

2017

**BASEL III
PILLAR 3
DISCLOSURE**

AS AT 30 SEPTEMBER 2017

APS 330: REMUNERATION DISCLOSURE

Important notice

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

- the Australian Prudential Regulation Authority (APRA) ADI Prudential Standard (APS) 330: Public Disclosure as applicable to ANZ;
- the Hong Kong Monetary Authority (HKMA) Supervisory Policy Manual CG-5: Guideline on a Sound Remuneration System (HKMA Guidelines) as applicable to ANZ's Hong Kong (HK) branch; and
- Article 450 of the Capital Requirements Regulation (CRR) and the Prudential Regulation Authority's (PRA's) Senior Management Arrangements, Systems and Controls sourcebook (SYSC) 19A.3.12A R as applicable to ANZ Bank (Europe) Limited (ANZBEL).

This disclosure was prepared as at 30 September 2017. ANZ has a continuous disclosure policy, under which ANZ will immediately notify the market of any material price sensitive information concerning the Group, in accordance with legislative and regulatory disclosure requirements.

Remuneration Disclosure

Basis of Disclosure

This document presents:

- the 2017 financial year (2017) remuneration disclosures of Australia and New Zealand Banking Group Limited (ANZ), as required by the Australian Prudential Regulation Authority (APRA) ADI Prudential Standard (APS) 330: Public Disclosure;
- the 2017 remuneration disclosures of ANZ, relating to ANZ's Hong Kong (HK) branch as required by the Hong Kong Monetary Authority (HKMA) Supervisory Policy Manual CG-5: Guideline on a Sound Remuneration System (HKMA Guidelines); and
- the 2017 remuneration disclosures of ANZ, relating to employees identified as United Kingdom (UK) Material Risk Takers (UK MRTs) for ANZ Bank (Europe) Limited (ANZBEL), as required by the remuneration disclosure requirements of Article 450 of the Capital Requirements Regulation (CRR) and the Prudential Regulation Authority's (PRA's) Senior Management Arrangements, Systems and Controls sourcebook (SYSC) 19A.3.12A R.

The disclosures contained in this document are based on information that is consistent with information provided to ANZ's external auditor. However, the information provided is for regulatory disclosure purposes, rather than statutory financial reporting disclosures, and may not be comparable to other information disclosed by ANZ. Additional information on ANZ's remuneration policies and structures is contained in the ANZ 2017 Annual Report.

Bodies that oversee Remuneration

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

The HRC met four times during the 2017 financial year. Committee fees for the HRC chair for the 2017 financial year were AUD 57,000 and for HRC members were AUD 29,000.

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

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

- **Senior Managers**
Senior Managers (at the Australia and New Zealand Banking Group Limited level) are the Responsible Person roles as detailed in ANZ's Remuneration Policy. ANZ's current Responsible Persons are the CEO, Group Executive Committee (ExCo) members and other key roles identified in ANZ's Fit and Proper Policy. For 2017, ANZ had a total of 26 Senior Manager roles (30 individuals due to movement in roles); 26 roles in 2016 (33 individuals due to movement in roles).
- **Material Risk Takers**
Material Risk Takers (MRTs) (at the Australia and New Zealand Banking Group Limited level) are any other persons (not covered by the Senior Manager definition above), for whom a significant portion of total remuneration is based on performance and whose activities, individually or collectively, may affect the financial soundness of ANZ. For ANZ these are Senior Executives who can influence the Group's capital, funding and liquidity, market risk, underwriting risk, and/or credit and counterparty risk. For 2017 ANZ had a total of 6 Material Risk Taker roles (6 individuals); 9 roles in 2016 (11 individuals due to movement in roles).
- **HK branch**
With respect to ANZ's HK branch:
 - Senior Management and Key Personnel (relative to the HK branch) – Senior Management includes those who are responsible for oversight of firm-wide strategy or activities or those of material business lines. Key Personnel includes those whose duties or activities involve the assumption of material risk or the taking on of material exposures. For 2017, ANZ's HK branch had a total of 11 Senior Management and Key Personnel roles (12 individuals due to movement in roles); (10 roles in 2016 (13 individuals due to movement in roles).
- **ANZBEL UK Material Risk Takers**
With respect to ANZ's UK operations for ANZBEL, UK MRT employees include:

- o Senior Management and Risk Takers (relative to the UK operations for ANZBEL) – Senior Management includes those performing Significant Influence Functions. Risk Takers includes those whose professional activities have a material impact on the firm's risk profile. For 2017, ANZ's UK operations for ANZBEL had a total of 5 Senior Management and Risk Taker roles (6 individuals due to movement in roles) (6 roles and individuals in 2016).

