

Start of Transcript

Katherine Bray: Good morning, ladies and gentlemen. My name is Kath Bray and I am the Managing Director, Customer Engagement, for the Australian Retail Division here at ANZ. I will act as the Moderator for today's Annual General Meeting.

Before the meeting starts, the Chairman has asked me to run through some administrative matters, particularly in relation to voting and asking questions. Today's meeting is an in-person AGM. Shareholders and proxy holders in the room have been given a white voting card with a QR code, and a poll will be held on each of the resolutions. To assist with the poll the Chairman has appointed Mr Michael Hutchison of Computershare to act as Returning Officer, and KPMG to act as scrutineers.

For those with smartphones, when the Chairman opens the poll, please scan the QR code with your device's camera. This will open an online voting page in your browser. Accept the terms and conditions, then press the vote icon and all resolutions will be activated with voting options. To cast your vote simply select for, against or abstain. There is no need to hit a submit or enter button as the vote is automatically recorded. You will receive a vote confirmation notification on your screen. Of course, you can change your mind or cancel your vote at any time before the poll is closed. The Chairman will announce when that is about to happen.

For those without smartphones, once the Chairman has opened the poll, please complete and sign the voting card and provide it to a Computershare representative as you leave the room. As mentioned earlier, this is an in-person meeting. It is being broadcast online and we will allow online questions from shareholders and their representatives. After the formal presentation on each resolution the Chairman will hold a single Q&A session on all items.

As such, I'll now run through the technical process for asking questions or making comments. As is our usual practice, we invited shareholders to send in questions prior to the meeting. The key themes arising from those questions will be addressed in the Opening Statement from the Chairman and the CEO. We'll be taking questions from both the floor of the meeting and via our meeting platform.

I'll now cover how to ask questions or make comments online. To submit a question or comment, select the messaging tab at the top of the online platform. Type your question into the text box and, once finished, please hit the send button. Questions and comments

received from shareholders online will be read out by myself as Moderator. When we receive questions or comments online that are repetitive, I may read out one, a representative selection or a summary of the questions for the Chairman to address. In the case of multiple questions on the same topic that have already been responded to, the Chairman will advise that those questions have been adequately answered and move on.

As you know, only shareholders and their representatives can ask questions of the meeting, in person those with white or green registration cards today. However, we may not be able to answer every question or address every comment received. To give as many shareholders as possible the opportunity to participate, we ask that those submitting questions, online or in person, to limit their questions or comments to one per item of business and your questions or comments, please to be concise. If questions are questions asked online are too lengthy, we may need to summarise them in the interests of time.

We also have the Lead Audit Partner, Maria Trinci, from our external Auditors, KPMG, available to address any questions shareholders may have on the Audit or Auditors Report.

This being a meeting of shareholders, it's important to note that we cannot comment on specific customer matters, including our customers business activities or any other matters subject to legal or other dispute. As such, questions and comments of that nature will not be put to the meeting or answered. For those here in person, we do have members of our staff at a booth outside who can assist with such matters, including our Customer Fairness Advisor, Evelyn Halls.

We will also not allow any questions or comments that are abusive, obscene or defamatory in nature. Questions received online may be moderated for inappropriate language.

Any technical issues with the broadcast or the online platform will not affect proceedings here in the room, but we will of course try and resolve any issues as soon as possible. If you're having connectivity issues, the Online Meeting Guide and the FAQ document available at [anz.com\agm](https://anz.com/agm) outlines what to do. For those in the room, should there be an emergency or disruption, where possible, we will temporarily suspend proceedings and resume as soon as possible. If that's not possible, the Chairman will suspend proceedings to later in the day.

I would now like to introduce Alex Burns for an acknowledgement of Country. Over to you, Alex.

Alex Burns: Thank you, Kath. [Spoken in Aboriginal language], Alex Burns, [Spoken in Aboriginal language]. Hello all and good morning. My name is Alex Burns, and I'm a proud Nira Balluk man from the Taungurung Nation in central Victoria. I'd like to acknowledge and pay my respects to my Elders, Country and kinship. I am the Commercial First Nations Strategy Lead here at ANZ and current elected Chair of Ngarga Wangaddja, ANZ's First Nations employee network.

It is my honour to be standing here today in Naarm, on the banks of the mighty Birrarung. We would like to acknowledge the Traditional Owners of the land we are on, the Wurundjeri Woi Wurrung People, and pay our respects to their Elders, past, present and emerging, as well as their continuous living culture and their beautiful land, water and sky country that surrounds us.

