



Australian Banking
Association

Australian Banking Association Limited **Annual Report**

2024

Table of contents

About the ABA	3
2024 - a snapshot	4
Raising awareness	7
Members	8
Chair's Report	9
Deputy Chair's Report	10
CEO's Report	11
Economy	12
Customer	19
Trust	25
Future	27
Directors' Report 2024	33
Auditor's independence declaration	42
Financial Report 2024	44
Statement of Comprehensive Income	45
Statement of Financial Position	46
Statement of Changes in Equity	47
Statement of Cash Flows	48
Notes to and Forming Part of the Financial Report	51
Directors' declaration	61
Independent audit report	63



The Australian Banking Association Limited (ABA) supports members to lead a strong, stable and trusted banking system, to grow the Australian economy and build the financial well-being of all Australians. Our membership is comprised of 21 banks from across Australia and includes four major banks, regional banks and international banks with an Australian banking licence. We promote and encourage policies that improve banking services for all Australians, through advocacy, research, policy expertise and thought leadership.

Our priorities



Economy



Customers



Trust



Future

Acknowledgement of Country

The ABA acknowledges Aboriginal and Torres Strait Islander peoples as the traditional custodians of our land – Australia. The ABA's office is located on the lands of the Gadigal people of the Eora Nation who are the traditional custodians of our local area.

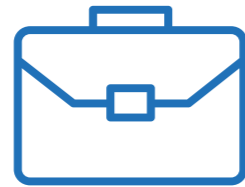


2024 - A snapshot

Banking by numbers



97 Australian banks¹



More than **188,649** bank employees in Australia²



20.8 million Bank customers



24.2 million PayID accounts registered⁶



\$1.3 trillion Lending to businesses⁴



586,195 Refinanced mortgages⁵



\$2.3 trillion Lending to housing⁴



\$1.63 billion Paid major bank levy³



↓9-15% Cash usage has declined to 9-15% of retail payments⁷



99.1% Customer interactions take place via apps or online⁸

1. APRA Quarterly ADI Statistics 2. ABA member annual reports: ANZ, Bendigo & Adelaide, BOQ, CBA, Macquarie, NAB, Suncorp, Westpac 3. Treasury Budget Papers, estimated revenue FY24 4. RBA, Lending and Credit Aggregates 5. ABS, Lending Indicators 6. AusPayNet 7. RBA, Cash Use and Attitudes in Australia 8. ABA Member survey, 2024

Key inquiries, roundtables and announcements



Key events



ABA annual conference

The ABA welcomed more than 300 delegates and high-profile speakers to our annual **Banking Conference 2024: Resilient and Ready**. Held for the first time at the Melbourne Convention and Exhibition Centre, Anna Bligh opened the event with ABA Chair and NAB CEO Andrew Irvine along with ABA Deputy Chair and Bendigo Bank Managing Director, Marnie Baker. They discussed current economic conditions, how customers are managing in a higher interest rate environment and the work banks are doing to protect customers from the scourge of scams. The wide range of speakers discussed the evolving regulatory landscape and strategies for effective risk management while keeping the customers changing needs at the core of operational resilience. There were also a series of panel discussions focused on the role of innovative technologies shaping the future of banking including artificial intelligence and the need for banks to embrace innovation to stay competitive and future proof their operations.



International Women's Day

This year's theme for International Women's Day was **Count Her In** and centred on examining the pathways to greater economic inclusion for women and girls everywhere and to consider the obstacles in the way of women achieving equal participation in the economy.

The ABA held a panel discussion with CEO Anna Bligh and guest speakers; Lyn Cobley, Independent Non-Executive Director, Commonwealth Bank of Australia and Louella Stone, Partner, Minter Ellison. The participants shared their personal experiences, their insights and their ideas for ways to keep making the changes needed to improve equal access to education, employment and economic participation for women.



Trans-Tasman Business Circle Economic Forecast 2024

ABA CEO Anna Bligh spoke with the Treasurer, the Hon Dr Jim Chalmers & National Australia Bank CEO, Ross McEwan about current economic conditions, the work banks are doing to protect Australians from the scourge of scams and the acceleration of digital banking.

Raising awareness



Don't Tough It Out On Your Own

ABA hardship campaign 'Don't Tough It Out On Your Own'

Following a series of interest rate rises, the ABA launched a campaign informing customers to reach out to their bank and discuss their situation, if they are struggling with loan repayments.

The campaign reinforced that depending on individual circumstances, ABA member banks can offer customers:

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



Upon launching the ABA campaign, Anna Bligh said 'thankfully recent data demonstrates most customers are keeping up with their repayments but for those worried about falling behind, banks have options to assist in the short and long term.'

Our Members

ABA Members

- AMP Bank Limited
- Arab Bank Australia Limited
- Australia and New Zealand Banking
- Bank Australia Limited
- Bank of China Limited - Australia
- Bank of Queensland Limited
- Bank of Sydney Limited
- Bendigo and Adelaide Bank Limited
- Citigroup Pty Limited
- Commonwealth Bank of Australia
- Cuscal Limited
- HSBC Bank Australia Limited
- ING Bank (Australia) Limited
- JP Morgan
- Macquarie Bank Limited
- MyState Bank Limited
- MUFG Bank
- National Australia Bank Limited
- Rabobank Australia Limited
- Suncorp Limited
- Westpac Banking Corporation

Associate Members

- Accenture Australia Pty Ltd
- Allens
- Amazon Web Services
- Ashurst Australia
- Deloitte
- Ernst & Young
- Gilbert & Tobin
- Herbert Smith Freehills
- King & Wood Mallesons
- KPMG Australia
- IBM Australia (effective from 1 May 2024)
- McKinsey & Company
- Microsoft Pty Ltd
- Minter Ellison
- Norton Rose Fulbright
- Oliver Wyman
- Price Waterhouse Coopers

Chair's Report



The past year has presented both challenges and opportunities for all Australians, our customers and the Australian banking sector. Economic growth has slowed with a higher cost of living, persistent higher inflation and interest rates impacting households and businesses.