As at 30 September 2017, the HRC consisted of four members, all of whom are independent Non-Executive Directors¹.

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

During 2017, the HR Committee and management received information from the following external providers: Aon Hewitt, Ashurst, Ernst & Young, Mercer Consulting (Australia) Pty Ltd and PricewaterhouseCoopers. This information related to market data, market practices, legislative requirements and the interpretation of governance and regulatory requirements.

Design and Structure of Remuneration Processes

The ANZ Remuneration Policy provides the HRC and management with a consistent framework for managing remuneration and remuneration-related matters. Where overseas legislative/regulatory requirements for foreign-owned financial services companies exceed ANZ's Remuneration Policy requirements, the ANZ Remuneration Policy has adopted specific country addendums to apply the local legislative requirements to any impacted employees in the relevant jurisdiction.

ANZ's remuneration framework addresses:

- Remuneration mix and market positioning;
- Fixed and variable remuneration;
- Shareholding guidelines and hedging prohibitions;
- Independence of Risk and Financial Control Personnel;
- Requirements for other ANZ APRA Regulated Entities and Registered Superannuation Entity Licensees and New Zealand, UK, HK and Indonesia based employees; and
- Engagement of remuneration consultants.

The primary objectives of the ANZ Remuneration Policy are:

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

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

The ANZ Remuneration Policy in its current form was first introduced in February 2010 to comply with APRA's Prudential Standard CPS 510: Governance (CPS 510). An effectiveness review of the ANZ Remuneration Policy is conducted by management on an annual basis and the outcomes are reviewed by the HRC and Board to ensure that it remains appropriate for its intended purpose, and is compliant with the APRA Prudential Standard and the specific overseas legislative/regulatory requirements for foreign-owned financial services companies where relevant. The HRC last reviewed the ANZ Remuneration Policy in March 2017 with minor updates approved by the Board at the time. The HRC and Board have determined that the ANZ Remuneration Policy and its specific country addendums remain appropriate for their intended purpose and are compliant.

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

Remuneration at ANZ

ANZ's incentive spend is adjusted each year to reflect ANZ's performance outcomes, and is approved by the Board. Individual remuneration at ANZ is comprised of fixed remuneration and variable remuneration.

Fixed remuneration: Fixed remuneration is designed to reward individuals for their skills and experience, and the accountability of their role. Fixed remuneration is reviewed annually with regard to local market practices and affordability.

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

The Board has on-going and absolute discretion to adjust deferred remuneration (such as deferred equity and deferred cash) downwards, or to zero at any time.

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

The Board also has on-going and absolute discretion to defer the vesting of deferred remuneration for a further period or periods (each a Further Deferral Period).

For UK MRTs, where remuneration has vested (and during the retention period) and:

- the employee participated in or was responsible for conduct which resulted in significant losses to the firm, or failed to meet appropriate standards of fitness or propriety (or both); or
- there is reasonable evidence of employee misbehaviour or material error; or
- the firm or the relevant business unit (or both) suffers a material failure of risk management;

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

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

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

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

ANZ Incentive Plan (ANZIP)

The ANZ Incentive Plan (ANZIP) is designed to align performance to ANZ's strategic objectives and annual operating plan, fairly reward employees and encourage performance without encouraging undue risk taking. It is a discretionary incentive plan operating across ANZ, covering the majority of employees.

To determine and approve the ANZIP incentive pool, the Board considers Economic Profit performance alongside performance against a balanced scorecard of measures.

