	Interest rate	-	(51,602)	-	3,025
Fixed rate investment securities at FVOCI[1]	Investment securities	Interest rate	52,336	-	(4,342)	-
Equity securities at FVOCI[1]	Investment securities	Foreign exchange	607	-	79	-
Total			56,415	(51,602)	(4,402)	3,025
As at 30 September 2022						
Fixed rate loans and advances	Net loans and advances	Interest rate	10,252	-	(369)	-
Fixed rate debt issuance	Debt issuances	Interest rate	-	(37,141)	-	2,572
Fixed rate investment securities at FVOCI[1]	Investment securities	Interest rate	44,038	-	(4,489)	-
Equity securities at FVOCI[1]	Investment securities	Foreign exchange	604	-	75	-
Total			54,894	(37,141)	(4,783)	2,572

[1] The carrying amount of debt and equity instruments at FVOCI does not include the fair value hedge adjustment. The fair value hedge adjustment is included in other comprehensive income.

The cumulative amount of fair value hedge adjustments relating to ceased hedge relationships remaining on the Balance Sheet is -$13 million (2022: -$7 million).

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

DERIVATIVE FINANCIAL INSTRUMENTS – DESIGNATED IN HEDGING RELATIONSHIPS (continued)

The hedged items in relation to the Group's and the Company's cash flow and net investment hedges are:

		Cash flow hedge reserve		Foreign currency translation reserve	
Consolidated	Hedged risk	Continuing hedges $m	Discontinued hedges $m	Continuing hedges $m	Discontinued hedges $m
As at 30 September 2023					
Cash flow hedges					
Floating rate loans and advances	Interest rate	(3,482)	11	-	-
Floating rate customer deposits	Interest rate	794	(1)	-	-
Foreign currency debt issuances	Foreign exchange	-	-	-	-
Highly probable forecast transactions	Foreign exchange	-	-	-	-
Net investment hedges					
Foreign operations	Foreign exchange	-	-	12	49
As at 30 September 2022					
Cash flow hedges					
Floating rate loans and advances	Interest rate	(4,286)	19	-	-
Floating rate customer deposits	Interest rate	1,357	5	-	-
Foreign currency debt issuances	Foreign exchange	(1)	(1)	-	-
Highly probable forecast transactions	Foreign exchange	(7)	-	-	-
Net investment hedges					
Foreign operations	Foreign exchange	-	-	43	(149)

		Cash flow hedge reserve		Foreign currency translation reserve	
The Company	Hedged risk	Continuing hedges $m	Discontinued hedges $m	Continuing hedges $m	Discontinued hedges $m
As at 30 September 2023					
Cash flow hedges					
Floating rate loans and advances	Interest rate	(3,103)	2	-	-
Floating rate customer deposits	Interest rate	495	-	-	-
Foreign currency debt issuances	Foreign exchange	-	-	-	-
Highly probable forecast transactions	Foreign exchange	-	-	-	-
Net investment hedges					
Foreign operations	Foreign exchange	-	-	12	49
As at 30 September 2022					
Cash flow hedges					
Floating rate loans and advances	Interest rate	(4,005)	11	-	-
Floating rate customer deposits	Interest rate	1,053	6	-	-
Foreign currency debt issuances	Foreign exchange	(1)	(1)	-	-
Highly probable forecast transactions	Foreign exchange	(7)	-	-	-
Net investment hedges					
Foreign operations	Foreign exchange	-	-	88	(149)

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

DERIVATIVE FINANCIAL INSTRUMENTS – DESIGNATED IN HEDGING RELATIONSHIPS (continued)

The table below details the reconciliation of the Group's cash flow hedge reserve by risk type:

Consolidated	Interest rate $m	Foreign currency $m	Total $m
Balance at 1 October 2021	398	(5)	393
Fair value gains/(losses)	(3,453)	(4)	(3,457)
Transferred to profit or loss	(13)	1	(12)
Income taxes and others	1,040	-	1,040
Balance at 30 September 2022	(2,028)	(8)	(2,036)
Fair value gains/(losses)	239	-	239
Transferred to profit or loss	(13)	9	(4)
Income taxes and others	(69)	(2)	(71)
Balance at 30 September 2023	(1,871)	(1)	(1,872)

Hedges of net investments in a foreign operation resulted in a $40 million increase in FCTR during the year (2022: $62 million increase).

The table below details the reconciliation of the Company's cash flow hedge reserve by risk type:

The Company	Interest rate $m	Foreign currency $m	Total $m
Balance at 1 October 2021	389	(5)	384
Fair value gains/(losses)	(3,477)	(4)	(3,481)
Transferred to profit or loss	(13)	1	(12)
Income taxes and others	1,048	-	1,048
Balance at 30 September 2022	(2,053)	(8)	(2,061)
Fair value gains/(losses)	344	-	344
Transferred to profit or loss	(15)	9	(6)
Income taxes and others	(99)	(2)	(101)
Balance at 30 September 2023	(1,823)	(1)	(1,824)

Hedges of net investments in a foreign operation resulted in a $4 million decrease in FCTR during the year (2022: $58 million increase).

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

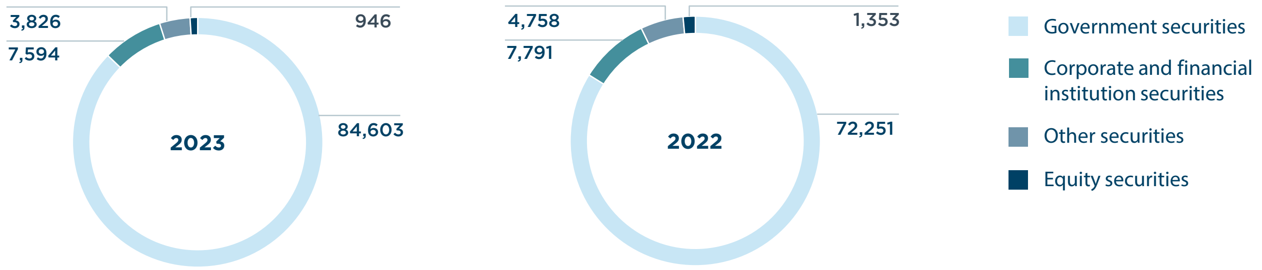
RECOGNITION AND MEASUREMENT

Recognition	Initially and at each reporting date, we recognise all derivatives at fair value. If the fair value of a derivative is positive, then we carry it as an asset, but if its value is negative, then we carry it as a liability. Valuation adjustments are integral in determining the fair value of derivatives. This includes: • a credit valuation adjustment to reflect the counterparty risk and/or event of default; and • a funding valuation adjustment to account for funding costs and benefits in the derivatives portfolio.
Derecognition of assets and liabilities	We remove derivative assets from our Balance Sheet when the contracts expire or we have transferred substantially all the risks and rewards of ownership. We remove derivative liabilities from our Balance Sheet when the Group's contractual obligations are discharged, cancelled or expired. With respect to derivatives cleared through a central clearing counterparty or exchange, derivative assets or liabilities may be derecognised in accordance with the principle above when collateral is settled, depending on the legal arrangements in place for each instrument.
Impact on the Income Statement	The recognition of gains or losses on derivative financial instruments depends on whether the derivative is held for trading or is designated in a hedge accounting relationship. For derivative financial instruments held for trading, gains or losses from changes in the fair value are recognised in profit or loss. For an instrument designated in a hedge accounting relationship, the recognition of gains or losses depends on the nature of the item being hedged. Refer to the table on page 106 for details of the recognition approach applied for each type of hedge accounting relationship. Sources of hedge accounting ineffectiveness may arise from differences in the interest rate reference rate, margins, or rate set differences and differences in discounting between the hedged items and the hedging instruments.
Hedge effectiveness	To qualify for hedge accounting under AASB 139, a hedge relationship is expected to be highly effective. A hedge relationship is highly effective only if the following conditions are met: • the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated (prospective effectiveness); and • the actual results of the hedge are within the range of 80-125% (retrospective effectiveness). The Group monitors hedge effectiveness on a regular basis but at a minimum at each reporting date.

KEY JUDGEMENTS AND ESTIMATES

Judgement is required when we select the valuation techniques used to determine the fair value of derivatives, particularly the selection of valuation inputs that are not readily observable, and the application of valuation adjustments to certain derivatives. Refer to Note 18 Fair Value of Financial Assets and Financial Liabilities for further details.

11. INVESTMENT SECURITIES



	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Investment securities measured at FVOCI				
Debt securities	88,271	76,817	76,320	65,257
Equity securities	946	1,353	945	1,027
Investment securities measured at amortised cost				
Debt securities	7,752	7,943	5,936	6,115
Investment Securities measured at FVTPL				
Debt securities	-	40	-	-
Total	96,969	86,153	83,201	72,399

During 2023, ANZBGL transferred its equity interests in the 1835i trusts, TIN and Pollination to ANZ NBH Pty Ltd as part of the Restructure.

The maturity profile of investment securities is as follows:

Consolidated As at 30 September 2023	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	After 5 years $m	No maturity $m	Total $m
Government securities	8,807	10,233	29,482	36,081	-	84,603
Corporate and financial institution securities	358	1,205	5,973	58	-	7,594
Other securities	617	591	602	2,016	-	3,826
Equity securities	-	-	-	-	946	946
Total	9,782	12,029	36,057	38,155	946	96,969
As at 30 September 2022						
Government securities	6,544	14,045	29,806	21,856	-	72,251
Corporate and financial institution securities	324	2,462	4,906	97	2	7,791
Other securities	429	423	543	3,363	-	4,758
Equity securities	-	-	-	-	1,353	1,353
Total	7,297	16,930	35,255	25,316	1,355	86,153

During the year, the Group recognised a net gain (before tax) of $9 million (2022: $28 million) in Other operating income from the recycling of gains/losses previously recognised in Other comprehensive income in respect of debt securities at FVOCI.

11. INVESTMENT SECURITIES (continued)

The Company As at 30 September 2023	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	After 5 years $m	No maturity $m	Total $m
Government securities	7,665	8,649	23,140	33,182	-	72,636
Corporate and financial institution securities	280	634	4,822	58	-	5,794
Other securities	617	591	602	2,016	-	3,826
Equity securities	-	-	-	-	945	945
Total	8,562	9,874	28,564	35,256	945	83,201
As at 30 September 2022						
Government securities	5,715	11,647	23,100	19,853	-	60,315
Corporate and financial institution securities	276	1,972	3,993	58	-	6,299
Other securities	429	423	543	3,363	-	4,758
Equity securities	-	-	-	-	1,027	1,027
Total	6,420	14,042	27,636	23,274	1,027	72,399

During the year, the Company recognised a net loss (before tax) of $6 million (2022: $1 million gain) in Other operating income from the recycling of gains/losses previously recognised in Other comprehensive income in respect of debt securities at FVOCI.

RECOGNITION AND MEASUREMENT

Investment securities are those financial assets in security form (that is, transferable debt or equity instruments) that are not held for trading purposes. By way of exception, bills of exchange (a form of security/transferable instrument) which are used to facilitate the Group's customer lending activities are classified as Loans and advances (rather than Investment securities) to better reflect the substance of the arrangement.

Equity investments not held for trading purposes may be designated at FVOCI on an instrument by instrument basis. If this election is made, gains or losses are not reclassified from Other comprehensive income to profit or loss on disposal of the investment. However, gains or losses may be reclassified within equity.

Assets disclosed as Investment securities are subject to the general classification and measurement policy for Financial Assets outlined at the commencement of the Group's financial asset disclosures on page 101. Additionally, expected credit losses associated with 'Investment securities - debt securities at amortised cost' and 'Investment securities - debt securities at FVOCI' are recognised and measured in accordance with the accounting policy outlined in Note 13 Allowance for Expected Credit Losses. For 'Investment securities - debt securities at FVOCI', the allowance for Expected Credit Loss (ECL) is recognised in the FVOCI reserve in equity with a corresponding charge to profit or loss.

KEY JUDGEMENTS AND ESTIMATES

Judgement is required when we select valuation techniques used to determine the fair value of assets not valued using quoted market prices, particularly the selection of valuation inputs that are not readily observable. Refer to Note 18 Fair Value of Financial Assets and Financial Liabilities for further details.

12. NET LOANS AND ADVANCES

The following table provides details of Net loans and advances:

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Overdrafts	**5,552**	5,266	**4,516**	4,262
Credit cards	**6,805**	6,755	**5,630**	5,664
Commercial bills	**4,682**	5,214	**4,682**	5,214
Term loans – housing	**404,491**	374,625	**304,772**	282,965
Term loans – non-housing[1]	**285,458**	279,730	**242,403**	238,215
Other	**1,292**	2,035	**1,244**	1,929
Subtotal	**708,280**	673,625	**563,247**	538,249
Unearned income[2]	**(515)**	(518)	**(483)**	(480)
Capitalised brokerage and other origination costs[2]	**3,475**	2,882	**3,048**	2,501
Gross loans and advances	**711,240**	675,989	**565,812**	540,270
Allowance for expected credit losses (refer to Note 13)	**(3,546)**	(3,582)	**(2,795)**	(2,925)
Net loans and advances	**707,694**	672,407	**563,017**	537,345
Residual contractual maturity:				
Within one year	**152,318**	146,142	**128,045**	121,513
More than one year	**555,376**	526,265	**434,972**	415,832
Net loans and advances	**707,694**	672,407	**563,017**	537,345
Carried on Balance Sheet at:				
Amortised cost	**685,806**	667,732	**541,777**	533,082
Fair value through profit or loss[1]	**21,888**	4,675	**21,240**	4,263
Net loans and advances	**707,694**	672,407	**563,017**	537,345

[1] During 2023, the Group commenced the management of repurchase agreements and reverse repurchase agreements on a fair value basis within the trading book in its Markets business. This resulted in the associated repurchase and reverse repurchase agreements being recognised and measured at FVTPL.

[2] Amortised over the expected life of the loan.

RECOGNITION AND MEASUREMENT

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are facilities the Group provides directly to customers or through third party channels.

Loans and advances are initially recognised at fair value plus transaction costs directly attributable to the issue of the loan or advance, which are primarily brokerage and other origination costs which we amortise over the estimated life of the loan. Subsequently, we then measure loans and advances at amortised cost using the effective interest rate method, net of any allowance for expected credit losses, or at fair value when they are specifically designated on initial recognition as FVTPL, are classified as held for sale or when held for trading. Refer to Note 18 Fair Value of Financial Assets and Financial Liabilities for further details.

We classify contracts to lease assets and hire purchase agreements as finance leases if they transfer substantially all the risks and rewards of ownership of the asset to the customer or an unrelated third party. We include these facilities in 'Other' in the table above.

The Group enters into transactions in which it transfers financial assets that are recognised on its Balance Sheet. When the Group retains substantially all of the risks and rewards of the transferred assets, the transferred assets remain on the Group's Balance Sheet, however if substantially all the risks and rewards are transferred, the Group derecognises the asset. If the risks and rewards are partially retained and control over the asset is lost, the Group derecognises the asset. If control over the asset is not lost, the Group continues to recognise the asset to the extent of its continuing involvement.

We separately recognise the rights and obligations retained, or created, in the transfer of assets as appropriate.

Assets disclosed as Net loans and advances are subject to the general classification and measurement policy for financial assets outlined on page 101. Additionally, expected credit losses associated with loans and advances at amortised cost are recognised and measured in accordance with the accounting policy outlined in Note 13 Allowance for Expected Credit Losses.

13. ALLOWANCE FOR EXPECTED CREDIT LOSSES

Consolidated	2023 Collectively assessed $m	2023 Individually assessed $m	2023 Total $m	2022 Collectively assessed $m	2022 Individually assessed $m	2022 Total $m
Net loans and advances at amortised cost	3,180	366	3,546	3,049	533	3,582
Off-balance sheet commitments	817	10	827	766	9	775
Investment securities - debt securities at amortised cost	35	-	35	38	-	38
Total	4,032	376	4,408	3,853	542	4,395
Other comprehensive income						
Investment securities - debt securities at FVOCI[1]	15	-	15	10	-	10

The Company	2023 Collectively assessed $m	2023 Individually assessed $m	2023 Total $m	2022 Collectively assessed $m	2022 Individually assessed $m	2022 Total $m
Net loans and advances at amortised cost	2,516	279	2,795	2,500	425	2,925
Off-balance sheet commitments	692	5	697	668	5	673
Investment securities - debt securities at amortised cost	1	-	1	1	-	1
Total	3,209	284	3,493	3,169	430	3,599
Other comprehensive income						
Investment securities - debt securities at FVOCI[1]	12	-	12	7	-	7

[1] For FVOCI assets, the allowance for ECL does not alter the carrying amount which remains at fair value. Instead, the allowance for ECL is recognised in Other comprehensive income with a corresponding charge to profit or loss.

The following tables present the movement in the allowance for ECL for the year.

Net loans and advances - at amortised cost

Allowance for ECL is included in Net loans and advances.

Consolidated	Stage 1 $m	Stage 2 $m	Stage 3[1] Collectively assessed $m	Stage 3[1] Individually assessed $m	Total $m
As at 1 October 2021	968	1,994	417	666	4,045
Transfer between stages	219	(224)	(95)	100	-
New and increased provisions (net of releases)	(48)	(202)	42	420	212
Write-backs	-	-	-	(222)	(222)
Bad debts written off (excluding recoveries)	-	-	-	(428)	(428)
Foreign currency translation and other movements[2]	2	(20)	(4)	(3)	(25)
As at 30 September 2022	1,141	1,548	360	533	3,582
Transfer between stages	148	(138)	(94)	84	-
New and increased provisions (net of releases)	(73)	202	61	388	578
Write-backs	-	-	-	(212)	(212)
Bad debts written off (excluding recoveries)	-	-	-	(409)	(409)
Foreign currency translation and other movements[2]	11	12	2	(18)	7
As at 30 September 2023	1,227	1,624	329	366	3,546

[1] The Group's credit exposures that are purchased or originated credit-impaired (POCI) are insignificant.

[2] Other movements include the impacts of discount unwind on individually assessed allowance for ECL or the impact of divestments completed during the year.

13. ALLOWANCE FOR EXPECTED CREDIT LOSSES (continued)

The Company	Stage 1 $m	Stage 2 $m	Stage 3[1] Collectively assessed $m	Stage 3[1] Individually assessed $m	Total $m
As at 1 October 2021	797	1,679	348	563	3,387
Transfer between stages	192	(201)	(84)	93	-
New and increased provisions (net of releases)	(59)	(220)	31	354	106
Write-backs	-	-	-	(193)	(193)
Bad debts written off (excluding recoveries)	-	-	-	(386)	(386)
Foreign currency translation and other movements[2]	16	1	-	(6)	11
As at 30 September 2022	946	1,259	295	425	2,925
Transfer between stages	122	(118)	(83)	79	-
New and increased provisions (net of releases)	(43)	98	39	295	389
Write-backs	-	-	-	(192)	(192)
Bad debts written off (excluding recoveries)	-	-	-	(310)	(310)
Foreign currency translation and other movements[2]	1	-	-	(18)	(17)
As at 30 September 2023	1,026	1,239	251	279	2,795

[1] The Company's credit exposures that are purchased or originated credit-impaired (POCI) are insignificant.

[2] Other movements include the impact of discount unwind on individually assessed allowance for ECL.

Off-balance sheet commitments - undrawn and contingent facilities

Allowance for ECL is included in Other provisions.

Consolidated	Stage 1 $m	Stage 2 $m	Stage 3[1] Collectively assessed $m	Stage 3[1] Individually assessed $m	Total $m
As at 1 October 2021	555	211	19	21	806
Transfer between stages	40	(34)	(8)	2	-
New and increased provisions (net of releases)	7	(28)	18	(2)	(5)
Write-backs	-	-	-	(11)	(11)
Foreign currency translation and other movements[2]	(9)	(5)	-	(1)	(15)
As at 30 September 2022	593	144	29	9	775
Transfer between stages	31	(29)	(4)	2	-
New and increased provisions (net of releases)	-	46	(1)	2	47
Write-backs	-	-	-	(4)	(4)
Foreign currency translation and other movements[2]	6	1	1	1	9
As at 30 September 2023	630	162	25	10	827

[1] The Group's credit exposures that are POCI are insignificant.

[2] Other movements include impact of divestments completed during the year.

13. ALLOWANCE FOR EXPECTED CREDIT LOSSES (continued)

			Stage 3[1]		
The Company	Stage 1 $m	Stage 2 $m	Collectively assessed $m	Individually assessed $m	Total $m
As at 1 October 2021	484	171	12	7	674
Transfer between stages	33	(27)	(6)	-	-
New and increased provisions (net of releases)	17	(29)	20	-	8
Write-backs	-	-	-	(2)	(2)
Foreign currency translation and other movements[2]	(4)	(3)	-	-	(7)
As at 30 September 2022	530	112	26	5	673
Transfer between stages	27	(26)	(3)	2	-
New and increased provisions (net of releases)	(10)	35	(2)	-	23
Write-backs	-	-	-	(2)	(2)
Foreign currency translation	3	-	-	-	3
As at 30 September 2023	550	121	21	5	697

[1] The Company's credit exposures that are purchased or originated credit-impaired (POCI) are insignificant.

[2] Other movements include the impact of divestments completed during the year.

Investment securities - debt securities at amortised cost

Allowance for ECL is included in Investment securities.

			Stage 3		
Consolidated	Stage 1 $m	Stage 2 $m	Collectively assessed $m	Individually assessed $m	Total $m
As at 30 September 2022	38	-	-	-	38
As at 30 September 2023	35	-	-	-	35

			Stage 3		
The Company	Stage 1 $m	Stage 2 $m	Collectively assessed $m	Individually assessed $m	Total $m
As at 30 September 2022	1	-	-	-	1
As at 30 September 2023	1	-	-	-	1

Investment securities - debt securities at FVOCI

As FVOCI assets are measured at fair value, there is no separate allowance for ECL. Instead, the allowance for ECL is recognised in Other comprehensive income with a corresponding charge to profit or loss.

			Stage 3		
Consolidated	Stage 1 $m	Stage 2 $m	Collectively assessed $m	Individually assessed $m	Total $m
As at 30 September 2022	10	-	-	-	10
As at 30 September 2023	15	-	-	-	15

			Stage 3		
The Company	Stage 1 $m	Stage 2 $m	Collectively assessed $m	Individually assessed $m	Total $m
As at 30 September 2022	7	-	-	-	7
As at 30 September 2023	12	-	-	-	12

13. ALLOWANCE FOR EXPECTED CREDIT LOSSES (continued)

CREDIT IMPAIRMENT CHARGE - INCOME STATEMENT

Credit impairment charge/(release) analysis

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
New and increased provisions (net of releases)[1,2]				
- Collectively assessed	152	(311)	41	(333)
- Individually assessed	476	520	376	447
Write-backs[3]	(216)	(233)	(194)	(195)
Recoveries of amounts previously written-off	(167)	(208)	(148)	(184)
Total credit impairment charge	245	(232)	75	(265)

[1] Includes the impact of transfers between collectively assessed and individually assessed.

[2] New and increased provisions (net of releases) includes:

	Consolidated				The Company			
	2023		2022		2023		2022	
	Collectively assessed $m	Individually assessed $m	Collectively assessed $m	Individually assessed $m	Collectively assessed $m	Individually assessed $m	Collectively assessed $m	Individually assessed $m
Net loans and advances at amortised cost	106	472	(308)	520	15	374	(341)	447
Off-balance sheet commitments	43	4	(5)	-	21	2	8	-
Investment securities - debt securities at amortised cost	(1)	-	3	-	-	-	-	-
Investment securities - debt securities at FVOCI	4	-	(1)	-	5	-	-	-
Total	152	476	(311)	520	41	376	(333)	447

[3] Consists of write-backs in Net loans and advances at amortised cost of $212 million (2022: $222 million) for the Group and $192 million (2022: $193 million) for the Company, and Off-balance sheet commitments of $4 million (2022: $11 million) for the Group and $2 million (2022: $2 million) for the Company.

The contractual amount outstanding on financial assets that were written off during the year and that are still subject to enforcement activity is $147 million (2022: $143 million) for the Group, and $133 million (2022: $128 million) for the Company.

13. ALLOWANCE FOR EXPECTED CREDIT LOSSES (continued)

RECOGNITION AND MEASUREMENT

EXPECTED CREDIT LOSS MODEL

The measurement of expected credit losses reflects an unbiased, probability weighted prediction which evaluates a range of scenarios and takes into account the time value of money, past events, current conditions and forecasts of future economic conditions.

Expected credit losses are either measured over 12 months or the expected lifetime of the financial asset, depending on credit deterioration since origination, according to the following three-stage approach:

- Stage 1: At the origination of a financial asset, and where there has not been a Significant Increase in Credit Risk (SICR) since origination, an allowance for ECL is recognised reflecting the expected credit losses resulting from default events that are possible within the next 12 months from the reporting date. For instruments with a remaining maturity of less than 12 months, expected credit losses are estimated based on default events that are possible over the remaining time to maturity.
- Stage 2: Where there has been a SICR since origination, an allowance for ECL is recognised reflecting expected credit losses resulting from all possible default events over the expected life of a financial instrument. If credit risk were to improve in a subsequent period such that the increase in credit risk since origination is no longer considered significant, the exposure returns to a Stage 1 classification with ECL measured accordingly.
- Stage 3: Where there is objective evidence of impairment, an allowance equivalent to lifetime ECL is recognised.

Expected credit losses are estimated on a collective basis for exposures in Stage 1 and Stage 2, and on either a collective or individual basis when transferred to Stage 3.

MEASUREMENT OF EXPECTED CREDIT LOSS

ECL is calculated as the product of the following credit risk factors at a facility level, discounted to incorporate the time value of money:

- Probability of default (PD) - the estimate of the likelihood that a borrower will default over a given period;
- Exposure at default (EAD) - the expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest; and
- Loss given default (LGD) - the expected loss in the event of the borrower defaulting, expressed as a percentage of the facility's EAD, taking into account direct and indirect recovery costs.

These credit risk factors are adjusted for current and forward-looking information through the use of macroeconomic variables.

EXPECTED LIFE

When estimating ECL for exposures in Stage 2 and 3, the Group considers the expected lifetime over which it is exposed to credit risk.

For non-retail portfolios, the Group uses the maximum contractual period as the expected lifetime for non-revolving credit facilities. For non-retail revolving credit facilities, such as corporate lines of credit, the expected life reflects the Group’s contractual right to withdraw a facility as part of a contractually agreed annual review, after taking into account the applicable notice period.

For retail portfolios, the expected lifetime is determined using a behavioural term, taking into account expected prepayment behaviour and events that give rise to substantial modifications.

DEFINITION OF DEFAULT, CREDIT IMPAIRED AND WRITE-OFFS

The definition of default used in measuring ECL is aligned to the definition used for internal credit risk management purposes across all portfolios. This definition is also in line with the regulatory definition of default. Default occurs when there are indicators that a debtor is unlikely to fully satisfy contractual credit obligations to the Group, or the exposure is 90 days past due.

Financial assets, including those that are well secured, are considered credit impaired for financial reporting purposes when they default.

When there is no realistic probability of recovery, loans are written off against the related impairment allowance on completion of the Group’s internal processes and when all reasonably expected recoveries have been collected. In subsequent periods, any recoveries of amounts previously written-off are recorded as a release to the credit impairment charge in the income statement.

13. ALLOWANCE FOR EXPECTED CREDIT LOSSES (continued)

RECOGNITION AND MEASUREMENT (continued)

MODIFIED FINANCIAL ASSETS

If the contractual terms of a financial asset are modified or an existing financial asset is replaced with a new one for either credit or commercial reasons, an assessment is made to determine if the changes to the terms of the existing financial asset are considered substantial. This assessment considers both changes in cash flows arising from the modified terms as well as changes in the overall instrument risk profile; for example, changes in the principal (credit limit), term, or type of underlying collateral. Where a modification is considered non-substantial, the existing financial asset is not derecognised and its date of origination continues to be used to determine SICR. Where a modification is considered substantial, the existing financial asset is derecognised and a new financial asset is recognised at its fair value on the modification date, which also becomes the date of origination used to determine SICR for this new asset.

SIGNIFICANT INCREASE IN CREDIT RISK (SICR)

Stage 2 assets are those that have experienced a SICR since origination. In determining what constitutes a SICR, the Group considers both qualitative and quantitative information:

i. Internal credit rating grade

For the majority of portfolios, the primary indicator of a SICR is a significant deterioration in the internal credit rating grade of a facility since origination and is measured by application of thresholds.

For non-retail portfolios, a SICR is determined by comparing the Customer Credit Rating (CCR) applicable to a facility at reporting date to the CCR at origination of that facility. A CCR is assigned to each borrower which reflects the PD of the borrower and incorporates both borrower and non-borrower specific information, including forward-looking information. CCRs are subject to review at least annually or more frequently when an event occurs which could affect the credit risk of the customer.

For retail portfolios, a SICR is determined, depending on the type of facility, by either comparing the scenario weighted lifetime PD at the reporting date to that at origination, or by reference to customer behavioural score thresholds. The scenario weighted lifetime probability of default may increase significantly if:

- there has been a deterioration in the economic outlook, or an increase in economic uncertainty; or
- there has been a deterioration in the customer's overall credit position, or ability to manage their credit obligations.

ii. Backstop criteria

The Group uses 30 days past due arrears as a backstop criterion for both non-retail and retail portfolios. For retail portfolios only, facilities are required to demonstrate three to six months of good payment behaviour prior to being allocated back to Stage 1.

FORWARD-LOOKING INFORMATION

Forward-looking information is incorporated into both our assessment of whether a financial asset has experienced a SICR since origination and in our estimate of ECL. In applying forward-looking information for estimating ECL, the Group considers four probability-weighted forecast economic scenarios as follows:

i. Base case scenario

The base case scenario is ANZ's view of future macroeconomic conditions. It reflects management's assumptions used for strategic planning and budgeting, and also informs the Group Internal Capital Adequacy Assessment Process (ICAAP) which is the process the Group applies in strategic and capital planning over a 3-year time horizon;

ii. Upside and iii. Downside scenarios

The upside and downside scenarios are fixed by reference to average economic cycle conditions (that is, they are not based on the economic conditions prevailing at balance date) and are based on a combination of more optimistic (in the case of the upside) and pessimistic (in the case of the downside) economic events and uncertainty over long term horizons; and

iv. Severe downside scenario

To better reflect the current economic conditions and geopolitical environment, the Group altered the severe downside scenario in 2022 from a scenario fixed by reference to average economic cycle conditions to one which aligns with the scenario used for Group-wide stress testing.