While the majority of Australians are resilient and adapting, it is clear the economic environment is difficult for many.

Together, the banking sector remains focused on supporting customers through these challenges. Banks are continuing to help customers through dedicated support teams and industry awareness campaigns. Our message to those who are struggling is this: please get in touch with your bank as soon as possible. We are here to help.

Banks are also focused on combating the ever-increasing problem of cybercrime and scams. We have an important role to play in working together with the government and other industries to reduce the devastating impact on our community and customers. These issues are a significant threat and exactly where members of the ABA should be spending our time.

We continue to invest and work together through the Scam Safe Accord, the ABA's unwavering commitment to help safeguard our customers. In the coming financial year, we will focus on delivering initiatives including rolling out confirmation of payee and building more warnings and delays to help customers protect themselves from scams.

I was honoured to assume the ABA Chair position through NAB's CEO transition and I thank Anna Bligh and all member banks for their support through this process. While economic headwinds may continue, I am optimistic about the outlook ahead. Banks and our colleagues are eager to continue to help and do as much as possible to support customers navigate this environment. We are also committed to supporting the Australian economy to grow and build the financial well-being of all Australians.

A handwritten signature in black ink, appearing to read 'Andrew Irvine'. The signature is fluid and cursive, written on a white background.

Andrew Irvine

Deputy Chair's Report



The past year has been a period of significant change, not just for the Australian banking industry – but our wider community. While the industry has faced its share of challenges, banks have remained committed to doing what's right for customers. A cornerstone of that work is the industry-wide Scam Safe Accord which is already having a positive impact as seen in the scam data trends.

Banks have also navigated a complex regulatory landscape where competition has never been stronger and seen the introduction of a financial sector regulatory initiatives grid in pursuit of proportionality. A strong and well-regulated banking sector is essential for a healthy economy. However, overly burdensome regulations can stifle innovation and ultimately hinder the ability of banks to serve their customers effectively. Striking the right balance – in the form of proportionality – is key.

As the leader of a regional bank, I've been acutely aware of the pressures on regional communities and cognisant of commentary surrounding the digital transition that is sweeping the country. Bendigo Bank, with its unique community banking model, plays a vital role in supporting regional Australia, and we look forward to continuing that relationship with our communities.

A key theme of this year has been increases in cost of living and its impact on community. Banks stand ready to support our customers navigate their financial situations and will continue to do so into the future.

I am confident that our industry is well-positioned to navigate the challenges ahead. We remain focused on delivering value to our customers, supporting our communities, and playing a leading role in a healthy and competitive Australian banking sector.

Thank you for your continued support.

Marnie Baker

CEO's Report



As I reflect on the past year in the Australian banking sector, two words come to mind: resilience and adaptation. Our economy continues to show significant resilience, despite ongoing global economic turbulence and persistent inflation. Australia has the strongest banks in the world and they continue to play an important role in strengthening our economy to support customers.

Banks recognise that many Australians are doing it tough as they grapple with ongoing cost of living pressures. Despite these pressures, customers remain resilient with mortgage arrears still at lower levels than before the pandemic. This year we launched our 'Don't Tough It Out On Your Own' campaign, urging customers facing difficult financial decisions to reach out to their bank early so support options can be put in place.

Australia continues to see a dramatic shift in the way people in the community are choosing to do their banking, with the industry adapting to rapidly changing customer preferences for easy and convenient digital services. This is why banks have made record investments exceeding \$30 billion in IT systems and infrastructure across the past 12 months, to provide services meeting their customers' changing needs.

Banks are also hard at work maintaining one of the highest branch networks, per capita, in the OECD as well as making significant investments in Australia Post so customers who still prefer face to face banking and want to use cash, can access those services.

Ensuring Australians can still access cash is also why Australia's banks are playing a critical role along with major retailers and Australia Post to ensure the ongoing viability of Australia's last major cash-in-transit company, Armaguard by providing significant short term financial support as the company restructures to achieve long term sustainability.

I am pleased to report the last financial year has also demonstrated the effort banks are making to reduce financial losses from scams is starting to make an impact. The Australian Banking Association established a world-leading Scams Safe Accord which sets a new standard of protections to shield Australians from scammers.

Initiatives in the Accord include:

- \$100 million investment by banks in a new confirmation of payee system, ensuring people can confirm they are transferring money to the intended recipient and when it is complete Australia will be the third country in the world to have a system of this kind
- more warnings and delays when people are paying someone new, to protect customers
- investing in a major expansion of intelligence sharing across the sector

Progress is being made in the war against scams with the 2023 Targeting Scams Report by the National Anti-Scam Centre demonstrating financial losses falling by 13 per cent in 2023. Clearly there is still more work to be done and banks will continue to work with government and other industries in the scams chain to protect customers.

The ABA team and I thank you for all your work over the last year.

Anna Bligh

Our priorities



Economy

We are helping to grow Australia's economy. Banks play a vital role in the Australian economy – keeping our savings safe and providing loans to support people and businesses.



Grow Australia's Economy



Spotlight on regulatory complexity

Regulatory complexity is a source of operational challenge which can diminish the responsiveness of banks to their customers. Regulation should be simple, appropriate and harmonised. Similarly, regulatory change should be appropriately scoped, sequenced, timed, and costed. In this context, the ABA has warmly welcomed two announcements by the Federal Treasurer, APRA's revised statement of expectations and the establishment of a regulatory grid.