For 2017, the key performance measures under each of the balanced scorecard categories used to assess performance for ANZIP are provided below. ANZ has used a balanced scorecard approach for a number of years. The scorecard covers the following categories:

- **Risk measures** – adherence is measured through a range of risk indicators derived from Internal Audit reporting, risk systems, controls and processes. These include compliance breaches, customer complaints/disputes, outdated customer reviews (>60 days) and actions incongruent with ANZ Values;
- **Financial and Discipline measures** – including strategy execution, profitability, returns and, funding and liquidity measures;
- **Customer measures** – including customers as advocates, diversification of sales channels and market share measures;
- **People and Reputation measures** – including diversity, engagement, retention and sustainability measures.

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

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

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

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

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

Mandatory deferral of a significant portion of variable remuneration places an increased emphasis on having a variable structure that is flexible, continues to be performance linked, has significant retention elements and aligns the interests of employees to shareholders to deliver against strategic objectives.

For the CEO and ExCo for 2017, variable remuneration is delivered as follows.

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

For all other employees, incentives are delivered in cash up to the mandatory deferral threshold. The HRC regularly reviews the thresholds at which mandatory deferral is applied, the quantum of variable remuneration which is subject to deferral and the time period over which deferral occurs.

In 2017:

- If an employee's incentive is below AUD150,000 (or local currency equivalent), then the incentive is paid in cash.
- If an employee's incentive is at or exceeds AUD150,000, then mandatory deferral will apply:
 - The first AUD80,000 of the incentive is paid in cash (no deferral);
 - Of the incentive amount above AUD80,000:
 - 40% will be paid in cash (no deferral);
 - 20% will be deferred as ANZ equity for 1 year;
 - 20% will be deferred as ANZ equity for 2 years; and
 - 20% will be deferred as ANZ equity⁶ for 3 years.

This means the minimum deferral amount is AUD42,000.

Deferred remuneration remains at risk, and can be adjusted downwards at the discretion of the Board until the vesting date.

UK MRTs who do not meet the 'de minimis' rule⁷ are eligible to participate in ANZ's incentive plans where applicable for their role, and payments will be made in accordance with the Code requirements as below (for performance years beginning on or after 1 October 2016), depending on what type of MRT they are:

⁴ A face value methodology is used to determine the number of performance rights allocated to the CEO and ExCo. 2017 performance rights granted in 2018 are divided into two tranches: Tranche 1 (75%) ANZ TSR relative to a select financial services comparator group and Tranche 2 (25%) ANZ TSR against ANZ Compound Annual Growth Rate (CAGR) TSR target set by the Board.

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

⁶ For Senior Executives, unless the Board determines otherwise, this will be delivered as 50% shares (or share rights) and 50% hurdled performance rights (subject to ANZ TSR relative to a select financial services comparator group).

⁷ Certain requirements of the UK's PRA Remuneration Code relating to the structure of an individual's remuneration do not apply to a UK MRT who meets the 'de minimis' rule. This is where variable is less than 33% of total remuneration and total remuneration is less than GBP 500,000.

	(a) MRT - PRA Senior Manager ⁸	(b) MRT - Risk Manager ⁹	(c) MRT - Not (a) or (b)
Deferred Amount	At least 60% for variable remuneration <u>equal to or greater</u> than GBP 500,000. At least 40% for variable remuneration <u>less</u> than GBP 500,000.		
Equity / Cash	The deferred and non-deferred portion will be paid at least 50% in equity with the remaining amount in cash.		
Vesting Period for deferred portion	7 years from award with no vesting until 3 years after award - vesting no faster than pro-rata at the end of each year on and after the 3 rd year.	5 years from award - vesting no faster than pro-rata at the end of each year.	3 years from award - vesting no faster than pro-rata at the end of each year.
Vesting Period for non-deferred portion	Vests immediately at grant.		
Retention Period for deferred and non-deferred portion	Equity (both deferred and non-deferred) will be subject to a Retention Period of: (a) for the performance year beginning on 1 October 2016, 6 months from vesting; and (b) for performance years beginning on or after 1 October 2017, 12 months from vesting.		
Malus	All unvested awards are subject to reduction, including to zero, using malus.		
Clawback	All vested awards will be subject to recovery using clawback.		
Clawback Period	7 years from award. Can be increased to <u>at least</u> 10 years in certain circumstances. ¹⁰	7 years from award.	

