

## News Release

For Release: 13 November 2023

### **Transcript of bluenotes video interview with ANZ Chief Executive Officer Shayne Elliott**

BRETT FOLEY: Shayne, thanks for joining bluenotes on the morning of the result. You've described this as a very strong result. The word you've used a lot is consistent, so why is this a good result?

SHAYNE ELLIOTT: Well, first of all, just if you, just kind of look at the financials, this is a record result. So, we're really proud of the fact that this is the highest revenue amount that ANZ has ever delivered and it's the highest cash profit we've ever delivered. So, I think they speak to that underlying strength. But of course, you want to look behind that and say, well, how did that happen? And what really drove it? And what I'm really pleased with and why I think it's strong and consistent, is that we have four divisions at ANZ. We have our New Zealand business, Institutional, the Australia Retail and Australia Commercial and all four of the businesses delivered really, really good outcomes. And so, it was a consistently strong across the board, really showing the benefit of the portfolio of businesses that we have, which is pretty unique and different, particularly to our domestic peers here.

BRETT FOLEY: And you mentioned diversification and it's again important, it was at the half as well. Now what specifically, can you elaborate a little bit on how those four businesses contributed to the result?

SHAYNE ELLIOTT: Sure. So, we've spent a lot of time in my time as CEO, so over the last seven or eight years, actually simplifying our portfolio. We accepted that you can be over diversified. You can be doing too many things with too many people, and too many places. And so, we streamlined that back to the core businesses that we know and love, the businesses where we feel we have something unique, something great to offer our customers. So, the four that I mentioned, but of course we like the fact that we have diversification, and this is a perfect time to really benefit from that. There's a lot going on in the world. There's a lot geopolitically, sadly, some terrible things happening around the world, but there's a lot happening domestically in terms of inflation and cost of living. There's lots happening in terms of how people and customers are thinking about trade and where they want to build new businesses and source product from, and that says change. And so, ANZ's really well positioned, because we have this diversified portfolio to be able to lean in where there's more opportunity and lean back where there's a little bit more risk. And that's precisely what we did over this year, and that really came through really strongly into the result.

BRETT FOLEY: And you mentioned the international business. As the most international of the Australian banks, what else are you seeing in the global environment and maybe particularly in New Zealand, which is often a lead indicator for the Australian market?

SHAYNE ELLIOTT: So, we're seeing a lot of change, as I mentioned, for all sorts of reasons and that change has been emerging for quite a period of time. I think it's fair to say, you know, 10, 15 years ago, we went through the sort of great continued sort of globalisation and opening up of markets, particularly around Asia-Pacific. And more recently, we're seeing more, a retreat back to sort of onshoring of work and people really rethinking their supply chain. Do I want to be exporting or importing just from one market or do I want to have a more diversified thought about all of that? And so that change has actually only gathered pace. And there are places in the region, the region where we operate, that stand to benefit

from that. One of them is India, pretty obviously, it's well positioned geopolitically, it's got this growing reformist economy where there's lots of opportunity. But there are others like Singapore and Vietnam that stand to benefit as well as customers, as multinationals, big corporates make those decisions about who they want to trade with, where they want to build things, where they want to ship things, where they want to invest. That's what we do really well. We help facilitate change. And so, that's what we're seeing, we're seeing an acceleration of change. I mean, an interesting data point, the United States has become an importer of foreign direct investment. That's quite a significant change. We've grown up in a time when the US was this massive outward investor and exporter of capital and now of course it's importing capital, partly to do with the Inflation Reduction Act, partly to do with a lot of American firms onshoring or reshoring work. That's a huge shift, and people like ANZ are really well positioned because the people that are leading those transformations, guess what, happen to be our customers. And so, we stand ready to help them raise money, move money, risk manage that money as they're making those decisions.

Talked about New Zealand, New Zealanders, you know, very, very close to our heart obviously, it's a quarter of the bank. We've been in New Zealand since 1840. We're the largest bank in New Zealand. We have a relationship literally with about one in two Kiwis in some way, shape or form. So pretty important part of our market, and we get to see, because of that special relationship we have in New Zealand, and I'm on the board there and I have been for over a decade, we get to see really unique sets of data and right across the whole economy. What we're seeing in New Zealand, despite the fact that it's had sort of faster and bigger rate rises and is a little bit more vulnerable as an economy than Australia, the reality is that the data says that the consumer, small businesses, remain very robust. They used the COVID period to shore up their balance sheet so they saved a lot of money, they cut back on their spending and so, the household, your average household, is in pretty good shape. Now, that's not to diminish the fact that there are clearly some who are struggling and there's more struggling today than there was six months ago. But interestingly, there's not more today than there was prior to COVID. So actually, the stress levels are reasonably well managed at this point. So, if New Zealand is a lead indicator for Australia and we think it is, even though there are some differences, that actually bodes pretty well for the resilience of our customer base and the broader community.

BRETT FOLEY: And interest rates and inflation have been a big talking point all year. How did that impact the business and is that an opportunity for ANZ given the strategy and the diversified business?