13. ALLOWANCE FOR EXPECTED CREDIT LOSSES (continued)

RECOGNITION AND MEASUREMENT (continued)

FORWARD-LOOKING INFORMATION (continued)

The four scenarios are described in terms of macroeconomic variables used in the PD, LGD and EAD models (collectively the ECL models) depending on the lending portfolio and country of the borrower. Examples of the macroeconomic variables include unemployment rates, Gross Domestic Product (GDP) growth rates, residential property price indices, commercial property price indices and consumer price indices.

Probability weighting of each scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario, as well as specific portfolio considerations where required. The Group Asset and Liability Committee (GALCO) is responsible for reviewing and approving the base case economic scenario and the Credit and Market Risk Committee (CMRC) approves the probability weights applied to each scenario.

Where applicable, temporary adjustments may be made to account for situations where known or expected risks have not been adequately addressed in the modelling process. CMRC is responsible for approving such adjustments.

KEY JUDGEMENTS AND ESTIMATES

Collectively assessed allowance for expected credit losses

In estimating collectively assessed ECL, the Group makes judgements and assumptions in relation to:

- the selection of an estimation technique or modelling methodology; and
- the selection of inputs for those models, and the interdependencies between those inputs.

The following table summarises the key judgements and assumptions in relation to the model inputs and the interdependencies between those inputs, and highlights significant changes during the current period.

The judgements and associated assumptions have been made within the context of the uncertainty as to how various factors might impact the global economy and reflect historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. The Group's ECL estimates are inherently uncertain and, as a result, actual results may differ from these estimates.

Judgement/Assumption	Description	Considerations for the year ended 30 September 2023
Determining when a Significant Increase in Credit Risk has occurred or reversed	In the measurement of ECL, judgement is involved in determining whether there has been a SICR since initial recognition of a loan, which would result in it moving from Stage 1 to Stage 2. This is a key area of judgement since transition from Stage 1 to Stage 2 increases the ECL from an allowance based on the probability of default (PD) in the next 12 months, to an allowance for lifetime expected credit losses. Subsequent decreases in credit risk resulting in transition from Stage 2 to Stage 1 may similarly result in significant changes in the ECL allowance. The setting of precise SICR trigger points requires judgement which may have a material impact upon the size of the ECL allowance. The Group monitors the effectiveness of SICR criteria on an ongoing basis.	The determination of SICR has been applied consistent with prior periods.

13. ALLOWANCE FOR EXPECTED CREDIT LOSSES (continued)

KEY JUDGEMENTS AND ESTIMATES (continued)

Judgement/Assumption	Description	Considerations for the year ended 30 September 2023
Measuring both 12-month and lifetime expected credit losses	The PD, LGD and EAD factors used in determining ECL are point-in-time measures reflecting the relevant forward-looking information determined by management. Judgement is involved in determining which forward-looking information is relevant for particular lending portfolios and for determining each portfolio's point-in-time sensitivity. In addition, judgement is required where behavioural characteristics are applied in estimating the lifetime of a facility which is used in measuring ECL.	The PD, LGD and EAD models are subject to the Group's model risk policy that stipulates periodic model monitoring and re-validation, and defines approval procedures and authorities according to model materiality. There were no material changes to the policy.
Base case economic forecast	The Group derives a forward-looking 'base case' economic scenario which reflects ANZ Research - Economics' (ANZ Economics) view of future macroeconomic conditions.	There have been no changes to the types of forward-looking variables (key economic drivers) used as model inputs. As at 30 September 2023, the base case assumptions have been updated to reflect slowing economies and reduced levels of household consumption in Australia and New Zealand associated with continuing high interest rates and elevated levels of inflation. The expected outcomes of key economic drivers for the base case scenario at 30 September 2023 are described below under the heading "Base case economic forecast assumptions".
Probability weighting of each economic scenario (base case, upside, downside and severe downside scenarios)[1]	Probability weighting of each economic scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario at each measurement date. The assigned probability weightings in Australia, New Zealand and Rest of World are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.	Probability weightings in the current period have been adjusted to reflect our assessment of the downside risks from the impact of continued high interest rates and inflation on the economies in which the Group operates. Weightings for current and prior periods are as detailed in the section below under the heading on 'Probability weightings'.
Management temporary adjustments	Management temporary adjustments to the ECL allowance are used in circumstances where it is judged that our existing inputs, assumptions and model techniques do not capture all the risk factors relevant to our lending portfolios. Emerging local or global macroeconomic, microeconomic or political events, natural disasters, and natural hazards that are not incorporated into our current parameters, risk ratings, or forward-looking information are examples of such circumstances.	Management have continued to apply adjustments to accommodate uncertainty associated with higher inflation and interest rates. Management overlays have been made for risks particular to retail, including home loans, credit cards and small business in Australia, and for mortgages, commercial property and agri in New Zealand. Management has considered and concluded no temporary adjustment is required at 30 September 2023 to the ECL in relation to climate- or weather-related events during the year.

[1] The upside and downside scenarios are fixed by reference to average economic cycle conditions (that is, they are not based on the economic conditions prevailing at balance date) and are based on a combination of more optimistic (in the case of the upside) and pessimistic (in the case of the downside) economic conditions.

13. ALLOWANCE FOR EXPECTED CREDIT LOSSES (continued)

KEY JUDGEMENTS AND ESTIMATES (continued)

Base case economic forecast assumptions

Continuing uncertainties described above increase the risk of the economic forecast resulting in an understatement or overstatement of the ECL balance.

The economic drivers of the base case economic forecasts, reflective of ANZ Economics' view of future macroeconomic conditions used at 30 September 2023 are set out below. For the years following the near term forecasts below, the ECL models apply simplified assumptions for the economic conditions to calculate lifetime loss.

	Forecast calendar year		
	2023	2024	2025
Australia			
GDP (annual % change)	1.5	1.3	2.2
Unemployment rate (annual average)	3.6	4.4	4.5
Residential property prices (annual % change)	5.9	2.8	4.3
Consumer price index (annual average % change)	5.6	3.5	2.9
New Zealand			
GDP (annual % change)	0.7	0.3	1.5
Unemployment rate (annual average)	3.8	4.8	5.1
Residential property prices (annual % change)	-0.6	2.3	3.2
Consumer price index (annual average % change)	6.0	3.8	2.2
Rest of world			
GDP (annual % change)	1.8	0.9	2.0
Consumer price index (annual average % change)	3.9	2.9	2.2

The base case economic forecasts for Australia, New Zealand and Rest of World are for continuing slowdowns in economic activity. Continued high inflation in Australia and New Zealand is expected to keep interest rates high and dampen growth over the forecast period.

Probability weightings

Probability weightings for each scenario are determined by management considering the risks and uncertainties surrounding the base case economic scenario including the uncertainties described above.

The average base case weighting has increased to 45.9% (Sep 22: 45%) as the downside and severe downside scenario weightings have been revised. The average downside case weighting has increased to 41.2% (Sep 22: 40%), and the average severe downside case weighting has decreased to 12.9% (Sep 22: 15%).

The assigned probability weightings in Australia, New Zealand and Rest of World are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these weightings in each geography to provide estimates of the possible loss outcomes and taking into account short and long term inter-relationships within the Group's credit portfolios. The average weightings applied across the Group are set out below:

	Consolidated		The Company	
	2023	2022	2023	2022
Base	45.9%	45.0%	45.0%	45.0%
Upside	0.0%	0.0%	0.0%	0.0%
Downside	41.2%	40.0%	42.1%	40.0%
Severe downside	12.9%	15.0%	12.9%	15.0%

13. ALLOWANCE FOR EXPECTED CREDIT LOSSES (continued)

KEY JUDGEMENTS AND ESTIMATES (continued)

ECL - Sensitivity analysis

Given current economic uncertainties and the judgement applied to factors used in determining the expected default of borrowers in future periods, expected credit losses reported by the Group should be considered as a best estimate within a range of possible estimates.

The table below illustrates the sensitivity of collectively assessed ECL to key factors used in determining it as at 30 September 2023:

	Consolidated		The Company	
	ECL $m	Impact $m	ECL $m	Impact $m
If 1% of Stage 1 facilities were included in Stage 2	4,116	84	3,283	73
If 1% of Stage 2 facilities were included in Stage 1	4,027	(5)	3,206	(4)
100% upside scenario	1,274	(2,758)	1,050	(2,160)
100% base scenario	1,790	(2,242)	1,406	(1,804)
100% downside scenario	3,123	(909)	2,484	(726)
100% severe downside scenario	9,251	5,219	7,457	4,247

Individually assessed allowance for expected credit losses

In estimating individually assessed ECL, the Group makes judgements and assumptions in relation to expected repayments, the realisable value of collateral, business prospects for the customer, competing claims and the likely cost and duration of the work-out process. Judgements and assumptions in respect of these matters have been updated to reflect amongst other things, the uncertainties described above.

FINANCIAL LIABILITIES

Outlined below is a description of how we classify and measure financial liabilities relevant to the note disclosures that follow.

✓ CLASSIFICATION AND MEASUREMENT

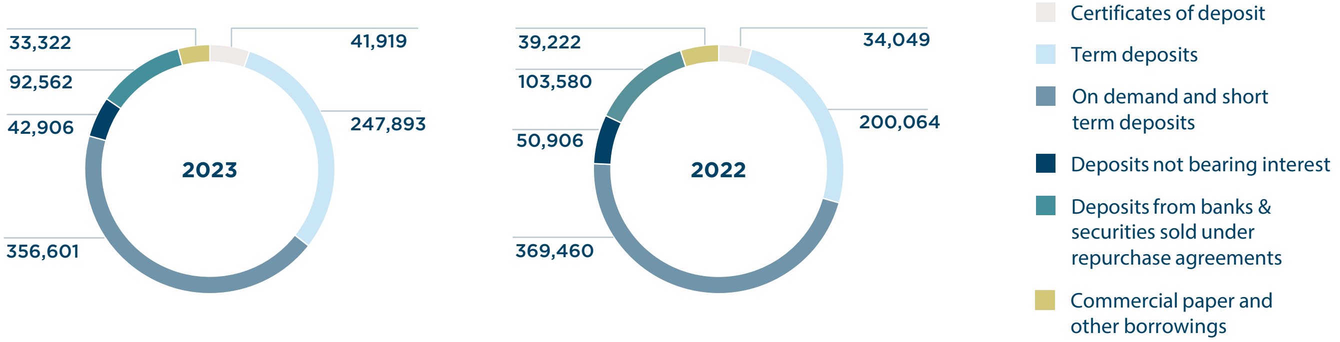
Financial liabilities

Financial liabilities are measured at amortised cost, or FVTPL when they are held for trading. Additionally, financial liabilities can be designated at FVTPL where:

- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;
- a group of financial liabilities are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management strategy; or
- the financial liability contains one or more embedded derivatives unless:
  a) the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract; or
  b) the embedded derivative is closely related to the host financial liability.

Where financial liabilities are designated as measured at fair value, gains or losses relating to changes in the entity’s own credit risk are included in Other comprehensive income, except where doing so would create or enlarge an accounting mismatch in profit or loss.

14. DEPOSITS AND OTHER BORROWINGS



	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Certificates of deposit	**41,919**	34,049	**39,426**	32,411
Term deposits	**247,893**	200,064	**196,309**	157,479
On demand and short term deposits	**356,601**	369,460	**297,195**	310,857
Deposits not bearing interest	**42,906**	50,906	**24,456**	29,416
Deposits from banks & securities sold under repurchase agreements[1]	**92,562**	103,580	**86,464**	98,825
Commercial paper and other borrowings	**33,322**	39,222	**31,225**	36,619
Deposits and other borrowings	**815,203**	797,281	**675,075**	665,607
Residual contractual maturity:				
Within one year	**805,808**	781,573	**671,395**	654,997
More than one year	**9,395**	15,708	**3,680**	10,610
Deposits and other borrowings	**815,203**	797,281	**675,075**	665,607
Carried on Balance Sheet at:				
Amortised cost	**781,314**	794,621	**643,868**	665,567
Fair value through profit or loss[1]	**33,889**	2,660	**31,207**	40
Deposits and other borrowings	**815,203**	797,281	**675,075**	665,607

[1] During 2023, the Group commenced the management of repurchase agreements and reverse repurchase agreements on a fair value basis within the trading book in its Markets business. This resulted in the associated repurchase and reverse repurchase agreements being recognised and measured at FVTPL.

✓ RECOGNITION AND MEASUREMENT

For deposits and other borrowings that:

- are not designated at FVTPL on initial recognition, we measure them at amortised cost and recognise their interest expense using the effective interest rate method; and
- are managed on a fair value basis, reduce or eliminate an accounting mismatch or contain an embedded derivative, we designate them as measured at FVTPL.

Refer to Note 18 Fair Value of Financial Assets and Financial Liabilities for further details.

For deposits and other borrowings designated at fair value we recognise the amount of fair value gain or loss attributable to changes in the Group's own credit risk in Other comprehensive income in retained earnings. Any remaining amount of fair value gain or loss we recognise directly in profit or loss. Once we have recognised an amount in other comprehensive income, we do not later reclassify it to profit or loss.

Securities sold under repurchase agreements represent a liability to repurchase the financial assets that remain on our balance sheet since the risks and rewards of ownership remain with the Group. Over the life of the repurchase agreement, we recognise the difference between the sale price and the repurchase price and charge it to interest expense in profit or loss.

15. PAYABLES AND OTHER LIABILITIES

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Payables and accruals	**5,811**	2,896	**4,582**	2,189
Liabilities at fair value[1]	**5,267**	3,239	**4,922**	2,857
Lease liabilities	**1,767**	1,040	**1,531**	1,628
Trail commission liabilities	**1,469**	1,320	**1,469**	1,320
Other liabilities	**1,618**	1,340	**775**	568
Payables and other liabilities	**15,932**	9,835	**13,279**	8,562

[1] Relate to securities sold short classified as held for trading and measured at FVTPL.

✓ RECOGNITION AND MEASUREMENT

The Group recognises liabilities when there is a present obligation to transfer economic resources as a result of past events.

Below is the measurement basis for each item classified as other liabilities:

- Payables, accruals and other liabilities are measured at the contractual amount payable or the best estimate of consideration required to settle the payable.
- Liabilities at fair value relate to securities sold short, which we classify as held for trading and measure at FVTPL based on quoted prices in active markets.
- Lease liabilities are initially measured at the present value of the future lease payments using the Group's incremental borrowing rate at the lease commencement date. The carrying amount is then subsequently adjusted to reflect the interest on the lease liability, lease payments that have been made and any lease reassessments or modifications.
- Trail commission liabilities are measured based on the present value of expected future trail commission payments taking into consideration average behavioural loan life and outstanding balances of broker originated loans.

16. DEBT ISSUANCES

The Group, primarily via ANZBGL or other banking subsidiaries, uses a variety of funding programmes to issue senior debt (including covered bonds and securitisations) and subordinated debt. The difference between senior debt and subordinated debt is that holders of senior debt of a Group issuer take priority over holders of subordinated debt owed by that issuer. In the winding up of a Group issuer, the subordinated debt will be repaid by the relevant issuer only after the repayment of claims of its depositors, other creditors and the senior debt holders of that issuer.

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Senior debt	63,233	52,324	50,671	40,325
Covered bonds	18,223	12,967	15,084	9,371
Securitisation	880	1,115	-	-
Total unsubordinated debt	82,336	66,406	65,755	49,696
Subordinated debt				
- ANZBGL Additional Tier 1 capital	8,232	7,705	8,287	7,763
- ANZBGL Tier 2 capital	23,707	17,907	23,707	17,907
- Other subordinated debt securities	1,739	1,716	464	462
Total subordinated debt	33,678	27,328	32,458	26,132
Total debt issued	116,014	93,734	98,213	75,828
Residual contractual maturity[1]*:*				
Within one year	21,746	25,208	18,499	21,990
More than one year	92,856	66,660	78,245	51,929
No maturity date (instruments in perpetuity)	1,412	1,866	1,469	1,909
Total debt issued	116,014	93,734	98,213	75,828
Carried on Balance Sheet at:				
Amortised cost	114,678	92,623	95,881	72,757
Fair value through profit or loss	1,336	1,111	2,332	3,071
Total debt issued	116,014	93,734	98,213	75,828

[1] Based on the final maturity date or, in the case of Additional Tier 1 capital securities, the mandatory conversion date (if any).

TOTAL DEBT ISSUED BY CURRENCY

The table below shows the Group's issued debt by currency of issue, which broadly represents the debt holders' base location.

		Consolidated		The Company	
		2023 $m	2022 $m	2023 $m	2022 $m
USD	United States dollars	32,723	25,527	24,074	17,206
EUR	Euro	26,990	19,923	21,356	14,049
AUD	Australian dollars	47,043	36,398	46,123	35,259
NZD	New Zealand dollars	1,575	1,628	43	46
JPY	Japanese yen	1,993	2,159	1,993	2,159
CHF	Swiss francs	1,039	954	-	-
GBP	Pounds sterling	2,230	5,261	2,230	5,261
HKD	Hong Kong dollars	1,407	771	1,407	771
Other	Chinese yuan and Singapore dollars	1,014	1,113	987	1,077
Total debt issued		116,014	93,734	98,213	75,828

SUBORDINATED DEBT

At 30 September 2023, all subordinated debt issued by ANZBGL (other than its USD 300 million perpetual subordinated notes) qualifies as regulatory capital for the Group. Depending on their terms and conditions, the subordinated debt instruments issued by ANZBGL are classified as either Additional Tier 1 (AT1) capital for the Group (in the case of the ANZ Capital Notes (ANZ CN) and ANZ Capital Securities (ANZ CS)) or Tier 2 capital for the Group (in the case of the term subordinated notes) for APRA's capital adequacy purposes.

Subordinated debt issued externally by ANZ Bank New Zealand will constitute subordinated debt of both ANZ Bank New Zealand and the Group. Whilst it will constitute tier 2 capital for ANZ Bank New Zealand for the purposes of the Reserve Bank of New Zealand's (RBNZ) capital requirements, it will not constitute Tier 2 capital for the Group as the terms of the subordinated debt does not satisfy APRA's capital requirements.

16. DEBT ISSUANCES (continued)

AT1 Capital

All outstanding AT1 capital instruments issued by ANZBGL are Basel III fully compliant instruments (refer to Note 24 Capital Management for further information about Basel III) for APRA's capital adequacy purposes. Each of the ANZ CN and ANZ CS rank equally with each other.

Distributions on the AT1 capital instruments are non-cumulative and subject to the issuer's absolute discretion and certain payment conditions (including regulatory requirements). Distributions on ANZ CNs are franked in line with the franking applied to ANZGHL's ordinary shares.

Where specified, the AT1 capital instruments provide the issuer with an early redemption or conversion option on a specified date and in certain other circumstances (such as a tax or regulatory event). This redemption option is subject to APRA's prior written approval.

Each of the AT1 capital instruments will immediately convert into a variable number of ANZGHL's ordinary shares (based on the average market price of the shares immediately prior to conversion less a 1% discount, subject to a maximum conversion number of ANZGHL's ordinary shares) if:

- The Group's or ANZBGL's Common Equity Tier 1 capital ratio is equal to or less than 5.125% - known as a Common Equity Capital Trigger Event; or
- APRA notifies ANZBGL that, without the conversion or write-off of certain securities or a public sector injection of capital (or equivalent support), it considers that ANZBGL would become non-viable – known as a Non-Viability Trigger Event.

Where specified, AT1 capital instruments mandatorily convert into a variable number of ANZGHL's ordinary shares (based on the average market price of the shares immediately prior to conversion less a 1% discount):

- on a specified mandatory conversion date; or
- on an earlier date under certain circumstances as set out in the terms.

However, the mandatory conversion is deferred for a specified period if certain conversion tests are not met.

If the AT1 capital securities convert, and the holders receive ANZGHL ordinary shares, then:

- the AT1 capital securities are transferred to ANZGHL for their face value;
- ANZBGL shall redeem the securities and simultaneously issue ordinary shares to its parent ANZ BH Limited (based on ANZBGL's share price calculated by reference to its consolidated net assets, subject to a maximum conversion number); and
- ANZ BH Limited will issue shares to ANZGHL (calculated on the same basis for ANZ BH Limited).

Preference shares issued externally by ANZ Bank New Zealand will constitute additional tier 1 capital for ANZ Bank New Zealand for the purposes of the RBNZ's capital requirements, however they will not constitute Additional Tier 1 capital for the Group as the terms of the preference shares do not satisfy APRA's capital requirements. The preference shares are included within non-controlling interests in Note 23 Shareholders' Equity.

The tables below show the key details of the ANZBGL's AT1 capital instruments on issue at 30 September in both the current and prior years:

			Consolidated		The Company	
			2023 $m	2022 $m	2023 $m	2022 $m
ANZBGL's Additional Tier 1 capital (perpetual subordinated securities)[1]						
ANZ Capital Notes (ANZ CN)						
AUD	970m	ANZ CN3[2]	**-**	970	**-**	985
AUD	1,622m	ANZ CN4	**1,621**	1,619	**1,621**	1,619
AUD	931m	ANZ CN5	**929**	928	**929**	928
AUD	1,500m	ANZ CN6	**1,489**	1,487	**1,489**	1,487
AUD	1,310m	ANZ CN7	**1,298**	1,297	**1,298**	1,297
AUD	1,500m	ANZ CN8	**1,483**	-	**1,481**	-
ANZ Capital Securities (ANZ CS)						
USD	1,000m	ANZ Capital Securities	**1,412**	1,404	**1,469**	1,447
Total ANZBGL Additional Tier 1 capital[3]			**8,232**	7,705	**8,287**	7,763

[1] Carrying values are net of issuance costs.

[2] All of the ANZ Capital Notes 3 were redeemed on 24 March 2023 with approximately $502 million of the proceeds from redemption reinvested into ANZ Capital Notes 8 on the same date.

[3] This forms part of the Group's qualifying Additional Tier 1 capital. Refer to Note 24 Capital Management for further details.

16. DEBT ISSUANCES (continued)

ANZ Capital Notes (ANZ CN)

	CN3	CN4	CN5
Issuer	ANZBGL, acting through its New Zealand branch	ANZBGL	ANZBGL
Issue date	5 March 2015	27 September 2016	28 September 2017
Issue amount	$970 million	$1,622 million	$931 million
Face value	$100	$100	$100
Distribution frequency	Semi-annually in arrears	Quarterly in arrears	Quarterly in arrears
Distribution rate	Floating rate: (180 day Bank Bill rate +3.6%)x(1-Australian corporate tax rate)	Floating rate: (90 day Bank Bill rate +4.7%)x(1-Australian corporate tax rate)	Floating rate: (90 day Bank Bill rate +3.8%)x(1-Australian corporate tax rate)
Issuer's early redemption or conversion option	24 March 2023[1]	20 March 2024	20 March 2025
Mandatory conversion date	24 March 2025[2]	20 March 2026	20 March 2027
Common equity capital trigger event	Yes	Yes	Yes
Non-viability trigger event	Yes	Yes	Yes
Carrying value (net of issue costs)	nil (2022: $970 million)	$1,621 million (2022: $1,619 million)	$929 million (2022: $928 million)

	CN6	CN7	CN8
Issuer	ANZBGL	ANZBGL	ANZBGL
Issue date	8 July 2021	24 March 2022	24 March 2023
Issue amount	$1,500 million	$1,310 million	$1,500 million
Face value	$100	$100	$100
Distribution frequency	Quarterly in arrears	Quarterly in arrears	Quarterly in arrears
Distribution rate	Floating rate: (90 day Bank Bill rate +3.0%)x(1-Australian corporate tax rate)	Floating rate: (90 day Bank Bill rate +2.7%)x(1-Australian corporate tax rate)	Floating rate: (90 day Bank Bill rate +2.75%)x(1-Australian corporate tax rate)
Issuer's early redemption or conversion option	20 March 2028	20 March 2029	20 March 2030
Mandatory conversion date	20 September 2030	20 September 2031	20 September 2032
Common equity capital trigger event	Yes	Yes	Yes
Non-viability trigger event	Yes	Yes	Yes
Carrying value (net of issue costs)	$1,489 million (2022: $1,487 million)	$1,298 million (2022: $1,297 million)	$1,483 million (2022: nil)

[1] All of the ANZ Capital Notes 3 were redeemed on 24 March 2023 with approximately $502 million of the proceeds from redemption reinvested into ANZ Capital Notes 8 on the same date.

[2] The mandatory conversion date is no longer applicable as all of CN3 have been redeemed.

16. DEBT ISSUANCES (continued)

ANZ Capital Securities (ANZ CS)

Issuer	ANZBGL, acting through its London branch
Issue date	15 June 2016
Issue amount	USD 1,000 million
Face value	Minimum denomination of USD 200,000 and an integral multiple of USD 1,000 above that
Interest frequency	Semi-annually in arrears
Interest rate	Fixed at 6.75% p.a. until 15 June 2026. Reset on 15 June 2026 and each 5 year anniversary to a floating rate: 5 year USD mid-market swap rate + 5.168%
Issuer's early redemption option	15 June 2026 and each 5 year anniversary
Common equity capital trigger event	Yes
Non-viability trigger event	Yes
Carrying value (net of issue costs)	$1,412 million (2022: $1,404 million)

16. DEBT ISSUANCES (continued)

TIER 2 CAPITAL

Convertible term subordinated notes issued by ANZBGL are Basel III fully compliant instruments for APRA's capital adequacy purposes. If a Non-Viability Trigger Event occurs, each of the convertible term subordinated notes will immediately convert into ANZGHL ordinary shares (based on the average market price of the ANZGHL shares immediately prior to conversion less a 1% discount, subject to a maximum conversion number).

If the Tier 2 capital securities convert, and the holders receive ANZGHL ordinary shares, then ANZBGL shall issue ordinary shares to its parent ANZ BH Limited (based on ANZBGL's share price calculated by reference to its consolidated net assets, subject to a maximum conversion number) and ANZ BH Limited will issue shares to ANZGHL (calculated on the same basis).

The table below shows the Tier 2 capital subordinated debt issued by ANZBGL at 30 September in both the current and prior year:

					Consolidated		The Company	
Currency	Face value	Maturity	Next optional call date – subject to APRA's prior approval	Interest rate	2023 $m	2022 $m	2023 $m	2022 $m
ANZBGL Tier 2 capital (term subordinated notes)								
USD	800m	2024	N/A	Fixed	**1,220**	1,189	**1,220**	1,189
JPY	20,000m	2026	N/A	Fixed	**207**	213	**207**	213
USD	1,500m	2026	N/A	Fixed	**2,125**	2,113	**2,125**	2,113
JPY	10,000m	2028	2023	Fixed	**-**	106	**-**	106
AUD	225m	2032	2027	Fixed	**225**	225	**225**	225
AUD	1,750m	2029	2024	Floating	**1,750**	1,750	**1,750**	1,750
EUR	1,000m	2029	2024	Fixed	**1,555**	1,410	**1,555**	1,410
AUD	265m	2039	N/A	Fixed	**170**	179	**170**	179
USD	1,250m	2030	2025	Fixed	**1,808**	1,785	**1,808**	1,785
AUD	1,250m	2031	2026	Floating	**1,250**	1,250	**1,250**	1,250
USD	1,500m	2035	2030	Fixed	**1,786**	1,830	**1,786**	1,830
AUD	330m	2040	N/A	Fixed	**202**	214	**202**	214
AUD	195m	2040	N/A	Fixed	**117**	124	**117**	124
EUR	750m	2031	2026	Fixed	**1,104**	1,003	**1,104**	1,003
GBP	500m	2031	2026	Fixed	**830**	714	**830**	714
AUD	1,450m	2032	2027	Fixed	**1,400**	1,390	**1,400**	1,390
AUD	300m	2032	2027	Floating	**300**	300	**300**	300
JPY	59,400m	2032	2027	Fixed	**606**	627	**606**	627
SGD	600m	2032	2027	Fixed	**659**	618	**659**	618
AUD	900m	2034	2029	Fixed	**871**	867	**871**	867
USD	1,250m	2032	N/A	Fixed	**1,803**	-	**1,803**	-
EUR	1,000m	2033	2028	Fixed	**1,594**	-	**1,594**	-
AUD	1,000m	2038	2033	Fixed	**975**	-	**975**	-
AUD	275m	2033	2028	Fixed	**275**	-	**275**	-
AUD	875m	2033	2028	Floating	**875**	-	**875**	-
Total ANZBGL Tier 2 capital[1,2]					**23,707**	17,907	**23,707**	17,907

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[1] Carrying values are net of issuance costs, and, where applicable, include fair value hedge accounting adjustments.

[2] This forms part of the Group's qualifying Tier 2 capital. Refer to Note 24 Capital Management for further details.

16. DEBT ISSUANCES (continued)

OTHER SUBORDINATED DEBT SECURITIES

The term subordinated notes issued by ANZ Bank New Zealand constitute tier 2 capital under RBNZ requirements. However, they do not (among other things) contain a Non-Viability Trigger Event and therefore do not meet APRA's requirements for Tier 2 capital instruments in order to qualify as regulatory capital for the Group.

					Consolidated		The Company	
Currency	Face value	Maturity	Next optional call date[1]	Interest rate	2023 $m	2022 $m	2023 $m	2022 $m
Non-Basel III compliant perpetual subordinated notes issued by ANZBGL[2]								
USD	300m	Perpetual	Each semi-annual interest payment date	Floating	**464**	462	**464**	462
Term subordinated notes issued by ANZ Bank New Zealand Limited								
NZD	600m	2031	2026	Fixed	**555**	524	**-**	-
USD	500m	2032	2027	Fixed	**720**	730	**-**	-
Other subordinated debt					**1,739**	1,716	**464**	462

[1] Subject to APRA's or RBNZ's prior approval (as applicable).

[2] The USD 300 million perpetual subordinated notes were redeemed by ANZBGL on 31 October 2023.

RECOGNITION AND MEASUREMENT

Debt issuances are initially recognised at fair value and are subsequently measured at amortised cost, except where designated at FVTPL. Interest expense on debt issuances is recognised using the effective interest rate method. Where the Group enters into a fair value hedge accounting relationship, the fair value attributable to the hedged risk is reflected in adjustments to the carrying value of the debt.

Subordinated debt with capital-based conversion features (i.e. Common Equity Capital Trigger Events or Non-Viability Trigger Events) are considered to contain embedded derivatives that we account for separately at FVTPL. The embedded derivatives arise because the amount of shares issued on conversion following any of those trigger events is subject to the maximum conversion number, however they have no significant value as of the reporting date given the remote nature of those trigger events.

17. FINANCIAL RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK AND MODEL

INTRODUCTION

The use of financial instruments is fundamental to the Group's businesses of providing banking and other financial services to our customers. The associated financial risks (primarily credit, market, and liquidity risks) are a significant portion of the Group's key material risks.