APRA's revised Statement of Expectations includes the requirement to minimise complexity by applying proportionate requirements on regulated entities. While the ABA acknowledges the importance of system strength and stability, a well-functioning and diversified banking system must balance a robust regulatory regime with sustainable competition and ADI financial resilience. This balance is critical for fostering a dynamic and innovative banking system.

Further, a regulatory grid is a critical opportunity for more effective co-ordination between regulatory agencies enabling banks to better plan their regulatory change programs. The Government's objective in proceeding with this is to provide clear visibility and appropriate sequencing of regulation allowing entities to allocate their resources more efficiently when implementing regulation, reducing compliance burden and costs.



CPS 230

APRA's new prudential standard CPS 230 Operational Risk Management will come into operation on 1 July 2025. The Standard will require financial institutions to strengthen their operational risk management, improve business continuity planning and enhance their third-party risk management. Ensuring that Australian banks respond appropriately to these new requirements and have processes to meet the challenges today's complex risk environment pose has been a key focus of the ABA.



Prudential policy

The ABA has worked with APRA to ensure that the regulatory environment remains supportive for lending to Australian businesses and households, while ensuring that Australian banks are unquestionably strong. During the year, the ABA has contributed to consultations on:

- Operational risk;
- Interest Rate Risk in the Banking Book;
- Fundamental Review of the Trading Book;
- Liquidity risk;
- Capital reforms;
- The Prudential Framework; and
- The role of Additional Tier 1 Capital

Grow Australia's Economy



Small business

The ABA ran a targeted 'Small Business Campaign' across 2023-24 to highlight the role of Australia's banks in supporting the small business sector. As part of the campaign, the Financial Assistance Hub was relaunched. The Hub is a plain English resource for customers facing financial difficulty and distributed the resource to all small business stakeholders. The ABA held a small business event in partnership with EY, Business NSW, and Business Western Sydney, focused on the resiliency of small business in a rapidly evolving economy, which was attended by peak industry bodies, banks, government, and small businesses.



Housing

The ABA participated in the design and implementation of social, sustainable, and affordable housing initiatives where there is an interaction with banking. We worked closely with State-based agencies and Housing Australia on housing related programs, such as the Help to Buy Scheme, Housing Australia Future Fund, National Housing Accord, and the Household Energy Upgrades Fund, to support customers into home ownership more quickly and affordably.



Disaster response

Australian banks played an active role in supporting customers following natural disasters in Victoria, Queensland, NSW and Western Australia. The ABA worked to respond to 9 events across FY23-24. The ABA also participated in the 2023-24 Higher Risk Weather Season National Preparedness Summit held in Canberra together with over 200 representatives across industry.



Agriculture

There has been strong growth in the Australian agricultural sector this year, with lending to agricultural businesses reaching \$130.5 billion, a growth of \$12 billion from \$118.5 billion in June 2023, the highest year on record. While the agricultural sector demonstrated resilience, ABA members and their dedicated regional and agribusiness teams worked closely with their customers who were doing it tough over this period. The ABA met with the key industry stakeholders regularly to exchange views on industry issues, including maintaining a regular forum with the National Farmers Federation. The ABA Financial Assistance Hub was also shared with our agribusiness stakeholders to alert them to targeted support information for agribusinesses.



Grow Australia's Economy

Key submissions

- Prudential framework minor updates
- APRA moves to reinforce requirements for banks to manage interest rate risk
- Proposed changes to liquidity and capital requirements for authorised deposit-taking institutions
- Basel Committee consults - disclosure framework for climate-related financial risk
- Senate Economics Committee - Residential Electrification
- Land Use Victoria's changes to the Registrar's Requirements for Paper Conveyancing Transactions
- Consultation – Modernising Document Execution
- Prudential Standard APS 910 Financial Claims Scheme
- CPS 230 - Consultation
- APRA consults on minor amendments to prudential framework for ADIs and insurers
- Setting, Tracking and Achieving Australia's Climate Targets
- IPART request on passing on of ELNO fees
- Operational Resilience (CPS 230 - CPS 231, CPS 232)
- Remuneration
- Resolution Planning (CPS 900)

Our priorities



Customer

We work to ensure every customer counts. Banks play a vital role in supporting Australians to access banking products and services that are safe, secure and stable.



Every Customer Counts



Accessibility and Inclusion Principles for Banking Services

The ABA worked with the Australian Network on Disability (AND) to review and update the Accessibility Principles to ensure the banking sector remains inclusive in a fast-changing digital landscape. An important change has been embedding accessibility into digital authentication processes, as the banking industry steps up its fight against scams, fraud and identity theft. Other changes include a more significant focus on the use of Artificial Intelligence (AI) and guidance for banks on how they can design accessible products and services such as a new app using a 'co-design' approach that seeks feedback from people with disability.

Industry Funding for financial counselling

ABA member banks announced they would step up to help fund financial counselling services contributing \$19 million over three years toward a voluntary industry fund established to help increase the availability of free, independent counselling services for people experiencing financial difficulty who need advice.

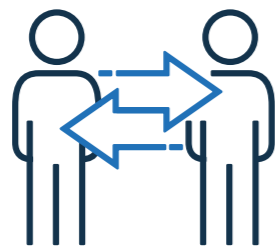
Banks have long supported financial counsellors and are very proud to be supporting this voluntary industry initiative. The ABA played a significant role in establishing the funding mechanism.



First Nations ID

The ABA published the 'Acceptance of First Nations Community Identification Cards' factsheet this year. This new resource is designed to improve critical identification challenges for many First Nations customers, given many customers, particularly in remote communities, lack standard forms of identification such as driver licences. These identification challenges can act as a systemic barrier to accessing banking services given the AML/CTF Act requires customers to be identified, before banks can provide banking services.

Banks are able to accept First Nations Community ID cards when a customer does not have a standard form identification. The new factsheet is designed to:



assist banks with information about the different First Nations community ID cards that exist and how banks can accept them under the AML/CTF Act; and



support First Nations communities looking to issue ID cards, by explaining what banks look for AML/CTF purposes.