Long term incentives (LTI)

Employees at an Executive to Manager level may be considered for a long term incentive which is delivered as three year deferred shares (or share rights). Long term incentives at this level are typically awarded to recognise and retain those who perform and have long-term potential, providing alignment of a portion of an individual's remuneration to sustained growth in shareholder value over the longer term.

All long term incentive equity remains at risk, and can be adjusted downwards, until vesting.

Current and Future Risks

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

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

To ensure consistent monitoring year on year, the Board considers performance against a balanced scorecard of measures to determine incentive pools. This helps to ensure that incentive pools are shaped

⁸ Senior Managers are material risk takers who perform a PRA senior management function.

⁹ Risk Managers are material risk takers who do not perform a PRA senior management function, but whose professional activities meet the qualitative criteria set out in Article 3(1) to 3(9), 3(10) (but only by virtue of being responsible for a committee referred to therein), 3(13) or 3(15) of the EU Material Risk Takers Regulation.

¹⁰ Circumstances are where: (a) the firm has commenced an investigation into facts or events which it considers could potentially lead to the application of clawback were it not for the expiry of the clawback period; or (b) the firm has been notified by a regulatory authority that an investigation has been commenced into facts or events which the firm considers could potentially lead to the application of clawback by the firm were it not for the expiry of the clawback period.

by risk considerations. The CRO reviews and provides input to the Board/HRC on incentive pools taking into consideration the risk and return tradeoffs.

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

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

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

Quantitative Disclosures for ANZ Senior Managers and Material Risk Takers

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

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

Table 1 provides a view of how remuneration is paid or communicated to individuals, and is consistent with the Variable Remuneration Awarded and Actual Remuneration Received tables in the 2017 Remuneration Report.

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

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

All Senior Manager and Material Risk Taker deferred remuneration is deferred into equity.

No guaranteed bonuses, sign-on awards or termination payments have been paid/granted in the financial year to Senior Management or Material Risk Takers, except for two roles in 2017 (and one role in 2016) who received relocation benefits upon termination. The termination payments have not been disclosed below for these roles to ensure confidentiality.

	Financial Year 2017	
	Senior Management	Material Risk Takers
Number of people	30	6
Fixed remuneration (cash – non-deferred) AUD '000	21,744	3,384
Variable remuneration		
Number of people	23	6
Cash (non-deferred) AUD '000	12,410	4,747
Shares and share-linked instruments (deferred) AUD '000	22,293	6,400
	Financial Year 2016	
	Senior Management	Material Risk Takers
Number of people	33	11
Fixed remuneration (cash – non-deferred) AUD '000	22,839	4,855
Variable remuneration		
Number of people	25	9
Cash (non-deferred) AUD '000	9,016	4,204
Shares and share-linked instruments (deferred) ¹⁰ AUD '000	16,396	5,724

Table 2 (APS 330, Table 21 (i) and 21 (k)): Deferred remuneration exposed to implicit and explicit adjustments (AUD)

Values have been calculated using a 1-day volume weighted average price (VWAP) of ANZ shares on vesting date (paid out)/30 September 2017 (outstanding), multiplied by the number of shares/rights (face value). Reductions are determined comparing these values to the allocation value at grant. All outstanding deferred remuneration is exposed to ex post explicit and implicit adjustments.

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

In 2016, all Senior Manager and Material Risk Taker deferred remuneration was deferred into equity, except for one role which is also classified as an UK MRT for whom part of deferred remuneration is received as deferred cash. Deferred cash is not disclosed below for this role to ensure confidentiality.