SHAYNE ELLIOTT: Yes, so cost of living again, it's interesting when you sort of have a historical perspective. Many of us got used to this idea that inflation was sort of like something of history, and the idea that inflation would be above 2% has been a bit of a shock for many, and we can talk about how that happened. But now we're living in a higher inflation world and that's true all over the globe, not just here in Australia, and New Zealand and of course Reserve Bank, central banks, have had to respond by increasing interest rates. That has real impacts on our customers. Whether you're a homeowner or a business owner, whatever you do in the community, that really changes your life and it's pretty profound. And as I said, it's changing a lot of business models, it's changing people's view about housing and what they can afford and how they have to make really difficult decisions to balance the budget. At the end of the day, as I said, our customers, and looking at ANZ's data, have come into the situation and to this challenging period, with pretty good, a great starting point, so pretty robust. So, they're actually muddling through pretty well. So... we have... I'll give you some data, we have a million homeowners here in Australia, or people who have a home loan with us, only 2,000 of them are in hardship. Now it's dreadful for the 2,000 and we'll do everything we can to help them through. But in the scheme of things, it's relatively modest. And so that again speaks to the strength of the economy the fact that people have been able to work through. Where's the opportunity for ANZ? Well in any time of change, whatever that change is, we talked before about changing trade flows, here we're talking about changing economic circumstances. Banks are here to help. Some businesses will do a little bit better because of that environment and they'll need money and financing to grow, and others will do it a little bit harder. And one of the great things when

you're a strong bank like ANZ, you're able to lean in and help those who need it, whether that's restructuring loans that they have or giving them assistance to work through what will undoubtedly be a difficult time. So, there is opportunity, for banks like us to step forward and assist those through the challenge. But also, there's always opportunity at times like this and we are seeing that in certain parts of the economy at the moment.

BRETT FOLEY: So, Shayne, can you tell us a little bit about ANZ Plus and how that's been developing and progressing in the past year?

SHAYNE ELLIOTT: Yeah, so this is a really exciting development for ANZ and now we have a new business line. ANZ Plus sort of started as a project, a dream. We've invested and we've essentially built a whole new bank, using the best-in-class technology that we can, and that is now out in the market. And from our perspective, it's the most contemporary, fastest growing proposition from a major bank for retail savers. So, at the moment, it's really appealing to those people who want to save money for whatever purpose. So we're really pleased with how it's going. In 18 months since we launched, we've welcomed half a million new customers or customers onto the platform, into that business, which is really exciting. Just give you a bit of perspective on that, ANZ, we've been around for 195 years. We've got about 5 million, 6 million customers in our what we would think of as our classic business. So, in 18 months to have attracted half a million customers already, it's pretty exciting. And of course, they've brought with them \$10 billion in deposits, which is pretty meaningful. So really excited about the progress. Customers are clearly enjoying it, are very, very engaged in the platform and the way we've built it is really about pace and innovation. So, we're able to roll out new features and functions at pace. And so, we've spent a bit of time getting it all right, and now we can accelerate. So, the next thing we'll be rolling out, which is pretty exciting, is some really great tools to help protect customers from scams. And so, we've got a rolling series of features that'll come out pretty soon, and I think that speaks to exactly the value of this platform. I will say another thing about the platform, and I know shareholders will care a lot about this. The point of this platform is not only that it's a more engaging way to improve the financial wellbeing of our customers, it's much cheaper to operate. And so, when you think about the cost of acquiring a new customer, that's about 55% lower than the cost it would be in our traditional ANZ business, which is pretty remarkable. And if you think about the cost of, once that customer has joined, the cost of servicing that customer, already ANZ Plus is operating at about 25% lower than our traditional bank and that'll actually improve over time as we get more and more scale. So really exciting, whole new business line going very, very well.

BRETT FOLEY: And just finally, can you give us an update on the acquisition of the Suncorp Bank and where things stand at the moment?

SHAYNE ELLIOTT: So, the process continues – as you know, we're going in front of the Australian Competition Tribunal in a few weeks time and that's essentially like going to an appeal court and we'll go and make our case again, and they've given us an indication that they'll come back with a decision in late February. But we're really optimistic about that. We strongly believe our case is a good one, that this really is in the best interests of consumers. It's very much in the interest of Suncorp Bank customers and we want to be able to deliver them the benefits of ANZ technology and the investments that we've made to deliver better outcomes for them, and we're going to go and make that case obviously in front of the Competition Tribunal. And when we're successful at the end of February, we still have some more process to go through. We have to get formal approval from the Queensland Government who've been really, really supportive of the transaction because they see the benefits of ANZ investing in their state, and then it goes to the Federal Treasurer. So still some way to go. We're really confident about it because we do believe very much in our case, but we have to go through the process, and we'll learn the next step in February.

BRETT FOLEY: Shayne, thanks very much for your time.

SHAYNE ELLIOTT: Thank you.

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