We disclose details of all key material risks impacting the Group, and further information on the Group's risk management activities, in the Governance and Risk Management sections of this Annual Report.

This note details the Group's financial risk management policies, processes and quantitative disclosures in relation to the key financial risks.

Key material financial risks	Key sections applicable to this risk
Credit risk The risk of financial loss resulting from: • a counterparty failing to fulfil its obligations; or • a decrease in credit quality of a counterparty resulting in a financial loss. Credit risk incorporates the risks associated with us lending to customers who could be impacted by climate change, changes to laws, regulations, or other policies adopted by governments or regulatory authorities. Climate change impacts include both physical risks (climate- or weather-related events) and transition risks resulting from the adjustment to a low emissions economy. Transition risks include resultant changes to laws, regulations and policies noted above.	• Credit risk overview, management and control responsibilities • Maximum exposure to credit risk • Credit quality • Concentrations of credit risk • Collateral management
Market risk The risk to the Group's earnings arising from: • changes in interest rates, foreign exchange rates, credit spreads, volatility and correlations; or • fluctuations in bond, commodity or equity prices.	• Market risk overview, management and control responsibilities • Measurement of market risk • Traded and non-traded market risk • Equity securities designated at FVOCI • Foreign currency risk – structural exposure
Liquidity and funding risk The risk that the Group is unable to meet payment obligations as they fall due, including: • repaying depositors or maturing wholesale debt; or • the Group having insufficient capacity to fund increases in assets.	• Liquidity risk overview, management and control responsibilities • Key areas of measurement for liquidity risk • Liquidity risk outcomes • Residual contractual maturity analysis of the Group's liabilities

17. FINANCIAL RISK MANAGEMENT (continued)

OVERVIEW

AN OVERVIEW OF OUR RISK MANAGEMENT FRAMEWORK

This overview is provided to aid the users of the financial statements in understanding the context of the financial disclosures required under AASB 7 *Financial Instruments: Disclosures*. It should be read in conjunction with the Governance and Risk Management sections of this Annual Report.

The Board is responsible for establishing and overseeing the Group's Risk Management Framework (RMF). The Board has delegated authority to the Board Risk Committee (BRC) to develop and monitor compliance with the Group's risk management policies. The BRC reports regularly to the Board on its activities.

The Board approves the strategic objectives of the Group including:

- the Risk Appetite Statement (RAS), which sets out the Board's expectations regarding the degree of risk that the Group is prepared to accept in pursuit of its strategic objectives and business plan; and
- the Risk Management Strategy (RMS), which describes the Group's strategy for managing risks and the key elements of the RMF that give effect to this strategy. This includes a description of each material risk, and an overview of how the RMF addresses each risk, with reference to the relevant policies, standards and procedures. It also includes information on how the Group identifies, measures, evaluates, monitors, reports and controls or mitigates material risks.

The Group, through its training and management standards and procedures, aims to maintain a disciplined and robust control environment in which all employees understand their roles and obligations. At ANZ, risk is everyone's responsibility.

The Group has an independent risk management function, headed by the Chief Risk Officer who:

- is responsible for overseeing the risk profile and the risk management framework;
- can effectively challenge activities and decisions that materially affect the Group's risk profile; and
- has an independent reporting line to the BRC to enable the appropriate escalation of issues of concern.

The Internal Audit Function reports directly to the Board Audit Committee (BAC). Internal Audit provides:

- an independent evaluation of the Group's RMF annually that seeks to ensure compliance with, and the effectiveness of, the risk management framework;
- facilitation of a comprehensive review every three years that seeks to ensure the appropriateness, effectiveness and adequacy of the risk management framework; and
- recommendations to improve the framework and/or work practices to strengthen the effectiveness of day-to-day operations.

17. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK

CREDIT RISK OVERVIEW, MANAGEMENT AND CONTROL RESPONSIBILITIES

Granting credit facilities to customers is one of the Group's major sources of income. As this activity is also a principal risk, the Group dedicates considerable resources to its management. The Group assumes credit risk in a wide range of lending and other activities in diverse markets and in many jurisdictions. Credit risks arise from traditional lending to customers as well as from interbank, treasury, trade finance and capital markets activities around the world.

Our credit risk management framework ensures we apply a consistent approach across the Group when we measure, monitor and manage the credit risk appetite set by the Board. The Board is assisted and advised by the BRC in discharging its duty to oversee credit risk. The BRC:

- sets the credit risk appetite and credit strategies; and
- approves credit transactions beyond the discretion of executive management.

We quantify credit risk through an internal credit rating system (masterscales) to ensure consistency across exposure types and to provide a consistent framework for reporting and analysis. The system uses models and other tools to measure the following for customer exposures:

Probability of Default (PD)	Expressed by a Customer Credit Rating (CCR), reflecting the Group's assessment of a customer's ability to service and repay debt.
Exposure at Default (EAD)	The expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest at the time of default.
Loss Given Default (LGD)	Expressed by a Security Indicator (SI) ranging from A to G. The SI is calculated by reference to the percentage of loan covered by security which the Group can realise if a customer defaults. The A-G scale is supplemented by a range of other SIs which cover factors such as cash cover and sovereign backing. For retail and some small business lending, we group exposures into large homogenous pools – and the LGD is assigned at the pool level.

Our specialist credit risk teams develop and validate the Group's PD and LGD rating models. The outputs from these models drive our day-to-day credit risk management decisions including origination, pricing, approval levels, regulatory capital adequacy, economic capital allocation, and credit provisioning.

All customers with whom the Group has a credit relationship are assigned a CCR at origination via either of the following assessment approaches:

Large and more complex lending	Retail and some small business lending
Rating models provide a consistent and structured assessment, with judgement required around the use of out-of-model factors. We handle credit approval on a dual approval basis, jointly with the business writer and an independent credit officer.	Automated assessment of credit applications using a combination of scoring (application and behavioural), policy rules and external credit reporting information. If the application does not meet the automated assessment criteria, then it is subject to manual assessment.

We use the Group's internal CCRs to manage the credit quality of financial assets. To enable wider comparisons, the Group's CCRs are mapped to external rating agency scales as follows:

Credit Quality Description	Internal CCR	ANZ Customer Requirements	Moody's Rating	S&P Global Ratings
Strong	CCR 0+ to 4-	Demonstrated superior stability in their operating and financial performance over the long-term, and whose earnings capacity is not significantly vulnerable to foreseeable events.	Aaa – Baa3	AAA – BBB-
Satisfactory	CCR 5+ to 6-	Demonstrated sound operational and financial stability over the medium to long-term, even though some may be susceptible to cyclical trends or variability in earnings.	Ba1 – B1	BB+ – B+
Weak	CCR 7+ to 8=	Demonstrated some operational and financial instability, with variability and uncertainty in profitability and liquidity projected to continue over the short and possibly medium term.	B2 - Caa	B - CCC
Defaulted	CCR 8- to 10	When doubt arises as to the collectability of a credit facility, the financial instrument (or 'the facility') is classified as defaulted.	N/A	N/A

17. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

MAXIMUM EXPOSURE TO CREDIT RISK

For financial assets recognised on the balance sheet, the maximum exposure to credit risk is the carrying amount. In certain circumstances there may be differences between the carrying amounts reported on the balance sheet and the amounts reported in the tables below. Principally, these differences arise in respect of financial assets that are subject to risks other than credit risk, such as equity instruments which are primarily subject to market risk, or bank notes and coins.

For undrawn facilities, this maximum exposure to credit risk is the full amount of the committed facilities. For contingent exposures, the maximum exposure to credit risk is the maximum amount the Group would have to pay if the instrument is called upon.

The table below shows our maximum exposure to credit risk of on-balance sheet and off-balance sheet positions before taking account of any collateral held or other credit enhancements.

	Reported		Excluded[1]		Maximum exposure to credit risk	
Consolidated	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
On-balance sheet positions						
Net loans and advances	707,694	672,407	-	-	707,694	672,407
Other financial assets:						
Cash and cash equivalents	168,154	168,132	1,070	1,147	167,084	166,985
Settlement balances owed to ANZ	9,349	4,762	9,349	4,762	-	-
Collateral paid	8,558	12,700	-	-	8,558	12,700
Trading assets	37,004	35,237	4,881	3,860	32,123	31,377
Derivative financial instruments	60,406	90,174	-	-	60,406	90,174
Investment securities						
- debt securities at amortised cost	7,752	7,943	-	-	7,752	7,943
- debt securities at FVOCI	88,271	76,817	-	-	88,271	76,817
- equity securities at FVOCI	946	1,353	946	1,353	-	-
- debt securities at FVTPL	-	40	-	-	-	40
Regulatory deposits	646	632	-	-	646	632
Other financial assets[2]	4,378	2,943	-	-	4,378	2,943
Total other financial assets	385,464	400,733	16,246	11,122	369,218	389,611
Subtotal	1,093,158	1,073,140	16,246	11,122	1,076,912	1,062,018
Off-balance sheet positions						
Undrawn and contingent facilities[3]	290,055	285,041	-	-	290,055	285,041
Total	1,383,213	1,358,181	16,246	11,122	1,366,967	1,347,059

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[1] Coins, notes and cash at bank within Cash and cash equivalents; Trade dated assets within Settlement balances owed to ANZ; precious metal exposures and carbon credits within Trading assets; and Equity securities within Investment securities were excluded as they do not have credit risk exposure.

[2] Other financial assets mainly comprise accrued interest and acceptances.

[3] Undrawn and contingent facilities include guarantees, letters of credit and performance related contingencies, net of collectively assessed and individually assessed allowance for expected credit losses.

17. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

	Reported		Excluded[1]		Maximum exposure to credit risk	
The Company	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
On-balance sheet positions						
Net loans and advances	563,017	537,345	-	-	563,017	537,345
Other financial assets:						
Cash and cash equivalents	154,408	155,483	667	787	153,741	154,696
Settlement balances owed to ANZ	8,935	4,024	8,935	4,024	-	-
Collateral paid	7,717	11,368	-	-	7,717	11,368
Trading assets	30,693	28,073	4,472	3,348	26,221	24,725
Derivative financial instruments	59,989	88,056	-	-	59,989	88,056
Investment securities						
- debt securities at amortised cost	5,936	6,115	-	-	5,936	6,115
- debt securities at FVOCI	76,320	65,257	-	-	76,320	65,257
- equity securities at FVOCI	945	1,027	945	1,027	-	-
Regulatory deposits	284	249	-	-	284	249
Due from controlled entities	26,067	22,860	-	-	26,067	22,860
Other financial assets[2]	3,024	1,882	-	-	3,024	1,882
Total other financial assets	374,318	384,394	15,019	9,186	359,299	375,208
Subtotal	937,335	921,739	15,019	9,186	922,316	912,553
Off-balance sheet positions						
Undrawn and contingent facilities[3]	252,415	246,722	-	-	252,415	246,722
Total	1,189,750	1,168,461	15,019	9,186	1,174,731	1,159,275

[1] Coins, notes and cash at bank within Cash and cash equivalents; Trade dated assets within Settlement balances owed to ANZ; precious metal exposures, and carbon credits within Trading assets; and Equity securities within Investment securities were excluded as they do not have credit risk exposure.

[2] Other financial assets mainly comprise accrued interest and acceptances.

[3] Undrawn and contingent facilities include guarantees, letters of credit and performance related contingencies, net of collectively assessed and individually assessed allowance for expected credit losses.

17. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

CREDIT QUALITY

An analysis of the Group's credit risk exposure is presented in the following tables based on the Group's internal credit quality rating by stage without taking account of the effects of any collateral or other credit enhancements:

Net loans and advances

Consolidated	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2023					
Strong	411,583	17,063	-	-	428,646
Satisfactory	193,170	37,977	-	-	231,147
Weak	11,306	10,398	-	-	21,704
Defaulted	-	-	3,858	1,037	4,895
Gross loans and advances at amortised cost	616,059	65,438	3,858	1,037	686,392
Allowance for ECL	(1,227)	(1,624)	(329)	(366)	(3,546)
Net loans and advances at amortised cost	614,832	63,814	3,529	671	682,846
Coverage ratio	0.20%	2.48%	8.53%	35.29%	0.52%
Loans and advances at FVTPL					21,888
Unearned income					(515)
Capitalised brokerage and other origination costs					3,475
Net carrying amount					707,694
As at 30 September 2022					
Strong	443,571	15,880	-	-	459,451
Satisfactory	154,823	31,864	-	-	186,687
Weak	9,197	9,244	-	-	18,441
Defaulted	-	-	3,328	1,043	4,371
Gross loans and advances at amortised cost	607,591	56,988	3,328	1,043	668,950
Allowance for ECL	(1,141)	(1,548)	(360)	(533)	(3,582)
Net loans and advances at amortised cost	606,450	55,440	2,968	510	665,368
Coverage ratio	0.19%	2.72%	10.82%	51.10%	0.54%
Loans and advances at FVTPL					4,675
Unearned income					(518)
Capitalised brokerage and other origination costs					2,882
Net carrying amount					672,407

17. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Net loans and advances

The Company	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2023					
Strong	315,206	11,682	-	-	326,888
Satisfactory	160,357	31,769	-	-	192,126
Weak	10,906	8,362	-	-	19,268
Defaulted	-	-	2,994	731	3,725
Gross loans and advances at amortised cost	486,469	51,813	2,994	731	542,007
Allowance for ECL	(1,026)	(1,239)	(251)	(279)	(2,795)
Net loans and advances at amortised cost	485,443	50,574	2,743	452	539,212
Coverage ratio	0.21%	2.39%	8.38%	38.17%	0.52%
Loans and advances at FVTPL					21,240
Unearned income					(483)
Capitalised brokerage and other origination costs					3,048
Net carrying amount					563,017
As at 30 September 2022					
Strong	334,850	9,641	-	-	344,491
Satisfactory	142,772	26,186	-	-	168,958
Weak	9,181	7,759	-	-	16,940
Defaulted	-	-	2,744	853	3,597
Gross loans and advances at amortised cost	486,803	43,586	2,744	853	533,986
Allowance for ECL	(946)	(1,259)	(295)	(425)	(2,925)
Net loans and advances at amortised cost	485,857	42,327	2,449	428	531,061
Coverage ratio	0.19%	2.89%	10.75%	49.82%	0.55%
Loans and advances at FVTPL					4,263
Unearned income					(480)
Capitalised brokerage and other origination costs					2,501
Net carrying amount					537,345

17. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Off-balance sheet commitments - undrawn and contingent facilities

			Stage 3		
Consolidated	Stage 1 $m	Stage 2 $m	Collectively assessed $m	Individually assessed $m	Total $m
As at 30 September 2023					
Strong	189,980	1,234	-	-	191,214
Satisfactory	30,007	4,276	-	-	34,283
Weak	975	746	-	-	1,721
Defaulted	-	-	79	47	126
Gross undrawn and contingent facilities subject to ECL	220,962	6,256	79	47	227,344
Allowance for ECL included in Other provisions (refer to Note 22)	(630)	(162)	(25)	(10)	(827)
Net undrawn and contingent facilities subject to ECL	220,332	6,094	54	37	226,517
Coverage ratio	0.29%	2.59%	31.65%	21.28%	0.36%
Undrawn and contingent facilities not subject to ECL[1]					63,538
Net undrawn and contingent facilities					290,055
As at 30 September 2022					
Strong	191,363	1,703	-	-	193,066
Satisfactory	18,583	3,078	-	-	21,661
Weak	774	706	-	-	1,480
Defaulted	-	-	113	19	132
Gross undrawn and contingent facilities subject to ECL	210,720	5,487	113	19	216,339
Allowance for ECL included in Other provisions (refer to Note 22)	(593)	(144)	(29)	(9)	(775)
Net undrawn and contingent facilities subject to ECL	210,127	5,343	84	10	215,564
Coverage ratio	0.28%	2.62%	25.66%	47.37%	0.36%
Undrawn and contingent facilities not subject to ECL[1]					69,477
Net undrawn and contingent facilities					285,041

[1] Commitments that can be unconditionally cancelled at any time without notice.

17. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Off-balance sheet commitments - undrawn and contingent facilities

The Company	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2023					
Strong	167,251	1,065	-	-	168,316
Satisfactory	25,966	3,554	-	-	29,520
Weak	753	466	-	-	1,219
Defaulted	-	-	64	35	99
Gross undrawn and contingent facilities subject to ECL	193,970	5,085	64	35	199,154
Allowance for ECL included in Other provisions (refer to Note 22)	(550)	(121)	(21)	(5)	(697)
Net undrawn and contingent facilities subject to ECL	193,420	4,964	43	30	198,457
Coverage ratio	0.28%	2.38%	32.81%	14.29%	0.35%
Undrawn and contingent facilities not subject to ECL[1]					53,958
Net undrawn and contingent facilities					252,415
As at 30 September 2022					
Strong	185,979	1,725	-	-	187,704
Satisfactory	15,496	2,306	-	-	17,802
Weak	711	463	-	-	1,174
Defaulted	-	-	97	13	110
Gross undrawn and contingent facilities subject to ECL	202,186	4,494	97	13	206,790
Allowance for ECL included in Other provisions (refer to Note 22)	(530)	(112)	(26)	(5)	(673)
Net undrawn and contingent facilities subject to ECL	201,656	4,382	71	8	206,117
Coverage ratio	0.26%	2.49%	26.80%	38.46%	0.33%
Undrawn and contingent facilities not subject to ECL[1]					40,605
Net undrawn and contingent facilities					246,722

[1] Commitments that can be unconditionally cancelled at any time without notice.

17. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Investment securities - debt securities at amortised cost

Consolidated	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2023					
Strong	6,117	-	-	-	6,117
Satisfactory	112	-	-	-	112
Weak	1,558	-	-	-	1,558
Gross investment securities - debt securities at amortised cost	7,787	-	-	-	7,787
Allowance for ECL	(35)	-	-	-	(35)
Net investment securities - debt securities at amortised cost	7,752	-	-	-	7,752
Coverage ratio	0.45%	-	-	-	0.45%
As at 30 September 2022					
Strong	6,279	-	-	-	6,279
Satisfactory	113	-	-	-	113
Weak	1,589	-	-	-	1589
Gross investment securities - debt securities at amortised cost	7,981	-	-	-	7,981
Allowance for ECL	(38)	-	-	-	(38)
Net investment securities - debt securities at amortised cost	7,943	-	-	-	7,943
Coverage ratio	0.48%	-	-	-	0.48%

The Company	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2023					
Strong	5,796	-	-	-	5,796
Satisfactory	97	-	-	-	97
Weak	44	-	-	-	44
Gross investment securities - debt securities at amortised cost	5,937	-	-	-	5,937
Allowance for ECL	(1)	-	-	-	(1)
Net investment securities - debt securities at amortised cost	5,936	-	-	-	5,936
Coverage ratio	0.02%	-	-	-	0.02%
As at 30 September 2022					
Strong	6,032	-	-	-	6,032
Satisfactory	84	-	-	-	84
Gross investment securities - debt securities at amortised cost	6,116	-	-	-	6,116
Allowance for ECL	(1)	-	-	-	(1)
Net investment securities - debt securities at amortised cost	6,115	-	-	-	6,115
Coverage ratio	0.02%	-	-	-	0.02%

17. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Investment securities - debt securities at FVOCI

Consolidated	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2023					
Strong	88,271	-	-	-	88,271
Satisfactory	-	-	-		-
Investment securities - debt securities at FVOCI	88,271	-	-	-	88,271
Allowance for ECL recognised in Other comprehensive income	(15)	-	-	-	(15)
Coverage ratio	0.02%	-	-	-	0.02%
As at 30 September 2022					
Strong	76,668	-	-	-	76,668
Satisfactory	149	-	-	-	149
Investment securities - debt securities at FVOCI	76,817	-	-	-	76,817
Allowance for ECL recognised in Other comprehensive income	(10)	-	-	-	(10)
Coverage ratio	0.01%	-	-	-	0.01%

The Company	Stage 1 $m	Stage 2 $m	Stage 3 Collectively assessed $m	Stage 3 Individually assessed $m	Total $m
As at 30 September 2023					
Strong	76,320	-	-	-	76,320
Satisfactory	-	-	-	-	-
Investment securities - debt securities at FVOCI	76,320	-	-	-	76,320
Allowance for ECL recognised in Other comprehensive income	(12)	-	-	-	(12)
Coverage ratio	0.02%	-	-	-	0.02%
As at 30 September 2022					
Strong	65,257	-	-	-	65,257
Satisfactory	-	-	-	-	-
Investment securities - debt securities at FVOCI	65,257	-	-	-	65,257
Allowance for ECL recognised in Other comprehensive income	(7)	-	-	-	(7)
Coverage ratio	0.01%	-	-	-	0.01%

17. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Other financial assets

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Strong	**270,012**	301,735	**274,741**	301,771
Satisfactory[1]	**2,579**	2,164	**2,022**	1,707
Weak	**604**	945	**280**	351
Defaulted	**-**	7	**-**	7
Total carrying amount	**273,195**	304,851	**277,043**	303,836

[1] Includes Investment Securities - debt securities at FVTPL of $nil (2022: $40 million) for the Group and $nil (2022: $nil) for the Company..

CONCENTRATIONS OF CREDIT RISK

Credit risk becomes concentrated when a number of customers are engaged in similar activities, have similar economic characteristics, or have similar activities within the same geographic region – therefore, they may be similarly affected by changes in economic or other conditions. The Group monitors its credit portfolio to manage risk concentration and rebalance the portfolio. The Group also applies single customer counterparty limits to protect against unacceptably large exposures to one single customer.

Composition of financial instruments that give rise to credit risk by industry group are presented below:

	Loans and advances		Other financial assets		Off-balance sheet credit related commitments		Total	
Consolidated	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Agriculture, forestry, fishing and mining	**35,797**	33,668	**612**	781	**16,707**	17,694	**53,116**	52,143
Business services	**8,138**	9,252	**207**	242	**7,003**	6,245	**15,348**	15,739
Construction	**5,506**	6,155	**36**	48	**7,212**	6,594	**12,754**	12,797
Electricity, gas and water supply	**8,626**	9,650	**463**	790	**11,837**	9,865	**20,926**	20,305
Entertainment, leisure and tourism	**13,486**	12,886	**78**	89	**3,889**	3,691	**17,453**	16,666
Financial, investment and insurance	**77,454**	75,118	**278,218**	305,148	**62,409**	58,075	**418,081**	438,341
Government and official institutions	**8,300**	7,280	**80,544**	71,139	**1,075**	1,592	**89,919**	80,011
Manufacturing	**30,261**	28,072	**1,287**	1,279	**47,302**	46,701	**78,850**	76,052
Personal lending	**392,702**	363,539	**1,394**	955	**59,185**	57,989	**453,281**	422,483
Property services	**58,064**	55,203	**439**	606	**17,503**	17,862	**76,006**	73,671
Retail trade	**12,900**	11,648	**113**	98	**8,131**	7,076	**21,144**	18,822
Transport and storage	**12,110**	12,311	**369**	327	**9,215**	8,423	**21,694**	21,061
Wholesale trade	**12,538**	15,215	**660**	1,235	**25,783**	28,042	**38,981**	44,492
Other	**32,398**	33,628	**4,833**	6,912	**13,631**	15,967	**50,862**	56,507
Gross total	**708,280**	673,625	**369,253**	389,649	**290,882**	285,816	**1,368,415**	1,349,090
Allowance for ECL	**(3,546)**	(3,582)	**(35)**	(38)	**(827)**	(775)	**(4,408)**	(4,395)
Subtotal	**704,734**	670,043	**369,218**	389,611	**290,055**	285,041	**1,364,007**	1,344,695
Unearned income	**(515)**	(518)	**-**	-	**-**	-	**(515)**	(518)
Capitalised brokerage and other origination costs	**3,475**	2,882	**-**	-	**-**	-	**3,475**	2,882
Maximum exposure to credit risk	**707,694**	672,407	**369,218**	389,611	**290,055**	285,041	**1,366,967**	1,347,059

17. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Composition of financial instruments that give rise to credit risk by industry group are presented below:

	Loans and advances		Other financial assets		Off-balance sheet credit related commitments		Total	
The Company	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Agriculture, forestry, fishing and mining	20,622	19,065	586	751	15,198	16,304	36,406	36,120
Business services	7,165	8,382	183	202	6,237	5,517	13,585	14,101
Construction	4,545	5,004	30	42	6,038	5,376	10,613	10,422
Electricity, gas and water supply	7,956	8,820	302	533	10,409	8,526	18,667	17,879
Entertainment, leisure and tourism	11,721	11,267	67	58	3,390	3,192	15,178	14,517
Financial, investment and insurance	74,836	71,889	282,701	306,318	58,806	53,970	416,343	432,177
Government and official institutions	8,294	7,272	68,361	58,342	384	910	77,039	66,524
Manufacturing	26,394	24,645	935	664	40,027	39,279	67,356	64,588
Personal lending	303,801	282,095	1,347	912	47,961	47,596	353,109	330,603
Property services	44,903	42,592	368	531	15,794	15,640	61,065	58,763
Retail trade	11,099	10,048	85	74	7,342	6,279	18,526	16,401
Transport and storage	10,968	11,231	288	270	8,331	7,252	19,587	18,753
Wholesale trade	10,320	13,055	480	791	22,385	24,185	33,185	38,031
Other	20,623	22,884	3,567	5,721	10,810	13,369	35,000	41,974
Gross total	563,247	538,249	359,300	375,209	253,112	247,395	1,175,659	1,160,853
Allowance for ECL	(2,795)	(2,925)	(1)	(1)	(697)	(673)	(3,493)	(3,599)
Subtotal	560,452	535,324	359,299	375,208	252,415	246,722	1,172,166	1,157,254
Unearned income	(483)	(480)	-	-	-	-	(483)	(480)
Capitalised brokerage and other origination costs	3,048	2,501	-	-	-	-	3,048	2,501
Maximum exposure to credit risk	563,017	537,345	359,299	375,208	252,415	246,722	1,174,731	1,159,275

COLLATERAL MANAGEMENT

We use collateral for on and off-balance sheet exposures to mitigate credit risk if a counterparty cannot meet its repayment obligations. Where there is sufficient collateral, an expected credit loss is not recognised. This is largely the case for certain lending products, such as margin loans and reverse repurchase agreements that are secured by the securities purchased using the lending. For some products, the collateral provided by customers is fundamental to the product's structuring, so it is not strictly the secondary source of repayment - for example, lending secured by trade receivables is typically repaid by the collection of those receivables. During the period there was no change in our collateral policies.

17. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

The nature of collateral or security held for the relevant classes of financial assets is as follows:

Net loans and advances	
Loans - housing and personal	Housing loans are secured by mortgage(s) over property and additional security may take the form of guarantees and deposits. Personal lending (including credit cards and overdrafts) is predominantly unsecured. If we take security, then it is restricted to eligible vehicles, motor homes and other assets.
Loans - business	Business loans may be secured, partially secured or unsecured. Typically, we take security by way of a mortgage over property and/or a charge over the business or other assets. If appropriate, we may take other security to mitigate the credit risk, such as guarantees, standby letters of credit or derivative protection.
Other financial assets	
Trading assets, Investment securities, Derivatives and Other financial assets	For trading assets, we do not seek collateral directly from the issuer or counterparty. However, the collateral may be implicit in the terms of the instrument (for example, with an asset-backed security). The terms of debt securities may include collateralisation. For derivatives, we typically terminate all contracts with the counterparty and settle on a net basis at market levels current at the time of a counterparty default under International Swaps and Derivatives Association (ISDA) Master Agreements. Our preferred practice is to use a Credit Support Annex (CSA) to the ISDA so that open derivative positions with the counterparty are aggregated and cash collateral (or other forms of eligible collateral) is exchanged daily. The collateral is provided by the counterparty when their position is out of the money (or provided to the counterparty by ANZ when our position is out of the money).
Off-balance sheet positions	
Undrawn and contingent facilities	Collateral for off-balance sheet positions is mainly held against undrawn facilities, and they are typically performance bonds or guarantees. Undrawn facilities that are secured include housing loans secured by mortgages over residential property and business lending secured by commercial real estate and/or charges over business assets.

The table below shows the estimated value of collateral we hold and the net unsecured portion of credit exposures:

	Maximum exposure to credit risk		Total value of collateral		Unsecured portion of credit exposure	
Consolidated	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Net loans and advances	**707,694**	672,407	**569,283**	531,815	**138,411**	140,592
Other financial assets	**369,218**	389,611	**38,612**	24,758	**330,606**	364,853
Off-balance sheet positions	**290,055**	285,041	**65,723**	60,544	**224,332**	224,497
Total	**1,366,967**	1,347,059	**673,618**	617,117	**693,349**	729,942

	Maximum exposure to credit risk		Total value of collateral		Unsecured portion of credit exposure	
The Company	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Net loans and advances	**563,017**	537,345	**436,544**	407,610	**126,473**	129,735
Other financial assets	**359,299**	375,208	**35,542**	19,492	**323,757**	355,716
Off-balance sheet positions	**252,415**	246,722	**50,880**	38,618	**201,535**	208,104
Total	**1,174,731**	1,159,275	**522,966**	465,720	**651,765**	693,555

17. FINANCIAL RISK MANAGEMENT (continued)

MARKET RISK

MARKET RISK OVERVIEW, MANAGEMENT AND CONTROL RESPONSIBILITIES

Market risk stems from the Group's trading and balance sheet management activities and the impact of changes and correlations between interest rates, foreign exchange rates, credit spreads, commodities, equities and the volatility within these asset classes.

The BRC delegates responsibility for day-to-day management of both market risks and compliance with market risk policies to the Credit and Market Risk Committee (CMRC) and the Group Asset and Liability Committee (GALCO).

Within overall strategies and policies established by the BRC, business units and risk management have joint responsibility for the control of market risk at the Group level. The Market Risk team (a specialist risk management unit independent of the business) allocates market risk limits at various levels and monitors and reports on them daily. This detailed framework allocates individual limits to manage and control exposures using risk factors and profit and loss limits.

Management, measurement and reporting of market risk is undertaken in two broad categories:

Traded Market Risk	Non-Traded Market Risk
Risk of loss from changes in the value of financial instruments due to movements in price factors for both physical and derivative trading positions. Principal risk categories monitored are: 1. Currency risk – potential loss arising from changes in foreign exchange rates or their implied volatilities. 2. Interest rate risk – potential loss from changes in market interest rates or their implied volatilities. 3. Credit spread risk – potential loss arising from a movement in margin or spread relative to a benchmark. 4. Commodity risk – potential loss arising from changes in commodity prices or their implied volatilities. 5. Equity risk – potential loss arising from changes in equity prices.	Risk of loss associated with the management of non-traded interest rate risk, liquidity risk and foreign exchange exposures. This includes interest rate risk in the banking book. This risk of loss arises from adverse changes in the overall and relative level of interest rates for different tenors, differences in the actual versus expected net interest margin, and the potential valuation risk associated with embedded options in financial instruments and bank products.

