



Australian Banking
Association



Australian Banking
Association Limited
Annual Report

2022

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97

Australian banks



More than 200,000

bank employees in Australia



19.5 million

bank customers

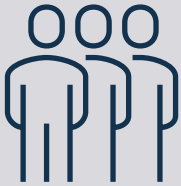


\$20.3 billion



paid to bank shareholders

Flood Support



Banks supported more than

2,700 customers

affected by the Lismore floods



providing more than

\$550 million

in hardship relief

7,757

bank ATMs



\$10.5 billion

corporate tax paid by banks

\$1.5 billion

major bank levy



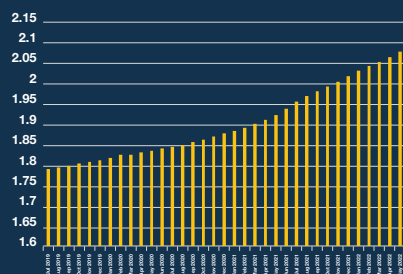
4,491

bank branches

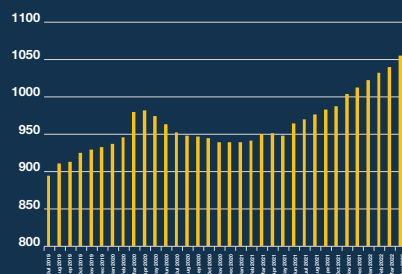
2022 By the Numbers

Bank lending (outstanding loans)

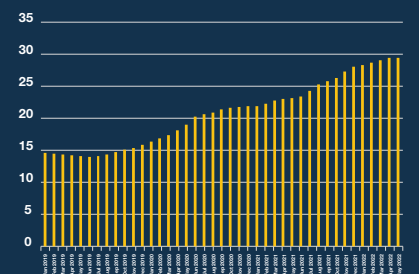
2022 Mortgages \$2.1 trillion



2022 Business loans \$1.1 trillion



2022 Refinancing \$399 billion



Small business loans



\$139 billion

Agribusiness loans, a record



\$103 billion

Average interest rate of outstanding small business loans



4.18%

ABA Members

abal banking

AMP 


ANZ 

Bank Australia
RESPONSIBLE
BANKING

BofA SECURITIES 

 中國銀行
BANK OF CHINA

BOQ 

 **Bank of Sydney**

 **Bendigo and
Adelaide Bank**

citi 

 **Commonwealth
Bank**

 **HSBC**

ING 

J.P.Morgan


MACQUARIE
BANK

MyState 

 **MUFG**

 **nab**


Rabobank

SUNCORP 

 **UOB**



Associate Members



Chair's Report



For many Australians, 2022 has been a challenging year. We've experienced catastrophic floods, the global pandemic, and more recently the hip-pocket impact of high inflation.

Through it all, the Australian Banking Association and its member banks have helped customers, businesses, and communities to manage these difficult times. The support provided during the pandemic enabled many customers to stay on their feet. And while economic activity has picked up, businesses have re-opened and our cities are back to life, it's clear that we are confronting a tricky period ahead as we deal with inflation, skills shortages, supply chain challenges and rising interest rates.

As we look ahead, the banks are in great shape to continue to assist customers. We know that some households and businesses may need extra support as we move into 2023. Banks are ready to provide that support, just as they did during the worst months of pandemic lockdown.

On behalf of the industry, I want to thank Anna Bligh and the ABA for their important work in recent years. I have no doubt that this work will continue, especially in areas such as the digital transformation of banking in Australia, helping our customers transition to a net zero future, combatting scams and liaising with the newly elected government in Canberra.

In this, my first year as ABA Chair, I'm looking forward to what will be a challenging, but rewarding period ahead.

A handwritten signature in blue ink that reads "Peter King". The signature is written in a cursive, flowing style.

Peter King

Deputy Chair's Report



The resilience of Australian communities continues to impress in the face of numerous challenges, not the least the current economic environment. As CEO and Managing Director of a regionally headquartered bank, I have had the opportunity to observe at close quarters just how resilient and adaptable customers and communities have been to changing circumstances.

While challenges such as the recent floods, the increased cost of living and a rising interest rate environment are not insignificant and will have an impact on many Australians, I am optimistic about starting a new chapter in history and returning to a more stable environment than in previous years.

Regional Australia continues to make an important contribution to the economy and it's a contribution that grows as more and more Australians consider the regions as a great place to start a family, build a career or open a business, which in turn, creates a virtuous cycle of activity and opportunities.

Australian banks are working closely with governments and regulators to embrace the opportunities before us in relation to digital payments and the transition to a low carbon economy, as well as the challenges associated with combatting scams and dealing appropriately with the difficult and sensitive area of financial hardship.

As Australians make the most of the opportunities available to them and reconnect with one another, I look forward to working with Anna, the ABA team, and the banking industry as a whole to help grow the economy, including in our vibrant regional and rural areas.

A handwritten signature in black ink that reads "Marnie Baker". The signature is fluid and cursive, with the first name "Marnie" written in a larger, more prominent script than the last name "Baker".

Marnie Baker



CEO's Report



The past year has been one of challenge and opportunity.

With much of the country enduring shut borders and long lockdowns, the ABA team spent almost the first half of the financial year working from home. Customers and businesses continued to rely on the support of the Government and their banks as they faced significant difficulties. With the economy re-opening new challenges quickly emerged with escalating global inflation, a war in Ukraine, supply chain blockages and rising interest rates.

For too many Australians, these challenges have been compounded by devastating floods and many have been impacted multiple times by recurring events. Banks know that it is a long road to recovery for these communities and they will do all they can to help these Australians to get back on their feet.

As Australia transitions to a digital, low carbon economy there are many opportunities for the nation's banks to lead and shape the transition. Reform of Australia's payments system, sustainability, climate change mitigation, the prevention of scams and an improved use of data to benefit customers are among some of the industry's priorities in the year ahead.

