

News Release

For release: 4 April 2017

Transcript: BlueNotes interview with ANZ CEO Shayne Elliott on Wealth Australia

The following is a transcript of a video interview with ANZ Chief Executive Officer Shayne Elliott discussing the future of ANZ's Wealth business.

The interview was conducted by Andrew Cornell, Managing Editor of BlueNotes, ANZ's digital publication for news, opinion and insight and can be viewed at www.bluenotes.anz.com

- Andrew Cornell** Morning Shayne and welcome back to BlueNotes. We're talking this morning about options for the Wealth business. You raised in November that you're looking at a review and where the Wealth business might go in the future. Different banks look to be heading in different directions with the wealth strategy, where do you see it going?
- Shayne Elliott** Well I think it's important to start with the fact that all of the banks have slightly different wealth businesses. Ours is actually quite unique, ours is very different to some of our peers, so it's probably pretty sensible that when we think about the best way forward we will come to different conclusions than perhaps they will.
- We have a really strong business that tends to be really focused on life insurance, and within that life insurance it's very heavily focused on retail as opposed to group life, which is a good thing. So our starting point is different. Plus there is just a lot of change happening in the industry, from regulators and community expectations, so we have to put all of that in to the mix and think about the best way forward for ANZ.
- Andrew Cornell** Indeed when we look at community expectations and what you faced in Canberra and what's going on in the media, a lot of the reputational damage to the banking industry has been concentrated in wealth, whether it's advice or insurance, does that play in to the decisions?
- Shayne Elliott** Yes and no. I mean that's certainly making it something that we need to spend a lot more time on as an industry and consider how we operate these businesses and how we behave and how we think about them. But in terms of our decision and in terms of seeking a partnership model, not really because actually the reputational damage is really about how to go to market and engage with your customers. Well we are still going to be doing that as ANZ.
- We want to be talking to our customers about wealth solutions, about protecting the things that are important to them and about saving for their retirement so we're still going to be in the business, we will just be doing it with a partner who will be world class in terms of manufacturing and supplying product.

- Andrew Cornell** A couple of points there – you talk about a partner, so perhaps we can talk about the range of options, but you're not getting out of wealth then?
- Shayne Elliott** No. We look at it very simply. Insuring things that are important to you, including your life, insuring your home, saving for your retirement, these are good things. These are things that people should do. And we have an obligation to provide these solutions to our customers. We're a natural place that they can come and have a conversation about that. But that doesn't mean that we need to be actually manufacturing the product. So we want to partner with someone who is world class, who has the intellectual, the financial, the digital wherewithal to keep up and have terrific best in class products for those customers. But we will absolutely be in the business of providing those solutions to our customers.
- Andrew Cornell** Have you got a clear picture then of what the future might look like? Or is there a whole range of options?
- Shayne Elliott** I think we have to keep a really open mind because this is a very different business model than we've had today - where the classical vertical integration where we own and operate everything. So it's new, it's a little bit different. There are other parts of the world that are very comfortable in this partnership model, but here in Australia and for ANZ, we're going to keep an open mind. We will be putting out an Information Memorandum shortly and that will craft out a starting point for discussion, but what we will be saying is that we want to learn and be open to the best way we can service our customers and we want to be the best at this in Australia so we have to keep an open mind in terms of how that might look in terms of detail.
- Andrew Cornell** So information an Information Memorandum in the not too distant future. Can you talk us through the process where you look at who might be interested and how long?
- Shayne Elliott** So maybe we will start with the 'how long?' This is going to take time, this is a pretty big decision. And this is more about cultural fit and a partnership, not just a sale. We're not just putting a 'for sale' sign up, that's absolutely not what we're doing. We're seeking really to form a partnership for a very long period of time with an operator that we feel comfortable with and who wants to do the right thing by customers. That's going to take a bit of time to get to know people, so it's something that we will be looking at. I'd be very surprised if we have any major announcements before the end of this calendar year. In terms of the process, we will put together some information in terms of what the business looks like – how many people, how good it is, what kind of customer base, what the financials look like. So we will send that out to people who are interested and then we will engage in a series of conversations with them.
- Andrew Cornell** One of the options that has come up in this process is the option of a capital markets solution. What is a capital markets option?
- Shayne Elliott** Well that means is because it's a really good business, it's large, it's very valuable, many many billions of dollars, it may well be that in discussing with partners looking at our options that all or part of this business gets listed on the local stock exchange and available for people to invest in. That's all we are talking about.

Andrew Cornell I look forward to speaking with you as the process goes on. Thanks very much for your time today.

Shayne Elliott Thank you

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