Privacy reforms

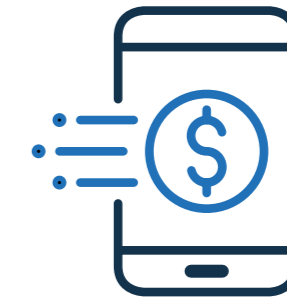
The ABA continues to engage with the Attorney-General's Department to progress the Privacy Act reforms, advocating for a modernised Privacy Act that ensures privacy settings empower consumers, protect consumer data, and best serve the Australian economy. Achieving the right balance between personal information protection, innovation and economic growth will improve the nation's information economy to support responsible innovation while empowering and protecting individuals.

Every Customer Counts



Customer Trends 2024

Coinciding with the ABA Annual Conference, the ABA released the second edition of *Bank On It: Customer Trends 2024* report demonstrating that in the last year alone customers made \$126 billion in payments with their mobile wallets, overtaking total ATM cash withdrawals (\$105 billion) for the first time ever.



Customers made **\$126 billion** in payments with their **mobile wallets**

Other key findings in report:



18-fold **increase in the value of mobile wallet transactions** since 2019



customers interactions with their bank have **skyrocketed by 37 per cent** in the past four years



value of transactions made by **cash have reduced to 7.5 per cent**



bank branch **interactions fell by 47 per cent** between 2019 and 2023



Australia's branch density is still higher than the OECD average at **19 bank branches per 100,000 adults**



Over **3,500 Bank@Post locations** around the country.

The report found that Banks still maintain a strong branch network, with Australia still having a higher branch density than the OECD average, complemented by the availability of face-to-face services at over 3,500 Bank@Post locations around the country.

Every Customer Counts

Key submissions

- Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Bill 2024
- Personal Insolvency Consultation
- Consultation - Interactive Gambling Amendment (Credit Card and Other Measures) Bill 2023
- AFCA Responsible Lending Approach
- ALRC Interim Report C
- Treasury Laws Amendment (2023 Law Improvement Package No. 1) Bill 2023
- Submission to the Senate Standing Committees on Rural and Regional Affairs and Transport Inquiry into bank closures in regional Australia
- Submission to the JSC inquiry into economic self-determination and opportunities for First Nations people
- Quality of Advice – Senate Economics Legislation Committee Treasury Laws Amendment (Delivering Better Financial Outcomes and Other Measures) Bill 2024
- Parliamentary Joint Committee on Corporations and Financial Services' inquiry into the financial services regulatory framework in relation to financial abuse
- Unfair Trading Practices
- Personal Properties Securities Act (PPSA) Reforms
- Submission to Treasury Quality of Advice – Tranche 1
- AGD - Achieving Greater Consistency in Laws for Financial Enduring Powers of Attorney October 2023
- ASIC's public consultation on proposed changes to the Banking Code of Practice
- Application to ASIC for the Banking Code of Practice as an approved code of conduct

Our priorities



Trust

Banks are always working to maintain the trust of the Australian people. The banking industry today complies with tougher rules imposed by the Government and regulators, a back-to-basics approach to banking which is squarely centred on the customer and a renewed focus on improving culture.



Trust



NEW: Banking Code of Practice

The ABA welcomed ASIC's approval of the new Banking Code that will continue to drive better banking outcomes for customers.

The updated Code strengthens consumer protections by providing customers with safeguards in addition to the law.

Enhancements include:



an updated small business definition to **offer protection** to an **additional 10,000 small business customers**;



an improved section on inclusive and accessible banking that recognises banking services should be **inclusive of people of diverse sexual orientations and gender identities**;



an **updated vulnerable customer definition** to better recognise that anyone can be vulnerable at any time;



enhanced requirements for banks to **meet guarantors** before **accepting a guarantee**; and



new **deceased estate provisions**.

ABA CEO Anna Bligh said 'Banks are focused on delivering the highest standards of customer service to all Australians, and the Code is a fundamental part of ensuring this happens.'

The Code will be implemented in banks by the end of February 2025.

Our priorities



Future

Banks are responding to seismic changes in customer behaviour and shifting trends by investing heavily in new technology and services.



Future

Spotlight on scams



Australian banks launch a global first, Scam-Safe Accord

To play our part in helping to combat the global scams scourge, the Australian Banking Association and Customer

Owned Banking Association joined forces to establish the Scam-Safe Accord.

This Accord, between Australia's community owned banks, building societies, credit unions and commercial banks is a comprehensive set of anti-scams measures across the entire industry.



Banks have committed to introduce new and higher protections into their systems, meaning customers should expect more warnings and delays when paying someone new or increasing payment limits. To prevent misuse of accounts through identity fraud, all banks will uplift technology and controls, including all major banks introducing unique identification measures known as biometric checks when opening new accounts.



The key initiatives include a \$100 million investment in a new confirmation of payee system to be rolled out across all Australian banks, credit unions and building societies. Confirmation of payee will help reduce scams by ensuring people can confirm they are transferring money to the person they intend to.



In addition, the Scam-Safe Accord includes a major expansion of intelligence sharing across the sector with all banks acting on scams intelligence from the Australian Financial Crimes Exchange by mid-2024, and joining the Fraud Reporting Exchange. This means critical information is shared across the banking sector at speed about scam transactions, improving the chances of preventing scams and recovering stolen funds.



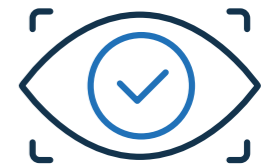
Consumer Data Right

The Consumer Data Right (CDR) is intended to help Australians take control of their data and increase competition in the economy. However, despite significant investments by both Government and industry, consumer adoption remains very low. The ABA has recommended to Government that improvements to the CDR be embedded before further expansions are made.