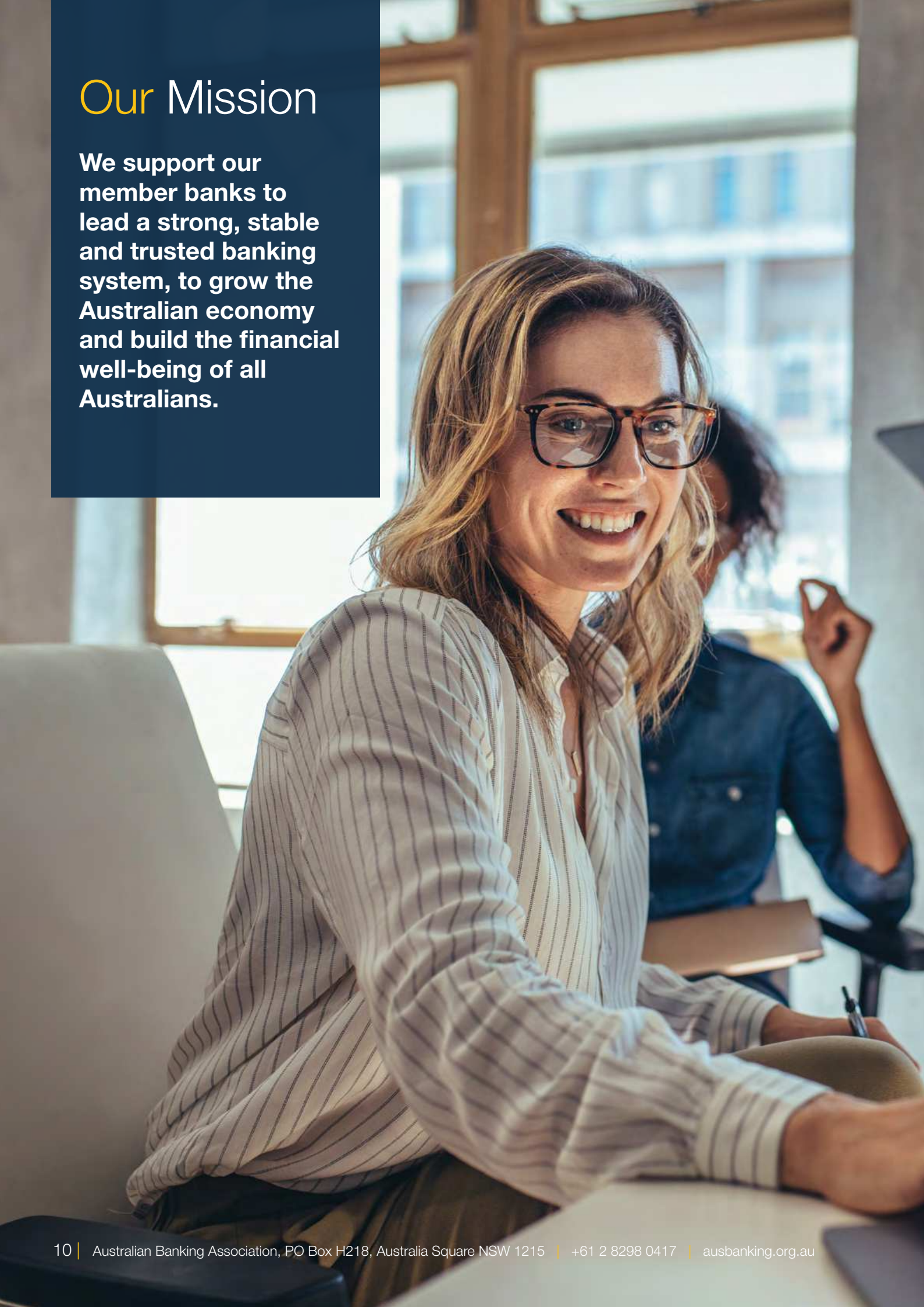
Australia's banks are strong, stable and well positioned to play an active role in forging the future. The ABA team and I look forward to working with you on the journey ahead.

A handwritten signature in blue ink that reads "Anna Bligh". The signature is fluid and cursive, with a long, sweeping tail on the letter 'g'.

Anna Bligh

Our Mission

We support our member banks to lead a strong, stable and trusted banking system, to grow the Australian economy and build the financial well-being of all Australians.



Our Priorities

The Australian Banking Association advocates for a strong, competitive and innovative banking industry that delivers excellent and equitable outcomes for customers. We promote and encourage policies that improve banking services for all Australians, through advocacy, research, policy expertise and thought leadership.



Grow the Economy

Every Customer Counts

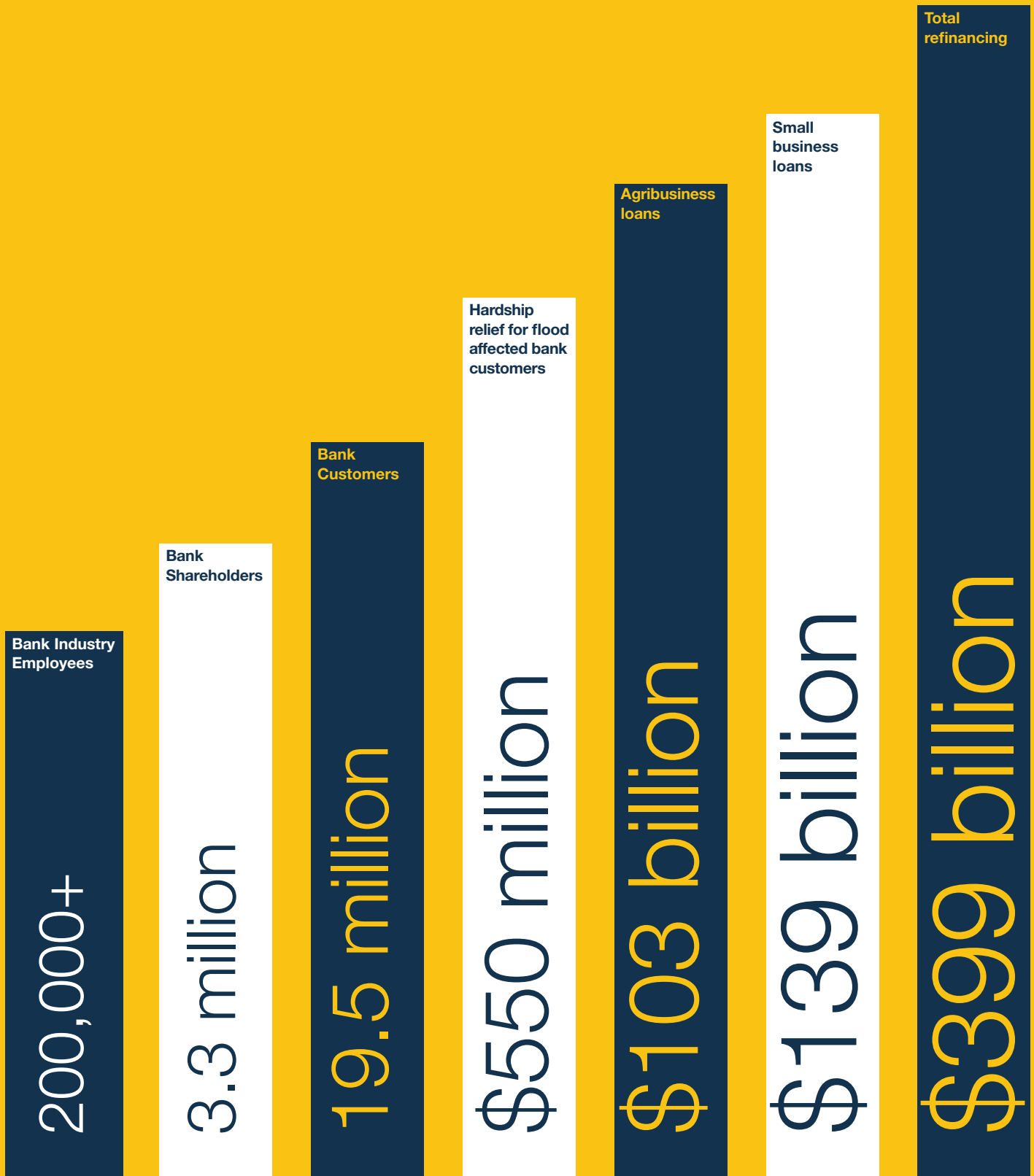


Earn Back Your Trust

Imagine the Future



Grow Australia's Economy



Sources: ABS Lending Indicators, RBA Bank lending by sector, ABS National Accounts, ABA member banks' annual reports.

Case Study

“We knew what would benefit our business not just today and tomorrow but also long into the future. I bought the machine of my dreams!”

Investing in productivity today to be ready for tomorrow and beyond

Royston Petrie Seeds is a family-owned business in Mudgee, NSW that sells organic seeds.

“The pandemic hit us hard in more ways than one. We were completely overwhelmed,” said Rowena Petrie, who runs the business with her husband Daniel.

Unlike many businesses, Rowena was fortunate that the pandemic increased demand for her seeds. But it created massive resourcing and supply challenges.

“We were running out of stock,” she said. “We source a lot from overseas because we can’t grow everything we sell. There were no flights coming in. That was scary to think your business might have to shut down because you’ve got nothing to sell,” she said.