MEASUREMENT OF MARKET RISK

We primarily manage and control market risk using Value at Risk (VaR), sensitivity analysis and stress testing.

VaR measures the Group's possible daily loss based on historical market movements. The Group's VaR approach for both traded and non-traded risk is historical simulation. We use historical changes in market rates, prices and volatilities over a 500 business day window using a one-day holding period. Back testing is used to ensure our VaR models remain accurate.

ANZ measures VaR at a 99% confidence interval which means there is a 99% chance that a loss will not exceed the VaR for the relevant holding period.

17. FINANCIAL RISK MANAGEMENT (continued)

MARKET RISK (continued)

TRADED AND NON-TRADED MARKET RISK

Traded market risk

The table below shows the traded market risk VaR on a diversified basis by risk categories:

	2023				2022			
Consolidated	As at $m	High for year $m	Low for year $m	Average for year $m	As at $m	High for year $m	Low for year $m	Average for year $m
Traded value at risk 99% confidence								
Foreign exchange	2.8	6.2	1.6	3.0	1.8	4.8	1.1	2.4
Interest rate	6.7	18.3	5.1	8.5	7.9	22.7	5.0	9.5
Credit	5.9	7.7	2.5	4.5	2.6	11.8	1.6	4.9
Commodities	4.0	6.6	1.8	3.0	4.3	7.0	1.4	2.9
Equity	-	-	-	-	-	-	-	-
Diversification benefit[1]	(9.7)	n/a	n/a	(8.1)	(7.2)	n/a	n/a	(7.1)
Total VaR	9.7	18.2	7.2	10.9	9.4	26.9	5.6	12.6

	2023				2022			
The Company	As at $m	High for year $m	Low for year $m	Average for year $m	As at $m	High for year $m	Low for year $m	Average for year $m
Traded value at risk 99% confidence								
Foreign exchange	2.6	6.0	1.5	2.8	2.0	5.1	0.9	2.4
Interest rate	6.3	15.5	4.8	8.0	6.7	18.6	4.9	8.8
Credit	5.6	7.1	1.9	4.3	2.0	11.9	1.3	4.7
Commodity	2.1	4.5	1.1	2.7	1.4	7.2	0.9	2.8
Equity	-	-	-	-	-	-	-	-
Diversification benefit[1]	(8.6)	n/a	n/a	(7.8)	(4.2)	n/a	n/a	(7.4)
Total VaR	8.0	16.2	6.7	10.0	7.9	23.4	5.4	11.3

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[1] The diversification benefit reflects risks that offset across categories. The high and low VaR figures reported for each factor did not necessarily occur on the same day as the high and low VaR reported for the Group as a whole. Consequently, a diversification benefit for high and low would not be meaningful and is therefore omitted from the table.

17. FINANCIAL RISK MANAGEMENT (continued)

MARKET RISK (continued)

Non-traded market risk

Balance sheet risk management

The principal objectives of balance sheet risk management are to maintain acceptable levels of interest rate and liquidity risk to mitigate the negative impact of movements in interest rates on the earnings and market value of the Group's banking book, while ensuring the Group maintains sufficient liquidity to meet its obligations as they fall due.

Interest rate risk management

Non-traded interest rate risk relates to the potential adverse impact of changes in market interest rates on the Group's future Net interest income. This risk arises from two principal sources, namely mismatches between the repricing dates of interest bearing assets and liabilities; and the investment of capital and other non-interest bearing liabilities and assets. Interest rate risk is reported using VaR and scenario analysis (based on the impact of a 1% rate shock). The table below shows VaR figures for non-traded interest rate risk for the combined Group as well as Australia, New Zealand and Rest of World geographies which are calculated separately.

	2023				2022			
Consolidated	As at $m	High for year $m	Low for year $m	Average for year $m	As at $m	High for year $m	Low for year $m	Average for year $m
Non-traded value at risk 99% confidence								
Australia	81.2	93.2	72.0	82.2	78.5	93.4	63.0	76.1
New Zealand	35.3	35.3	26.1	31.1	25.4	27.1	20.2	23.9
Rest of World	32.2	32.8	23.2	27.9	21.7	38.0	16.8	25.8
Diversification benefit[1]	(52.6)	n/a	n/a	(45.6)	(38.1)	n/a	n/a	(33.7)
Total VaR	96.1	101.5	86.4	95.6	87.5	104.9	66.8	92.1

	2023				2022			
The Company	As at $m	High for year $m	Low for year $m	Average for year $m	As at $m	High for year $m	Low for year $m	Average for year $m
Non-traded value at risk 99% confidence								
Australia	81.2	93.2	72.0	82.2	78.5	93.4	63.0	76.1
New Zealand	-	0.1	-	-	0.0	0.1	0.0	0.0
Rest of World	34.0	34.5	23.7	28.4	22.1	37.7	16.7	25.6
Diversification benefit[1]	(30.5)	n/a	n/a	(26.6)	(17.1)	n/a	n/a	(20.2)
Total VaR	84.7	92.4	76.4	84.0	83.5	94.5	62.9	81.5

[1] The diversification benefit reflects risks that offset across categories. The high and low VaR figures reported for each factor did not necessarily occur on the same day as the high and low VaR reported for the Group as a whole. Consequently, a diversification benefit for high and low would not be meaningful and is therefore omitted from the table.

17. FINANCIAL RISK MANAGEMENT (continued)

MARKET RISK (continued)

We undertake scenario analysis to stress test the impact of extreme events on the Group's market risk exposures. We model a 1% overnight parallel positive shift in the yield curve to determine the potential impact on our Net interest income over the next 12 months. This is a standard risk measure which assumes the parallel shift is reflected in all wholesale and customer rates.

The table below shows the outcome of this risk measure for the current and previous financial years, expressed as a percentage of reported Net interest income.

	Consolidated		The Company	
	2023	2022	2023	2022
Impact of 1% rate shock on the next 12 months' net interest income				
As at period end	0.96%	1.29%	0.73%	0.90%
Maximum exposure	1.17%	2.08%	0.90%	1.65%
Minimum exposure	0.38%	1.15%	0.02%	0.71%
Average exposure (in absolute terms)	0.80%	1.56%	0.56%	1.11%

EQUITY SECURITIES DESIGNATED AT FVOCI

Our investment securities contain equity investment holdings which predominantly comprises Bank of Tianjin. The market risk impact on these equity investments is not captured by the Group's VaR processes for traded and non-traded market risks. Therefore, the Group regularly reviews the valuations of the investments within the portfolio and assesses whether the investments are appropriately measured based on the recognition and measurement policies set out in Note 11 Investment Securities.

FOREIGN CURRENCY RISK – STRUCTURAL EXPOSURES

Our investment of capital in foreign operations - for example, branches, subsidiaries or associates with functional currencies other than the Australian Dollar - exposes the Group to the risk of changes in foreign exchange rates. Variations in the value of these foreign operations arising as a result of exchange differences are reflected in the foreign currency translation reserve in equity. Where considered appropriate, the Group enters into hedges of the foreign exchange exposures from its foreign operations.

Similarly, the Group may enter into economic hedges against larger foreign exchange denominated revenue streams (primarily New Zealand Dollar, US Dollar and US Dollar correlated). The primary objective of hedging is to ensure that, if practical, the effect of changes in foreign exchange rates on the consolidated capital ratios are minimised.

17. FINANCIAL RISK MANAGEMENT (continued)

LIQUIDITY AND FUNDING RISK

LIQUIDITY RISK OVERVIEW, MANAGEMENT AND CONTROL RESPONSIBILITIES

Liquidity risk is the risk that the Group is either:

- unable to meet its payment obligations (including repaying depositors or maturing wholesale debt) when they fall due; or
- does not have the appropriate amount, tenor and composition of funding and liquidity to fund increases in its assets.

Management of liquidity and funding risks are overseen by GALCO. The Group's liquidity and funding risks are governed by a set of principles approved by the BRC and include:

- maintaining the ability to meet all payment obligations in the immediate term;
- ensuring that the Group has the ability to meet 'survival horizons' under a range of ANZ specific, and general market, liquidity stress scenarios, at a country and Group-wide level, to meet cash flow obligations over the short to medium term;
- maintaining strength in the Group's balance sheet structure to ensure long term resilience in the liquidity and funding risk profile;
- ensuring the liquidity management framework is compatible with local regulatory requirements;
- preparing daily liquidity reports and scenario analysis to quantify the Group's positions;
- targeting a diversified funding base to avoid undue concentrations by investor type, maturity, market source and currency;
- holding a portfolio of high quality liquid assets to protect against adverse funding conditions and to support day-to-day operations; and
- establishing detailed contingency plans to cover different liquidity crisis events.

Following the Restructure on 3 January 2023, the Group has operated under a non-operating holding company structure whereby:

- ANZBGL's liquidity risk management framework remains unchanged and continues to operate its own liquidity and funding program, governance frameworks and reporting regime reflecting its authorised deposit-taking institution (ADI) operations;
- ANZGHL (parent entity) has no material liquidity risk given the structure and nature of the balance sheet; and
- ANZ Non-Bank Group is not expected to have separate funding arrangements and will rely on ANZGHL for funding.

A separate liquidity policy has been established for ANZGHL and ANZ Bank Group to reflect the differing nature of liquidity risk inherent in each business model. ANZGHL will ensure that the parent entity and ANZ Non-Bank Group holds sufficient cash reserves to meet operating and financing requirements.

KEY AREAS OF MEASUREMENT FOR LIQUIDITY RISK

Scenario modelling of funding sources

Group's liquidity risk appetite is defined by a range of regulatory and internal liquidity metrics mandated by the ANZBGL Board. The metrics cover a range of scenarios of varying duration and level of severity.

The objective of this framework is to:

- Provide protection against shorter term extreme market dislocation and stress.
- Maintain structural strength in the balance sheet by ensuring that an appropriate amount of longer-term assets are funded with longer-term funding.
- Ensure that no undue timing concentrations exist in the Group's funding profile.

Key components of this framework are the Liquidity Coverage Ratio (LCR), which is a severe short term liquidity stress scenario and Net Stable Funding Ratio (NSFR) a longer term structural liquidity measure, both of which are mandated by banking regulators including APRA.

Liquid assets

Group holds a portfolio of high quality (unencumbered) liquid assets to protect Group's liquidity position in a severely stressed environment and to meet regulatory requirements. High quality liquid assets comprise three categories consistent with Basel III LCR requirements:

- Highest-quality liquid assets - cash and highest credit quality government, central bank or public sector securities eligible for repurchase with central banks to provide same-day liquidity.
- High-quality liquid assets - high credit quality government, central bank or public sector securities, high quality corporate debt securities and high quality covered bonds eligible for repurchase with central banks to provide same-day liquidity.
- Alternative liquid assets (ALA) - eligible securities that the RBNZ will accept in its domestic market operations and asset qualifying as collateral for the CLF.

Group monitors and manages the size and composition of its liquid assets portfolio on an ongoing basis in line with regulatory requirements and the risk appetite set by the ANZBGL Board.

17. FINANCIAL RISK MANAGEMENT (continued)

LIQUIDITY AND FUNDING RISK (continued)

LIQUIDITY RISK OUTCOMES[1]

Liquidity Coverage Ratio - ANZBGL's Liquidity Coverage Ratio (LCR) averaged 130% for 2023, (2022: 131%) and above the regulatory minimum of 100%.

Net Stable Funding Ratio - ANZBGL's Net Stable Funding Ratio (NSFR) as at 30 September 2023 was 116% (2022: 119%), above the regulatory minimum of 100%.

[1] This information is not within the scope of the external audit of the Group Financial Report by the Group's external auditor, KPMG. The Liquidity Coverage Ratio and Net Stable Funding Ratio are non-IFRS disclosures and are disclosed as part of the Group's *APS 330 Public Disclosure* which is subject to specific review procedures in accordance with the *Australian Standard on Related Services (ASRS) 4400 Agreed upon Procedures Engagements to Report Factual Findings.*

Liquidity crisis contingency planning

Group maintains APRA-endorsed liquidity crisis contingency plans for analysing and responding to a liquidity threatening event at a country and Group-wide level. Key liquidity contingency crisis planning requirements and guidelines include:

Ongoing business management	Early signs/ mild stress	Severe stress
• establish crisis/severity levels • liquidity limits • early warning indicators	• monitoring and review • management actions not requiring business rationalisation	• activate contingency funding plans • management actions for altering asset and liability behaviour
Assigned responsibility for internal and external communications and the appropriate timing to communicate		

Since the precise nature of any stress event cannot be known in advance, we design the plans to be flexible to the nature and severity of the stress event with multiple variables able to be accommodated in any plan.

Group funding

Group monitors the composition and stability of its funding so that it remains within the Group's funding risk appetite. This approach ensures that an appropriate proportion of the Group's assets are funded by stable funding sources, including customer deposits; longer-dated wholesale funding (with a remaining term exceeding one year); and equity.

Funding plans prepared	Considerations in preparing funding plans
• 3 year strategic plan prepared annually • annual funding plan as part of the Group's planning process • forecasting in light of actual results as a calibration to the annual plan	• customer balance sheet growth • changes in wholesale funding including: targeted funding volumes; markets; investors; tenors; and currencies for senior, secured, subordinated, hybrid transactions and market conditions

RBA Term Funding Facility

As an additional source of funding, in March 2020, the RBA announced a Term Funding Facility (TFF) for the banking system to support lending to Australian businesses. The TFF is a three-year secured funding facility to ADIs at a fixed rate of 0.25% for drawdowns up to 4 November 2020, and reduced to 0.10% for new drawdowns from 4 November 2020 onwards. The TFF was closed to drawdowns on 30 June 2021.

As at 30 September 2023, $8.1 billion remains drawn under the RBA's TFF (2022: $20.1 billion).

RBNZ Funding for Lending Programme and Term Lending Facility

Between May 2020 and July 2021, the RBNZ made funds available under a Term Lending Facility (TLF) to promote lending to businesses. The TLF is a five-year secured funding facility for New Zealand banks at a fixed rate of 0.25%.

In November 2020 the RBNZ announced a Funding for Lending Programme (FLP) which aimed to lower the cost of borrowing for New Zealand businesses and households. The FLP is a three-year secured funding facility for New Zealand banks at a floating rate of the New Zealand Official Cash Rate (OCR). New Zealand banks were able to obtain initial funding of up to 4% of their lending to New Zealand resident households, non-financial businesses and non-profit institutions serving households as at 31 October 2020 (eligible loans). The initial allocation closed on 6 June 2022. An additional allocation of up to 2% of eligible loans was available, subject to certain conditions until 6 December 2022.

As at 30 September 2023, ANZ Bank New Zealand had drawn $0.3 billion under the TLF (2022: $0.3 billion) and $3.2 billion under the FLP (2022: $2.3 billion).

17. FINANCIAL RISK MANAGEMENT (continued)

LIQUIDITY AND FUNDING RISK (continued)

RESIDUAL CONTRACTUAL MATURITY ANALYSIS OF THE GROUP'S LIABILITIES

The tables below provide residual contractual maturity analysis of financial liabilities as at 30 September within relevant maturity groupings. All outstanding debt issuance and subordinated debt is profiled on the earliest date on which the Group may be required to pay. All at-call liabilities are reported in the 'Less than 3 months' category unless there is a longer minimum notice period. The amounts represent principal and interest cash flows and therefore may differ from equivalent amounts reported on balance sheet.

It should be noted that this is not how the Group manages its liquidity risk. The management of this risk is detailed on page 155.

	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	After 5 years $m	Total $m
As at 30 September 2023					
Settlement balances owed by ANZ	19,267	-	-	-	19,267
Collateral received	10,382	-	-	-	10,382
Deposits and other borrowings	674,762	137,488	9,762	241	822,253
Liability for acceptances	646	-	-	-	646
Debt issuances[1]	4,738	23,908	88,270	16,017	132,933
Derivative liabilities (excluding those held for balance sheet management)[2]	48,150	-	-	-	48,150
Lease liabilities	100	264	872	743	1,979
Derivative assets and liabilities (balance sheet management)[3]					
- Funding:					
Receive leg	(29,459)	(40,907)	(90,906)	(14,001)	(175,273)
Pay leg	28,852	41,385	90,230	13,986	174,453
- Other balance sheet management:					
Receive leg	(142,289)	(44,586)	(35,720)	(19,866)	(242,461)
Pay leg	138,899	42,867	34,198	19,872	235,836
As at 30 September 2022					
Settlement balances owed by ANZ	13,766	-	-	-	13,766
Collateral received	16,230	-	-	-	16,230
Deposits and other borrowings	667,568	117,166	15,960	160	800,854
Liability for acceptances	352	-	-	-	352
Debt issuances[1]	7,591	22,315	60,716	13,667	104,289
Derivative liabilities (excluding those held for balance sheet management)[2]	71,073	-	-	-	71,073
Lease liabilities	81	210	654	168	1,113
Derivative assets and liabilities (balance sheet management)[3]					
- Funding:					
Receive leg	(33,155)	(49,030)	(66,661)	(12,851)	(161,697)
Pay leg	30,845	49,191	68,211	12,913	161,160
- Other balance sheet management:					
Receive leg	(125,122)	(44,835)	(29,188)	(10,063)	(209,208)
Pay leg	120,959	44,126	31,026	15,170	211,281

[1] Callable wholesale debt instruments have been included at their next call date. Balance includes subordinated debt instruments that may be settled in cash or in equity, at the option of the Group and subordinated debt issued by ANZ New Zealand which constitutes Tier 2 capital under RBNZ requirements but does not qualify as the APRA Tier 2 requirements.

[2] The full mark-to-market after any adjustments for Settle to Market of derivative liabilities (excluding those held for balance sheet management) is included in the 'Less than 3 months' category.

[3] Includes derivatives designated into hedging relationships of $272 million (2022: $356 million) and $9,060 million (2022: $13,720 million) categorised as held for trading but form part of the Group's balance sheet managed activities.

At 30 September 2023, $240,711 million (2022: $236,051 million) of the Group's undrawn facilities and $50,171 million (2022: $49,765 million) of its issued guarantees mature in less than 1 year, based on the earliest date on which the Group may be required to pay.

17. FINANCIAL RISK MANAGEMENT (continued)

LIQUIDITY AND FUNDING RISK (continued)

The Company	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	After 5 years $m	Total $m
As at 30 September 2023					
Settlement balances owed by ANZ	16,574	-	-	-	16,574
Collateral received	9,452	-	-	-	9,452
Deposits and other borrowings	567,239	109,010	3,718	232	680,199
Liability for acceptances	391	-	-	-	391
Debt issuances[1]	4,321	20,669	75,192	13,297	113,479
Derivative liabilities (excluding those held for balance sheet management)[2]	53,111	-	-	-	53,111
Lease liabilities	80	207	715	725	1,727
Derivative assets and liabilities (balance sheet management)[3]					
- Funding:					
Receive leg	(26,321)	(31,549)	(70,627)	(10,871)	(139,368)
Pay leg	25,602	31,952	69,816	10,860	138,230
- Other balance sheet management:					
Receive leg	(136,668)	(38,700)	(27,047)	(18,876)	(221,291)
Pay leg	133,496	37,540	26,247	18,914	216,197
As at 30 September 2022					
Settlement balances owed by ANZ	10,224	-	-	-	10,224
Collateral received	14,425	-	-	-	14,425
Deposits and other borrowings	564,147	93,197	10,639	157	668,140
Liability for acceptances	144	-	-	-	144
Debt issuances[1]	7,648	18,951	48,323	9,970	84,892
Derivative liabilities (excluding those held for balance sheet management)[2]	75,810	-	-	-	75,810
Lease liabilities	76	202	744	826	1,848
Derivative assets and liabilities (balance sheet management)[3]					
- Funding:					
Receive leg	(29,397)	(39,350)	(46,997)	(8,857)	(124,601)
Pay leg	27,413	40,237	48,281	9,064	124,995
- Other balance sheet management:					
Receive leg	(121,112)	(40,061)	(21,417)	(9,498)	(192,088)
Pay leg	116,992	39,921	24,081	14,666	195,660

[1] Callable wholesale debt instruments have been included at their next call date. Balance includes subordinated debt instruments that may be settled in cash or in equity, at the option of the Company.

[2] The full mark-to-market after any adjustments for Settle to Market of derivative liabilities (excluding those held for balance sheet management) is included in the 'Less than 3 months' category.

[3] Includes derivatives designated into hedging relationships of $255 million (2022: $300 million) and $4,145 million (2022: $8,390 million) categorised as held for trading but form part of the Company's balance sheet managed activities.

At 30 September 2023, $206,405 million (2022: $201,204 million) of the Company's undrawn facilities and $46,707 million (2022: $46,191 million) of its issued guarantees mature in less than 1 year, based on the earliest date on which the Company may be required to pay.

18. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group recognises and measures financial instruments at either fair value or amortised cost, with a significant number of financial instruments on the balance sheet at fair value.

Fair value is the best estimate of the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The following tables set out the classification of financial asset and liabilities according to their measurement bases together with their carrying amounts as recognised on the balance sheet.

		2023			2022		
Consolidated	Note	At amortised cost $m	At fair value $m	Total $m	At amortised cost $m	At fair value $m	Total $m
Financial assets							
Cash and cash equivalents[1]	8	140,588	27,566	168,154	168,132	-	168,132
Settlement balances owed to ANZ		9,349	-	9,349	4,762	-	4,762
Collateral paid		8,558	-	8,558	12,700	-	12,700
Trading assets	9	-	37,004	37,004	-	35,237	35,237
Derivative financial instruments	10	-	60,406	60,406	-	90,174	90,174
Investment securities	11	7,752	89,217	96,969	7,943	78,210	86,153
Net loans and advances[1]	12	685,806	21,888	707,694	667,732	4,675	672,407
Regulatory deposits		646	-	646	632	-	632
Other financial assets		4,378	-	4,378	2,943	-	2,943
Total		857,077	236,081	1,093,158	864,844	208,296	1,073,140
Financial liabilities							
Settlement balances owed by ANZ		19,267	-	19,267	13,766	-	13,766
Collateral received		10,382	-	10,382	16,230	-	16,230
Deposits and other borrowings[1]	14	781,314	33,889	815,203	794,621	2,660	797,281
Derivative financial instruments	10	-	57,482	57,482	-	85,149	85,149
Payables and other liabilities	15	10,665	5,267	15,932	6,596	3,239	9,835
Debt issuances	16	114,678	1,336	116,014	92,623	1,111	93,734
Total		936,306	97,974	1,034,280	923,836	92,159	1,015,995

[1] During 2023, the Group commenced the management of repurchase agreements and reverse repurchase agreements on a fair value basis within the trading book in its Markets business. This resulted in the associated repurchase and reverse repurchase agreements being recognised and measured at FVTPL.

18. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

		2023			2022		
The Company	Note	At amortised cost $m	At fair value $m	Total $m	At amortised cost $m	At fair value $m	Total $m
Financial assets							
Cash and cash equivalents[1]	8	127,309	27,099	154,408	155,483	-	155,483
Settlement balances owed to ANZ		8,935	-	8,935	4,024	-	4,024
Collateral paid		7,717	-	7,717	11,368	-	11,368
Trading assets	9	-	30,693	30,693	-	28,073	28,073
Derivative financial instruments	10	-	59,989	59,989	-	88,056	88,056
Investment securities	11	5,936	77,265	83,201	6,115	66,284	72,399
Net loans and advances[1]	12	541,777	21,240	563,017	533,082	4,263	537,345
Regulatory deposits		284	-	284	249	-	249
Due from controlled entities		24,173	1,894	26,067	20,360	2,500	22,860
Other financial assets		3,024	-	3,024	1,882	-	1,882
Total		719,155	218,180	937,335	732,563	189,176	921,739
Financial liabilities							
Settlement balances owed by ANZ		16,574	-	16,574	10,224	-	10,224
Collateral received		9,452	-	9,452	14,425	-	14,425
Deposits and other borrowings[1]	14	643,868	31,207	675,075	665,567	40	665,607
Derivative financial instruments	10	-	57,511	57,511	-	84,500	84,500
Due to controlled entities		26,737	157	26,894	25,305	-	25,305
Payables and other liabilities	15	8,357	4,922	13,279	5,705	2,857	8,562
Debt issuances	16	95,881	2,332	98,213	72,757	3,071	75,828
Total		800,869	96,129	896,998	793,983	90,468	884,451

[1] During 2023, within the trading book in its Markets business, the Company commenced the management of repurchase agreements and associated reverse repurchase agreements on a fair value basis. This resulted in repurchase and associated reverse repurchase agreements being recognised and measured at FVTPL.

18. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

The fair valuation of financial assets and financial liabilities is generally determined at the individual instrument level.

If the Group holds offsetting risk positions, then we use the portfolio exception in AASB 13 *Fair Value Measurement* (AASB 13) to measure the fair value of such groups of financial assets and financial liabilities. The Group measure the portfolio based on the price that would be received to sell a net long position (an asset) for a particular risk exposure, or to transfer a net short position (a liability) for a particular risk exposure.

Fair value designation

The Group designate certain loans and advances and certain deposits and other borrowings and debt issuances as fair value through profit or loss:

- where they contain a separable embedded derivative which significantly modifies the instruments' cash flow ensuring we recognise the fair value movements on the assets or liabilities in profit or loss in the same period as the movement on the associated hedging instruments; or
- in order to eliminate an accounting mismatch which would arise if the asset or liabilities were otherwise carried at amortised cost. This mismatch arises due to measuring the derivative financial instruments (which we use to mitigate interest rate risk of these assets or liabilities) at fair value through profit or loss.

Our approach ensures that we recognise the fair value movements on the assets or liabilities in profit or loss in the same period as the movement on the associated derivatives.

The Group may also designate certain loans and advances, certain deposits and other borrowings and debt issuances as fair value through profit or loss where they are managed on a fair value basis to align the measurement with how the instruments are managed.

FAIR VALUE APPROACH AND VALUATION TECHNIQUES

We use valuation techniques to estimate the fair value of assets and liabilities for recognition, measurement and disclosure purposes where no quoted price in an active market exists for that asset or liability. This includes the following:

Asset or Liability	Fair Value Approach
Financial instruments classified as: - Derivative financial assets and financial liabilities (including trading and non-trading) - Repurchase agreements < 90 days - Net loans and advances - Deposits and other borrowings - Debt issuances	Discounted cash flow techniques are used whereby contractual future cash flows of the instrument are discounted using wholesale market interest rates, or market borrowing rates for debt or loans with similar maturities or yield curve appropriate for the remaining term to maturity.
Other financial instruments held for trading: - Securities sold short - Debt and equity securities	Valuation techniques are used that incorporate observable market inputs for financial instruments with similar credit risk, maturity and yield characteristics. Equity securities where an active market does not exist are measured using comparable company valuation multiples (such as price-to-book ratios).
Financial instruments classified as: - Investment securities – debt or equity	Valuation techniques use comparable multiples (such as price-to-book ratios) or discounted cashflow (DCF) techniques incorporating, to the extent possible, observable inputs from instruments with similar characteristics.

There were no significant changes to valuation approaches during the current or prior periods.

18. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

FAIR VALUE HIERARCHY

The Group categorises assets and liabilities carried at fair value into a fair value hierarchy in accordance with AASB 13 based on the observability of inputs used to measure the fair value:

- Level 1 - valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuations using inputs other than quoted prices included within Level 1 that are observable for a similar asset or liability, either directly or indirectly; and
- Level 3 - valuations where significant unobservable inputs are used to measure the fair value of the asset or liability.

The following table presents assets and liabilities carried at fair value in accordance with the fair value hierarchy:

	Fair value measurements							
	Quoted price in active markets (Level 1)		Using observable inputs (Level 2)		Using unobservable inputs (Level 3)		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Consolidated	$m	$m	$m	$m	$m	$m	$m	$m
Assets								
Cash and cash equivalents (measured at fair value)[1]	-	-	27,566	-	-	-	27,566	-
Trading assets[2]	26,388	28,455	10,614	6,782	2	-	37,004	35,237
Derivative financial instruments	935	944	59,448	89,185	23	45	60,406	90,174
Investment securities[2,3]	71,355	68,211	16,924	8,614	938	1,385	89,217	78,210
Net loans and advances[1]	-	-	21,159	4,272	729	403	21,888	4,675
Total	98,678	97,610	135,711	108,853	1,692	1,833	236,081	208,296
Liabilities								
Deposits and other borrowings (designated at fair value)[1]	-	-	33,889	2,660	-	-	33,889	2,660
Derivative financial instruments	218	309	57,241	84,809	23	31	57,482	85,149
Payables and other liabilities	4,841	2,842	426	397	-	-	5,267	3,239
Debt issuances (designated at fair value)	-	-	1,336	1,111	-	-	1,336	1,111
Total	5,059	3,151	92,892	88,977	23	31	97,974	92,159

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[1] During 2023, the Group commenced the management of repurchase agreements and reverse repurchase agreements on a fair value basis within the trading book in its Markets business. This resulted in the associated repurchase and reverse repurchase agreements being recognised and measured at FVTPL.

[2] During 2023, $3,624 million of assets were transferred from Level 1 to Level 2 (2022: $1,043 million transferred from Level 1 to Level 2), and $1,452 million of assets were transferred from Level 2 to Level 1 (2022: $1,677 million transferred from Level 2 to Level 1) due to a change of the observability of valuation inputs. There were no other material transfers between Level 1 and Level 2 during the year. Transfers into and out of levels are measured at the beginning of the reporting period in which the transfer occurred.

[3] During 2023, ANZBGL sold its equity interests in the 1835i trusts, TIN and Pollination to ANZ NBH Pty Ltd as part of the Restructure. These investments were classified as Level 3 assets in the fair value hierarchy in September 2022, with a fair valuation of $402 million.

18. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

FAIR VALUE HIERARCHY (continued)

	Fair value measurements							
	Quoted price in active markets (Level 1)		Using observable inputs (Level 2)		Using unobservable inputs (Level 3)		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
The Company	$m	$m	$m	$m	$m	$m	$m	$m
Assets								
Cash and cash equivalents (measured at fair value)[1]	**-**	-	**27,099**	-	**-**	-	**27,099**	-
Trading assets[2]	**22,264**	23,037	**8,427**	5,036	**2**	-	**30,693**	28,073
Derivative financial instruments	**900**	848	**59,066**	87,181	**23**	27	**59,989**	88,056
Investment securities[2,3]	**63,879**	58,259	**12,449**	7,006	**937**	1,019	**77,265**	66,284
Net loans and advances[1]	**-**	-	**20,511**	3,860	**729**	403	**21,240**	4,263
Due from controlled entities	**-**	-	**1,894**	2,500	**-**	-	**1,894**	2,500
Total	**87,043**	82,144	**129,446**	105,583	**1,691**	1,449	**218,180**	189,176
Liabilities								
Deposits and other borrowings (designated at fair value)[1]	**-**	-	**31,207**	40	**-**	-	**31,207**	40
Derivative financial instruments	**210**	301	**57,287**	84,179	**14**	20	**57,511**	84,500
Payables and other liabilities	**4,500**	2,510	**422**	347	**-**	-	**4,922**	2,857
Debt issuances (designated at fair value)	**-**	985	**2,332**	2,086	**-**	-	**2,332**	3,071
Due to controlled entities	**-**	-	**157**	-	**-**	-	**157**	-
Total	**4,710**	3,796	**91,405**	86,652	**14**	20	**96,129**	90,468

[1] During 2023, within the trading book in its Markets business, the Company commenced the management of repurchase agreements and associated reverse repurchase agreements on a fair value basis. This resulted in repurchase and associated reverse repurchase agreements being recognized and measured at FVTPL.

[2] During 2023, $2,139 million of assets were transferred from Level 1 to Level 2 (2022: $1,043 million transferred from Level 1 to Level 2), and $1,155 million of assets were transferred from Level 2 to Level 1 (2022: $1,677 million transferred from Level 2 to Level 1) due to a change of the observability of valuation inputs. There were no other material transfers during the year. Transfers into and out of levels are measured at the beginning of the reporting period in which the transfer occurred.

[3] During 2023, ANZBGL sold its equity interests in the 1835i trusts, TIN and Pollination to ANZ NBH Pty Ltd as part of the Restructure. These investments were classified as Level 3 assets in the fair value hierarchy in September 2022, with a fair valuation of $402 million.

18. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

FAIR VALUE MEASUREMENT INCORPORATING UNOBSERVABLE MARKET DATA

Level 3 fair value measurements

Level 3 financial instruments are a net asset of $1,669 million (2022: $1,802 million) for the Group and $1,676 million (2022: $1,429 million) for the Company.

The assets and liabilities which incorporate significant unobservable inputs are:

- equity and debt securities for which there is no active market or traded prices cannot be observed;
- loans and advances measured at fair value for which there is no observable market data; and
- derivatives referencing market rates that cannot be observed primarily due to lack of market activity.

Level 3 Transfers

During the year, the Group and the Company transferred $218 million (2022: $312 million) of Loan and advances measured at fair value from Level 2 to Level 3, as a result of valuation parameters becoming unobservable during the year. There were no other material transfers into or out of Level 3 during the period.

The material Level 3 financial instruments as at 30 September 2023 are listed as below:

i) Investment Securities - equity holdings classified as FVOCI

Bank of Tianjin (BoT)

The Group holds an investment in the Bank of Tianjin. The investment is valued based on comparative price-to-book (P/B) multiples (a P/B multiple is the ratio of the market value of equity to the book value of equity). The extent of judgement applied in determining the appropriate multiple and comparator group from which the multiple is derived resulted in the Level 3 classification. As at September 2023, the BoT equity holding balance was $849 million (2022: $854 million). The decrease in the BoT fair valuation was due to a decrease in the P/B multiple used in the valuation.

Other equity investments

The Group holds $89 million (2022: $491 million) and the Company holds $87 million (2022: $165 million) of unlisted equities classified as FVOCI for which there are no active markets or traded prices available, resulting in Level 3 classification. The decrease in unlisted equity holdings balance was due to the sale of equity securities to the ANZ Non-Bank Group as part of the establishment of the new Group organisational structure.

ii) Net loans and advances - classified as FVTPL

Syndication Loans

The Group holds $729 million (2022: $403 million) of syndication loans for sale which are measured at FVTPL for which there is no observable market data available for the valuation. The increase in the Level 3 loan balances during the financial year was mainly due to increased syndication loans for sale as at reporting date, and loans and advances transferred from Level 2 to Level 3.

Sensitivity to Level 3 data inputs

When we make assumptions due to significant inputs to a valuation not being directly observable (Level 3 inputs), then changing these assumptions changes the Group's estimate of the instrument's fair value. Favourable and unfavourable changes are determined by changing the primary unobservable parameters used to derive the fair valuation.

Investment Securities - equity holdings

The valuation of the equity investments are sensitive to variations in select unobservable inputs, with valuation techniques used including P/B multiples and discounted cashflow techniques. If for example, a 10% increase or decrease to the primary input into the valuations were to occur (such as the P/B multiple), it would result in a $94 million increase or decrease in the fair value of the portfolio, which would be recognised in shareholders' equity in the Group ($93 million for the Company), with no impact to net profit or loss.

Net Loans and Advances

Syndicated loan valuations are sensitive to credit spreads in determining their fair valuation. However as these are primarily investment-grade loans, an increase or decrease in credit spreads and or interest yield would have an immaterial impact on net profit or net assets of the Group.

Other

The remaining Level 3 balance is immaterial and changes in inputs have a minimal impact on net profit and net assets of the Group.

Deferred fair value gains and losses

Where fair values are determined using unobservable inputs significant to the fair value of a financial instrument, the Group does not immediately recognise the difference between the transaction price and the amount we determine based on the valuation technique (day one gain or loss) in profit or loss. After initial recognition, we recognise the deferred amount in profit or loss on a straight-line basis over the life of the transaction or until all inputs become observable. Day one gains and losses which have been deferred are not material.

18. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

FINANCIAL ASSETS AND FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE

The financial assets and financial liabilities listed below are carried at amortised cost on the Group's Balance Sheet. While this is the value at which we expect the assets will be realised and the liabilities settled, the Group provides an estimate of the fair value of the financial assets and financial liabilities at balance date in the tables below.

Fair values of financial assets and liabilities carried at amortised cost not included in the table below approximate their carrying values. These financial assets and liabilities are either short term in nature or are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

			Categorised into fair value hierarchy							
	At amortised cost		Quoted price active markets (Level 1)		Using observable inputs (Level 2)		With significant non-observable inputs (Level 3)		Total fair value	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Consolidated	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Financial assets										
Investment securities[1]	**7,752**	7,943	-	-	**7,712**	7,918	-	-	**7,712**	7,918
Net loans and advances	**685,806**	667,732	-	-	**19,619**	29,460	**664,120**	634,272	**683,739**	663,732
Total	**693,558**	675,675	-	-	**27,331**	37,378	**664,120**	634,272	**691,451**	671,650
Financial liabilities										
Deposits and other borrowings	**781,314**	794,621	-	-	**781,106**	794,124	-	-	**781,106**	794,124
Debt issuances	**114,678**	92,623	**30,786**	22,982	**83,867**	69,028	-	-	**114,653**	92,010
Total	**895,992**	887,244	**30,786**	22,982	**864,973**	863,152	-	-	**895,759**	886,134

			Categorised into fair value hierarchy							
	At amortised cost		Quoted price active markets (Level 1)		Using observable inputs (Level 2)		With significant non-observable inputs (Level 3)		Total fair value	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
The Company	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Financial assets										
Investment securities[1]	**5,936**	6,115	-	-	**5,896**	6,092	-	-	**5,896**	6,092
Net loans and advances	**541,777**	533,082	-	-	**19,224**	28,708	**521,474**	501,795	**540,698**	530,503
Total	**547,713**	539,197	-	-	**25,120**	34,800	**521,474**	501,795	**546,594**	536,595
Financial liabilities										
Deposits and other borrowings	**643,868**	665,567	-	-	**643,755**	665,242	-	-	**643,755**	665,242
Debt issuances	**95,881**	72,757	**28,496**	19,741	**67,309**	52,453	-	-	**95,805**	72,194
Total	**739,749**	738,324	**28,496**	19,741	**711,064**	717,695	-	-	**739,560**	737,436

[1] Investment securities at amortised cost includes $4,558 million of assets that are part of the Group's liquidity portfolio for the Group (2022: $3,976 million) and $2,917 million of assets for the Company (2022: $2,304 million) that are part of the Group's and Company's liquidity portfolio. These are all short tenor (<1 year) instruments primarily in the Group's Rest of World geography and represent <2% of the Group's total liquid assets at 30 September 2023.

18. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

FINANCIAL ASSETS AND FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE (continued)

The following table sets out the Group's basis of estimating the fair values of financial assets and liabilities carried at amortised cost where the carrying value is not typically a reasonable approximation of fair value.

Financial Asset and Liability	Fair Value Approach
Investment securities - debt securities at amortised cost	Calculated based on quoted market prices or observable inputs as applicable. If quoted market prices are not available, we use a discounted cash flow model using a yield curve appropriate for the remaining term to maturity of the debt instrument. The fair value reflects adjustments to credit spreads applicable for that instrument.
Net loans and advances to banks	Discounted cash flows using prevailing market rates for loans with similar credit quality.
Net loans and advances to customers	Present value of future cash flows, discounted using a curve that incorporates changes in wholesale market rates, the Group's cost of wholesale funding and the customer margin, as appropriate.
Deposit liability without a specified maturity or at call	The amount payable on demand at the reporting date. We do not adjust the fair value for any value we expect the Group to derive from retaining the deposit for a future period.
Interest bearing fixed maturity deposits and other borrowings and acceptances with quoted market rates	Market borrowing rates of interest for debt with a similar maturity are used to discount contractual cash flows to derive the fair value.
Debt issuances	Calculated based on quoted market prices or observable inputs as applicable. If quoted market prices are not available, we use a discounted cash flow model using a yield curve appropriate for the remaining term to maturity of the debt instrument. The fair value reflects adjustments to credit spreads applicable to ANZ for that instrument.

KEY JUDGEMENTS AND ESTIMATES

A significant portion of financial instruments are carried on the balance sheet at fair value. The Group therefore regularly evaluates the key valuation assumptions used in the determination of the fair valuation of financial instruments incorporated within the financial statements, as this can involve a high degree of judgement and estimation in determining the carrying values at the balance date.

In determining the fair valuation of financial instruments, the Group has considered the impact of related economic and market conditions on fair value measurement assumptions and the appropriateness of valuation inputs in these estimates, notably valuation adjustments, as well as the impact of these matters on the classification of financial instruments in the fair value hierarchy.

Most of the valuation models the Group uses employ only observable market data as inputs. For certain financial instruments, we may use data that is not readily observable in current markets. If we use unobservable market data, then we need to exercise more judgement to determine fair value depending on the significance of the unobservable input to the overall valuation. Generally, we derive unobservable inputs from other relevant market data and compare them to observed transaction prices where available. When establishing the fair value of a financial instrument using a valuation technique, the Group also considers any required valuation adjustments in determining the fair value. We may apply adjustments (such as credit valuation adjustments and funding valuation adjustments – refer to Note 10 Derivative Financial Instruments) to reflect the Group's assessment of factors that market participants would consider in determining fair value of a particular financial instrument.

19. ASSETS CHARGED AS SECURITY FOR LIABILITIES AND COLLATERAL ACCEPTED AS SECURITY FOR ASSETS

The following disclosure excludes the amounts presented as collateral paid and received in the Balance Sheet that relate to derivative liabilities and derivative assets respectively. The terms and conditions of those collateral agreements are included in the standard Credit Support Annex that forms part of the International Swaps and Derivatives Association Master Agreement under which most of our derivatives are executed.

ASSETS CHARGED AS SECURITY FOR LIABILITIES

Assets charged as security for liabilities include the following types of instruments:

- securities provided as collateral for repurchase transactions. These transactions are governed by standard industry agreements;
- specified residential mortgages provided as security for notes and bonds issued to investors as part of ANZ's covered bond programs;
- collateral provided to central banks; and
- collateral provided to clearing houses.

The carrying amount of assets pledged as security are as follows:

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Securities sold under arrangements to repurchase[1]	**47,552**	52,757	**42,002**	47,846
Residential mortgages provided as security for covered bonds	**31,188**	27,575	**21,017**	17,953
Other	**6,152**	5,601	**6,077**	5,527

[1] The amounts disclosed as securities sold under arrangements to repurchase include both:
- assets pledged as security which continue to be recognised on the Group's balance sheet; and
- assets repledged, which are included in the disclosure below.

COLLATERAL ACCEPTED AS SECURITY FOR ASSETS

ANZ has received collateral associated with various financial transactions. Under certain arrangements ANZ has the right to sell, or to repledge, the collateral received. These arrangements are governed by standard industry agreements.

The fair value of collateral we have received and that which we have sold or repledged is as follows:

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Fair value of assets which can be sold or repledged	**52,184**	32,389	**51,519**	30,647
Fair value of assets sold or repledged	**33,493**	21,269	**33,218**	20,359

20. OFFSETTING

We offset financial assets and financial liabilities on the balance sheet (in accordance with AASB 132 *Financial Instruments: Presentation*) when there is:

- a current legally enforceable right to set off the recognised amounts in all circumstances; and
- an intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

The following table identifies financial assets and financial liabilities which have not been offset but are subject to enforceable master netting agreements (or similar arrangements) and the related amounts not offset in the balance sheet. We have not taken into account the effect of over-collateralisation.

			Amount subject to master netting agreement or similar			
Consolidated	Total amounts recognised in the Balance Sheet $m	Amounts not subject to master netting agreement or similar $m	Total $m	Financial instruments[5] $m	Financial collateral (received)/ pledged[5] $m	Net amount $m
As at 30 September 2023						
Derivative financial assets[1]	60,406	(3,290)	57,116	(38,070)	(13,049)	5,997
Reverse repurchase, securities borrowing and similar agreements[2]						
- at amortised cost	4,145	(124)	4,021	-	(4,021)	-
- at fair value through profit or loss[3]	44,088	(10,505)	33,583	(2,401)	(31,182)	-
Total financial assets	108,639	(13,919)	94,720	(40,471)	(48,252)	5,997
Derivative financial liabilities[1]	(57,482)	5,096	(52,386)	38,070	6,547	(7,769)
Repurchase, securities lending and similar agreements[4]						
- at amortised cost	(12,744)	1,117	(11,627)	-	11,627	-
- at fair value through profit or loss[3]	(31,710)	13,304	(18,406)	2,401	16,005	-
Total financial liabilities	(101,936)	19,517	(82,419)	40,471	34,179	(7,769)
As at 30 September 2022						
Derivative financial assets[1]	90,174	(6,983)	83,191	(56,491)	(16,951)	9,749
Reverse repurchase, securities borrowing and similar agreements[2]						
- at amortised cost	29,776	(6,697)	23,079	(1,985)	(21,094)	-
Total financial assets	119,950	(13,680)	106,270	(58,476)	(38,045)	9,749
Derivative financial liabilities[1]	(85,149)	9,936	(75,213)	56,491	9,964	(8,758)
Repurchase, securities lending and similar agreements[4]						
- at amortised cost	(47,229)	12,497	(34,732)	1,985	32,747	-
Total financial liabilities	(132,378)	22,433	(109,945)	58,476	42,711	(8,758)

[1] Derivative assets and liabilities recognised in the Balance Sheet reflect the impact of certain central clearing collateral arrangements, whereby collateral that qualifies as legal settlement has reduced the carrying value of those associated derivative balances.

[2] Reverse repurchase agreements:
- with less than 90 days to maturity are presented in the Balance Sheet within Cash and cash equivalents; or
- with 90 days or more to maturity are presented in the Balance Sheet within Net loans and advances.

[3] During 2023, the Group commenced the management of repurchase agreements and reverse repurchase agreements on a fair value basis within the trading book in its Markets business. This resulted in the associated repurchase and reverse repurchase agreements being recognised and measured at FVTPL.

[4] Repurchase agreements are presented on the Balance Sheet within Deposits and other borrowings.

[5] The amount of financial instruments and financial collateral disclosed is limited to the net balance sheet exposure of the relevant financial assets or liabilities, and any over-collateralisation is excluded from the tables.

20. OFFSETTING (continued)

The Company	Total amounts recognised in the Balance Sheet $m	Amounts not subject to master netting agreement or similar $m	Amount subject to master netting agreement or similar: Total $m	Financial instruments[5] $m	Financial collateral (received)/ pledged[5] $m	Net amount $m
As at 30 September 2023						
Derivative financial assets[1]	59,989	(1,096)	58,893	(41,574)	(11,716)	5,603
Reverse repurchase, securities borrowing and similar agreements[2]						
- at amortised cost	4,021	-	4,021	-	(4,021)	-
- at fair value through profit or loss[3]	43,553	(10,143)	33,410	(2,248)	(31,162)	-
Total financial assets	107,563	(11,239)	96,324	(43,822)	(46,899)	5,603
Derivative financial liabilities[1]	(57,511)	2,760	(54,751)	41,574	6,356	(6,821)
Repurchase, securities lending and similar agreements[4]						
- at amortised cost	(8,955)	865	(8,090)	-	8,090	-
- at fair value through profit or loss[3]	(31,125)	12,872	(18,253)	2,248	16,005	-
Total financial liabilities	(97,591)	16,497	(81,094)	43,822	30,451	(6,821)
As at 30 September 2022						
Derivative financial assets[1]	88,056	(4,242)	83,814	(61,038)	(14,876)	7,900
Reverse repurchase, securities borrowing and similar agreements[2]						
- at amortised cost	28,045	(5,323)	22,722	(1,629)	(21,093)	-
Total financial assets	116,101	(9,565)	106,536	(62,667)	(35,969)	7,900
Derivative financial liabilities[1]	(84,500)	6,839	(77,661)	61,038	8,548	(8,075)
Repurchase, securities lending and similar agreements[4]						
- at amortised cost	(42,940)	11,021	(31,919)	1,629	30,290	-
Total financial liabilities	(127,440)	17,860	(109,580)	62,667	38,838	(8,075)

[1] Derivative assets and liabilities recognised in the Balance Sheet reflect the impact of certain central clearing collateral arrangements, whereby collateral that qualifies as legal settlement has reduced the carrying value of those associated derivative balances.

[2] Reverse repurchase agreements:
- with less than 90 days to maturity are presented in the Balance Sheet within Cash and cash equivalents; or
- with 90 days or more to maturity are presented in the Balance Sheet within Net loans and advances.

[3] During 2023, the Group commenced the management of repurchase agreements and reverse repurchase agreements on a fair value basis within the trading book in its Markets business. This resulted in the associated repurchase and reverse repurchase agreements being recognised and measured at FVTPL.

[4] Repurchase agreements are presented on the Balance Sheet within Deposits and other borrowings.

[5] The amount of financial instruments and financial collateral disclosed is limited to the net balance sheet exposure of the relevant financial assets or liabilities, and any over-collateralisation is excluded from the tables.

21. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill[1]		Software		Other Intangibles		Total	
Consolidated	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Balance at start of year	2,906	3,089	896	960	75	75	3,877	4,124
Additions[2]	-	78	332	315	-	10	332	403
Amortisation expense	-	-	(316)	(375)	(2)	(4)	(318)	(379)
Impairment expense	-	-	-	(3)	-	-	-	(3)
Written-off on disposal/exit[3]	(78)	(40)	-	-	(7)	-	(85)	(40)
Foreign currency exchange difference	150	(221)	1	(1)	4	(6)	155	(228)
Balance at end of year	2,978	2,906	913	896	70	75	3,961	3,877
Cost[4]	2,978	2,906	8,127	7,843	78	83	11,183	10,832
Accumulated amortisation	n/a	n/a	(7,214)	(6,947)	(8)	(8)	(7,222)	(6,955)
Carrying amount	2,978	2,906	913	896	70	75	3,961	3,877

	Goodwill[1]		Software		Other Intangibles		Total	
The Company	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Balance at start of year	62	62	872	952	1	3	935	1,017
Additions	-	-	310	287	-	-	310	287
Amortisation expense	-	-	(310)	(363)	(1)	(3)	(311)	(366)
Impairment expense	-	-	-	(3)	-	-	-	(3)
Foreign currency exchange difference	-	-	1	(1)	-	1	1	-
Balance at end of year	62	62	873	872	-	1	935	935
Cost[4]	62	62	7,800	7,544	7	7	7,869	7,613
Accumulated amortisation	n/a	n/a	(6,927)	(6,672)	(7)	(6)	(6,934)	(6,678)
Carrying amount	62	62	873	872	-	1	935	935

[1] Goodwill excludes notional goodwill in equity accounted investments.

[2] 2022 goodwill addition relates to acquisition of Cashrewards.

[3] 2023 goodwill written-off on disposal/exit relates to the disposal of Cashrewards to ANZ NBH Pty Ltd. 2022 goodwill written-off on disposal/exit relates to the exit of the financial planning and advice business.

[4] Includes impact of foreign currency translation differences.

IMPAIRMENT TESTING FOR CASH GENERATING UNITS CONTAINING GOODWILL

Goodwill acquired in a business combination is tested for impairment annually and whenever there are indicators of potential impairment. Goodwill is allocated at the date of acquisition to the cash generating unit (CGU) or group of CGUs that are expected to benefit from the synergies of the related business combination.

Goodwill is considered to be impaired if the carrying amount of the relevant CGU exceeds its recoverable amount. We estimate the recoverable amount of each CGU to which goodwill is allocated using a fair value less costs of disposal (FVLCOD) approach, with a value-in-use (VIU) assessment performed where the FVLCOD is less than the carrying amount.

Goodwill is allocated to the following CGUs based on the lowest level at which goodwill is monitored.

Cash generating units:	2023 $m	2022 $m
Australia Retail	100	178
New Zealand	1,617	1,530
Institutional	1,261	1,198

21. GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

We estimate the FVLCOD of each CGU to which goodwill is allocated by applying observable price earnings multiples of comparable companies to the estimated future maintainable earnings of each CGU. A deduction is then made for estimated costs of disposal. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

Management's approach and the key assumptions used in determining FVLCOD are as follows:

Key assumption	Approach to determining the value (or values) for each key assumption
Future maintainable earnings	Future maintainable earnings for each CGU is estimated as the sum of: • The Group's 2024 financial plan for each CGU; and • An allocation of the central costs recorded outside of the CGUs to which goodwill is allocated. Where relevant, adjustments are made to the Group's financial plan to reflect the long-term expectations for items such as expected credit losses and investment spend.
Price/Earnings (P/E) multiple	P/E multiples applicable to each CGU have been derived from a comparator group of publicly traded companies, and include a 30% control premium, discussed below. In the case of the New Zealand and Institutional CGUs, management has made downwards adjustments to P/E multiples to address specific factors relevant to those CGUs. A control premium has been applied which recognises the increased consideration a potential acquirer would be willing to pay in order to gain sufficient ownership to achieve control over the relevant activities of the CGU. For each CGU, the control premium has been estimated as 30% of the comparator group P/E multiple based on historical transactions.
Costs of disposal	Costs of disposal have been estimated as 2% of the fair value of the CGU based on those observed from historical and recent transactions.

As noted above, our impairment testing did not result in the identification of any material impairment of goodwill as at 30 September 2023.

The FVLCOD estimates for each CGU are sensitive to assumptions about P/E multiples, future maintainable earnings and control premium (30%). However, each CGU would continue to show a surplus in recoverable amount over carrying amount even where other reasonably possible alternative estimates were used.

21. GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

RECOGNITION AND MEASUREMENT

The table below details how we recognise and measure different intangible assets:

	Goodwill	Software	Other Intangibles
Definition	Excess amount the Group has paid in acquiring a business over the fair value of the identifiable assets and liabilities acquired.	Purchased software owned by the Group is capitalised. Internal and external costs incurred in building software and computer systems costing greater than $20 million are capitalised as assets. Those less than $20 million are expensed in the year in which the costs are incurred. Costs incurred in planning or evaluating software proposals or in maintaining systems after implementation are not capitalised.	Management fee rights arising from acquisition of funds management business and other intangible assets arising from contractual rights.
Carrying value	Cost less any accumulated impairment losses. Allocated to the cash generating unit to which the acquisition relates.	Initially, measured at cost. Subsequently, carried at cost less accumulated amortisation and impairment losses.	Initially, measured at fair value at acquisition. Subsequently, carried at cost less accumulated amortisation and impairment losses.
Useful life	Indefinite. Goodwill is reviewed for impairment at least annually or when there is an indication of impairment.	Except for major core infrastructure, amortised over periods between 2-5 years; however major core infrastructure may be amortised over 7 years subject to approval by the Audit Committee. Purchased software is amortised over 2 years unless it is considered integral to other assets with a longer useful life.	Management fee rights with an indefinite life are reviewed for impairment at least annually or when there is an indication of impairment. Other intangible assets are amortised over 3 years.
Depreciation method	Not applicable.	Straight-line method.	Not applicable to indefinite life intangible assets. Straight-line method for assets with a finite life.

21. GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

KEY JUDGEMENTS AND ESTIMATES

Management judgement is used to assess the recoverable value of goodwill and other intangible assets, and the useful economic life of an asset, or whether an asset has an indefinite life. We reassess the recoverability of the carrying value at each reporting date.

Goodwill

A number of key judgements are required in the determination of whether or not a goodwill balance is impaired including:

- the level at which goodwill is allocated – consistent with prior periods the CGUs to which goodwill is allocated are the Group's revenue generating segments that benefit from relevant historical business combinations generating goodwill.
- determination of the carrying amount of each CGU which includes an allocation, on a reasonable and consistent basis, of corporate assets and liabilities that are not directly attributable to the CGUs to which goodwill is allocated.
- assessment of the recoverable amount of each CGU including:
  - selection of the model used to determine the fair value – the Group has used the market multiple approach to estimate the fair value; and
  - selection of the key assumptions in respect of future maintainable earnings, the P/E multiple applied, including selection of an appropriate comparator group and determination of an appropriate control premium, and costs of disposal as described above.

Software and other intangible assets

At each reporting date, software and other intangible assets are assessed for indicators of impairment and, where such indicators are identified, an impairment assessment is performed. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the carrying amount of the asset is written down immediately. Those assets not yet ready for use are tested for impairment annually.

In addition, the expected useful lives of intangible assets are assessed at each reporting date. The assessment requires management judgement, and in relation to our software assets, a number of factors can influence the expected useful lives. These factors include changes to business strategy, significant divestments and the pace of technological change.

22. OTHER PROVISIONS

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
ECL allowance on undrawn and contingent facilities[1]	827	775	697	673
Customer remediation	459	662	425	600
Restructuring costs	98	68	83	47
Non-lending losses, frauds and forgeries	73	105	62	93
Other	257	262	232	235
Total other provisions	1,714	1,872	1,499	1,648

Consolidated	Customer remediation $m	Restructuring costs $m	Non-lending losses, frauds and forgeries $m	Other $m
Balance at 1 October 2022	662	68	105	262
New and increased provisions made during the year	147	91	11	66
Provisions used during the year	(321)	(40)	(32)	(61)
Unused amounts reversed during the year	(29)	(21)	(11)	(10)
Balance at 30 September 2023	459	98	73	257

The Company	Customer remediation $m	Restructuring costs $m	Non-lending losses, frauds and forgeries $m	Other $m
Balance at 1 October 2022	600	47	93	235
New and increased provisions made during the year	146	83	9	63
Provisions used during the year	(295)	(27)	(29)	(59)
Unused amounts reversed during the year	(26)	(20)	(11)	(7)
Balance at 30 September 2023	425	83	62	232

[1] Refer to Note 13 Allowance for Expected Credit Losses for movement analysis.

22. OTHER PROVISIONS (continued)

Customer remediation

Customer remediation includes provisions for expected refunds to customers, remediation project costs and related customer and regulatory claims, penalties and litigation costs and outcomes.

Restructuring costs

Provisions for restructuring costs arise from activities related to material changes in the scope of business undertaken by the Group or the manner in which that business is undertaken and include employee termination benefits. Costs relating to on-going activities are not provided for and are expensed as incurred.

Non-lending losses, frauds and forgeries

Non-lending losses include losses arising from certain legal actions not directly related to amounts of principal outstanding for loans and advances and losses arising from forgeries, frauds and the correction of operational issues. The amounts recognised are the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties that surround the events and circumstances that affect the provision.

Other

Other provisions comprise various other provisions including workers compensation, make-good provisions associated with leased premises, warranties and indemnities provided in connection with various disposals of businesses and assets, and contingent liabilities recognised as part of a business combination.

RECOGNITION AND MEASUREMENT

The Group recognises provisions when there is a present obligation arising from a past event, an outflow of economic resources is probable, and the amount of the provision can be measured reliably.

The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the timing and amount of the obligation. Where a provision is measured using the estimated cash flows required to settle the present obligation, its carrying amount is the present value of those cash flows.

KEY JUDGEMENTS AND ESTIMATES

The Group holds provisions for various obligations including customer remediation, restructuring costs, non-lending losses, frauds and forgeries and litigation related claims. These provisions involve judgements regarding the timing and outcome of future events, including estimates of expenditure required to satisfy such obligations. Where relevant, expert legal advice has been obtained and, in light of such advice, provisions and/or disclosures as deemed appropriate have been made.

In relation to customer remediation, determining the amount of the provisions, which represent management's best estimate of the cost of settling the identified matters, requires the exercise of significant judgement. It will often be necessary to form a view on a number of different assumptions, including the number of impacted customers, the average refund per customer, the associated remediation project costs, and the implications of regulatory exposures and customer claims having regard to their specific facts and circumstances. There is a heightened level of estimation uncertainty where the customer remediation provision relates to a legal proceeding or matter. The appropriateness of the underlying assumptions is reviewed on a regular basis against actual experience and other relevant evidence including expert legal advice, and adjustments are made to the provisions where appropriate.

23. SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Ordinary share capital	29,082	28,797	29,005	28,720
Reserves				
Foreign currency translation reserve[1]	570	(148)	58	(6)
Share option reserve	82	78	82	78
FVOCI reserve	(554)	(478)	(538)	(557)
Cash flow hedge reserve	(1,872)	(2,036)	(1,824)	(2,061)
Transactions with non-controlling interests reserve	(22)	(22)	-	-
Total reserves	(1,796)	(2,606)	(2,222)	(2,546)
Retained earnings	41,306	39,716	34,195	32,859
Share capital and reserves attributable to shareholders of the Company	68,592	65,907	60,978	59,033
Non-controlling interests[2]	522	494	-	-
Total shareholders' equity	69,114	66,401	60,978	59,033

[1] As a result of the closure of ANZ (Thai) Public Company Limited, ANZ International (Hong Kong) Limited and ANZ Singapore Limited, the associated foreign currency translation reserve was recycled from Other comprehensive income to profit or loss, resulting in a $43 million gain recognised in Other operating income in 2023 (2022: $65 million loss from the dissolution of Minerva Holdings Limited and ANZ Asia Limited).

[2] ANZ Bank New Zealand issued $484 million of perpetual preference shares in 2022 that are considered non-controlling interests to the Group.

ORDINARY SHARE CAPITAL

The table below details the movement in ordinary shares and share capital for the year.