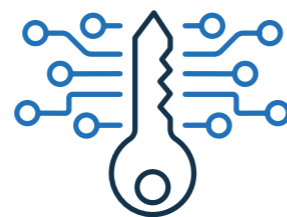
Anti-Money Laundering and Counter-Terrorism Financing Reforms

The ABA has supported the Federal Government's reform plans for Australia's Anti-Money Laundering and Counter-Terrorism Financing laws including the commitment to simplify the regulatory model and to extend AML/CTF obligations to 'tranche 2 entities' which include solicitors and real estate agents. The ABA has been actively engaged in detailed consultations to help ensure that the proposed reforms can be effectively implemented and contribute to reducing AML/CTF risks.



Digital ID

The ABA has strongly supported the Federal Government's plans to increase the wider roll out of secure Digital ID capability. A Digital ID will provide a convenient and secure way for Australians to share identity information about themselves when necessary and help protect against scams, fraud and cyber security breaches. The use of a Digital ID must remain voluntary and alternative options for identity verification must always be available for those who wish to use them.



Cybersecurity challenges

Cybersecurity threats remain a significant challenge for all sectors of the economy, and an area in which banks are especially vigilant. The ABA welcomed the Federal Government's 2023-2030 Cyber Security Strategy and has contributed actively to the review of the Security of Critical Infrastructure Act including calling for a streamlined mechanism to report cybersecurity threats and incidents efficiently. The ABA also supported the extension of access to the Government's Facial Verification Service to strengthen account opening processes.

Key submissions

- AUSTRAC 2023-24 Industry Contribution Levy
- AUSTRAC Guidance on Outsourcing
- Winding down Australia's cheques system
- Scams – mandatory industry codes
- FATF Consultation on Beneficial Ownership Guidance
- FATF Consultation on standard relating to wire transfers
- Inquiry into the capability of law enforcement to respond to cybercrime
- AGDIS - Digital ID Bill Consultation
- Identity Verification Services Bill - Senate Inquiry
- Screen Scraping - Policy & Regulatory Considerations
- CDR Rules - Consent Review and Operational Design Considerations
- Reforms to the Payment Systems (Regulation) Act 1998
- Supporting responsible AI: discussion paper



Australian Banking Association Limited (ABA) Directors

The ABA Council is led by the Chair, Andrew Irvine, National Australia Bank 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 were 16 members of the ABA council as at 30 June 2024:

- Andrew Irvine (Chair)
- Marnie Baker (Deputy Chair)
- Alexis George
- Anna Bligh
- Antony Shaw
- Bruce Rush
- Damien Walsh
- Joseph Rizk
- Mark Wiessing
- Mark Woodruff
- Matt Comyn
- Melanie Evans
- Patrick Allaway
- Peter King
- Shayne Elliott
- Stuart Green

Board changes during the reporting period

There were several changes to the composition of the ABA Council during the 2023/24 financial year. These changes are listed below:

- departure of Clive van Horen, Chief Executive Officer, Suncorp Bank – 4 December 2023
- appointment of Bruce Rush, Chief Executive Officer, Suncorp Bank – 4 December 2023
- departure of Ross McEwan, Chief Executive Officer and Managing Director, National Australia Bank – 8 May 2024
- appointment of Andrew Irvine, Chief Executive Officer and Managing Director, National Australia Bank – 2 April 2024

Board changes after the reporting period

- departure of Marnie Baker, ABA Deputy Chair, Managing Director and Chief Executive Officer, Bendigo and Adelaide Bank Limited – 31 August 2024
- appointment of Richard Fennell, Managing Director and Chief Executive Officer, Bendigo and Adelaide Bank Limited – 1 September 2024

Directors' qualifications, experience, and responsibilities

Council Chair

Andrew Irvine

Appointed 2 April 2024

- Group Chief Executive Officer and Managing Director – National Australia Bank Limited
- ABA Chair

Bachelor of Bus Business Management (Hons), MBA

Alexis George

Appointed 2 August 2021

- Chief Executive Officer & Managing Director - AMP Limited
- Director, AMP Limited
- Director, AMP Bank Limited
- Director, AMP New Ventures Holdings Pty Ltd
- Directors, Citrus Innovations Pty Ltd
- Director, AMP Foundation Limited

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

Antony Shaw

Appointed 1 September 2022

- Chief Executive Officer – HSBC Bank Australia Limited
- Chief Executive Officer – HSBC Bank New Zealand (as of 3 June 2024)
- Director – HSBC Bank Australia Limited
- Executive Adviser – ACON
- Director – St Joseph's Foundation
- Director – Vitalforce Australia Pty Ltd
- Chairman – BCA's Global Engagement Committee (GEC)

Council Deputy Chair

Marnie Baker

Appointed 24 November 2020

- Managing Director - Bendigo and Adelaide Bank Limited
- ABA Deputy Chair
- Director, Regional Australia Institute
- 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 AC

Appointed 24 November 2020

- Chief Executive Officer – Australian Banking Association Limited
- Non-executive Director – International Banking Federation
- Non-executive Director – Australian Plays Transform
- Ambassador – Malaria Vaccine Project – Institute of Glycomics, Griffith University
- Ambassador – Leukemia Foundation

Bachelor of Arts, Honorary Doctor of Laws, University of QLD, Honorary Doctor of the University, Griffith University.