“We had some thoughts around how we could best reduce the stress on our staff by implementing some new machinery. So, we spoke with our bank manager. They knew our situation, they knew our business. They were there for us.”

With the help of her bank and the Federal Government’s COVID-19 business incentives, Rowena was able to purchase new equipment that made the business more efficient, making it better for production while taking the pressure off her employees.

“Luckily, we were also able to capitalise on that instant asset write off and invest in equipment that we knew would benefit our business not just today and tomorrow but also long into the future. I bought the machine of my dreams!”



**Scan to learn more
about Rowena’s story**

Grow the Economy



Supporting Agribusiness

ABA members lent an average of \$4.2 billion in new loans to agribusiness on a monthly basis, a 29% increase in the average of \$3.2 billion in the 12 months prior.¹



Strengthening SMEs

Small and Medium Enterprises are the lifeblood of the economy and benefited from over \$10 billion in new lending from ABA member banks in the three months to August 2021 to assist with COVID recovery and investing for growth².



Prudential standards

The ABA worked with APRA to develop a capital treatment approach that supported lending to the economy and provided relief for businesses and households impacted by the pandemic. This helped the Australian economy remain buoyant through these unprecedented times. Australian banks remain unquestionably strong and are among a few leading economies that will implement the Basel 3.5 regime in line with the internationally agreed timetable.



Natural disaster recovery

Customers of ABA member banks in communities impacted by flood disasters in parts of NSW and Queensland were supported with financial assistance packages to help relieve the financial stress experienced by affected individuals and businesses. Banks in Australia ensured critical banking services were maintained through the deployment of mobile ATMs, 'bank in a box' solutions and temporary site offices.



Climate leadership

The ABA supported APRA's Climate Vulnerability Assessment involving five member banks. We also coordinated a group of twenty peak bodies in advocating for a standardised framework for global sustainability reporting to the IFRS Foundation. In FY22 we commenced the industry's climate roadmap to support maturing in climate risk management practice. We also commenced preparations for nature-based disclosures.

1. Source: ABA Agribusiness Report 2022. 2. Source: ABA SME Lending Report 2021.



Every Customer Counts



Helping customers most in need

The ABA introduced a new industry-wide financial difficulty guideline to strengthen the assistance provided by banks to customers through periods of financial difficulty. The guideline balances the need for consistent, standardised access to financial difficulty assistance with the need for flexibility when responding to customers' unique personal and financial circumstances.



Combatting scams

The ABA and its members continued to focus on helping customers identify and avoid scams. Financial institutions reported that they had prevented scams or recovered funds from scammers worth almost \$341 million between July 2020 and June 2021. In addition, almost \$103 million was refunded to customers who were the victims of scams. Member banks continue to invest in making the banking system more secure and in promoting tools such as PayID that can help mitigate scams.



The introduction of Comprehensive Credit Reporting

Comprehensive Credit Reporting (introduced on 1 July 2022) helps ensure that borrowers and lenders have a full picture of an individual's financial circumstances when applying for credit. The ABA worked with industry and consumer advocates to produce facts sheets for customers and financial counsellors to explain the practical impact of the changes to credit reporting. The ABA worked with ASIC to secure regulatory relief from compulsory credit reporting obligations where necessary to allow banks to better assist customers experiencing family and domestic violence.



Customer Advocate Guiding Principles

The ABA updated the Customer Advocate Guiding Principles to assist banks when designing, appointing and reviewing the role of Customer Advocates to ensure they remain an effective and powerful voice for customers within the bank. Broader co-operation between consumer representatives and ABA member banks was fostered and strengthened with the creation of the Customer Advocate Forum.





Review of the Banking Code of Practice

The Banking Code of Practice sets out high standards of behaviour and service to help improve the banking experience for all customers.

As part of our ongoing commitment to the Code, the ABA commissioned an independent review led by Mike Callaghan AM PSM. He was supported by a Consumer Advisory Panel made up of representatives from the Council of Small Business Organisations (COSBOA), the Consumer Action Law Centre and the Financial Rights Legal Centre.

The final report was released in November 2021 and contained 116 recommendations for potential improvements to the Code. The ABA is consulting with its members and with consumer groups on the response to the review and expects to commence wider consultation with industry stakeholders on an updated Banking Code of Practice in late 2022. Enhancements will include an updated definition of 'small businesses' extending protections to more small business customers and an updated vulnerability definition to recognise the wide-ranging support offered by banks for customers experiencing vulnerability.

Flood Support



The ABA continues to encourage all flood-impacted customers to contact their bank to find out about support that may be available.

As the worst of the emergencies from the most recent floods have now come to an end and the clean-ups continue, we want Australians who have been impacted, some multiple times, to know their bank is ready with tailored support to assist them as they recover.



Australian banks are currently supporting almost 3,000 people in and around the NSW Northern Rivers region impacted by the previous floods and stand ready to support those affected by the most recent disaster, predominantly in Sydney and South-Eastern NSW.

ABA member banks offer a range of measures to help customers affected by natural disasters. Depending on individual circumstances, assistance may include:

- a deferral of scheduled loan repayments, on home, personal and some business loans for up to 3 months;
- waiving of fees and charges, including for early access to term deposits;
- debt consolidation to help make repayments more manageable;
- restructuring existing loans free of the usual establishment fees;
- offering additional finance to help cover cash flow shortages;
- deferring upcoming credit card payments;
- emergency credit limit increases; and
- access to grants.



Earn Back Your Trust



Royal Commission

The ABA has supported members as new Banking Royal Commission measures came into effect in October 2021. The new laws included design and distribution obligations, anti-hawking, deferred sales model, reference checking and breach reporting. The ABA worked closely with ASIC to develop industry positions and clarify guidance. The ABA is also working with ASIC and members to deliver a better digital solution for breach reports, which is on track for delivery in late 2022.



Product sales commissions

In July 2021 the ABA welcomed the final Sedgwick Review into product sales commissions and product-based payments in retail banking in Australia. Mr Sedgwick said: “Although the scale of change required varied between banks, the industry has accepted and delivered against my 2017 Recommendations that mutually reinforcing reforms were generally required to the culture, management and remuneration of retail bank staff. Substantial change has been achieved, which needs to be supported as time passes by continued vigilance of bank management, boards and regulators.”



Sanctions guidance

The ABA released revised ABA sanctions guidelines in November 2021 to help member banks in meeting their legal and regulatory obligations. Non-Members and other members of the Australian financial services industry may also benefit from the guidelines. The ABA has also engaged with the Department of Foreign Affairs and Trade to support members implementing the suite of sanctions arising from the war in Ukraine.



Modern slavery

The ABA, in collaboration with KPMG, released the Modern Slavery Red Flags and Indicators paper focusing on the construction and agriculture sectors to help banks identify modern slavery risks. The ABA also developed industry guidelines for reporting suspected cases of modern slavery within the context of financial crime.



Imagine the Future

Growing shift to digital

In a trend accelerated by COVID adaptation, Australians are continuing to choose new technology options to simplify and streamline their banking experience.

Data released by the ABA in October 2021 revealed:

- More than 80% of Australians say they prefer to check account balances, pay bills, or transfer money online
- More than one in three Australians with smartphones use a digital wallet.
- One in ten Australians regularly leave home without their wallet instead using their phone to pay for items, up from just 4% in 2019.
- Less than 20% of Australians say they prefer to do any banking activities in branches.

The ABA continues to work with its member banks and the wider community to help shape the future of banking through new digital tools while ensuring that all Australians receive the banking services they need.



The ABA launched a new home for banking data on its website, including interactive graphs and data, reports and infographics.