	2023		2022	
Consolidated	Number of shares	$m	Number of shares	$m
Balance at start of the year	2,989,923,751	28,797	2,823,563,652	25,984
Dividend reinvestment plan issuances	8,406,978	206	7,195,108	183
Bonus option plan	1,657,422	-	2,890,268	-
Employee share and option plans	3,378,631	79	-	(21)
Share buy-back[1]	-	-	(30,831,227)	(846)
Share entitlement issue[2]	-	-	187,105,950	3,497
Balance at end of year	3,003,366,782	29,082	2,989,923,751	28,797
Less: Treasury Shares	-	-	(4,209,150)	-
Balance at end of year	3,003,366,782	29,082	2,985,714,601	28,797

	2023		2022	
The Company	Number of shares	$m	Number of shares	$m
Balance at start of the year	2,989,923,751	28,720	2,823,563,652	25,907
Dividend reinvestment plan issuances	8,406,978	206	7,195,108	183
Bonus option plan	1,657,422	-	2,890,268	-
Employee share and option plans	3,378,631	79	-	(21)
Share buy-back[1]	-	-	(30,831,227)	(846)
Share entitlement issue[2]	-	-	187,105,950	3,497
Balance at end of year	3,003,366,782	29,005	2,989,923,751	28,720

[1] The Group completed its $1.5 billion on-market share buy-back of ANZ ordinary shares in 2022, purchasing $846 million worth of shares resulting in 31 million shares being cancelled in 2022.

[2] On 18 July 2022, the Group announced a fully underwritten pro rata accelerated renounceable entitlement offer of new ANZ ordinary shares to help fund the Group's anticipated acquisition of Suncorp Bank. All eligible shareholders were invited to purchase one new ordinary share for every 15 existing ordinary shares held on 21 July 2022 at an issue price of $18.90 per share. The Group issued a total of 187.1 million ordinary shares under the offer, raising $3,497 million of new share capital (net of issue costs).

23. SHAREHOLDERS' EQUITY (continued)

NON-CONTROLLING INTERESTS

	Profit attributable to non-controlling interests		Equity attributable to non-controlling interests		Dividend paid to non-controlling interests	
	2023	2022	2023	2022	2023	2022
Consolidated	$m	$m	$m	$m	$m	$m
ANZ Bank New Zealand PPS	26	-	512	484	26	-
Other	2	1	10	10	1	2
Total	28	1	522	494	27	2

ANZ Bank New Zealand Preference Shares

ANZ Bank New Zealand Limited (ANZ Bank New Zealand), a member of the Group, issued $484 million (NZD 550 million) of Perpetual Preference Shares (PPS) on 18 July 2022. These are considered non-controlling interests of the Group.

The key terms of the PPS are as follows:

PPS dividends

PPS dividends are payable at the discretion of the Directors of ANZ Bank New Zealand and are non-cumulative. ANZ Bank New Zealand must not authorise or pay a dividend on its ordinary shares, acquire its ordinary shares or otherwise undertake a capital reduction in respect of its ordinary shares until the next PPS dividend payment date if a PPS dividend is not paid.

Should ANZ Bank New Zealand elect to pay a PPS dividend, the PPS dividend is 6.95% per annum until 18 July 2028, and a floating rate equal to the aggregate of the New Zealand 3 month bank bill rate plus 3.25%, multiplied by one minus the New Zealand company tax rate (where the PPS dividend is fully imputed) thereafter, with PPS dividend payments scheduled to be paid on 18 January, 18 April, 18 July and 18 October each year.

Redemption features

Holders of PPS have no right to require that the PPS be redeemed. ANZ Bank New Zealand may at its option redeem all of the PPS on an optional redemption date (each PPS dividend date from 18 July 2028); or at any time following the occurrence of a tax event or regulatory event, in each case subject to prior written approval of RBNZ and other conditions being met.

23. SHAREHOLDERS' EQUITY (continued)

RECOGNITION AND MEASUREMENT

Ordinary shares	Ordinary shares have no par value. They entitle holders to receive dividends, or proceeds available on winding up of the Company, in proportion to the number of fully paid ordinary shares held. They are recognised at the amount paid per ordinary share net of directly attributable costs. Every holder of fully paid ordinary shares present at a meeting of the Company in person, or by proxy, is entitled to: • on a show of hands, one vote; and • on a poll, one vote, for each share held.
Treasury shares	Treasury shares are shares in the Company which: • the ANZ Employee Share Acquisition Plan purchases on market and have not yet distributed, or • the Company issues to the ANZ Employee Share Acquisition Plan and have not yet been distributed. Treasury shares are deducted from share capital and excluded from the weighted average number of ordinary shares used in the earnings per share calculations.
Reserves:	
Foreign currency translation reserve	Includes differences arising on translation of assets and liabilities into Australian dollars when the functional currency of a foreign operation (including subsidiaries and branches) is not Australian dollars. In this reserve, we reflect any offsetting gains or losses on hedging these exposures, together with any tax effect.
Cash flow hedge reserve	Includes fair value gains and losses associated with the effective portion of designated cash flow hedging instruments together with any tax effect.
FVOCI reserve	Includes changes in the fair value of certain debt securities and equity securities included within Investment Securities together with any tax effect. In respect of debt securities classified as measured at FVOCI, the FVOCI reserve records accumulated changes in fair value arising subsequent to initial recognition, except for those relating to allowance for expected credit losses, interest income and foreign currency exchange gains and losses which are recognised in profit or loss. As debt securities at FVOCI are recorded at fair value, the balance of the FVOCI reserve is net of the ECL allowance associated with such assets. When a debt security measured at FVOCI is derecognised, the cumulative gain or loss recognised in the FVOCI reserve in respect of that security is reclassified to profit or loss and presented in other operating income. In respect of the equity securities classified as measured at FVOCI, the FVOCI reserve records accumulated changes in fair value arising subsequent to initial recognition (including any related foreign exchange gains or losses). When an equity security measured at FVOCI is derecognised, the cumulative gain or loss recognised in the FVOCI reserve in respect of that security is not recycled to profit or loss.
Share option reserve	Includes amounts which arise on the recognition of share-based compensation expense.
Transactions with non-controlling interests reserve	Includes the impact of transactions with non-controlling shareholders in their capacity as shareholders.
Non-controlling interests	Share in the net assets of controlled entities attributable to equity interests which the Group does not own directly or indirectly.

24. CAPITAL MANAGEMENT

CAPITAL MANAGEMENT FRAMEWORK

ANZ's capital management framework includes managing capital at Level 1 and Level 2.

ANZ's framework includes managing to Board approved risk appetite settings and maintaining all regulatory requirements. APRA requirements at Level 1 and Level 2 include ANZ operating at or above APRAs expectation for Domestic Systematically Important Banks (D-SIBs) following the implementation of APRA's Capital Reform which was effective January 2023.

All requirements were satisfied at 30 September 2023.

CAPITAL MANAGEMENT STRATEGY

ANZ's capital management strategy aims to protect the interests of depositors, creditors and shareholders. We achieve this through an Internal Capital Adequacy Assessment Process (ICAAP) whereby ANZ conducts detailed strategic and capital planning over a 3 year time horizon.

The process involves:

- forecasting economic variables, financial performance of ANZ's divisions and the financial impact of new strategic initiatives to be implemented during the planning period;
- performing stress tests under different economic scenarios to determine the level of additional capital (stress capital buffer) needed to absorb losses that may be experienced under an economic downturn;
- reviewing capital ratios and targets across various classes of capital against ANZ's risk profile; and
- developing a capital plan, taking into account capital ratio targets, current and future capital issuances requirements and options around capital products, timing and markets to execute the capital plan under differing market and economic conditions.

The capital plan is approved by the Board and updated as required. The Board and senior management are provided with regular updates of ANZ's capital position. Any material actions required to ensure ongoing prudent capital management are submitted to the Board for approval. Throughout the year, the Group maintained compliance with all the regulatory requirements related to Capital Adequacy in the jurisdictions in which it operates.

24. CAPITAL MANAGEMENT (continued)

REGULATORY ENVIRONMENT

Australia

As the ANZ Bank Group is an Authorised Deposit-taking Institution (ADI) in Australia, it is primarily regulated by APRA under the *Banking Act 1959 (Cth)*. ANZ Bank Group must comply with the minimum regulatory capital requirements, prudential capital ratios and specific reporting levels that APRA sets and which are consistent with the global Basel III capital framework. This is the common framework for determining the appropriate level of bank regulatory capital as set by the Basel Committee on Banking Supervision. APRA minimum requirements are summarised below:

Regulatory Capital Definition

Common Equity Tier 1 (CET1) Capital	Tier 1 Capital	Tier 2 Capital	Total Capital
Shareholders' equity adjusted for specific items.	CET1 Capital plus certain securities with complying loss absorbing characteristics known as Additional Tier 1 Capital.	Subordinated debt instruments which have a minimum term of 5 years at issue date.	Tier 1 plus Tier 2 Capital.

Minimum Prudential Capital Ratios (PCRs)

CET1 Ratio	Tier 1 Ratio	Total Capital Ratio
CET1 Capital divided by total risk weighted assets must be at least 4.5%.	Tier 1 Capital divided by total risk weighted assets must be at least 6.0%.	Total Capital divided by total risk weighted assets must be at least 8.0%. For D-SIBs, Total Capital Ratio must be of at least 11% from 1st Jan 2024. Refer below for details.

Reporting Levels

Level 1	Level 2	Level 3
The ADI on a stand-alone basis (that is ANZBGL and specified subsidiaries which are consolidated to form the ADI's Extended Licensed Entity).	The consolidated Group less certain subsidiaries and associates that are excluded under prudential standards.	A conglomerate ANZGHL Group at the widest level.

As at 30 September 2023, APRA also requires the ADI to hold additional CET1 buffers as follows:

- a capital conservation buffer (CCB) of 4.75% which is inclusive of the additional 1% surcharge for domestically systemically important banks (D-SIBs). APRA has determined that ANZ is a D-SIB.
- a countercyclical capital buffer which is set on a jurisdictional basis. The requirement is currently set at 1% for Australia.

Additionally in December 2021, APRA announced that it requires all D-SIBs including ANZ to increase its minimum total capital ratio requirement by 3% of RWA by January 2024, and a further 1.5% of RWA by January 2026 (total increase of 4.5%). APRA expects this to be predominantly met by Tier 2 Capital, with an equivalent decrease in other senior funding. ANZ is on track to meet these requirements at reporting date.

Insurance and Funds Management

As required by APRA's Prudential Standards, insurance and funds management activities are:

- de-consolidated for the purposes of calculating capital adequacy; and
- excluded from the risk-based capital adequacy framework.

We deduct the investment in these controlled entities 100% from CET1 capital, and if we include any profits from these activities in the ANZ Bank Group's results, then we exclude them from the determination of CET1 capital to the extent they have not been remitted.

Outside Australia

In addition to APRA, ANZ's branch operations and major banking subsidiary operations are also overseen by local regulators such as the Reserve Bank of New Zealand, the US Federal Reserve, the UK Prudential Regulation Authority, the Monetary Authority of Singapore, the Hong Kong Monetary Authority and the China Banking and Insurance Regulatory Commission. They may impose minimum capital levels on operations in their individual jurisdictions.

24. CAPITAL MANAGEMENT (continued)

APRA Capital Reform

APRA released new bank capital adequacy requirements applying to Australian incorporated registered banks, which are set out in APRA's Banking Prudential Standard documents. ANZ implemented these new requirements from 1 January 2023.

The new capital adequacy key requirements include changes to APS 110 *Capital Adequacy* (APS 110), APS 112 *Capital Adequacy: Standardised Approach to Credit Risk* (APS 112) and APS 113 *Capital Adequacy: Internal Ratings-based Approach to Credit Risk* (APS 113) with key features of the reforms including:

- improving the flexibility of the capital framework through larger capital buffers that can be used by banks to support lending during periods of stress;
- changes to risk weighted assets (RWA) through more risk-sensitive risk weights increasing capital requirements for higher risk lending and decreasing it for lower risks;
- changes to loss given default rates (LGD) including approved use of an internal ratings-based (IRB) approved LGD model for mortgage portfolios;
- an increase in the IRB scaling factor (from 1.06x to 1.1x);
- requirement that IRB ADIs calculate and disclose RWA under the standardised approach and the introduction of a capital floor at 72.5% of standardised RWA; and
- use of prescribed New Zealand authority's equivalent prudential rules for the purpose of calculating the Level 2 regulatory capital requirement.

In addition, operational RWA is now calculated under APS 115 *Capital Adequacy: Standardised Measurement Approach to Operational Risk (APS 115)* which replaced the previous advanced methodology from December 2022.

The application of APRA Capital Reform in January 2023 reduced RWA by $34.5 billion, equivalent to a 100 bps CET1 ratio benefit. This was partially offset by APRA's expectations that ADIs operate a higher capital ratio to maintain an unquestionably strong level.

ANZ BANK GROUP[1]

The following table provides details of ANZ Bank Group's capital adequacy ratios at 30 September:

	Consolidated	
	2023 $m	2022 $m
Qualifying capital		
Tier 1		
Shareholders' equity and non-controlling interests	69,114	66,401
Prudential adjustments to shareholders' equity	(425)	(175)
Gross Common Equity Tier 1 capital	68,689	66,226
Deductions	(10,895)	(10,354)
Common Equity Tier 1 capital	57,794	55,872
Additional Tier 1 capital[2]	8,232	7,686
Tier 1 capital	66,026	63,558
Tier 2 capital[3]	24,959	19,277
Total qualifying capital	90,985	82,835
Capital adequacy ratios (Level 2)		
Common Equity Tier 1	13.3%	12.3%
Tier 1	15.2%	14.0%
Tier 2	5.8%	4.2%
Total capital ratio	21.0%	18.2%
Risk weighted assets	433,327	454,718

[1] This information is not within the scope of the external audit of the Group Financial Report by the Group's external auditor, KPMG. The information presented in this table is a regulatory requirement disclosed in Part A of the *APRA Reporting Form (ARF) 110 Capital Adequacy* which will be subject to audit in accordance with *Prudential Standard APS 310 Audit and Related Matters.*

[2] This includes Additional Tier 1 capital of $8,232 million (2022: $7,705 million) (refer to Note 16 Debt Issuances), regulatory adjustments and deductions of nil (2022: -$19 million).

[3] This includes Tier 2 capital of $23,707 million (2022: $17,907 million) (refer to Note 16 Debt Issuances), general reserve for impairment of financial assets of $1,776 million (2022: $1,233 million) and regulatory adjustments and deductions of -$525 million (2022: $137 million).

25. CONTROLLED ENTITIES

	Incorporated in	Nature of Business
The ultimate parent of the Group is ANZ Group Holdings Limited	Australia	Banking
The Group holds 100% of the voting interests in all controlled entities, unless noted otherwise.		
The material controlled entities of the Group are:		
ANZ Bank (Vietnam) Limited[1]	Vietnam	Banking
ANZ Funds Pty. Ltd.	Australia	Holding Company
ANZ Bank (Kiribati) Limited[1] (75% ownership)	Kiribati	Banking
ANZ Bank (Samoa) Limited[1]	Samoa	Banking
ANZ Bank (Vanuatu) Limited[2]	Vanuatu	Banking
ANZ Holdings (New Zealand) Limited[1]	New Zealand	Holding Company
ANZ Bank New Zealand Limited[1]	New Zealand	Banking
ANZ Investment Services (New Zealand) Limited[1]	New Zealand	Funds Management
ANZ New Zealand (Int'l) Limited[1]	New Zealand	Finance
ANZ New Zealand Investments Holdings Limited[1]	New Zealand	Holding Company
ANZ New Zealand Investments Limited[1]	New Zealand	Funds Management
ANZNZ Covered Bond Trust[1,4]	New Zealand	Finance
ANZ International Private Limited[1]	Singapore	Holding Company
ANZcover Insurance Private Ltd[1]	Singapore	Captive-Insurance
ANZ Lenders Mortgage Insurance Pty. Limited	Australia	Mortgage Insurance
ANZ Residential Covered Bond Trust[4]	Australia	Finance
Australia and New Zealand Bank (China) Company Limited[1]	China	Banking
Australia and New Zealand Banking Group (PNG) Limited[1]	Papua New Guinea	Banking
Citizens Bancorp[3]	Guam	Holding Company
ANZ Guam Inc[3]	Guam	Banking
Institutional Securitisation Services Limited	Australia	Securitisation Manager
PT Bank ANZ Indonesia[1] **(99% ownership)**	Indonesia	Banking

[1] Audited by overseas KPMG firms — either as part of the Group audit, or for standalone financial statements as required.

[2] Audited by Law Partners.

[3] Audited by Deloitte Guam.

[4] Not owned by the Group. Control exists as the Group retains substantially all the risks and rewards of the operations.

CHANGES TO MATERIAL CONTROLLED ENTITIES

ANZ Singapore Limited was deregistered on 18 August 2023. ANZ International (Hong Kong) Limited, ANZ (Thai) Public Company Limited (formerly ANZ Bank (Thai) Public Company Limited), and Chongqing Liangping ANZ Rural Bank Company Limited are in liquidation as at 30 September 2023.

SIGNIFICANT RESTRICTIONS

Controlled entities that are subject to prudential regulation may be required to maintain minimum capital or other regulatory requirements which may, from time to time, limit the entity's ability to transfer assets, pay dividends or make other capital distributions to the parent entity or to other entities in the Group. The Group manages such restrictions within our risk management framework, as outlined in Note 17 Financial Risk Management and our capital management strategy, as outlined in Note 24 Capital Management.

As at 30 September 2023, restrictions on the ability of an entity within the Group to transfer assets, pay dividends or make other capital distributions to other entities in the Group were not material to the liquidity or capital management of the Group.

25. CONTROLLED ENTITIES (continued)

✓ RECOGNITION AND MEASUREMENT

The Group's subsidiaries are those entities it controls through:

- being exposed to, or having rights to, variable returns from the entity; and
- being able to affect those returns through its power over the entity.

The Group assesses whether it has power over those entities by examining the Group's existing rights to direct the relevant activities of the entity.

If the Group sells or acquires subsidiaries during the year, it includes their operating results in the Group results to the date of disposal or from the date of acquisition. When the Group's control ceases, it derecognises the assets and liabilities of the subsidiary, any related non-controlling interest and other components of equity.

If the Group's ownership interest in a subsidiary changes in a way that does not result in a loss of control, then the Group accounts for that as a transaction with equity holders in their capacity as equity holders.

All transactions between Group entities are eliminated on consolidation.

26. INVESTMENTS IN ASSOCIATES

Significant associates of the Group are:

		Ordinary share interest		Carrying amount $m	
Name of entity	**Principal activity**	2023	2022	2023	2022
AMMB Holdings Berhad (AmBank)	Banking and insurance	**22%**	22%	**881**	790
PT Bank Pan Indonesia (PT Panin)	Consumer and business bank	**39%**	39%	**1,440**	1,318
Worldline Australia Pty Ltd (Worldline)[1]	Payment and transactional services	-	49%	-	47
Aggregate other individually immaterial associates		-	n/a	-	26
Total carrying value of associates[2]				**2,321**	2,181

[1] As part of the Restructure, ANZBGL's investment in Worldline Australia Pty Ltd was transferred to ANZ NBH Pty Ltd.

[2] Includes the impact of foreign currency translation recognised in the foreign currency translation reserve.

FINANCIAL INFORMATION ON SIGNIFICANT ASSOCIATES

Set out below is the summarised financial information of each associate that is significant to the Group. The summarised financial information is based on the associates' IFRS financial information and may require the use of unaudited financial information as each associate has a different financial year to the Group (PT Panin 31 December, AmBank 31 March, Worldline 31 December).

	AMMB Holdings Berhad		PT Bank Pan Indonesia		Worldline Australia Pty Ltd[1]	
Principal place of business and country of incorporation	Malaysia		Indonesia		Australia	
	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Summarised results						
Operating income	**1,517**	1,511	**1,273**	1,206	-	57
Profit/(Loss) for the year	**545**	529	**372**	198	-	(21)
Other comprehensive income/(loss)	**87**	(128)	**24**	6	-	-
Total comprehensive income/(loss)	**632**	401	**396**	204	-	(21)
Less: Total comprehensive (income)/loss attributable to non–controlling interests	**(8)**	(18)	**(69)**	25	-	-
Total comprehensive income/(loss) attributable to owners of associate	**624**	383	**327**	229	-	(21)
Summarised financial position						
Total assets[2]	**62,057**	57,220	**20,498**	20,537	-	203
Total liabilities[2]	**58,015**	53,234	**16,928**	17,234	-	90
Total net assets[2]	**4,042**	3,986	**3,570**	3,303	-	113
Less: Non-controlling interests of associate	**(301)**	(402)	**(348)**	(315)	-	-
Net assets attributable to owners of associate	**3,741**	3,584	**3,222**	2,988	-	113
Reconciliation to carrying amount of Group's interest in associate						
Carrying amount at the beginning of the year	**790**	719	**1,318**	1,210	-	-
Acquired	-	-		-		57
Group's share of total comprehensive income/(loss)	**138**	81	**138**	71	-	(10)
Dividends received from associate	**(42)**	(12)	-	(18)	-	-
Foreign currency translation reserve adjustments	**(5)**	2	**(16)**	55	-	-
Carrying amount at the end of the year	**881**	790	**1,440**	1,318	-	47
Market value of Group's investment in associate[3]	**875**	929	**1,167**	2,016	**n/a**	n/a

[1] As part of the Restructure, ANZBGL's investment in Worldline Australia Pty Ltd was transferred to ANZ NBH Pty Ltd.

[2] Includes market value adjustments (including goodwill) the Group made at the time of acquisition (and adjustments for any differences in accounting policies).

26. INVESTMENTS IN ASSOCIATES (continued)

IMPAIRMENT ASSESSMENT

The Group assesses the carrying value of its associates investments for impairment indicators.

At 30 September 2023, the impairment assessment of non-lending assets identified that one of the Group's associated investments PT Panin had indicators of impairment. No impairment was recognised as its carrying value is supported by its VIU calculations.

RECOGNITION AND MEASUREMENT

An associate is an entity over which the Group has significant influence over its operating and financial policies but does not control. The Group accounts for associates using the equity method. Its investments in associates are carried at cost plus the post-acquisition share of changes in the associate's net assets less accumulated impairments. Dividends the Group receives from associates are recognised as a reduction in the carrying amount of the investment. The Group includes goodwill recognised by the associate in the carrying amount of the investment. It does not individually test the goodwill incorporated in the associates carrying amount for impairment.

At least at each reporting date, the Group reviews investments in associates for any indication of impairment. If an indication of impairment exists, then the Group determines the recoverable amount of the associate using the higher of:

- the associate's fair value less cost of disposal; and
- its value-in-use.

We use a discounted cash flow methodology, and when applicable, other methodologies (such as capitalisation of earnings methodology), to determine the recoverable amount when determining a VIU.

KEY JUDGEMENTS AND ESTIMATES

Investments in associates and joint ventures are assessed at each reporting date and tested for impairment when there is an indication that the investment may be impaired. In addition, the Group is required to assess at each reporting date whether the recoverable amount of the Group's investment has increased to such a level as to support the reversal of prior period impairments.

Significant management judgment is required to determine the key assumptions underpinning the VIU calculation. Factors that may change in subsequent periods and lead to potential future impairments include lower than forecast earnings levels in the near term and/or a decrease in the long term growth forecasts, increases to required levels of regulatory capital and an increase in the post-tax discount rate arising from an increase in the risk premium or risk-free rates.

The key assumptions used in the VIU calculation are outlined below:

As at 30 September 2023	PT Panin
Post-tax discount rate	12.2%
Terminal growth rate	5.0%
Expected earnings growth (compound annual growth rate – 5 years)	5.4%
Common Equity Tier 1 ratio (5 year average)	12.8%

The VIU calculations are sensitive to changes in the underlying assumptions with reasonably possible changes in key assumptions having a positive or negative impact on the VIU outcome, and as such the recoverable amount of the investment.

- A change in the September 2023 post-tax discount rate by +/- 50bps would impact the VIU outcome for PT Panin by $(91 million)/ $105 million.
- A change in the September 2023 terminal growth rate by +/- 25bps would impact the VIU outcome for PT Panin by $55 million/ ($51 million).

The investment would not be impaired if the discount rate were increased or the terminal growth rate reduced by the reasonably possible changes above.

27. STRUCTURED ENTITIES

A Structured Entity (SE) is an entity that has been designed such that voting or similar rights are not the dominant factor in determining who controls the entity. SEs are generally established with restrictions on their ongoing activities in order to achieve narrow and well defined objectives.

SEs are classified as subsidiaries and consolidated when control exists. If the Group does not control a SE, then it is not consolidated. This note provides information on both consolidated and unconsolidated SEs.

The Group's involvement with SEs is as follows:

Type	Details
Securitisation	The Group establishes SEs to securitise customer loans and advances that it has originated, in order to diversify sources of funding for liquidity management. Securitisation programs include customer loans and advances assigned to bankruptcy remote SEs to provide either security for obligations payable on notes issued by the SEs to external investors or create assets held by the Group eligible for repurchase agreements with applicable central banks. The Group retains control over these SEs and therefore they are consolidated. Refer to Note 28 Transfers of Financial Assets for further details. The Group also establishes SEs on behalf of customers to securitise their loans or receivables. The Group may manage these securitisation vehicles or provide liquidity or other support. Additionally, the Group may acquire interests in securitisation vehicles set up by third parties through holding securities issued by such entities. In limited circumstances where control exists, the Group consolidates the SE.
Covered bond issuances	Certain loans and advances have been assigned to bankruptcy remote SEs to provide security for issuances of debt securities by the Group. The Group retains control over these SEs and therefore they are consolidated. Refer to Note 28 Transfers of Financial Assets for further details.
Structured finance arrangements	The Group is involved with SEs established: • in connection with structured lending transactions to facilitate debt syndication and/or to ring-fence collateral; and • to own assets that are leased to customers in structured leasing transactions. The Group may manage the SE, hold minor amounts of the SE's capital, or provide risk management products (derivatives) to the SE. In most instances, the Group does not control these SEs. In limited circumstances where control exists, the Group consolidates the SE.
Funds management activities	The Group is the scheme manager for a number of Managed Investment Schemes (MIS) in New Zealand. These MIS are financed through the issue of units to investors and the Group considers them to be SEs. The Group's interests in these MIS are limited to receiving fees for services or providing risk management products (derivatives). These interests do not create significant exposures that would allow the Group to control the funds. Therefore, these MIS are not consolidated.

CONSOLIDATED STRUCTURED ENTITIES

FINANCIAL OR OTHER SUPPORT PROVIDED TO CONSOLIDATED STRUCTURED ENTITIES

The Group provides financial support to consolidated SEs as outlined below.

Securitisation and covered bond issuances	The Group provides lending facilities, derivatives and commitments to these SEs and/or holds debt instruments they have issued.
Structured finance arrangements	The assets held by these SEs are normally pledged as collateral for financing provided. Certain consolidated SEs are financed entirely by the Group while others are financed by syndicated loan facilities in which the Group is a participant. The financing provided by the Group includes lending facilities where the Group's exposure is limited to the amount of the loan and any undrawn amount. Additionally, the Group has provided Letters of Support to these consolidated SEs confirming that the Group will not demand repayment of the financing provided for the ensuing 12 month period.

The Group did not provide any non-contractual support to consolidated SEs during the year (2022: nil). Other than as disclosed above, the Group does not have any current intention to provide financial or other support to consolidated SEs.

27. STRUCTURED ENTITIES (continued)

UNCONSOLIDATED STRUCTURED ENTITIES

GROUP'S INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES

An 'interest' in an unconsolidated SE is any form of contractual or non-contractual involvement with a SE that exposes the Group to variability of returns from the performance of that SE. These interests include, but are not limited to: holdings of debt or equity securities; derivatives that pass-on risks specific to the performance of the SE, lending, loan commitments, financial guarantees, and fees from funds management activities.

For the purpose of disclosing interests in unconsolidated SEs:

- no disclosure is made if the Group's involvement is not more than a passive interest - for example: when the Group's involvement constitutes a typical customer-supplier relationship. On this basis, exposures to unconsolidated SEs that arise from lending, trading and investing activities are not considered disclosable interests - unless the design of the structured entity allows the Group to participate in decisions about the relevant activities (being those that significantly affect the entity's returns).
- 'interests' do not include derivatives intended to expose the Group to market-risk (rather than performance risk specific to the SE) or derivatives through which the Group creates, rather than absorbs, variability of the unconsolidated SE (such as purchase of credit protection under a credit default swap).

The table below sets out the Group's interests in unconsolidated SEs together with the maximum exposure to loss that could arise from those interests:

	Securitisation		Structured finance		Total	
	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
On-balance sheet interests						
Investment securities	2,070	3,352	-	-	2,070	3,352
Gross loans and advances	10,367	9,433	24	43	10,391	9,476
Total on-balance sheet	12,437	12,785	24	43	12,461	12,828
Off-balance sheet interests						
Commitments (facilities undrawn)	3,270	2,078	-	-	3,270	2,078
Guarantees	50	50	-	-	50	50
Total off-balance sheet	3,320	2,128	-	-	3,320	2,128
Maximum exposure to loss	15,757	14,913	24	43	15,781	14,956

In addition to the interests above, the Group earned funds management fees from unconsolidated investment funds of $177 million (2022: $181 million) during the year.

The Group's maximum exposure to loss represents the maximum amount of loss that the Group could incur as a result of its involvement with unconsolidated SEs if loss events were to take place - regardless of the probability of occurrence. This does not in any way represent the actual losses expected to be incurred. Furthermore, the maximum exposure to loss is stated gross of the effects of hedging and collateral arrangements entered into to mitigate ANZ's exposure to loss.

The maximum exposure to loss has been determined as:

- the carrying amount of Investment securities measured at amortised cost; and
- the carrying amount plus the undrawn amount of any committed loans and advances.

The size of unconsolidated SEs is indicated by total assets which vary by SE with the largest single SE having a value of approximately $4.3 billion.

The Group did not provide any non-contractual support to unconsolidated SEs during the year (2022: nil) nor does it have any current intention to provide financial or other support to unconsolidated SEs.

27. STRUCTURED ENTITIES (continued)

SPONSORED UNCONSOLIDATED STRUCTURED ENTITIES

The Group may also sponsor unconsolidated SEs in which it has no disclosable interest.

For the purposes of this disclosure, the Group considers itself the 'sponsor' of an unconsolidated SE if it is the primary party involved in the design and establishment of that SE and:

- the Group is the major user of that SE; or
- the Group's name appears in the name of that SE, or on its products; or
- the Group provides implicit or explicit guarantees of that SE's performance.