Bruce Rush

Appointed 4 December 2023

- Chief Executive Officer – Suncorp Bank
- Master of Business, Chartered Accountant (CA ANZ)

Damien Walsh

Appointed 2 December 2021

- Managing Director – Bank Australia Limited

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

Mark Wiessing

Appointed 1 May 2023

- Regional Manager, Rabobank Region Australia, New Zealand
- Chief Executive Office, Rabobank Australia
- Director – Rabobank Australia Limited
- Director – Rabobank New Zealand Limited
- Director – Rabobank Equipment Finance Limited
- Director – Soft Commodity Trading P/L
- Director – GrainCorp Pools Pty Limited

Bachelor of Business Administration (BBA) and Master of Business Administration (MBA)

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 of Commerce and Bachelor of Aviation, Completion of General Management Program at Harvard Business School

Joseph Rizk AM

Appointed 9 December 2022

- Chief Executive Officer & Managing Director - Arab Bank Australia
- Director – Australian Lebanese Chamber of Commerce
- Chairman – Italian Opera Foundation Association
- Board Director – Melkite Catholic Eparchy Corporation
- Member – Powerhouse Capital Campaign Committee
- Director – James Martin Institute (JMI) for Public Policy

Member of the Australian Institute of Company Directors, Fellow of the Australian Institute of Management, Honorary Doctorate Western Sydney University

Mark Woodruff

Appointed 11 January 2023

- Chief Executive Officer - Citi Australia
- Bachelor of Economics and Finance

Melanie Evans

Appointed 16 December 2020

- Chief Executive Officer and Executive Director – ING Bank Australia Limited
- Chair – ABA Finance, Risk and Audit Committee
- Director – European Australian Business Council
- Member of Chief Executive Women
- Chair – Business Council of Australia's Women's Workforce Participation Committee

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

Patrick Allaway

Appointed 27 March 2023

- Chief Executive Officer and Managing Director – Bank of Queensland
 - Member – Adobe International Advisory Board
- Bachelor of Arts, Law Degree – University of Sydney

Shayne Elliott

Appointed 24 November 2020

- Chief Executive Officer – ANZ Banking Group Limited
 - Director – ANZ New Zealand
 - Director – Financial Markets Foundation for Children
 - Board Member – Sydney Marae Association
 - Member of Customs Advisory Board
- Bachelor of Commerce

Company Secretary

Vanessa Beggs

Appointed 24 November 2020

- Deputy Chief Executive Officer – Australian Banking Association
 - Director – Finsia
 - Director – DriveAbout World
 - Director – Financial Counselling Industry Fund
 - Director – The Big Issue / Home 4 Homes
- 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

Peter King

Appointed 24 November 2020

- Chief Executive Officer and Managing Director – Westpac Banking Corporation
- Director – Financial Markets Foundation for Children
- Director – Institute of International Finance
- Director – Jawun

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

Stuart Green

Appointed 1 July 2021

- Chief Executive Officer and Managing Director – Macquarie Bank Limited
- Bachelor of Arts, MBA, Fellow of the Institute of Chartered Accountants in England & Wales, Fellow of the Association of Corporate Treasurers

Directors' meeting attendance

Attendance by ABA Directors at ABA Council Meetings and Financial, Risk & Audit Committee Meetings for the 2023/24 financial year.

Directors	Council Meetings		AGM		Finance, Risk & Audit Committee Meetings	
	Available to attend	Number attended	Available to attend	Number attended	Available to attend	Number attended
Total No. of Meetings	5		1		2	
Alexis George, AMP Bank	5	4	1	1	0	0
Andrew Irvine, National Australia Bank	1	1	0	0	0	0
Anna Bligh, ABA Limited	5	5	1	1	2	2
Antony Shaw, HSBC Bank Australia Limited	5	5	1	1	0	0
Bruce Rush, Suncorp Bank	3	2	1	0	0	0
Damien Walsh, Bank Australia Limited	5	5	1	1	0	0
Joseph Rizk, Arab Bank Australia	5	4	1	1	0	0
Mark Weissing, Rabobank Australia	5	5	1	1	0	0
Mark Woodruff, Citi Australia	5	3	1	1	0	0
Marnie Baker, Bendigo and Adelaide Bank	5	5	1	1	0	0
Matt Comyn, Commonwealth Bank	5	5	1	1	0	0
Melanie Evans, ING	5	2	1	1	2	1
Patrick Allaway, Bank of Queensland	5	5	1	1	0	0
Peter King, Westpac Bank	5	5	1	1	0	0
Shayne Elliott, ANZ Bank	5	2	1	0	0	0
Stuart Green, Macquarie Bank	5	4	1	1	0	0
Clive Van Horen (Resigned Director - formerly Suncorp Limited CEO)	2	1	0	0	0	0
Ross McEwan (Resigned Director, formerly National Australia Bank CEO and MD)	4	4	1	1	0	0

ABA's objectives and strategy

In the current environment, cost of living pressures, global economic uncertainty and heightened scam and cyber-crime activity are paramount.

The ABA 2030 Strategic Plan has been developed with a proactive external focus. Designed to meet the member needs of today and to build and maintain the industry's reputation whilst planning for future needs and issues.

During 2024, the ABA approved the following top 5 priorities:

1. Payments system structure, reform and simplification
2. Customer vulnerability and hardship
3. Scams and Fraud
4. Access to banking and cash services
5. Insurance affordability arising from climate volatility

Along with the continuation until completion of key initiatives that commenced in 2023, such as:

- finalisation and implementation of the banking code
- extracting value from CDR
- driving simplification and proportionality through regulatory changes proposed.

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 surplus from ordinary activities after tax for 2024 was \$27,568 (2023: net surplus of \$27,442).

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
- reviewing and approving financial budgets and special projects for the financial year.

The Board of Directors

The Board operates in accordance with the broad 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.
- 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
- Review of the audit committee charter

Directors' benefits

For the year ended 30 June 2024, 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 \$19,346 (2023: \$22,523) 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.

Consolidated Entity Disclosure Statement

The Company is not required by Australian Accounting Standards to prepare consolidated financial statements, and as a result subsection 295(3A)(a) of the **Corporations Act 2001** to prepare a Consolidated Entity Disclosure Statement does not apply to the Company.