Scan to learn more



Payments System Review

The ABA along with its member banks continued to work with Treasury on the implementation of the Payments System Review to help deliver to consumers and businesses the benefits of modern, efficient and resilient payments infrastructure. The alignment of major payments systems investments and complementary regulatory reforms is a core focus of collaboration with government.



Cyber and critical infrastructure

The ABA worked with member banks and the Department of Home Affairs to implement the Security of Critical Infrastructure reforms in the banking sector to help protect vital systems that keep our economy operating. The ABA continues to engage with the Government on the intersection between technology, data security and privacy reforms.



Consumer Data Right

All ABA member banks have implemented data sharing for Phase 3 products under the Consumer Data Right. The ABA has led the industry's engagement with Government and regulators through these phases and advocated for a future CDR rollout that maximises consumer benefits while incorporating safety-by-design principles in the context of the CDR statutory review.

Planning for Tomorrow

In Sydney earlier this year the ABA held its inaugural conference, Banking 2022: Planning for Tomorrow.

The conference brought together Australia's banking leaders and the brightest financial minds to discuss the industry's place in the global economy, the financial opportunities of the future, and what is ahead for Australia and the world.

Keynote speaker, RBA Governor Philip Lowe, addressed the room early, setting a tone for the day when outlining key future challenges including planning for higher interest rates, the changing nature of money, climate change and the restructuring of energy systems.

The conference also heard from key industry leaders including ABA Chair and Westpac CEO Peter King, ABA Deputy Chair and Bendigo and Adelaide Bank MD Marnie Baker, APRA's Wayne Byres, ASIC's Joseph Longo and a range of other professionals across a variety of lively panel sessions.

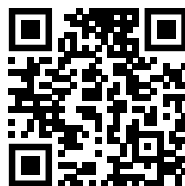
More than 30 industry leaders addressed the audience throughout the day, deep-diving into the opportunities, digital disruptions, new customer trends and risks that face the banking industry.

Peter King, Marnie Baker and Anna Bligh said customers remain the priority and discussed how banks will support people impacted by the floods and assist customers as Australia continues its digital transformation.

"The ABA recognised the need for a banking conference to provide a platform for policy and regulatory debate and looks forward to building on this event for 2023."

Anna Bligh

Scan to
learn more



Directors' Report

The Directors present their report on Australian Banking Association Limited for the period commencing on 1 July 2021 and ending 30 June 2022 (the reporting period).

Australian Banking Association Limited (ABA) Directors

The ABA Council is led by the Chair, Peter King, Westpac Banking Corporation Chief Executive Officer and Managing Director, and the Deputy Chair, Marnie Baker, Bendigo and Adelaide Bank Limited Managing Director. The ABA's Council provides guidance and leadership to the ABA on policy issues which affect the banking and financial sector. There are 16 members of the ABA council during the financial year and up to the date of this report:

- Peter King (Chair)
- Marnie Baker (Deputy Chair)
- Alexis George
- Anna Bligh
- Brett Morgan
- Clive van Horen
- Damien Walsh
- George Frazis
- Kaber Mclean
- Marc Luet
- Matt Comyn
- Melanie Evans
- Peter Knoblanche
- Ross McEwan
- Shayne Elliott
- Stuart Green

Board changes during the reporting period

All members of Council were appointed as Directors from 24 November 2020 upon the incorporation of the ABA as a Company Limited by Guarantee.

There were several changes to the composition of the ABA Council post this date during the current reporting period. These changes are listed below:

- departure of Mary Reemst, Chief Executive Officer and Managing Director, Macquarie Bank – 1 July 2021
- appointment of Stuart Green, Chief Executive Officer and Managing Director, Macquarie Bank – 1 July 2021
- departure of Adam Crane, Managing Director, ME Bank – 1 July 2021
- departure of Scott Hartley, Chief Executive Officer, AMP Australia – 2 August 2021
- appointment of Alexis George, Chief Executive Officer, AMP Australia – 2 August 2021
- appointment of Damien Walsh, Managing Director, Bank Australia – 2 December 2021
- departure of Melos Sulicich, Managing Director and Chief Executive Officer, MyState Limited – 17 January 2022
- appointment of Brett Morgan, Managing Director and Chief Executive Officer, MyState Limited – 17 January 2022

Directors' qualifications, experience, and responsibilities

Council Chair

Peter King

Appointed 24 November 2020

- Chief Executive Officer and Managing Director – Westpac Banking Corporation
- ABA Council Chair
- Director of Financial Markets Foundation for Children

Bachelor of Economics and Fellow of the Institute of Chartered Accountants, Completion of Advanced Management Programme at INSEAD

Alexis George

Appointed 2 August 2021

- Chief Executive Officer & Managing Director, AMP Limited
- Director, AMP Bank Limited
- Director, AMP Capital Holdings Limited
- Director, AMP Foundation Limited
- Member, Chief Executive Women Australia (CEW)

BCom, FCA, Graduate of the Australian Institute of Company Directors

Brett Morgan

Appointed 17 January 2022

- Chief Executive Officer and Managing Director – MyState Limited
- Director – MyState Bank Limited
- Director – TPT Wealth Limited
- Director – MyState Foundation Limited

Bachelor of Economics, Master of Applied Finance

Council Deputy Chair

Marnie Baker

Appointed 24 November 2020

- Managing Director – Bendigo and Adelaide Bank Limited
- ABA Council Deputy Chair
- La Trobe Bendigo Regional Advisory Board
- Mastercard Asia Pacific Advisory Board
- Member of Corporate Executive Women

Bachelor of Business in Accounting, Australian Society of Certified Practising Accountants, Member of the Australian Institute of Company Directors, Senior Fellow of the Financial Services Institute Australia

Anna Bligh AO

Appointed 24 November 2020

- Chief Executive Officer – Australian Banking Association Limited
- Non-executive Director – Medibank Private
- Non-executive Director – Playwriting Australia
- Non-executive Director – International Banking Federation
- Ambassador, Institute for Glycomics, Griffith University

Bachelor of Arts, Honorary Doctor of Laws

Clive van Horen

Appointed 24 November 2020

- Chief Executive Officer – Suncorp Bank
- Director – Tour de Cure Limited

Chartered Accountant, PhD (Economics)

Damien Walsh

Appointed 2 December 2021

- Managing Director – Bank Australia Limited
- Non-Executive Director – Global Alliance for Banking on Values
- Council Member – Cuscal Client Advisory Committee

Bachelor of Business – Accounting, Master of Business Administration, Fellow Chartered Accountant Australia New Zealand, Fellow CPA Australia, Fellow Financial Services Institute of Australasia, Fellow Australian Institute of Company Directors

Kaber Mclean

Appointed 24 November 2020

- Chief Executive Officer and Executive Director – HSBC Bank Australia Limited

Bachelor of Economics and Chartered Accountant

Matt Comyn

Appointed 24 November 2020

- Chief Executive Officer and Managing Director – Commonwealth Bank Australia
- Director – Financial Markets Foundation for Children
- Director – Business Council of Australia

Executive Master of Business Administration, Master's Degree in Commerce and Bachelor of Aviation. Completion of General Management Program at Harvard Business School

George Frazis

Appointed 24 November 2020

- Chief Executive Officer and Managing Director - Bank of Queensland Limited
- Chair, Prime Minister's Industry Advisory Committee on Veterans' Employment
- Advisory Committee, UNSW Business School
- Co-founder, Head Start Homes

