

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (SECOND REPORT)

Australia and New Zealand Banking Group Limited

ANZ11QON:

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**Organisational performance**

Mr KEOGH: The immediately adjacent period. As you pointed out, there was a restructure, a whole lot of reclassification and one-offs in there. Did any of that, in terms of your remuneration or other senior executives' remuneration and incentives, take into account the fact that there was this write-down of the value of that part of the business?

Mr Elliott: My recollection—and I would have to go back and check—is there was no write-down. There were impairment losses due to previous loans that essentially defaulted. In that period, the only write-downs or impairment charges we have taken have actually been in the last financial year. I would have to go and check what you are referring to.

**Answer:**

There was no write-down in the value of that part of the business.

Instead, one-off items impacted the cash profit for the financial year ended September 2016. In addition, the rebalancing of the Institutional portfolio through a reduction in credit risk weighted assets in the year resulted in a significant reduction of revenue and profit.

The overall incentive pool reduced commensurately with the decline in cash profit. Individual outcomes were impacted by the reduced pool.