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 2016/191.

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 43.

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



Andrew Irvine
Chair



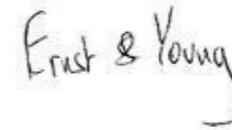
Anna Bligh
Chief Executive Officer

Sydney
18 September 2024

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 2024, 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
18 September 2024

Financial Report 2024

Statement of Comprehensive Income

	Notes	2024 \$	2023 \$
Income from ordinary activities			
Members contributions		12,125,246	11,754,509
Other Income	2	402,571	394,601
Special projects income		3,685,142	5,294,423
Total income from ordinary activities		16,212,959	17,443,533
Expenses from ordinary activities			
Staff costs	4	9,347,388	8,681,199
Special projects expenses		3,685,142	5,304,616
Other Operating expenses	3	1,805,834	2,239,688
Depreciation and amortisation expenses	7,8	587,632	653,553
Consultancies		463,228	338,407
Finance costs	8	43,274	76,158
Occupancy expenses		252,893	122,470
Total expenses from ordinary activities		16,185,391	17,416,091
Surplus income / (loss) from ordinary activities		27,568	27,442
Income tax expense		-	-
Surplus income / (loss) after tax		27,568	27,442
Other comprehensive income for the year, net of tax		-	-
Total other comprehensive income / (loss)		27,568	27,442

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

Statement of Financial Position

	Notes	2024 \$	2023 \$
Current Assets			
Cash and cash equivalents	5	4,783,876	3,486,067
Trade and other receivables	6	227,480	1,281,382
Total Current Assets		5,011,356	4,767,449
Non-Current Assets			
Property, plant and equipment	7	45,205	21,579
Right-of-use assets	8	316,267	858,439
Total Non-Current Assets		361,472	880,018
Total Assets		5,372,828	5,647,467
Current Liabilities			
Accruals, provisions and other liabilities	9	3,619,281	3,842,681
Trade and other payables		636,452	107,001
Current Lease liability	8	491,710	710,219
Total Current Liabilities		4,747,443	4,659,901
Non-Current Liabilities			
Non-current Lease liability	8	-	491,710
Provision long service leave	10	468,859	366,898
Total Non-Current Liabilities		468,859	858,608
Total Liabilities		5,216,302	5,518,509
Net assets / (liabilities)		156,526	128,958
Equity			
Accumulated surplus/Retained earnings		156,526	128,958
Total Equity		156,526	128,958

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 \$
2023		
Balance as at 1 July 2022	101,516	101,516
Surplus / (loss) from ordinary activities	27,442	27,442
Balance as at 30 June 2023	128,958	128,958
2024		
Balance as at 1 July 2023	128,958	128,958
Surplus / (loss) from ordinary activities	27,568	27,568
Balance as at 30 June 2024	156,526	156,526

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

	Notes	2024 \$	2023 \$
Cash flow from operating activities			
Receipts from members and associate members (including GST)		19,219,267	17,633,475
Payments to suppliers and employees (including GST)		(16,924,742)	(17,390,035)
Finance cost (leases)		(43,274)	(76,158)
Interest received		12,568	12,265
Net cash provided / (used) by operating activities	5	2,263,819	179,547
Cash flow from investing activities			
Additions to property, plant and equipment		(69,086)	(44,537)
Net cash (used) in investing activities	7	(69,086)	(44,537)
Cash flow from financing activities			
Payments for leases (including GST)		(896,924)	(794,538)
Net cash (used) in financing activities		(896,924)	(794,538)
Net increase/(decrease) in cash and cash equivalents		1,297,809	(659,528)
Cash and cash equivalents at the beginning of financial year		3,486,067	4,145,595
Cash and cash equivalents at the end of financial year	5	4,783,876	3,486,067

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

For the year ended 30 June 2024

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 18 September 2024.

The operations of the Company are conducted in Australia only.

Note 1 Summary of Material Accounting Policy Information

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.

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.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

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

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 ABA has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the ABA.

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 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.

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 Association's incremental borrowing rate, being the rate that the Association 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

	2024	2023
	\$	\$
Associate Member contributions	390,003	382,336
Interest income	12,568	12,265
Total other income	402,571	394,601

Note 3 Other operating expenses

	2024	2023
	\$	\$
Professional fees	201,923	312,663
Marketing and Advertising Campaigns	50,317	48,861
Other operating expenses	218,836	222,253
Technology maintenance	303,376	280,891
Research	210,343	294,200
Travel and accommodation	220,761	236,305
Seminars and conferences	436,478	437,251
Staff recruitment	4,395	175,417
Communications	39,023	38,663
Political Contributions	95,772	70,127
Staff training	24,610	123,057
Total operating expenses	1,805,834	2,239,688

Note 4 Staff costs

	2024	2023
	\$	\$
Other benefits	8,568	7,677
Salaries and wages	9,338,820	8,673,522
Total staff costs	9,347,388	8,681,199

Note 5 Cash and cash equivalents

	2024	2023
	\$	\$
Cash at Bank	4,365,069	3,067,260
Term Deposit-Bank Guarantee	418,807	418,807
Total Cash and cash equivalents	4,783,876	3,486,067

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

	2024	2023
	\$	\$
Surplus/(loss) from ordinary activities for the year	27,568	27,442
Non-cash flows in profit:		
- depreciation	587,632	653,553
- finance costs	43,274	76,158
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	1,271,670	(404,592)
- increase/(decrease) in accruals, provisions and other liabilities	(146,055)	436,885
- increase/(decrease) in trade and other payables	311,683	(713,876)
- increase/(decrease) in lease liability	168,047	103,977
Cash flows from operations	2,263,819	179,547