Bachelor of Engineering (Hons) and Master of Business Administration

Marc Luet

Appointed 24 November 2020

- Chief Executive Officer – Citigroup Australia / New Zealand

Bachelor of Science (Economics) (Hons) and Master of Business Administration

Melanie Evans

Appointed 16 December 2020

- Chief Executive Officer and Executive Director – ING Bank Australia Limited
- Chair – ABA Finance, Risk and Audit Committee
- Independent Director – Surf Life Saving Australia (SLSA)
- Chair – SLSA Finance, Audit Compliance Committee
- Director – European Australian Business Council
- Member of Chief Executive Women

Bachelor of Commerce, Master of Commerce and Master of Professional Accounting. Member of the Australian Institute of Company Directors

Peter Knoblanche

Appointed 24 November 2020

- Regional Manager – Rabobank Region Australia, New Zealand
- Chief Executive Officer, Rabobank Australia Limited
- Director – Rabobank Australia Limited
- Director – Rabo Australia Limited
- Director – Rabo Equipment Finance Limited
- Director – GrainCorp Pools Pty Limited
- Director – Soft Commodity Trading Pty Limited
- Director – Conservis LLC

Bachelor of Commerce, Graduate of the Australian Company Directors and completion of Harvard Advanced Management Program

Shayne Elliott

Appointed 24 November 2020

- Chief Executive Officer – ANZ Banking Group Limited
- Director – Financial Markets Foundation for Children
- Member of Customs Advisory Board

Bachelor of Commerce

Company Secretary

Vanessa Beggs

Appointed 24 November 2020

- Chief Operating Officer – Australian Banking Association
- Non-executive Director – Variety NSW/ACT
- Non-executive Director – DriveAbout World

Bachelor of Applied Science – Land Economics, Masters of Corporate Real Estate, Mount Eliza Business School, Grad Certificate of Management, Member of the Australian Institute of Company Directors, Senior Fellow of the Financial Services Institute Australia

Ross McEwan CBE

Appointed 24 November 2020

- Group Chief Executive Officer and Managing Director – National Australia Bank Limited
 - Director – Financial Markets Foundation for Children
- Bachelor of Business Studies

Stuart Green

Appointed 1 July 2021

- Chief Executive Officer and Managing Director – Macquarie Bank Limited
- Group Treasurer, Macquarie Group Limited

Bachelor of Arts, MBA, Fellow of the Institute of Chartered Accountants, Member of the Association of Corporate Treasurers

Directors' meeting attendance

Attendance by ABA Directors at ABA Council Meetings and Financial, Risk & Audit Committee Meetings from 1 July 2021 to 30 June 2022.

Directors	Council Meetings		Finance, Risk & Audit Committee Meetings	
	Available to attend	Number attended	Available to attend	Number attended
Total No. of Meetings		5		3
Peter King, Westpac Bank	5	5	-	-
Marnie Baker, Bendigo and Adelaide Bank	5	5	-	-
Alexis George, AMP Bank	4	1	-	-
Anna Bligh, ABA Limited	5	5	3	3
Brett Morgan, My State Bank Limited	2	1	2	2
Clive van Horen, Suncorp Bank	5	5	-	-
Damien Walsh, Bank Australia Limited	3	3	-	-
George Frazis, Bank of Queensland	5	3	-	-
Kaber Mclean, HSBC Bank	5	4	-	-
Marc Luet, Citigroup Australia	5	5	-	-
Matt Comyn, Commonwealth Bank	5	5	-	-
Melanie Evans, ING	5	3	3	3
Peter Knoblanche, Rabobank Australia	5	4	-	-
Ross McEwan, NAB Bank	5	3	-	-
Shayne Elliott, ANZ Bank	5	2	-	-
Stuart Green, Macquarie Bank	5	2	-	-
Melos Sulicich (Resigned Director – former MyState CEO)	3	3	1	1
Scott Hartley (Resigned Director - former AMP CEO)	1	1	-	-

ABA's objectives and strategy

Over the past 12 months the acceleration of digitisation across the banking industry has continued. There have been rapid changes in the speed and capability of technology requiring greater investment in systems and data analytics. Risks of regulatory intervention remain and have moved away from conduct and remuneration issues to interventions designed to support the Government's digital economy and deregulation priorities.

The external environment for Australia's banks has shifted significantly since the conclusion of the Royal Commission, with discussion about a loss of social licence by the banking industry being overtaken by broader questions about the effect of incumbency and risks of disruption and disintermediation.

Community expectations have expanded from the broad notions of fairness seen during and after the Royal Commission to specific expectations around service, points of presence and 'debanking'.

In addition to this changing environment, 2022 saw a federal election and change of government and a return to rising interest rates to combat a high inflation environment predominantly due to global pressures.

During the reporting period, the ABA has concluded work on several major projects including:

- the COVID emergency response measures;
- the industry and Government response to the Royal Commission;
- remuneration reforms and the Sedgwick Reviews;
- mortgage broking and financial advice issues;
- tax/GST; and
- the first major phases of the Consumer Data Right.

The ABA refreshed its strategy and priorities to focus on new and enhanced focus areas:

- **Community expectations:** develop a holistic response to stakeholder concerns about 'debanking', accessibility, branches and cash, underpinned by data about customer behaviour and policy options to support access to banking;
- **Everyday banking:** identify policy and industry initiatives to improve the banking experience for all customers, with a focus on improving the user experience;
- **Data as an enabler:** improve access to and integration of external data sources to enable banks to make better lending decisions and meet customer expectations;
- **Sustainable finance:** take a holistic approach to sustainable finance (climate, biodiversity, human rights) and develop the industry's climate roadmap;
- **Payments:** determine the banking industry's positions on the strategic direction of the payments system and position the ABA as a significant contributor to payments policy; and
- **Resilience and safeguards:** take a holistic approach to the ABA's current work on privacy, scams, financial crime, critical infrastructure, and cyber risks to ensure customers remain protected and the industry remains resilient.

How we work – public policy principles

The ABA supports public policy and industry initiatives that:

- are fair to customers;
- build a sustainable and simpler system;
- enhance competition;
- promote efficiency and innovation;
- underpin financial system stability;
- facilitate the appropriate supply of credit; and
- help the economy grow.

ABA performance measures

The purpose of the company is to represent and advance the interests of its members to achieve a strong, trusted and competitive banking system that promotes good customer outcomes (Purpose).

Principal activities in achieving objectives

The principal activity of the Association is to work with its members to provide analysis, advice and advocacy relating to the development of public policy on banking and other financial services.

These activities of the company include:

- reviewing and providing comments on proposed regulations and legislation related to banking;
- advocating for changes to practice to improve customer outcomes;
- facilitating and supporting continuous improvement of the Banking Code;
- supporting and facilitating programs, projects and initiatives related to the banking sector;
- collaborating with communities, organisations, businesses and international bodies;
- educating and increasing the awareness of individuals, communities, business and government; and
- any other activities ancillary to or necessary for the fulfilment of the purpose of the ABA.

Review of operations and results

The ABA operates under a financial year end of 30 June. The net loss from ordinary activities after tax for 2022 was \$415,943 (2021: net surplus of \$25,343). This loss was incurred due to a decision to utilise excess retained earnings from prior periods for funding certain ABA activities in the current financial year.

Matters subsequent to the end of the financial year

The directors are not aware of any other matters or circumstances not otherwise dealt with in the directors' report or financial report that has significantly or may significantly affect the operations of the company, the results of these operations or the state of affairs of the company in subsequent financial years.

Likely developments and expected results of operations

The directors consider that the company will continue its principal activities of working with its members to provide analysis, advice and advocacy relating to the development of public policy on banking and other financial services.

Environmental regulation

The company is subject to normal State and Federal environmental legislation and does not operate within an industry with specific environmental guidelines or limits. To the best of the directors' knowledge, there have been no breaches of environmental legislation.