The Group has sponsored the ANZ PIE Fund in New Zealand, which invests only in deposits with ANZ Bank New Zealand. The Group does not provide any implicit or explicit guarantees of the capital value or performance of investments in the ANZ PIE Fund. There was no income received from, nor assets transferred to, this entity during the year.

KEY JUDGEMENTS AND ESTIMATES

Significant judgement is required in assessing whether the Group has control over Structured Entities. Judgement is required to determine the existence of:

- power over the relevant activities (being those that significantly affect the entity's returns); and
- exposure to variable returns of the entity.

28. TRANSFERS OF FINANCIAL ASSETS

In the normal course of business the Group enters into transactions where it transfers financial assets directly to third parties or to SEs. These transfers may result in the Group fully, or partially, derecognising those financial assets - depending on the Group's exposure to the risks and rewards or control over the transferred assets. If the Group retains substantially all of the risk and rewards of a transferred asset, the transfer does not qualify for derecognition and the asset remains on the Group's balance sheet in its entirety.

SECURITISATIONS

Net loans and advances include residential mortgages securitised under the Group's securitisation programs which are assigned to bankruptcy remote SEs to provide security for obligations payable on the notes issued by the SEs. The holders of the issued notes have full recourse to the pool of residential mortgages which have been securitised and the Group cannot otherwise pledge or dispose of the transferred assets.

In some instances, the Group is also the holder of the securitised notes issued by the SEs. In addition, the Group is entitled to any residual income of the SEs and sometimes enters into derivatives with the SEs. The Group retains the risks and rewards of the residential mortgages and continues to recognise the mortgages as financial assets.

The Group is exposed to variable returns from its involvement with these securitisation SEs and has the ability to affect those returns through its power over the SEs activities. The SEs are therefore consolidated by the Group.

COVERED BONDS

The Group operates various global covered bond programs to raise funding in its primary markets. Net loans and advances include residential mortgages assigned to bankruptcy remote SEs associated with these covered bond programs. In respect of each program, a covered bond guarantor has guaranteed payments of interest and principal pursuant to a guarantee which is secured over its assets, including these residential mortgages. Substantially all of the assets of each covered bond guarantor consist of that covered bond guarantor's equitable interests in mortgage loans secured by residential real estate.

The covered bond holders have dual recourse to the issuer and the cover pool of assets. The issuer cannot otherwise pledge or dispose of the transferred assets, however, subject to legal arrangements it may repurchase and substitute assets as long as the required cover is maintained.

The Group is required to maintain the cover pool at a level sufficient to cover the bond obligations. In addition, the Group is entitled to any residual income of the covered bond SEs (after all payments to the covered bond holders and external parties) and enters into derivatives with the SEs. The Group retains the majority of the risks and rewards of the residential mortgages and continues to recognise the mortgages as financial assets.

The Group is exposed to variable returns from its involvement with the covered bond SEs and has the ability to affect those returns through its power over the SEs activities. The SEs are therefore consolidated by the Group. The covered bonds issued externally are included within debt issuances.

28. TRANSFERS OF FINANCIAL ASSETS (continued)

REPURCHASE AGREEMENTS

When the Group sells securities subject to repurchase agreements under which we retain substantially all the risks and rewards of ownership, then those assets do not qualify for derecognition. An associated liability is recognised for the consideration received from the counterparty.

STRUCTURED FINANCE ARRANGEMENTS

The Group arranges funding for certain customer transactions through structured leasing. These transactions are recognised on Group's balance sheet as lease receivables or loans. At times, other financial institutions participate in the funding of these arrangements. This participation involves a proportionate transfer of the rights to the assets recognised by the Group. The participating banks have limited recourse to the leased assets and related proceeds. Where the Group continues to be exposed to some of the risks of the transferred assets through a derivative or other continuing involvement, the Group does not derecognise the lease receivable or loan. Instead, the Group recognises an associated liability representing its obligations to the participating financial institutions.

The tables below set out the balance of assets transferred that do not qualify for derecognition, along with the associated liabilities.

	Securitisations[1,2]		Covered bonds		Repurchase agreements		Structured finance arrangements	
	2023	2022	2023	2022	2023	2022	2023	2022
Consolidated	$m	$m	$m	$m	$m	$m	$m	$m
Current carrying amount of assets transferred	**886**	1,121	**31,188**	27,575	**47,552**	52,757	**27**	36
Carrying amount of associated liabilities	**880**	1,115	**18,223**	12,967	**44,454**	47,229	**27**	36

	Securitisations[1,2]		Covered bonds		Repurchase agreements		Structured finance arrangements	
	2023	2022	2023	2022	2023	2022	2023	2022
The Company	$m	$m	$m	$m	$m	$m	$m	$m
Current carrying amount of assets transferred	**886**	1,121	**21,017**	17,953	**42,002**	47,846	**-**	-
Carrying amount of associated liabilities	**886**	1,121	**21,017**	17,953	**40,080**	42,940	**-**	-

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[1] Does not include transfers to internal structured entities where there are no external investors.

[2] The securitisation noteholders have recourse only to the pool of residential mortgages which have been securitised. The carrying value of securitised assets and the associated liabilities approximates their fair value.

29. SUPERANNUATION AND POST EMPLOYMENT BENEFIT OBLIGATIONS

Set out below is a summary of amounts recognised in the Balance Sheet in respect of the defined benefit superannuation schemes:

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Defined benefit obligation and scheme assets				
Present value of funded defined benefit obligation	**(959)**	(930)	**(839)**	(809)
Fair value of scheme assets	**1,131**	1,123	**991**	988
Net defined benefit asset	**172**	193	**152**	179
As represented in the Balance Sheet				
Net liabilities arising from defined benefit obligations included in Payables and other liabilities	**(4)**	(6)	**(4)**	(6)
Net assets arising from defined benefit obligations included in Other assets	**176**	199	**156**	185
Net defined benefit asset	**172**	193	**152**	179
Weighted average duration of the benefit payments reflected in the defined benefit obligation (years)	**11.4**	14.8	**10.9**	14.9

As at the most recent reporting dates of the schemes, the aggregate surplus of net market value of assets over the value of accrued benefits on a funding basis was $53 million (2022: $69 million surplus). In 2023, the Group made defined benefit contributions totalling $2 million (2022: $2 million). It expects to make contributions of approximately $2 million next financial year.

GOVERNANCE OF THE SCHEMES AND FUNDING OF THE DEFINED BENEFIT SECTIONS

The main defined benefit superannuation schemes in which the Group participates operate under trust law and are managed and administered on behalf of the members in accordance with the terms of the relevant trust deed and rules and all relevant legislation. These schemes have corporate trustees, which are wholly owned subsidiaries of the Group. The trustees are the legal owners of the assets, which are held separately from the assets of the Group, and are responsible for setting investment policy and agreeing funding requirements with the employer through the triennial actuarial valuation process.

The Group has defined benefit arrangements in Australia, Japan, New Zealand, Philippines, Taiwan and United Kingdom. The defined benefit section of the ANZ Australian Staff Superannuation Scheme, the ANZ UK Staff Pension Scheme and the ANZ National Retirement Scheme in New Zealand are the three largest plans. They have been closed to new members since 1987, 2004 and 1991 respectively. None of the schemes had a material deficit, or surplus, at the last funding valuation. The Group has no present liability under any of the schemes' trust deeds to fund a deficit (measured on a funding basis). A contingent liability of the Group may arise if any of the schemes were wound up.

RECOGNITION AND MEASUREMENT

Defined benefit superannuation schemes

The Group operates a small number of defined benefit schemes. Independent actuaries calculate the liability and expenses related to providing benefits to employees under each defined benefit scheme. They use the Projected Unit Credit Method to value the liabilities. The balance sheet includes:

- a defined benefit liability if the obligation is greater than the fair value of the schemes assets; and
- an asset (capped to its recoverable amount) if the fair value of the assets is greater than the obligation.

In each reporting period, the movements in the net defined benefit liability are recognised as follows:

- the net movement relating to the current period's service cost, net interest on the defined benefit liability, past service costs and other costs (such as the effects of any curtailments and settlements) as operating expenses;
- remeasurements of the net defined benefit liability (which comprise actuarial gains and losses and return on scheme assets, excluding interest income included in net interest) directly in retained earnings through other comprehensive income; and
- contributions of the Group directly against the net defined benefit position.

Defined contribution superannuation schemes

The Group operates a number of defined contribution schemes. It also contributes (according to local law, in the various countries in which it operates) to Government and other plans that have the characteristics of defined contribution plans. The Group's contributions to these schemes are recognised as personnel expenses when they are incurred.

29. SUPERANNUATION AND POST EMPLOYMENT BENEFIT OBLIGATIONS (continued)

KEY JUDGEMENTS AND ESTIMATES

The main assumptions we use in valuing defined benefit obligations are listed in the table below. A change to any assumptions, or applying different assumptions, could have an effect on the Statement of Other Comprehensive Income and Balance Sheet.

				Increase/(decrease) in defined benefit obligation	
Consolidated	2023	2022	Sensitivity analysis change in significant assumptions	2023 $m	2022 $m
Discount rate (% p.a.)	1.15-5.6	1.35-5.45	0.5% increase	(43)	(49)
Future salary increases (% p.a.)	2.0-3.5	1.5-3.8			
Future pension indexation					
In payment (% p.a.)/In deferment (% p.a.)	2.9-3.4	3.1-3.5/3.0	0.5% increase	34	32
Life expectancy at age 60 for current pensioners			1 year increase	33	40
– Males (years)	26.3-28.3	26.2-28.3			
– Females (years)	29.2-30.2	29.1-30.2			

				Increase/(decrease) in defined benefit obligation	
The Company	2023	2022	Sensitivity analysis change in significant assumptions	2023 $m	2022 $m
Discount rate (% p.a.)	5.5-5.6	5.1-5.45	0.5% increase	(38)	(43)
Future salary increases (% p.a.)	3.5	3.8			
Future pension indexation					
In payment (% p.a.)/In deferment (% p.a.)	2.9-3.3/2.8	3.1-3.5/3.0	0.5% increase	29	26
Life expectancy at age 60 for current pensioners			1 year increase	29	35
– Males (years)	26.3-28.3	26.2-28.3			
– Females (years)	29.2-30.2	29.1-30.2			

30. EMPLOYEE SHARE AND OPTION PLANS

On 3 January 2023, ANZBGL established, by a scheme of arrangement, a non-operating holding company, ANZGHL, as the new listed parent holding company of the ANZ Group. There is no impact to employee equity (deferred shares, deferred share rights, restricted rights and performance rights) as a result of the Restructure.

ANZ operates a number of employee share and option schemes under the ANZ Employee Share Acquisition Plan and the ANZ Share Option Plan which are operated by the Company's ultimate parent, ANZGHL. These are Group share based payment arrangements under which shares in ANZGHL (ANZ shares) are allocated or granted to employees of the Group.

ANZ EMPLOYEE SHARE ACQUISITION PLAN

ANZ Employee Share Acquisition Plan schemes that operated during 2023 and 2022 were the Deferred Share Plan and the Variable Pay to Shares (VPS) Offer. The ANZ Incentive Plan (ANZIP) (the variable remuneration plan operating across ANZ) has Short Term Variable Remuneration or Variable Remuneration delivered under the Deferred Share Plan or ANZ Share Option Plan for eligible employees.

Deferred Share Plan

i) ANZ Incentive Plan (ANZIP) – Short term Variable Remuneration (STVR) and Variable Remuneration (VR) – deferred shares

Award Type	STVR (deferred shares)	STVR/VR historical (deferred shares)	VR (deferred shares)
Eligibility	Chief Executive Officer (CEO), Group Executive Committee (ExCo) and Group General Manager Internal Audit (GGM IA)[1].		All other employees (excluding select roles in the United Kingdom (UK)/China[2])
Financial Year (FY) of grant	2022 Performance and Remuneration Review (PRR): granted in FY23	2021 PRR: granted in FY22 Historical grants: on foot during FY23 & FY22	2022 and 2021 PRR: granted in FY23 & FY22 Historical grants: on foot during FY23 & FY22
Grant approach	50% of the CEO, ExCo and GGM IA's Short Term Variable Remuneration (STVR) deferred as shares.	50% of the CEO's STVR, 25% of ExCo's Variable Remuneration (VR) (except for the Chief Risk Officer (CRO)), and 33% of the CRO and GGM IA's VR, deferred as shares.	If VR is at or exceeds AUD 100,000, then 60% of total VR amount is deferred as shares.
Conditions	Deferred over years two and three, where year 1 includes the performance period (i.e., 1 October to 30 September). Granted in late November.		Deferred over years two, three and four, where year 1 includes the performance period. Granted in late November.
Allocation value	Deferred shares granted based on the Volume Weighted Average Price (VWAP) of ANZ shares traded on the ASX in the five trading days leading up to and including 1 October.	Deferred shares granted based on the VWAP of ANZ shares traded on the ASX in the five trading days leading up to and including the date of grant.	

[1] All Banking Executive Accountability Regime (BEAR) Accountable Executives.

[2] Specific deferral arrangements also exist under ANZIP for roles defined as UK Material Risk Takers (MRTs) and China MRTs, in line with local regulatory requirements.

ii) Exceptional circumstances

Remuneration foregone	In exceptional circumstances, we grant deferred shares to certain employees when they start with ANZ to compensate them for remuneration they have forgone from their previous employer. The vesting period generally aligns with the remaining vesting period of the remuneration they have forgone, and therefore varies between grants.
Retention	We may grant deferred shares to high performing employees who are regarded as a significant retention risk to ANZ.

30. EMPLOYEE SHARE AND OPTION PLANS (continued)

iii) Further information

Cessation	Unless the Board[1] decides otherwise, employees forfeit their unvested deferred shares if they resign, are terminated on notice, or are dismissed for serious misconduct. The deferred shares may be held in trust beyond the deferral period.
Dividends	Dividends are reinvested in the Dividend Reinvestment Plan.
Instrument	Deferred share rights may be granted instead of deferred shares in some countries as locally appropriate (see deferred share rights section).
Expensing value (fair value)	We expense the fair value of deferred shares on a straight-line basis over the relevant vesting period and we recognise the expense as a share-based compensation expense with a corresponding increase in equity. Deferred shares are expensed based on the one-day VWAP at the date of grant.
2023 and 2022 grants	During the 2023 year, we granted 2,244,181 deferred shares (2022: 1,971,715) with a weighted average allocation value of $24.37 (2022: $27.52).
Downward adjustment	Deferred shares remain at risk and the Board has the discretion to adjust the number of deferred shares downwards, including to zero at any time before the vesting date (malus), and limited to select employees[2], recovery post vesting (i.e., clawback). ANZ's downward adjustment provisions are detailed in section 7.3 of the 2023 Remuneration Report. Board discretion was not exercised to apply malus or clawback to any deferred shares in 2023 (2022: nil).

[1] References to 'the Board' throughout this note means the Boards of ANZGHL and ANZBGL.

[2] Clawback applies to the CEO, ExCo and GGM IA (for awards granted in 2023 financial year), and to select senior employees in jurisdictions where clawback regulations apply.

Variable Pay to Shares (VPS) Offer

Eligibility, grant approach and conditions	VPS provides employees in Australia the opportunity to receive up to $1,000 worth of ANZ shares with concessional tax treatment (where criteria are met). All ANZ shares are held by a custodian or nominee appointed by the Trustee on the Trustee's behalf and are restricted for 3 years. During this time employees benefit from dividend payments which are reinvested through the Dividend Reinvestment Plan (DRP) and have voting entitlements. After the restriction period has been reached the shares can sold or transferred.
Allocation value	Granted based on the VWAP of ANZ shares traded on the ASX in the five trading days leading up to and including the date of grant.
Expensing value (fair value)	Expensed based on the one-day VWAP at the date of grant.
2023 grants	During the 2023 year, we granted 55,600 shares on 22 November 2022 at an issue price of $24.46 (no grants were made in relation to the VPS Offer in the 2022 year).

Expensing of the ANZ Employee Share Acquisition Plan

Expensing value (fair value)	The fair value of shares we granted during 2023 under the Deferred Share Plan and VPS Offer, measured as at the date of grant of the shares, is $56.5 million (2022: $52.6 million Deferred Share Plan only) based on 2,299,781 shares (2022: 1,971,715 Deferred Share Plan only) at VWAP of $24.57 (2022: $26.69).

30. EMPLOYEE SHARE AND OPTION PLANS (continued)

ANZ SHARE OPTION PLAN

Allocation	We may grant selected employees options/rights which entitle them to acquire fully paid ordinary ANZ shares at a fixed price at the time the options/rights vest. Voting and dividend rights will be attached to the ordinary shares allocated on exercise of the options/rights. Each option/right entitles the holder to one ordinary share subject to the terms and conditions imposed on grant. Exercise price of options, determined in accordance with the rules of the plan, is generally based on the VWAP of the shares traded on the ASX in the week leading up to and including the date of grant. For rights, the exercise price is nil.
Rules	Prior to the exercise of the option/right if ANZ changes its share capital due to a bonus share issue, pro-rata new share issue or reorganisation the following adjustments are required: • Issue of bonus shares - When the holder exercises their option, they are also entitled to be issued the number of bonus shares they would have been entitled to had they held the underlying shares at the time of the bonus issue; • Pro-rata share offer - We will adjust the exercise price of the option in the manner set out in the ASX Listing Rules; and • Reorganisation - In respect of rights, if there is a bonus issue or reorganisation of ANZ's share capital, then the Board may adjust the number of rights or the number of underlying shares so that there is no advantage or disadvantage to the holder. Holders otherwise have no other entitlements to participate: • in any new issue of ANZ securities before they exercise their options/rights; or • in a share issue of a body corporate other than ANZ (such as a subsidiary). Any portion of the award which vests may, at the Boards discretion, be satisfied by a cash equivalent payment rather than shares.
Expensing value (fair value)	We expense the fair value of options/rights on a straight-line basis over the relevant vesting period and we recognise the expense as a share-based compensation expense with a corresponding increase in equity. Factors considered in determining the fair value include: the market performance conditions, share price volatility, life of the instrument, dividend yield, and share price at grant date.
Satisfying vesting	Any portion of the award of options/rights (that have met the applicable time and performance conditions) may be satisfied by a cash equivalent payment rather than shares at Board discretion. In financial year 2023, all deferred share rights were satisfied through a share allocation, other than 70,231 deferred share rights (2022: 55,977) for which a cash payment was made. There were no performance rights (PR) due to vest in financial year 2023, as a result of a change in the performance period from three years to four years. In financial year 2022, the PR that vested (previously granted in November/December 2018) were satisfied through a share allocation, other than 24,011 PR for which a cash payment was made.
Cessation	The provisions that apply if the employee's employment ends are in section 10.2.3 of the 2023 Remuneration Report.
Downward adjustment	As per Deferred Share Plan.

30. EMPLOYEE SHARE AND OPTION PLANS (continued)

Option Plans that operated during 2023 and 2022

i) Long Term Variable Remuneration (LTVR) and Variable Remuneration (VR) - restricted rights (RR), performance rights (PR), and deferred share rights (DSR)

Award Type	LTVR (RR & PR)	LTVR / VR historical (PR)	ANZIP VR (DSR)
Eligibility	CEO, ExCo and GGM IA[1]	CEO and ExCo[1]	All other employees (excluding select roles in the UK/China[2]) in countries where DSR may be granted instead of deferred shares
FY of grant	2022 PRR: granted in FY23	2021 PRR: granted in FY22 Historical grants: on foot during FY23 & FY22	2022 and 2021 PRR: granted in FY23 & FY22 Historical grants: on foot during FY23 & FY22
Grant approach	50% of the CEO and ExCo's (except for the CRO) LTVR was received as RR and 50% as PR. 100% of the CRO and GGM IA's LTVR was received as RR.	100% of the CEO's LTVR and 50% of ExCo's VR (except for the CRO who received 50% VR as DSR instead) was received as PR.	If VR is at or exceeds AUD 100,000, then 60% of total VR amount is deferred.
Conditions	RR and PR provide a right to acquire one ordinary ANZ share at nil cost – subject to time and performance conditions. Awarded subject to: • RR: pre-grant assessment (risk-based measures) • RR and PR: shareholder approval at Annual General Meeting (AGM) for CEO award Performance condition tested at end of four-year performance period: • RR: pre-vest assessment (risk-based measures) • PR: relative and absolute Total Shareholder Return (TSR) hurdles Deferral period[3] = four-year performance period (commencing 1 October) + holding period (which commences the day after end of performance period and finishes on the 4th, 5th or 6th anniversary of grants (CEO only for year 6)). Further details provided in section 7.2 of the 2023 Remuneration Report.	Awarded at the end of the year subject to shareholder approval at AGM for CEO award. PR performance condition tested (relative and absolute TSR hurdles) at the end of four-year performance period. The four-year performance period commenced on 22 November to 21 November four years later. The deferral period is four years. Further details are provided in section 5.2.3a of the 2021 Remuneration Report.	DSR provide a right to acquire one ordinary ANZ share at nil cost after a specified vesting period. Deferred over years two, three and four, where year 1 includes the performance period.
Allocation value	Face value of ANZ shares traded on the ASX in the five trading days leading up to and including 1 October (beginning of the financial year).		The fair value at the date of grant is used to determine the number of DSR to be allocated and is also used for expensing purposes. The fair value is adjusted for the absence of dividends during the vesting period.

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[1] All BEAR Accountable Executives.

[2] Specific deferral arrangements also exist under ANZIP for roles defined as UK MRTs and China MRTs, in line with local regulatory requirements.

[3] A dividend equivalent payment (DEP) is paid in cash at the end of the relevant deferral period, but is only made to the extent that all or part of the underlying rights meet the relevant performance condition and vest to the individual. Dividend equivalents accrue over the full deferral period for RR, and only during the holding period for PR.

30. EMPLOYEE SHARE AND OPTION PLANS (continued)

Award Type	LTVR (RR & PR)	LTVR / VR historical (PR)	ANZIP VR (DSR)
Allocation timing	LTVR awarded around late November/December (subject to shareholder approval for CEO). Start of FY	End of FY	Granted in late November.
2023 grants	During 2023, we granted 393,419 RR and 325,880 PR (2022: 542,747 PR).		During 2023, we granted 2,386,278 DSR (no performance hurdles) (2022: 2,576,907).
Downward adjustment	Board discretion was not exercised to apply malus or clawback to any RR or PR in 2023 (2022: nil PR).		Board discretion was not exercised to apply malus or clawback to any deferred share rights in 2023 (2022: nil).

ii) Exceptional circumstances

Remuneration forgone	As per Deferred Share Plan in countries where DSR may be granted instead of deferred shares.
Retention	

Options, Deferred Share Rights, Restricted Rights and Performance Rights on Issue

As at 10 November 2023, there were 396 holders of 4,839,042 DSR on issue, 10 holders of 362,991 RR on issue and 10 holders of 1,510,080 PR on issue.

Options/Rights Movements

This table shows the options/rights over unissued ANZ shares and their related weighted average (WA) exercise prices as at the beginning and end of 2023 and the movements during 2023:

	Opening balance 1 Oct 2022	Granted	Forfeited[1]	Expired	Exercised	Closing balance 30 Sep 2023
Number of options/rights	6,209,040	3,105,577	(428,483)	0	(2,166,618)	6,719,516
WA exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
WA closing share price						$24.30
WA remaining contractual life						1.9 years
WA exercise price of all exercisable options/rights outstanding						$0.00
Outstanding exercisable options/rights						124,377

This table shows the options/rights over unissued ANZ shares and their related weighted average exercise prices as at the beginning and end of 2022 and the movements during 2022:

	Opening balance 1 Oct 2021	Granted	Forfeited[1]	Expired	Exercised	Closing balance 30 Sep 2022
Number of options/rights	6,307,778	3,119,654	(747,744)	0	(2,470,648)	6,209,040
WA exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
WA closing share price						$25.56
WA remaining contractual life						1.9 years
WA exercise price of all exercisable options/rights outstanding						$0.00
Outstanding exercisable options/rights						141,633

[1] Refers to any circumstance where equity can be forfeited (for example on cessation, downward adjustment or performance conditions not met).

All of the shares issued as a result of the exercise of options/rights during 2023 and 2022, were issued at a nil exercise price.

30. EMPLOYEE SHARE AND OPTION PLANS (continued)

As at the date of the signing of the Directors' Report on 10 November 2023:

- no options/rights over ordinary shares have been granted since the end of 2023; and
- no shares issued as a result of the exercise of options/rights since the end of 2023.

Fair Value Assumptions

When determining the fair value, we apply the standard market techniques for valuation, including Monte Carlo and/or Black Scholes pricing models. We do so in accordance with the requirements of AASB 2 *Share-based Payments*. The models take into account early exercise of vested equity, non-transferability and internal/external performance hurdles (if any).

The table below shows the significant assumptions we used as inputs into our fair value calculation of instruments granted during the period. We present the values as weighted averages, but the specific values we use for each allocation are the ones we use for the fair value calculation.

	2023			2022	
	Deferred share rights	Restricted rights	Performance rights	Deferred share rights	Performance rights
Exercise price ($)	0.00	0.00	0.00	0.00	0.00
Share closing price at grant date ($)	24.67	24.54	24.51	26.62	26.92
Expected volatility of ANZ share price (%)[1]	20.0	20.0	20.0	20.0	20.0
Equity term (years)	2.1	6.6	6.6	2.2	6.0
Vesting period (years)	2.0	4.6	4.6	2.1	4.0
Expected life (years)	2.0	4.6	4.6	2.1	4.0
Expected dividend yield (%)	6.25	6.25	6.25	5.50	5.50
Risk free interest rate (%)	3.20	3.36	3.36	0.80	1.25
Fair value ($)	21.81	18.61	9.85	23.71	10.38

[1] Expected volatility represents a measure of the amount by which ANZ's share price is expected to fluctuate over the life of the rights. The measure of volatility used in the model is the annualised standard deviation of the continuously compounded rates of return on the historical share price over a defined period of time preceding the date of grant. This historical average annualised volatility is then used to estimate a reasonable expected volatility over the expected life of the rights.

SATISFYING EQUITY AWARDS

All shares underpinning equity awards may be purchased on market, reallocated or be newly issued shares, or a combination.

The equity we purchased on market during the 2023 financial year (either under the ANZ Employee Share Acquisition Plan and the ANZ Share Option Plan, or to satisfy options or rights) for all employees amounted to 816,023 shares at an average price of $24.35 per share (2022: 4,230,962 shares at an average price of $27.57 per share).

31. RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel (KMP) are Directors of ANZBGL (whether executive directors or otherwise), and those personnel with a key responsibility for the strategic direction and management of the Group (i.e., members of the Group Executive Committee (ExCo)) who have Banking Executive Accountability Regime (BEAR) accountability and who report to the Chief Executive Officer (CEO). KMP compensation included within total personnel expenses in Note 4 Operating Expenses is as follows:

	Consolidated	
	2023[1] $'000	2022 $'000
Short-term benefits	21,072	18,294
Post-employment benefits	483	394
Other long-term benefits	212	160
Termination benefits	31	-
Share-based payments	8,303	7,368
Total	30,101	26,216

[1] Includes former disclosed KMP until the end of their employment.

KEY MANAGEMENT PERSONNEL LOAN TRANSACTIONS

Loans made to KMP are made in the ordinary course of business and on normal commercial terms and conditions that are no more favourable than those given to other employees or customers, including the term of the loan, security required and the interest rate. No amounts have been written off during the period, or individual provisions raised in respect of these balances. Details of the terms and conditions of lending products can be found on anz.com. The aggregate balance of loans (including credit card balances) made, guaranteed or secured, and undrawn facilities to KMP including their related parties, were as follows:

	Consolidated		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Loans advanced[1]	31,068	30,679	21,824	17,610
Undrawn facilities[1]	1,582	2,020	1,373	1,822
Interest charged[2]	1,346	790	523	293

[1] Balances are as at the balance date (for KMP in office at balance date) or at the date of cessation of former KMP. Comparatives have been amended to include opening balances (at date of commencement) for new KMP in the current period.

[2] Interest charged is for all KMP's during the period.

KEY MANAGEMENT PERSONNEL HOLDINGS OF ANZ SECURITIES

KMP, including their related parties, held the Company's subordinated debt and following the Restructure, shares, share rights and options over shares in the ultimate controlling entity, ANZ Group Holdings Limited directly, indirectly or beneficially as shown below:

	Consolidated	
	2023 Number	2022 Number
Shares, options and rights[1]	3,478,840	2,842,789
Subordinated debt[1]	26,140	26,140

[1] Balances are as at the balance sheet date (for KMP in office at balance sheet date) or at the date of cessation of former KMP. Comparatives have been amended to include opening balances (at date of commencement) for new KMP in the current period.

31. RELATED PARTY DISCLOSURES (continued)

OTHER TRANSACTIONS OF KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

The aggregate of deposits of KMP and their related parties with the Group were $41 million (2022: $30 million) and with the Company were $27 million (2022: $21 million).

Other transactions with KMP and their related parties included amounts paid to the Group in respect of investment management service fees, brokerage and bank fees and charges. The Group has reimbursed KMP for the costs incurred for security and secretarial services associated with the performance of their duties. These transactions are conducted on normal commercial terms and conditions no more favourable than those given to other employees or customers. Gifts were provided to KMP on retirement amounting to $2,476 during the year (2022: $4,944).

ASSOCIATES

We disclose significant associates in Note 26 Investments in Associates. During the course of the financial year, transactions conducted with all associates were on terms equivalent to those made on an arm's length basis.

	Consolidated		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Amounts receivable from associates	**13**	86,469	**-**	18,572
Amounts payable to associates	**990**	102,042	**-**	101,198
Interest revenue from associates	**9,391**	5,570	**7,860**	4,477
Interest expense to associates	**353**	34	**307**	26
Other revenue from associates	**5,816**	14,296	**5,816**	14,296
Other expenses paid to associates	**3,088**	11,159	**704**	8,592
Guarantees given to associates	**-**	72	**-**	72
Dividend income from associates	**42,316**	38,692	**-**	-
Undrawn facilities	**-**	94,097	**-**	94,097

There have been no material guarantees given or received. No amounts receivable from the associates have been written-off during the period, or individual provisions raised in respect of these balances.

SUBSIDIARIES

We disclose material controlled entities in Note 25 Controlled Entities. During the financial year, subsidiaries conducted transactions with each other and with associates on terms equivalent to those on an arm's length basis. As at 30 September 2023, we consider all outstanding amounts on these transactions to be fully collectible.

Other intragroup transactions include providing management and administrative services, staff training, data processing facilities, transfer of tax losses, and the leasing of premises and equipment. The Company also issued letters of comfort and guarantees in respect of certain subsidiaries in the normal course of business.