Note 6 Trade and other receivables

	2024	2023
	\$	\$
GST receivable	4,481	157,154
Trade debtors	194,979	1,096,955
Prepaid expenses	28,020	27,273
Total trade and other receivables	227,480	1,281,382

Note 7 Property, plant and equipment

	2024	2023
	\$	\$
Property, plant and equipment	1,061,074	991,988
Accumulated depreciation	(1,015,869)	(970,409)
Total Property, Plant and equipment	45,205	21,579

Property plant and equipment

Opening balance property plant and equipment	21,579	88,423
Additions	69,086	44,537
Disposals	-	-
Depreciation expense	(45,460)	(111,381)
Closing balance property plant and equipment	45,205	21,579

Note 8 Leases

a) Amounts recognised in the Statement of Financial Position

	2024	2023
	\$	\$
Right-of-use Assets		
Level 18, 6 O'Connell Street, Sydney	316,267	858,439
Total	316,267	858,439
	2024	2023
	\$	\$
Lease Liabilities		
Current Lease liability	491,710	710,219
Non-current Lease liability	-	491,710
Total	491,710	1,201,929

b) Amounts recognised in the Statement of Comprehensive Income

	2024	2023
	\$	\$
Depreciation Charge of Right-of-use assets	542,172	542,172
Finance costs	43,274	76,158
Total	585,446	618,330

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

	2024	2023
	\$	\$
Opening balance Right-of-use Assets	858,439	1,400,611
Depreciation	(542,172)	(542,172)
Closing Balance Right-of-use Assets	316,267	858,439
	\$	\$
Opening balance lease liability	1,201,928	1,848,078
Finance costs	43,274	76,158
Payments	(753,492)	(722,307)
Closing balance lease liability	491,710	1,201,928

Note 9 Provisions – current

	2024	2023
	\$	\$
Provision for staff cost	1,351,025	1,101,359
Provision for annual leave	606,659	497,321
Deferred Revenue	1,239,490	1,562,185
Accrued Expenses	422,107	681,816
Total provisions - current	3,619,281	3,842,681

Note 10 Provisions – non-current

	2024	2023
	\$	\$
Provision long service leave	468,859	366,898
Total provisions - non-current	468,859	366,898

Note 11 Remuneration of auditors

	2024	2023
	\$	\$
Audit of the financial report	52,500	50,000
Taxation and other non-audit services	18,563	129,253
Total remuneration of auditors	71,063	179,253

Note 12 Commitments and contingencies

	2024	2023
	\$	\$
Within one year	450,393	753,493
Later than one year but not later than five years	-	450,393
Total commitment and contingencies	450,393	1,203,886

These commitments pertain to future lease payments.
As at balance sheet date, there are no contingent liabilities.

Note 13 Related party disclosures

The following transactions occurred with related parties, which are noted as the ABA Members:

	2024	2023
	\$	\$
Revenue - Member's contributions	12,125,246	11,754,509
Revenue - Special projects income	3,685,142	5,294,423
Other Income - Interest	12,568	12,265
Total Related Party Revenue	15,822,956	17,061,197
Expenditure	11,492	7,191
Total Related Party Expenditure	11,492	7,191
Term Deposit-Bank Guarantee	418,807	418,807
Total Related Party Cash and Cash equivalents	418,807	418,807
Trade debtors	194,979	1,096,955
Total Related Party Debtors	194,979	1,096,955

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)
- Andrew Irvine (Chair) (appointed 2 April 2024)
- Marnie Baker (Deputy Chair) (appointed 24 November 2020)
- Matt Comyn (appointed 24 November 2020)
- Antony Shaw (appointed 1 September 2022)
- Melanie Evans (appointed 16 December 2020)
- Bruce Rush (appointed 4 December 2023)
- Patrick Allaway (appointed 27 March 2023)
- Damien Walsh (appointed 2 December 2021)
- Peter King (appointed 24 November 2020)
- Joseph Rizk AM (appointed 9 December 2022)
- Shayne Elliot (appointed 24 November 2020)
- Mark Woodruff (appointed 11 January 2023)
- Stuart Green (appointed 1 July 2021)
- Mark Wiessing (appointed 1 May 2023)
- Clive van Horen (appointed 24 November 2020 to 4 December 2023)
- Ross McEwan (appointed 24 November 2020 to 2 April 2024)

Details of Executive key management personnel

Executives	Title	Appointed	Resigned
Anna Bligh AO	Chief Executive Officer	03 April 2017	
Vanessa Beggs	Deputy Chief Executive Officer and Company Secretary	08 April 2019	
Christopher Taylor	Chief of Policy	23 January 2023	
Fiona Landis	Chief of Corporate Affairs	10 July 2023	

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.

	2024	2023
	\$	\$
The aggregate amount of compensation paid to key personnel during the year:		
Short-term employee benefits	2,841,935	3,062,965
Post-employment benefits	117,101	126,564
Long-term benefits	155,166	122,304
Termination benefits	-	-
Total	3,114,202	3,311,833

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:

	2024	2023
	\$	\$
Corporate Card Limit	30,000	30,000
Unused at balance date	33,716	8,758
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 distributions from 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.

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 not exposed to any credit risk.

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 2024

In accordance with a resolution of the directors of Australian Banking Association (the Company), I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001.
- (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.

On behalf of the Board.



Andrew Irvine
Chair

Sydney
18 September 2024



Anna Bligh
Chief Executive Officer

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 2024, 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 2024 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Australian Banking Association Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

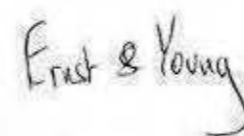
The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 related 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
18 September 2024



Australian Banking Association

Secretariat

Principal Registered Office in Australia

Level 18, 6-10 O'Connell Street, Sydney NSW 2000

Auditors

Ernst & Young

Bankers

Australia and New Zealand Banking Group

Australian Business Number (ABN) 60 117 262 978