Corporate governance statement

The directors are responsible to the ABA members for the governance, business and affairs of the company. The council provides guidance and leadership to the ABA on policy issues which seek to affect the banking and financial sector as a whole.

The functions of the board include:

- setting corporate strategies;
- overseeing and monitoring organisational performance and the achievement of the company's strategic goals and objectives;
- ensuring there are effective management processes in place and approving major corporate initiatives that arise throughout the year; and
- reviewing and approving financial budgets and special projects for the financial year.

The board of directors

The board operates in accordance with the principles set out in the company's Constitution including that:

- a director must be the Chief Executive Officer of a company that is a member of the ABA. They must have knowledge about and be committed to the purpose of the ABA. Further information about the directors and their respective positions is available under the heading 'Directors' qualifications, experience, and responsibilities';
- the term of office of a CEO Director commences on the date that person is appointed as a director and continues until the person ceases to hold the position of Chief Executive Officer of the member company;
- the directors should meet as often as required for the proper discharge of their directors' duties and in any event no less than four times per year; and
- the board may resolve to establish committees consisting of persons as they determine. It may delegate to each committee such of their powers required for the effective and efficient running and administration of the committee. Current committees include the Finance, Risk & Audit Committee.

The board's commitment

The ABA Council meets on a quarterly basis during the year. The Chair of the Council is responsible for the general conduct of the meetings. Should a CEO Director not attend a Council meeting they are advised to elect an 'alternate' as the member representative. The number of meetings and the attendance of Directors is recorded and disclosed under the heading 'Directors' meeting attendance'.

Conflicts of interest

Each director discloses all personal interests and other matters that could, or do, give rise to a conflict of interest in relation to a matter or decision being considered by the directors.

Independent professional advice

Directors and board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the company's expense. Prior written approval of the Chair is required, but this will not be unreasonably withheld.

Remuneration

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the company's diverse operations and achieving the company's strategic objectives.

The Chief Executive Officer is responsible for keeping the Chair informed of all relevant issues associated with management succession planning, including the implementation of appropriate executive development programs and ensuring adequate arrangements are in place, so that appropriate candidates are recruited for later promotion to senior positions.

Non-executive directors

No fees were paid to the directors of the company.

Audit

This function is overseen by the Finance, Risk and Audit Committee. Finance, Risk and Audit committees have an essential role to play in ensuring the integrity and transparency of corporate reporting.

The committee's role includes reviewing the following:

- financial management including reporting financial information to users of financial reports and applying accounting policies;
- the effectiveness of the company's internal control and risk management system;
- the independent audit process, including recommending the appointment and assessing the performance of the external auditor;
- the company's process for monitoring compliance with laws, regulations, internal business policies and practices; and
- protecting the company's assets.

The committee has responsibility over:

- financial reporting – Risk assessment and management;
- compliance with laws, regulations, internal policies and industry standards;
- working with the external auditor;
- reporting responsibilities; and
- review of the audit committee charter.

Directors' benefits

For the year ended 30 June 2022, no director of the company has, since the end of the previous financial year, received or become entitled to receive a benefit by reason of a contract made by the company and the director, a firm of which the director is a member or an entity in which the director has a substantial financial interest, with the exception of the benefits that may be deemed to have arisen in relation to transactions entered into in the ordinary course of business.

Insurance of officers

To the extent permitted by law, the company indemnifies its officers (both current and past) for all losses or liabilities incurred by the person as an officer of the company including, but not limited to, a liability for negligence or for legal costs on a full indemnity basis.

This indemnity:

- may only be for losses or liabilities incurred as an officer of the company (either before or after the adoption of this rule);
- does not cover any loss or liability of an officer seeking to be indemnified under this rule if that loss or liability arises from that person's wilful misconduct or fraud; and
- operates only to the extent that the loss or liability is not paid by insurance.

During the financial year the company paid insurance premiums totalling \$22,523 (2021: \$24,530) in respect of directors' and officers' liability insurance. The policy does not specify the premium for individual directors and officers. The directors' and officers' liability insurance provides cover against all costs and expenses involved in defending legal actions and any resulting payments arising from a liability incurred by the company's directors and officers to other persons where that liability was incurred by the director or officer in their position as a director or officer unless the conduct involved a wilful breach of duty or fiduciary obligation.

Constitution

In accordance with the Constitution, each member of the ABA undertakes to contribute up to a maximum of \$10 to the assets of the company if it is wound up while the member is a member, or within one year afterwards, and at the time of winding up the debts and liabilities of the company exceed its assets. The liability of each member is limited to making such contribution and no more.

Rounding of amounts

The amounts contained in the financial report have been rounded to the nearest dollar under the option available to the ABA under ASIC Corporations Instrument 206/191.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 33.

This report is made in accordance with a resolution of directors.



Peter King
Chair



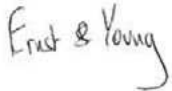
Anna Bligh
Chief Executive Officer

Sydney
15 September 2022

Auditor's Independence Declaration to the Directors of Australian Banking Association Limited

As lead auditor for the audit of Australian Banking Association Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b) No contraventions of any applicable code of professional conduct in relation to the audit; and
- c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.



Ernst & Young



Richard Balfour
Partner
15 September 2022



Financial Report 2022

Statement of Comprehensive Income

	Notes	2022 \$	2021 \$
Income from ordinary activities			
Members contributions		11,320,512	11,711,196
Other Income	2	308,111	247,858
Special projects income		1,973,609	2,367,319
Total income from ordinary activities		13,602,232	14,326,373
Expenses from ordinary activities			
Staff costs	4	8,276,382	7,829,546
Special projects expenses		1,966,016	2,859,435
Other Operating expenses	3	2,410,306	1,977,218
Depreciation and amortisation expenses	7,8	703,026	720,525
Consultancies		469,966	675,317
Finance costs	8	106,119	133,259
Occupancy expenses		86,360	105,730
Total expenses from ordinary activities		14,018,175	14,301,030
Surplus income / (loss) from ordinary activities		(415,943)*	25,343
Income tax expense		-	-
Surplus income / (loss) after tax		(415,943)*	25,343
Other comprehensive income for the year, net of tax		-	-
Total other comprehensive income / (loss)		(415,943)*	25,343

*This loss was incurred due to a decision to utilise excess retained earnings from prior periods for funding certain ABA activities in the current financial year.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

	Notes	2022 \$	2021 \$
Current Assets			
Cash and cash equivalents	5	4,145,594	3,085,364
Trade and other receivables	6	876,789	184,379
Total Current Assets		5,022,383	3,269,743
Non-Current Assets			
Property, plant and equipment	7	88,423	240,838
Right-of-use assets	8	1,400,611	1,942,783
Total Non-Current Assets		1,489,034	2,183,621
Total Assets		6,511,417	5,453,364
Current Liabilities			
Accruals, provisions and other liabilities	9	3,371,044	2,162,716
Trade and other payables		820,877	60,893
Lease liability	8	646,150	586,202
Total Current Liabilities		4,838,071	2,809,811
Non-Current Liabilities			
Non-current Lease liability	8	1,201,928	1,848,078
Provision long service leave	10	369,902	278,016
Total Non-Current Liabilities		1,571,830	2,126,094
Total Liabilities		6,409,901	4,935,905
Net assets		101,516	517,459
Equity			
Accumulated surplus/Retained earnings		101,516	517,459
Total Equity		101,516	517,459

