

2024 Voluntary Tax Transparency Report

Year ended 30th September 2024

Introduction



Across the countries in which we operate, we contribute directly to the economy by paying taxes, money which is then used by governments to provide public services and amenities for the benefit of the wider community.

ANZ's tax disclosures meet the requirements of the Australian Board of Tax, Voluntary Tax Transparency Code (TTC). We have prepared our tax transparency disclosures in this report in conformance with the TTC.

In 2024, ANZ global net taxes borne amounted to \$3,447 million (2023: \$3,519 million). ANZ also directly remitted an additional \$4,461 million (2023: \$4,209 million) in taxes which were collected on behalf of and paid to the governments of the countries in which we operate (primarily relating to GST/VAT and employee remuneration).

Total taxes borne by the ANZ Group

ANZ Group (A\$ million)	2024	2023
Income tax expense consisting of:		
Australia	1,495	1,646
New Zealand	780	767
APEA	555	540
	2,830	2,953
Unrecovered GST/VAT	312	310
Employee related taxes	259	218
Other taxes/duties	46	38
Total tax payments borne	3,447	3,519

ANZ operates in 29 markets globally through branches and subsidiaries. We have six subsidiaries in countries which the Australian Taxation Office (ATO) classifies as 'specified countries' (i.e. tax havens). These subsidiaries operate in countries in which ANZ holds a banking licence and are used as part of banking activities. They have been fully disclosed to the ATO.

The Major Bank Levy Act 2017 (the levy) was introduced in 2017, effective from 1 July 2017. We have determined that the levy represents a finance cost for the bank and is included as a component of net interest income. This is presented within interest expense in the Income Statement, available in the 2024 Annual Report at anz.com/annualreport and amounts to \$389 million (2023: \$353 million).



Our tax strategy and governance framework

ANZ operates under a global tax governance policy which is overseen by the Board Audit Committee and states that our tax affairs are managed in accordance with the Group's low-risk appetite and a philosophy based on an open and transparent relationship with revenue authorities. The policy covers all taxes, associated credits and tax attributes. Under the policy, the Board Audit Committee ensures that there is a framework in place to keep them informed about tax risk matters, the effectiveness of the tax control framework and whether tax paid aligns with business results.

As part of our tax governance framework, we have implemented compliance policies, procedures and programs to ensure continued adherence with the tax laws in all the countries in which we operate. Tax compliance is a fundamental part of business practices of ANZ and our controlled entities. ANZ undertakes periodic internal tax control testing and reports this to the Board Audit Committee.

ANZ's tax culture and business practices are consistent with ANZ's values and aspirations. ANZ does not enter into any arrangements that are designed to avoid or reduce the tax that we or our customers and partners owe.

The tax governance and tax transfer pricing governance policies are publicly available at anz.com/corporate-governance.

In our two largest markets we have been party to an Annual Compliance Arrangement (ACA) and Cooperative Compliance Arrangement (CCA) with the Australian and New Zealand Federal Tax Regulators respectively for a number of years. In 2024, the Australian tax regulator discontinued the ACA arrangements with large taxpayers, and we are now subject to Pre-lodgement Compliance Reviews (PCR) on a quarterly basis.

Where possible, ANZ has sought to agree Advanced Pricing Arrangements (APAs) regarding the tax treatment of our International Related Party Dealings. These arrangements continue to be effective in demonstrating ANZ's focus on corporate governance standards, tax risk management processes and comprehensive disclosure.

Australian tax transparency



In line with Australian legislation requiring the ATO to publish specific income tax return data of corporate tax entities that report a total income of \$100 million or more, the following table provides further transparency on our 2023 Australian income tax return data.

30 September 2023	Total ¹ (A\$ million)
Total Income ²	45,123
Taxable Income ³	5,491
Tax payable ⁴	1,539

1. As published by the ATO. 2. Total Australian income before all expenses (e.g. interest expense, employee costs, depreciation etc). This amount includes exempt income, other non-assessable income and foreign source income. 3. Taxable income represents assessable income derived from all sources less allowable deductions incurred in gaining that income. 4. The 2023 tax liability includes tax offset reductions of \$44 million relating to foreign income tax offsets and \$64m relating to Franking Deficits Tax offset.

International related party dealings

ANZ provides a broad range of banking and financial products and services to individual and business customers in multiple geographic markets.

In the course of serving our customers across the markets in which we operate, transactions take place which give rise to International Related Party Dealings (IRPDs) with offshore branches and subsidiaries.

The main IRPDs that impact ANZ are set out below.

Funding	To support normal business operations, namely to facilitate customer lending and to meet regulatory capital requirements, ANZ related parties may undertake cross-border short and long-term funding transactions.
Group Capability Centre support	To obtain cost, risk management and enhanced customer service advantages, ANZ locates Group Capability Centres in India, the Philippines, and Fiji to provide support services to other ANZ related parties.
Support and Technology Services	Business support, operations and technology functions are centralised principally in Australia, and provide support to multiple ANZ related parties.
Derivatives and related activities	ANZ's Markets business operates in a truly global derivative market, and consequently, ANZ related parties will engage in derivative sale and trading arrangements with other ANZ related parties.

Consistent with the principles of the ANZ Tax Transfer Pricing Governance Policy, ANZ's IRPDs are conducted in a manner consistent with Australian taxation law and international taxation norms, including applying the 'arm's length principle'.¹ ANZ does not use transfer pricing as a means to shift income, costs or profits to/from tax-preferred countries.

The main counterparties ANZ Australia deals with are branches and subsidiaries located in New Zealand, Singapore, the United Kingdom, Hong Kong, the United States and India. Each counterparty has its own significant local country business

presence, a large workforce of employees and economic substance.

ANZ maintains contemporaneous documentation supporting the pricing of international related party dealings, which complies with local country documentation requirements. International requirements for transfer pricing reporting under Country-by-country Reporting legislation are also followed, supporting the global exchange of information between Australia and other countries.

1. All IRPDs must be priced as if the related parties were acting at arm's length. In essence the pricing determined should be equivalent to that found in a normal commercial pricing arrangement between non-associated parties.

Reconciliation of accounting profit to current year income tax payable and income tax expense

	AUD \$m Australia	AUD \$m New Zealand	AUD \$m APEA	AUD \$m Total
Profit before income tax (PBT) ¹	4,547	2,744	2,109	9,400
Prima facie income tax expense based on local statutory tax rate	1,364	768	532	2,664
Permanent differences				
Share of associates' profit/(loss)	(32)	0	0	(32)
Interest on convertible instruments	124	0	0	124
Other	27	7	13	47
Income tax expense relating to current year liability	1,483	775	545	2,803
Temporary differences (movement)				
Collectively assessed allowances for expected credit losses	89	1	(4)	86
Individually assessed allowances for expected credit losses	(19)	1	(3)	(21)
Other provisions	(33)	2	0	(31)
Software	120	(18)	0	102
Other	50	83	22	155
Total temporary differences (movement)	207	69	15	291
Other adjustments impacting current tax payable ²	(16)	0	0	(16)
Current year income tax payable	1,674	844	560	3,078
Total income tax expense (ITE)				
Income tax expense relating to current year liability	1,483	775	545	2,803
Prior year adjustments to amounts provided	4	0	16	20
Other	8	5	(6)	7
Total income tax expense¹	1,495	780	555	2,830
Effective tax rate (ITE/PBT)	32.9%	28.4%	26.3%	30.1%
Statutory tax rate	30.0%	28.0%	Various	

1. Consistent with the Income Statement of 2024 Annual Report. Geography split is based on a legal view. 2. Represents estimated tax offsets.