31. RELATED PARTY DISCLOSURES (continued)

RELATED ENTITIES

Following the Restructure of the Group on 3 January 2023, ANZ Group Holdings Limited became the ultimate controlling entity of the Group and ANZ Bank HoldCo became the immediate parent entity of ANZBGL. Since the Restructure, a number of transactions have occurred between the Group and related parties within the ANZ Group. These transactions include leasing arrangements, funding activities, deposits and tax funding arrangements.

Additionally, as part of the Restructure, certain associate entities of the Group were transferred to ANZ NBH Pty Ltd. Following the transfer, these investments ceased being associates of the Group and became other related parties of the Group.

These transactions are conducted on terms equivalent to those on an arm's length basis. As at 30 September 2023, we consider all outstanding amounts on these transactions to be fully recoverable.

The following balances with related ANZ Group entities were outstanding at 30 September 2023:

	2023 $m
Amounts due from ultimate controlling entity	85
Amounts due from other related entities	696
Amounts due to ultimate controlling entity	1
Amounts due to other related entities	270
Deposits from ultimate controlling entity	183
Deposits from other related entities	111
Undrawn facilities for other related entities	31

During 2023, the following transactions occurred with related ANZ Group entities:

	2023 $m
Dividend paid to parent entity	4,387
Interest paid to ultimate controlling entity	6
Interest paid to other related entities	26
Interest received from other related entities	42
Other revenue received from other related entities	18

In addition, ANZBGL has right-of-use assets of $689 million and lease liabilities of $815 million with ANZ Group Services Pty Ltd at 30 September 2023. For the year ended 30 September 2023, the associated depreciation on the right-of-use assets was $36 million and interest paid on the lease liabilities was $15 million (the interest paid on lease liabilities has been included in the table above within interest paid to other related entities).

32. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

CREDIT RELATED COMMITMENTS AND CONTINGENCIES

	Consolidated		The Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Contract amount of:				
Undrawn facilities	**240,711**	236,051	**206,405**	201,204
Guarantees and letters of credit	**23,556**	23,729	**20,816**	21,557
Performance related contingencies	**26,615**	26,036	**25,891**	24,634
Total	**290,882**	285,816	**253,112**	247,395

UNDRAWN FACILITIES

The majority of undrawn facilities are subject to customers maintaining specific credit and other requirements or conditions. Many of these facilities are expected to be only partially used, and others may never be used at all. As such, the total of the nominal principal amounts is not necessarily representative of future liquidity risks or future cash requirements. Based on the earliest date on which the Group or the Company may be required to pay, the full amount of undrawn facilities for the Group and the Company mature within 12 months.

GUARANTEES, LETTERS OF CREDIT AND PERFORMANCE RELATED CONTINGENCIES

Guarantees, letters of credit and performance related contingencies relate to transactions that the Group has entered into as principal – including guarantees, standby letters of credit and documentary letters of credit.

Documentary letters of credit involve the Group issuing letters of credit guaranteeing payment in favour of an exporter. They are secured against an underlying shipment of goods or backed by a confirmatory letter of credit from another bank.

Performance-related contingencies are liabilities that oblige the Group to make payments to a third party if the customer fails to fulfil its non-monetary obligations under the contract.

To reflect the risk associated with these transactions, we apply the same credit origination, portfolio management and collateral requirements that we apply to loans. The contract amount represents the maximum potential amount that we could lose if the counterparty fails to meet its financial obligations. As the facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements. Based on the earliest date on which the Group or the Company may be required to pay, the full amount of guarantees and letters of credit and performance-related contingencies for the Group and the Company mature within 12 months.

OTHER CONTINGENT LIABILITIES

There are outstanding court proceedings, claims and possible claims for and against the Group. Where relevant, expert legal advice has been obtained and, in the light of such advice, provisions (refer to Note 22 Other Provisions) and/or disclosures as deemed appropriate have been made. In some instances we have not disclosed the estimated financial impact of the individual items either because it is not practicable to do so or because such disclosure may prejudice the interests of the Group.

A description of contingent liabilities and contingent assets as at 30 September 2023 is set out below.

REGULATORY AND CUSTOMER EXPOSURES

The Group regularly engages with its regulators in relation to regulatory investigations, surveillance and reviews, reportable situations, civil enforcement actions (whether by court action or otherwise), formal and informal inquiries and regulatory supervisory activities in Australia and globally. The Group has received various notices and requests for information from its regulators as part of both industry-wide and Group-specific reviews and has also made disclosures to its regulators at its own instigation. The nature of these interactions can be wide ranging and, for example, include or have included in recent years a range of matters including responsible lending practices, regulated lending requirements, product suitability and distribution, interest and fees and the entitlement to charge them, customer remediation, wealth advice, insurance distribution, pricing, competition, conduct in financial markets and financial transactions, capital market transactions, anti-money laundering and counter-terrorism financing obligations, privacy obligations and information security, business continuity management, reporting and disclosure obligations and product disclosure documentation. There may be exposures to customers which are additional to any regulatory exposures. These could include class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with such reviews and possible exposures remain uncertain.

32. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)

OTHER CONTINGENT LIABILITIES (continued)

SOUTH AFRICAN RATE ACTION

In February 2017, the South African Competition Commission commenced proceedings against local and international banks including the Company alleging breaches of the cartel provisions of the *South African Competition Act* in respect of trading in the South African rand. The potential civil penalty or other financial impact is uncertain.

CAPITAL RAISING ACTION

In September 2018, the Australian Securities and Investments Commission (ASIC) commenced civil penalty proceedings against the Company alleging failure to comply with continuous disclosure obligations in connection with the Company's August 2015 underwritten institutional share placement. In October 2023, the Federal Court of Australia found that the Company should have notified the ASX of the joint lead managers' take-up of placement shares. No order has yet been made in respect of payment of legal costs or the amount of a civil penalty. The maximum penalty is $1 million.

ESANDA DEALER CAR LOAN LITIGATION

In August 2020, a class action was brought against the Company alleging unfair conduct, misleading or deceptive conduct and equitable mistake in relation to the use of flex commissions in dealer arranged Esanda car loans. The Company is defending the allegations.

ONEPATH SUPERANNUATION LITIGATION

In December 2020, a class action was brought against OnePath Custodians, OnePath Life and the Company alleging that OnePath Custodians breached its obligations under superannuation legislation, and its duties as trustee, in respect of superannuation investments and fees. The claim also alleges that the Company was involved in some of OnePath Custodians' investment breaches. The Company is defending the allegations.

NEW ZEALAND LOAN INFORMATION LITIGATION

In September 2021, a representative proceeding was brought against ANZ Bank New Zealand Limited, alleging breaches of disclosure requirements under consumer credit legislation in respect of variation letters sent to certain loan customers. ANZ Bank New Zealand Limited is defending the allegations.

CREDIT CARDS LITIGATION

In November 2021, a class action was brought against the Company alleging that certain interest terms in credit card contracts were unfair contract terms and that it was unconscionable for the Company to rely on them. The Company is defending the allegations.

ROYAL COMMISSION

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry released its final report on 4 February 2019. Following the Royal Commission there have been, and continue to be, additional costs and further exposures, including exposures associated with further regulator activity or potential customer exposures such as class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with these possible exposures remain uncertain.

SECURITY RECOVERY ACTIONS

Various claims have been made or are anticipated, arising from security recovery actions taken to resolve impaired assets. These claims will be defended.

WARRANTIES, INDEMNITIES AND PERFORMANCE MANAGEMENT FEES

The Group has provided warranties, indemnities and other commitments in favour of the purchaser and other persons in connection with various disposals of businesses and assets and other transactions, covering a range of matters and risks. It is exposed to claims under those warranties, indemnities and commitments, some of which are currently active. The outcomes and total costs associated with these exposures remain uncertain.

The Group has entered an arrangement to pay performance management fees to external fund managers in the event predetermined performance criteria are satisfied in relation to certain Group investments. The satisfaction of the performance criteria and associated performance management fee remains uncertain.

32. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)

OTHER CONTINGENT LIABILITIES (continued)

CLEARING AND SETTLEMENT OBLIGATIONS

Certain group companies have a commitment to comply with rules governing various clearing and settlement arrangements which could result in a credit risk exposure and loss if another member institution fails to settle its payment clearing activities. The Group's potential exposure arising from these arrangements is unquantifiable in advance.

Certain group companies hold memberships of central clearing houses, including ASX Clear (Futures), London Clearing House (LCH), SwapClear and RepoClear, Korea Exchange (KRX), Hong Kong Exchange (HKEX), Clearing Corporation of India and the Shanghai Clearing House. These memberships allow the relevant group company to centrally clear derivative instruments in line with cross-border regulatory requirements. Common to all of these memberships is the requirement for the relevant group company to make default fund contributions. In the event of a default by another member, the relevant group company could potentially be required to commit additional default fund contributions which are unquantifiable in advance.

PARENT ENTITY GUARANTEES

Certain group companies have issued letters of comfort and guarantees in respect of certain subsidiaries in the normal course of business. Under these letters and guarantees, the issuing entity undertakes to ensure that those subsidiaries continue to meet their financial obligations, subject to certain conditions including that the subsidiary remains a controlled entity.

SALE OF GRINDLAYS BUSINESS

On 31 July 2000, the Company completed the sale to Standard Chartered Bank (SCB) of ANZ Grindlays Bank Limited (Grindlays) and certain other businesses. The Company provided warranties and indemnities relating to those businesses.

The indemnified matters include civil penalty proceedings and criminal prosecutions brought by Indian authorities against Grindlays and certain of its officers, in relation to certain transactions conducted in 1991 that are alleged to have breached the *Foreign Exchange Regulation Act, 1973*. Civil penalties were imposed in 2007 which are the subject of appeals. The criminal prosecutions are being defended.

CONTINGENT ASSETS

NATIONAL HOUSING BANK

The Company is pursuing recovery of the proceeds of certain disputed cheques which were credited to the account of a former Grindlays customer in the early 1990s.

The disputed cheques were drawn on the National Housing Bank (NHB) in India. Proceedings between Grindlays and NHB concerning the proceeds of the cheques were resolved in early 2002.

Recovery is now being pursued from the estate of the Grindlays customer who received the cheque proceeds. Any amounts recovered are to be shared between the Company and NHB.

33. AUDITOR FEES

	Consolidated		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
KPMG Australia				
Audit or review of financial reports[1]	9,567	8,217	9,134	7,726
Audit-related services[2]	3,882	6,037	3,808	5,956
Non-audit services[3]	10	8	10	8
Total[4]	13,459	14,262	12,952	13,690
Overseas related practices of KPMG Australia				
Audit or review of financial reports	6,157	5,808	1,994	2,033
Audit-related services[2]	1,933	1,459	911	831
Non-audit services[3]	95	-	-	-
Total	8,185	7,267	2,905	2,864
Total auditor fees	21,644	21,529	15,857	16,554

[1] Includes audit fees paid on behalf of other entities outside the Group.

[2] Group audit-related services comprise prudential and regulatory services of $4.11 million (2022: $6.26 million), comfort letters $0.57 million (2022: $0.52 million) and other services $1.14 million (2022: $0. 71 million). Company audit-related services comprise prudential and regulatory services of $3.69 million (2022: $5.90 million), comfort letters $0.53 million (2022: $0.48 million) and other services $0.50 million (2022: $0.41 million).

[3] The nature of non-audit services for the Group and the Company includes methodology, procedural and administrative reviews. Further details are provided in the Directors' Report.

[4] Inclusive of goods and services tax.

The Group's Policy allows KPMG Australia or any of its related practices to provide assurance and other audit-related services that, while outside the scope of the statutory audit, are consistent with the role of an external auditor. These include regulatory and prudential reviews requested by regulators such as APRA. Any other services that are not audit or audit-related services are non-audit services. The Policy allows certain non-audit services to be provided where the service would not contravene auditor independence requirements. KPMG Australia or any of its related practices may not provide services that are perceived to be in conflict with the role of the external auditor or breach auditor independence. These include consulting advice and subcontracting of operational activities normally undertaken by management, and engagements where the external auditor may ultimately be required to express an opinion on its own work.

34. PENDING ORGANISATIONAL CHANGES IMPACTING FUTURE REPORTING PERIODS

Suncorp Bank Acquisition

On 18 July 2022, the ANZ Group announced an agreement to purchase 100% of the shares in SBGH Limited, the immediate non-operating holding company of Suncorp Bank. The acquisition was subject to Australian Competition and Consumer Commission (ACCC) authorisation or approval. The ACCC declined to grant authorisation for this acquisition in August 2023 and this decision is currently subject to review by the Australian Competition Tribunal. In addition, the acquisition remains subject to satisfaction of certain conditions, including Federal Treasurer approval and certain amendments to the *State Financial Institutions and Metway Merger Act 1996 (QLD)*. ANZBGL will also have a termination right under the Suncorp Bank Sale Agreement if APRA issues a written communication to ANZBGL under or in connection with APS 222 *Associations with Related Entities* to the effect that ANZBGL must not proceed with completion of the acquisition. Assuming these conditions are satisfied, and merger approval is granted, it is expected to occur in mid-calendar year 2024.

35. EVENTS SINCE THE END OF THE FINANCIAL YEAR

There have been no significant events from 30 September 2023 to the date of signing this report.

Directors’ Declaration

The Directors of Australia and New Zealand Banking Group Limited declare that:

a) in the Directors’ opinion, the financial statements and notes of the Company and the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:

   i) section 296, that they comply with the Australian Accounting Standards and any further requirements of the *Corporations Regulations 2001*; and

   ii) section 297, that they give a true and fair view of the financial position of the Company and the Consolidated Entity as at 30 September 2023 and of their performance for the year ended on that date; and

b) the notes to the financial statements of the Company and the Consolidated Entity include a statement that the financial statements and notes of the Company and the Consolidated Entity comply with International Financial Reporting Standards; and

c) the Directors have been given the declarations required by section 295A of the *Corporations Act 2001*; and

d) in the Directors’ opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Paul D O’Sullivan
Chairman

10 November 2023

Shayne C Elliott
Managing Director

TO THE SHAREHOLDER OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

REPORT ON THE AUDITS OF THE FINANCIAL REPORTS

OPINIONS

We have audited the consolidated **Financial Report** of Australia and New Zealand Banking Group Limited (the Group Financial Report). We have also audited the Financial Report of Australia and New Zealand Banking Group Limited (the Company Financial Report).

In our opinion, each of the accompanying Group Financial Report and Company Financial Report are in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group**'s and of the **Company**'s financial position as at 30 September 2023 and of their financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001.*

The respective **Financial Report** comprises:

- Balance sheets as at 30 September 2023
- Income statements, statements of comprehensive income, statements of changes in equity, and cash flow statements for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of Australia and New Zealand Banking Group Limited and the entities it controlled at the year-end or from time to time during the financial year.

BASIS FOR OPINIONS

We conducted our audits in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audits of the Financial Reports* section of our report.

We are independent of the Group and Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's* APES 110 *Code of Ethics for Professional Accountants ((including Independence Standards)* (the Code) that are relevant to our audits of the Financial Reports in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KEY AUDIT MATTERS

The **Key Audit Matters** we identified for the Group and Company are:

- Allowance for expected credit losses
- Subjective and complex valuation of financial instruments held at fair value
- Organisational restructure
- IT systems and controls.

The additional **Key Audit Matter** we identified for the Group is:

- Carrying value of investment in PT Bank Pan Indonesia (PT Panin).

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our respective audits of the Financial Reports of the current period.

These matters were addressed in the context of our audits of each of the Financial Reports as a whole, and in forming our opinions thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (continued)

ALLOWANCE FOR EXPECTED CREDIT LOSSES (Group $4,408m; Company $3,493m)

Refer to the critical accounting estimates and judgements disclosures in relation to the allowance for expected credit losses in Note 13 to the Group and Company Financial Reports.

The key audit matter

Allowance for expected credit losses (ECL) is a key audit matter due to the significance of the loans and advances balances to the financial statements and the inherent complexity of the expected credit loss models (ECL models) used to measure ECL allowances. These models are reliant on data and estimates including multiple economic scenarios and key assumptions such as defining a significant increase in credit risk (SICR).

AASB 9 *Financial Instruments* requires the Group and Company to measure ECLs on a forward-looking basis reflecting a range of economic conditions. Post-model adjustments are considered to address known ECL model limitations or emerging trends in the loan portfolios. We exercise significant judgement in challenging the economic scenarios and the judgmental post-model adjustments.

Additional subjectivity and judgement is required due to the heightened uncertainty associated with the impact of the economic outlook and its impact on customers, increasing our audit effort thereon.

SICR identification, such as a decrease in customer credit rating (CCR), is a key judgement within the ECL methodology, as this criterion determines if a forward-looking 12 month or lifetime allowance is recorded.

Additionally, allowances for individually assessed wholesale loans exceeding specific thresholds are assessed. We exercise significant judgement in challenging the assessment of specific allowances based on the expected future cash repayments and estimated proceeds from the value of the collateral held in respect of the loans.

How the matter was addressed in our audits

Our audit procedures for the allowance for ECL included assessing significant accounting policies against the requirements of the accounting standard. Additionally, our procedures included testing key controls in relation to:

- The ECL model governance and validation processes which involved assessment of model performance;
- The assessment and approval of the forward-looking macroeconomic assumptions and scenario weightings through challenge applied by internal governance processes;
- Reconciliation of the data used in the ECL calculation process to gross balances recorded within the general ledger as well as source systems;
- Customer credit rating (CCR) for wholesale loans (larger customer exposures are monitored individually). This covered elements such as: approval of new lending facilities against lending policies, monitoring of counterparty credit quality against exposure criteria for internal factors specific to the counterparty or external macroeconomic factors, and accuracy and timeliness of CCR and security indicator (SI) assessments against lending policies and regulatory requirements;
- IT system controls which record retail loans lending arrears, group exposures into delinquency buckets, and re-calculate individual allowances. We tested automated calculation and change management controls and evaluated the oversight of the portfolios, with a focus on controls over delinquency monitoring.

We tested relevant General Information Technology Controls (GITCs) in relation to the key IT applications used in measuring ECL allowances as detailed in the IT Systems and Controls key audit matter below.

In addition to controls testing, our procedures included:

- Reperforming a sample of credit assessments for wholesale loans controlled by workout and recovery teams assessed as higher risk or impaired, and a sample of other loans, focusing on larger exposures assessed by the Group and Company as showing signs of deterioration, or in areas of emerging risk.
- For each loan sampled, we challenged the Group and Company's assessment of CCR and SI using the customer's financial position, the valuation of security, and, where relevant, the risk of stranded assets, to inform our overall assessment of loan recoverability and the impact on the credit allowance. To do this, we used the information on the Group and Company's loan file and discussed the facts and circumstances of the case with the loan officer.
- Exercising our judgement, our procedures included using our understanding of relevant industries and the macroeconomic environment and comparing data and assumptions used by the Group and Company in recoverability assessments to externally sourced evidence, such as commodity prices, publicly available audited financial statements and comparable external valuations of collateral held. Where relevant, we assessed the forecast timing of future cash flows in the context of underlying valuations and approved business plans and challenged key assumptions in the valuations;
- Obtaining an understanding of the Group and Company's processes to determine ECL allowances, evaluating the ECL model methodologies against established market practices and criteria in the accounting standards;
- Working with our credit risk specialists, we assessed the accuracy of the ECL model estimates by re-performing, for a sample of loans, the calculation of the ECL allowance using our independently derived calculation tools and comparing this to the amount recorded by the Group and

KEY AUDIT MATTERS (continued)

- Working with our economic specialists, we challenged the forward-looking macroeconomic assumptions and scenarios incorporated in the ECL models. We compared the forecast GDP, unemployment rates, CPI and property price indices to relevant publicly available macroeconomic information, and considered other known variables and information obtained through our other audit procedures to identify contradictory indicators;
- Testing the implementation of SICR methodology by re-performing the staging calculation for a sample of loans taking into consideration movements in the CCR from loan origination and comparing our result to actual staging applied on an individual account level in the ECL model;
- Assessing the accuracy of the data used in the ECL models by checking a sample of data fields such as account balance and CCR to relevant source systems.

We challenged key assumptions used in post-model adjustments. This included:

- Assessing post-model adjustments against ECL model and data deficiencies identified in model validation processes, particularly in light of the significant volatility in economic scenarios;
- Comparing underlying data used in concentration risk and economic cycle allowances to underlying loan portfolio characteristics of recent loss experience, current market conditions and specific risks in the loan portfolios;
- Assessing certain post-model adjustments identified against internal and external information;
- Assessing the completeness of post-model adjustments by checking the consistency of risks we identified in the loan portfolios against the Group and Company's assessment.
- Assessing the appropriateness of the Group and Company's disclosures in the Financial Reports using our understanding obtained from our testing and against the requirements of the accounting standards.

SUBJECTIVE AND COMPLEX VALUATION OF FINANCIAL INSTRUMENTS HELD AT FAIR VALUE:
GROUP
- FAIR VALUE OF LEVEL 3 ASSET POSITIONS $1,692m
- FAIR VALUE OF LEVEL 2 ASSET POSITIONS $135,711m
- FAIR VALUE OF LEVEL 3 LIABILITY POSITIONS $23m
- FAIR VALUE OF LEVEL 2 LIABILITY POSITIONS $92,892m
COMPANY
- FAIR VALUE OF LEVEL 3 ASSET POSITIONS $1,691m
- FAIR VALUE OF LEVEL 2 ASSET POSITIONS $129,446m
- FAIR VALUE OF LEVEL 3 LIABILITY POSITIONS $14m
- FAIR VALUE OF LEVEL 2 LIABILITY POSITIONS $91,405m

Refer to the critical accounting estimates, judgements and disclosures of fair values in Note 18 to the Group and Company Financial Reports.

The key audit matter

The fair value of the Group and Company's Level 3 and 2 financial instruments is determined by the application of valuation techniques which often involve the exercise of judgement and the use of assumptions and estimates.

In assessing this Key Audit Matter, we involved our valuation specialists to supplement our senior team members who understand the methods, assumptions and data relevant to their valuation of Financial Instruments.

The valuation of Level 3 and Level 2 financial instruments held at fair value is a Key Audit Matter due to:

- The high degree of estimation uncertainty and potentially significant range of reasonable outcomes associated with the valuation of financial instruments classified as Level 3 where significant pricing inputs used in the valuation methodology and models are not observable.
- The complexity associated with the valuation methodology and models of certain more complex Level 2 financial instruments including credit valuation adjustment (CVA) and funding valuation adjustment (FVA) leading to an increase in subjectivity and estimation uncertainty.

These factors increased the level of judgement applied by us and our audit effort thereon.

KEY AUDIT MATTERS (continued)

How the matter was addressed in our audits

Our audit procedures in relation to the valuation of financial instruments held at fair value included:

- Performing an assessment of the population of financial instruments held at fair value by the Group and Company to identify portfolios with a higher risk of misstatement arising from significant judgements over valuation either due to unobservable inputs or complex models.
- Testing the design and operating effectiveness of key controls relating specifically to these financial instruments, including those in relation to:
  - Independent Price Verification (IPV), including completeness of portfolios and valuation inputs subject to IPV;
  - model validation at inception and periodically, including assessment of model limitation and assumptions;
  - review, approval and challenge of daily profit and loss by a control function;
  - collateral management process, including review and approval of margin reconciliations with clearing houses; and
  - review and approval of CVA and FVA, including exit price and portfolio level adjustments.
- In relation to the subjective valuation of complex Level 2 and Level 3 financial instruments, with our valuation specialists:
  - Assessing the reasonableness of key inputs and assumptions using comparable data in the market and available alternatives;
  - Comparing the Group and Company's valuation methodology to industry practice and the criteria in the accounting standards; and
  - Independently revaluing a selection of financial instruments and CVA/FVA. This involved sourcing independent inputs from comparable data in the market and available alternatives. We challenged and assessed any differences.
- Assessing the appropriateness of the Group and Company's disclosures in the Financial Reports using our understanding obtained from our testing and against the requirements of the accounting standards.

CARRYING VALUE OF INVESTMENT IN PT PANIN ($1,440m)

Refer to the critical accounting estimates, judgements and disclosures in Note 26 to the Group Financial Report.

The key audit matter

The carrying value of the Group's investment in PT Panin is a key audit matter due to the impairment indicators identified at the reporting date and the assessment of the investment's recoverable amount involving judgement and the consideration of valuation models given historical volatility in the market price of the shares. Impairment has been recognised in prior periods. We involved our valuation specialists to supplement our senior team members in assessing this key audit matter.

How the matter was addressed in our audit

Working with our valuation specialists, our procedures included:

- Considering the appropriateness of the recoverable amount assessment used to conclude the carrying value of the investment is supportable;
- Considering the appropriateness of the value in use valuation method applied against the requirements of the accounting standards. This included:
  - Assessing the integrity of the models used, including the accuracy of the underlying calculation formulas;
  - Assessing the key assumptions used in the models, such as, discount rates, forecast earnings and terminal growth rates by comparing to external observable metrics, historical experience, our knowledge of the markets and current market practice;
  - Independently developing discount rates range considered comparable using publicly available market data for comparable entities, adjusted for factors specific to the investments and the markets and industry they operate in;
  - Comparing the forecast earnings contained in the model to broker consensus reports and released financial results;
  - Assessing the accuracy of previous forecasts to inform our evaluation of current forecasts incorporated in the model;
  - Considering the sensitivity of the models by varying key assumptions, such as, discount rates, forecast cash flows and terminal growth rates, within a reasonable possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures.
- Assessing the recoverable amount at the reporting date against the recoverable amount of the investment when it was last impaired to critically assess potential reversal of previous impairment losses;
- Assessing the Group's disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.

KEY AUDIT MATTERS (continued)

ORGANISATIONAL RESTRUCTURE

Refer to Note 1 to the Group and Company Financial Reports.

The key audit matter

On 3 January 2023, Australia and New Zealand Banking Group Limited (ANZBGL) established a non-operating holding company, ANZ Group Holdings Limited (ANZGHL). ANZGHL became the newly listed parent company of the Group. The Group also implemented a restructure to separate the banking and certain non-banking businesses into two distinct groups: ANZ Bank Group and ANZ Non-Bank Group.

The organisational restructure is a key audit matter due to:

- The complexities involved in the implementation of the restructure steps plan as outlined in the Restructure Deed;
- Evaluating the accounting treatment associated with the establishment of ANZGHL as the newly listed parent entity in accordance with AASB 3 *Business Combinations*; and
- The various considerations and implications arising from the transfer of assets out of ANZ Bank Group and into ANZ Non-Bank Group and the service company, including the evaluation of the accounting policy choice available under common control transactions.

How the matter was addressed in our audits

Our audit procedures in relation to the organisational restructure included:

- Assessing the accounting considerations involved in the establishment of ANZGHL and the acquisition of ANZBGL shares from existing shareholders to create the newly listed parent entity, in accordance with AASB 3 *Business Combinations*;
- Evaluating, with the assistance of our transaction services specialists, the Restructure Deed and identifying and assessing the accounting implications inherent in each restructure step;
- Testing the transfer of business assets from ANZ Bank Group to ANZ Non-Bank Group and the separate service company for completeness and accuracy by comparing transfers to the Restructure Deed. This included challenging and evaluating recognition and measurement criteria in accordance with accounting policies selected;
- Checking the gain or loss on transfer and its basis of presentation against the Group's selected accounting policy choice;
- Working with our tax specialists to evaluate the taxation considerations of the formation of a new tax consolidated group and potential stamp duty implications of the restructure steps; and
- Assessing the appropriateness of the Group's disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.

IT SYSTEMS AND CONTROLS

The key audit matter

As a major Australian bank, the businesses utilise many complex, interdependent Information Technology (IT) systems to process and record a high volume of transactions. The controls over access, changes to and operation of IT systems are key to the recording of financial information and the preparation of financial reports which provide a true and fair view of the Group and Company's financial positions and performance.

The IT systems and controls, as they impact the financial recording and reporting of transactions, is a key audit matter as our audit approaches could significantly differ depending on the effective operation of the IT controls. We work with our IT specialists as a core part of our audit team.

How the matter was addressed in our audits

Our testing focused on the technology control environments for key IT applications (systems) used in processing significant transactions and recording balances in the general ledgers, and the automated controls embedded within these systems which link the technology-enabled business processes. Our audit procedures included:

- Assessing the governance and higher-level controls across the IT environments, including those regarding policy design, policy review and awareness, and IT Risk and cyber security management practices;
- Design and operating effectiveness testing of key controls across the user access management lifecycle, including how users are on-boarded, reviewed for access levels assigned, and removed on a timely basis from key IT applications and supporting infrastructure. We also examined the management of privileged roles and functions across relevant IT application and the supporting infrastructure;
- Design and operating effectiveness testing of key controls for IT change management including authorisation of changes prior to development, testing performed and approvals prior to migration into the production environment of key IT applications. We assessed user access to release changes to IT application production environments and whether access was commensurate with their job responsibilities;

KEY AUDIT MATTERS (continued)

- Design and operating effectiveness testing of key controls used by the technology teams to restrict access to and monitor system batch job schedules;
- Design and operating effectiveness testing of key automated business process controls including those relating to enforcing segregation of duties to avoid conflicts from inappropriate role combinations within IT applications. Our testing included:
  - Configurations to perform calculations, mappings and flagging of financial transactions, and automated reconciliation controls (both between systems and intra-system); and
  - Data integrity of key system reporting used by us in our audit to select samples and analyse data used to generate financial reporting.
- Where our testing identified design and operating effectiveness matters relating to IT systems or application controls relevant to our audits, we performed alternative audit procedures, including consideration of mitigating controls.

OTHER INFORMATION

Other Information is financial and non-financial information in Australia and New Zealand Banking Group Limited's annual reporting which is provided in addition to the Financial Reports and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinions on the Financial Reports do not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audits of the Financial Reports, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Reports or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORTS

The Directors are responsible for:

- preparing the Financial Reports that give a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal controls to enable the preparation of a Financial Reports that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDITS OF THE FINANCIAL REPORTS

Our objective is:

- to obtain reasonable assurance about whether each of the Financial Reports as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinions.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Reports.

A further description of our responsibilities for the audits of the Financial Reports is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

REPORT ON THE REMUNERATION REPORT

OPINION

In our opinion, the Remuneration Report of Australia and New Zealand Banking Group Limited for the year ended 30 September 2023 complies with *Section 300A* of the *Corporations Act 2001*.

DIRECTORS' RESPONSIBILITIES

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

OUR RESPONSIBILITIES

We have audited the Remuneration Report included in the Directors' report for the year ended 30 September 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Martin McGrath
Partner

Melbourne
10 November 2023

Maria Trinci

Maria Trinci
Partner

shareholder.anz.com