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

	Accumulated surplus/Retained earnings	Total equity
	\$	\$
2021		
Balance as at 1 July 2020	492,116	492,116
Surplus / (loss) from ordinary activities	25,343	25,343
Balance as at 30 June 2021	517,459	517,459
2022		
Balance as at 1 July 2021	517,459	517,459
Surplus / (loss) from ordinary activities	(415,943)	(415,943)
Balance as at 30 June 2022	101,516	101,516

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

	Notes	2022 \$	2021 \$
Cash flow from operating activities			
Receipts from members and associate members (including GST)		14,681,631	16,400,950
Payments to suppliers and employees (including GST)		(12,758,999)	(14,425,917)
Finance cost (leases)		(106,119)	(133,259)
Interest received		13,709	16,647
Net cash provided /(used) by operating activities	5	1,830,222	1,858,421
Cash flow from investing activities			
Additions to property, plant and equipment		(8,439)	(30,262)
Net cash (used) in investing activities	7	(8,439)	(30,262)
Cash flow from financing activities			
Payments for leases (including GST)		(761,553)	(729,837)
Net cash (used) in financing activities		(761,553)	(729,837)
Net increase/(decrease) in cash and cash equivalents		1,060,230	1,098,322
Cash and cash equivalents at the beginning of financial year		3,085,364	1,987,042
Cash and cash equivalents at the end of financial year	5	4,145,594	3,085,364

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial report

For the year ended 30 June 2022

General Information

This financial report covers the Australian Banking Association Limited (the company) as an individual entity and is presented in Australian currency.

The ABA is a company limited by guarantee. In accordance with the Constitution, every member of the company undertakes to contribute to the property of the company in the event of the company being wound up while they are a member or within one year after they cease to be a member, for payment of the debts and liabilities of the company (contracted before they cease to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, but not exceeding ten dollars (\$10) per member. The financial statements were authorised for issue by the directors on 15 September 2022.

The operations of the Company are conducted in Australia only.

Note 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These principles have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation

These financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Corporations Act 2001. They have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board and the Corporations Act 2001.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, statement of comprehensive income and cash flows of the Group as a result of the change in the basis of preparation.

Historical cost convention

These financial statements have been prepared under the historical cost convention and unless otherwise stated do not take into account current valuation of non-current assets. For the purpose of this financial report, the Company is not for profit.

b) Revenue

Membership contributions

Revenue from membership subscriptions is recognised on a straight-line basis over the performance period. Membership subscriptions received in advance are held as unearned revenue (a current liability).

Special Projects

From time to time the Company acts on behalf of, or is involved in, special projects on behalf of individual members, or a particular group of members that has a particular interest in the project.

Expenses in relation to special projects are fully reimbursed by the individual member or group of members and the Company recognises special project income in the same period as the expenses are recorded. Expenses recorded relate to services provided by third parties which are directly attributable to the project.

c) Property, Plant and Equipment

Property, plant and equipment acquired for less than \$1,500 are written off to the Statement of Comprehensive Income when acquired.

Items of property, plant and equipment acquired for greater than \$1,500 are depreciated over their estimated useful lives. The straight-line method of depreciation is used. Property, plant and equipment are depreciated from the date of acquisition. The expected useful lives of the major categories are as follows:

Office furniture, fixtures and fittings	3 – 5 years
IT equipment and software	3 years

d) Taxation

The Company is assessable only on income from non-mutual sources such as interest income or associate members revenue.

The tax payable on income from non-mutual sources is generally not material and offset by tax deductions available to the Association. No deferred tax assets or liabilities are recognised given the unlikelihood of future net taxable income.

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST). Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the tax authority is included as part of receivables and payables.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

e) Employee Entitlements

The provision for employee entitlements relates to amounts expected to be paid to employees for annual leave, long service leave and bonuses and is based on legal and contractual entitlements and assessments.

Liabilities for employee entitlements to annual leave and other current entitlements are accrued at amounts calculated on the basis of current wage and salary rates, including package costs and on-costs. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rate paid or payable. Liabilities for employee entitlements to long service leave, which are not expected to be settled within twelve months after balance date, are accrued at the present value of the future amounts to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary level, experience of employee departures and periods of service.

f) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. It has been determined that no critical accounting estimates or judgements have been made in the year.

g) New and Amended Accounting Standards

The Company has adopted the following standard and amendments from 1 July 2021:

- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.
- AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.

The above standard and amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

A number of other new standards are also effective from 1 July 2021 but they do not have a material effect on the Company's financial statements.

h) Leases

The Company recognised a 'right-of-use asset' representing its right to use leased assets and a 'lease liability', measured as the present value of future lease payments. The Statement of Comprehensive Income includes depreciation of the right-of-use asset and interest expense on the lease liability over the lease term. Total lease expense recognised over the life of a lease remains unchanged as compared to AASB 117, however the timing of expense recognition changes, with a higher expense recognised in the earlier stages of a lease due to the interest expense being determined on the lease liability that amortises over the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments, less any lease incentives receivable.

The lease payments are discounted using the Company's incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between the principal and finance cost. The finance cost is charged to the Statement of Comprehensive Income over the lease period.

Right-of-use assets are depreciated over the term of the lease on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment.

The Company entered into a lease agreement for its office premises at 6 O'Connell Street, Sydney on 1 February 2018. The lease is for a term of 7 years, expiring 31 January 2025. Rent is payable monthly in advance. Provisions within the lease agreement require that the minimum lease payments shall be increased by 4% per annum.

Note 2 Other Income

	2022	2021
	\$	\$
Associate Member contributions	294,402	231,211
Interest income	13,709	16,647
Total other income	308,111	247,858

Note 3 Operating Expenses

	2022	2021
	\$	\$
Professional fees	297,582	453,985
Marketing and Advertising Campaigns	329,690	165,596
Other operating expenses	188,757	259,616
Technology maintenance	318,282	293,101
Research	360,520	240,100
Travel and accommodation	149,413	43,030
Seminars and conferences	377,016	231,947
Staff recruitment	130,391	45,000
Communications	43,960	46,421
Political Contributions	96,865	96,959
Staff training	117,830	101,463
Total operating expenses	2,410,306	1,977,218

Note 4 Staff Costs

	2022	2021
	\$	\$
Other benefits	6,596	6,960
Salaries and wages	8,269,786	7,822,586
Total staff costs	8,276,382	7,829,546

Note 5 Cash and cash equivalents

	2022	2021
	\$	\$
Cash at Bank	3,726,787	2,666,557
Term Deposit-Bank Guarantee	418,807	418,807
Total Cash and cash equivalents	4,145,594	3,085,364

The term deposit balance of \$418,807 is restricted against the Bank guarantee provided by ANZ in favour of 6 O'Connell Real Estate Pty Limited for the premise lease at Level 18, 6 O'Connell Street, Sydney NSW 2000.