	Financial Year 2017	
	Senior Management	Material Risk Takers
Deferred remuneration paid out		
Vested cash \$'000	1,112	-
Vested shares and share-linked instruments \$'000	20,061	4,856
Outstanding deferred remuneration		
Unvested cash \$'000	1,000	-
Unvested shares and share-linked instruments \$'000	71,090	16,406
Deferred remuneration reductions		
Total reductions due to ex post explicit adjustments \$'000	(15,022)	(1,408)
Total reductions due to ex post implicit adjustments \$'000	(1,104)	(423)

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

Quantitative Disclosures for ANZ HK branch

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

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

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

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

No guaranteed bonuses, sign-on awards or termination/severance payments¹¹ have been paid/granted/awarded in the financial years 2017 and 2016 to Senior Management and Key Personnel for the ANZ HK branch.

¹¹ Includes non-contractual items only.

	Financial Year 2017
	HK Senior Management and Key Personnel
Number of people	12
Fixed remuneration (cash – non-deferred) HKD '000	24,712
Variable remuneration	
Number of people	7
Cash (non-deferred) HKD '000	5,456
Cash (deferred) HKD '000	-
Shares and share-linked instruments (deferred) HKD '000	3,500
Total variable remuneration HKD '000	8,956
Total Remuneration HKD '000	33,668

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

Table 4 (HKMA CG-5 (h), (i), (j), (l)): Deferred remuneration (HKD)

Values have been calculated using a 1-day volume weighted average price (VWAP) of ANZ shares on vesting date (paid out)/30 September 2017 (outstanding), multiplied by the number of shares/rights (face value). Reductions are determined comparing these values to the allocation value at grant.

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

	Financial Year 2017
	HK Senior Management and Key Personnel
Deferred remuneration	
Unvested outstanding deferred remuneration (Cash) HKD '000	1,935
Unvested outstanding deferred remuneration (Shares and share-linked instruments) HKD '000	9,602
Vested outstanding deferred remuneration (Shares and share-linked instruments) HKD '000	-
Awarded deferred remuneration HKD '000	2,362
Paid out/vested deferred remuneration HKD '000	5,087
Remuneration reductions	
Deferred remuneration reduced through performance adjustments '000	-
Total reductions due to ex post explicit adjustments HKD '000	(482)
Total reductions due to ex post implicit adjustments HKD'000	(543)
Total outstanding deferred remuneration exposed to ex post explicit and/or implicit adjustments HKD'000	9,602
Total outstanding retained remuneration exposed to ex post explicit and/or implicit adjustments HKD'000	-

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

Quantitative Disclosures for ANZBEL UK Material Risk Takers

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

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

	Financial Year 2017
	ANZBEL Senior Management and Risk Takers
Number of people	6
Total remuneration GBP '000	2,042

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

Table 7 provides a view of how remuneration is paid or communicated to individuals:

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

No sign-on awards or termination/severance payments have been paid/granted/awarded in the financial year to ANZBEL UK MRTs who are Senior Management.

	Financial Year 2017
	ANZBEL Senior Management and Risk Takers
Number of people	6
Fixed remuneration (cash – non-deferred) GBP '000	1,334
Variable remuneration	
Number of people	4
Cash (non-deferred) GBP '000	212
Cash (deferred) GBP '000	142
Shares and share-linked instruments (non-deferred) GBP '000	212
Shares and share-linked instruments (deferred) GBP '000	142
Total variable remuneration GBP '000	708
Total Remuneration GBP '000	2,042

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

Values have been calculated using a 1-day volume weighted average price (VWAP) of ANZ shares on vesting date (paid out)/30 September 2017 (outstanding), multiplied by the number of shares/rights (face value). Reductions are determined comparing these values to the allocation value at grant.

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

	Financial Year 2017
	ANZBEL Senior Management and Risk Takers
Deferred remuneration	
Unvested outstanding deferred remuneration GBP '000	1,831
Vested outstanding deferred remuneration GBP '000	-
Awarded deferred remuneration GBP '000	530
Paid out/vested deferred remuneration GBP '000	475
Deferred remuneration reduced through performance adjustments GBP '000	(29)

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

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

Total remuneration has been calculated including fixed remuneration, allowances, variable remuneration in relation to the performance year, and fees for Non-Executive Directors. Bands have been converted using a rate of 1 EUR = 0.8786.

	Financial Year 2017
	Number of people
Deferred remuneration	
879 – 1,318 GBP '000 (1m – 1.5m EUR)	0

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