Reconciliation of net cash inflow/(outflow) from operating activities to surplus from ordinary activities before tax:

	2022	2021
	\$	\$
Surplus/(loss) from ordinary activities for the year	(415,943)	25,344
Non-cash flows in profit:		
- depreciation	703,026	720,525
- finance costs	106,119	133,259
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(692,410)	623,252
- increase/(decrease) in accruals, provisions and other liabilities	1,325,416	431,873
- increase/(decrease) in trade and other payables	759,984	(63,889)
- increase/(decrease) in lease liability	44,030	(11,943)
Cash flows from operations	1,830,222	1,858,421

Note 6 Trade and other receivables

	2022	2021
	\$	\$
GST receivable	119,765	98,314
Trade debtors	728,478	86,065
Prepaid expenses	28,546	-
Total trade and other receivables	876,789	184,379

Note 7 Property, plant and equipment

	2022	2021
	\$	\$
Property, plant and equipment	947,452	939,012
Accumulated depreciation	(859,029)	(698,174)
Total Property, Plant and equipment	88,423	240,838

Property plant and equipment

Opening balance property plant and equipment	240,838	388,928
Additions	8,439	30,262
Disposals	-	-
Depreciation expense	(160,854)	(178,353)
Closing balance property plant and equipment	88,423	240,838

Note 8

Leases

a) Amounts recognised in the Statement of Financial Position

	2022	2021
Right-of-use Assets	\$	\$
Level 18, 6 O'Connell Street, Sydney	1,400,611	1,942,783
Total	1,400,611	1,942,783

	2022	2021
Lease Liabilities	\$	\$
Current Lease liability	646,150	586,202
Non-current Lease liability	1,201,928	1,848,078
Total	1,848,078	2,434,280

b) Amounts recognised in the Statement of Comprehensive Income

	2022	2021
	\$	\$
Depreciation Charge of Right-of-use assets	542,172	542,172
Finance costs	106,119	133,259
Total	648,291	675,431

c) Movement in lease liability and Right-of-use Assets

	2022	2021
	\$	\$
Opening balance Right-of-use Assets	1,942,783	2,484,955
Depreciation	(542,172)	(542,172)
Closing Balance Right-of-use Assets	1,400,611	1,942,783

	2022	2021
	\$	\$
Opening balance lease liability	2,434,280	2,964,510
Finance expense	106,119	133,259
Amortisation of lease liability	(692,321)	(663,489)
Closing balance lease liability	1,848,078	2,434,280

Note 9 Note 9 Accruals, Provisions and other liabilities – current

	2022	2021
	\$	\$
Provision for staff cost	946,536	806,328
Provision for annual leave	470,280	381,114
Deferred Revenue	1,210,226	759,402
Accrued expense	744,002	215,872
Total provisions - current	3,371,044	2,162,716

Note 10 Provisions – non-current

	2022	2021
	\$	\$
Provision long service leave	369,902	278,016
Total provisions - non-current	369,902	278,016

Note 11 Remuneration of auditors

	2022	2021
	\$	\$
Audit of the financial report	50,000	55,680
Taxation and other non-audit services	90,148	212,556
Total remuneration of auditors	140,148	268,236

Note 12 Commitments and contingencies

	2022	2021
	\$	\$
Within one year	722,307	692,321
Later than one year but not later than five years	1,203,885	1,926,193
Later than five years	-	-
Total commitment and contingencies	1,926,192	2,618,514

As at balance sheet date, there are no contingent liabilities.

Note 13 Related party disclosures

The following transactions occurred with related parties:

	2022	2021
	\$	\$
Revenue - Member's contributions	11,320,512	11,711,196
Revenue - Special projects income	1,973,609	2,367,319
Other Income - Interest	13,709	16,647
Total Related Party Revenue	13,307,830	14,095,162

Expenditure	7,787	7,120
Total Related Party Expenditure	7,787	7,120

Term Deposit-Bank Guarantee	418,807	418,807
Total Related Party Cash and Cash equivalents	418,807	418,807

Trade debtors	728,478	86,065
Total Related Party Debtors	728,478	86,065

Trade Creditors	-	-
Total Related Party Creditors	-	-

Disclosures relating to key management personnel are set out in Note 14.

Note 14 Key management personnel

The key management personnel of the company are the directors and executive officers who had authority and responsibility for planning, directing and controlling activities of the company for the year. The following individuals were the key management personnel who held office during the year:

Non-executive directors

- Alexis George (appointed 2 August 2021)
- Matt Comyn (appointed 24 November 2020)
- Brett Morgan (appointed 17 January 2022)
- Melanie Evans (appointed 16 December 2020)
- Clive van Horen (appointed 24 November 2020)
- Peter King (Chair) (appointed 24 November 2020)
- Damien Walsh (appointed 2 December 2021)
- Peter Knoblanche (appointed 24 November 2020)
- George Frazis (appointed 24 November 2020)
- Ross McEwan CBE (appointed 24 November 2020)
- Kaber Mclean (appointed 24 November 2020)
- Shayne Elliott (appointed 24 November 2020)
- Marc Luet (appointed 24 November 2020)
- Stuart Green (appointed 1 July 2021)
- Marnie Baker (Deputy Chair) (appointed 24 November 2020)

Details of Executive key management personnel

Executives	Title	Appointed	Resigned
Anna Bligh	Chief Executive Officer	Originally appointed 03 April 2017 Reappointed 24 November 2020 due to change in company structure	
Vanessa Beggs	Chief Operating Officer and Company Secretary	Originally appointed 08 April 2019. Reappointed 24 November 2020 due to change in company structure	
Sally Cray	Executive Director, Corporate Affairs	11 May 2020	11 March 2022
Christine Cupitt ¹	Executive Director, Policy	08 September 2014	
Aidan O'Shaugnessy	Executive Director, Policy	02 September 2014	
Fiona Landis ¹	Acting Executive Director, Policy	14 December 2017	18 March 2022

¹ Christine Cupitt on parental leave from 6 April 2021, Fiona Landis is covering Chris's role during this period.

Remuneration of key management personnel

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to Key Management Personnel.

	2022	2021
	\$	\$
The aggregate amount of compensation paid to key personnel during the year:		
Short-term employee benefits	3,036,225	2,556,377
Post-employment benefits	158,844	144,295
Long-term benefits	169,303	153,950
Termination benefits	-	-
Total	3,364,372	2,854,622

No fees were paid to other directors of the company.

Note 15 Financing arrangements

The financing arrangements with ANZ include the corporate card and Bank Guarantee. Access was available at balance date to the following bank facilities:

	2022	2021
	\$	\$
Corporate Card Limit	30,000	30,000
Unused at balance date	20,570	9,746
Bank guarantee	418,807	418,807

Bank Guarantee provided by ANZ in favour of 6 O'Connell Real Estate Pty Limited for the premise lease at Level 18, 6 O'Connell Street, Sydney NSW 2000.

Note 16 Financial Risk Management

Financial risk management objectives

The Company's activities expose it to financial risks including interest rate risk and liquidity risk. The Company's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the Executive Leadership Team with oversight by the Finance, Risk and Audit Committee.

Interest rate risk

The Company's main interest rate risk arises from interest on cash and cash equivalents which expose it to risks associated with the effects of fluctuations in market interest rates. The Company has minimal interest rate risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient liquid assets (mainly cash and cash equivalents) and the availability of funding through an adequate amount of credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The financial liabilities are predominantly due within 1 month.

Foreign currency risk

The Company is not exposed to any foreign currency risk.

Price risk

The Company is not exposed to any price risk.

Credit risk

The Company is exposed to credit risk in relation to its cash and cash equivalents and trade receivables balances. The credit risk exposure is minimal as the Company's credit counterparties are primarily its members.

Note 17 **Events occurring after reporting date**

There are no matters or circumstances that have arisen since the end of the financial year not otherwise dealt with in the financial report, which significantly affected or may significantly affect the operation of the Company, the result or the state of affairs.

Directors' declaration

For the year ended 30 June 2022

In the directors' opinion:

- a) the financial statements and notes set out on pages 34-51 are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date, and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and
- c) the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



Peter King
Chair



Anna Bligh
Chief Executive Officer

Sydney
15 September 2022

Independent auditor's report to the members of Australian Banking Association Limited

Opinion

We have audited the financial report of Australian Banking Association Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

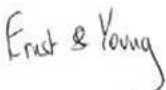
The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Ernst & Young



Richard Balfour
Partner
Sydney
15 September 2022



Australian Banking Association

Secretariat

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Auditors

Ernst & Young

Bankers

Australia and New Zealand Banking Group

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