We extend this acknowledgement to any First Nations people joining us today and to those joining us online from all points of the country. We pay our respects to the traditional Owners of the country you are on, their culture and Elders.

Lastly, to my fellow First Nation staff joining us today, I want to take a moment to recognise and thank you for the invaluable contributions you make to ANZ.

In many ways, it is fitting we gather here in Naarm, it has been used as a gathering place for Kulin Nations for thousands of years. Its meaning in Woiwurrung language translates to 'place', in recognition of this. The Birrarung, which is now commonly known as the Yarra River, means river of mists in Woiwurrung language and is a centrepiece for Wurundjeri People. Just outside from where we are today, at what is now the site of the Queen Street Bridge, used to be natural falls which separated fresh water from the heads of the river, from the saltwater of the sea. The falls acted as a main way to cross the river and were a site of great significance to the Wurundjeri people, where they would often gather to solve grievances.

ANZ's Head Office is only a few hundred metres away, and we are privileged and honoured to call Naarm home and be situated alongside the Birrarung and share in its history and beauty. [Spoken in Aboriginal] Thank you. I'd now like to hand over to our Chairman, Paul O'Sullivan.

Paul O'Sullivan: Good morning everyone, and thank you, Alex, for a wonderful acknowledgement of Country. I too would like to acknowledge the Wurundjeri People as the Traditional Custodians of the lands on which we're sitting today, and also pay my

respects to Elders past, present and emerging, and extend that respect to other Aboriginal and Torres Strait Islander people joining us today.

As Alex said, my name is Paul O'Sullivan. I'm the Chairman of ANZ, and on behalf of your Board, I have the privilege of welcoming you to the 2024 Annual General Meeting of ANZ Group Holdings Limited and there being a quorum present, I formally declare the meeting open. The notice of this annual general meeting was made available to shareholders on 11 November 2024 and I will take it as read.

The poll is now open for items two to five being considered at today's meeting and you may now start casting your votes. I'll also give you a time warning before the poll closes at the end of the meeting.

Let me begin proceedings today with a few words about the year that we've just been through. It's especially good to be with you all in person today. The last AGM that we held in Melbourne was a virtual AGM at the height of COVID pandemic so there was nobody in the room. So it's great this year to be at an AGM with all of you in front of a room full of fellow shareholders.

Melbourne is a very special place for us. It's our home. We're very proud of the contribution that we've made to Victoria for almost 200 years. We remain one of Victoria's largest employers and our operations here result in business and job opportunities for the many thousands of people who partner with ANZ.

So let me begin today by expressing our thanks to our shareholders, our customers, and our partners who have contributed to our business this year here in Victoria. While Melbourne is our home, we also have a long history and an extensive presence in the Pacific.

Indeed we have a major presence in Vanuatu which experienced a significant earthquake earlier this week. It's a very distressing situation and our thoughts are with all those who have been impacted. I want to assure you, our shareholders, that we are doing all we can to support our customers, our employees, and the people of Vanuatu.

Let me now turn to some commentary on 2024, the year that we're here to review. I think from an ANZ perspective, it will be remembered as a mixed year. There have been many significant achievements this year, in fact, as I'll outline in a moment, it has been one of the strongest ever trading performances by the bank.

But as I'm sure many shareholders are aware, our financial performance was overshadowed by issues relating to our management of non-financial risk. This made it difficult to judge our performance.

Now, as your Board of Directors, we have a duty to act in the best interests of the business and that means basing our judgements on the facts when we assess the bank's performance. We think is especially important to our shareholders, as well as to our staff, who both need to have confidence that our reward systems are strong and that we arrive at just and fair outcomes.

In a moment, I'll outline the extra steps that your Board took this year to ensure a robust and independent process to assess management's performance and remuneration. But let me also acknowledge today the feedback that we are seeing in the voting pattern on our remuneration report.

Although a majority of shareholders, roughly 60%, support the adoption of the remuneration report, a significant number of shareholders do not. So as a Board, we're listening very closely to this feedback. We are deeply respectful of it and we are committed to taking it into account moving forward.

Let me turn now briefly to putting this year's performance in the context of our strategy to increase the value of ANZ to our shareholders and to our customers. Many of you will be aware of commentary that you can read in the media and elsewhere that ANZ does not attract an equivalent valuation to the other major banks in Australia and New Zealand.

A major driver of this difference is that historically, ANZ has a lower return on tangible equity compared to its peers. Now, that's financial speak. Let me put it more simply. Going back many years, ANZ has had a significant amount of capital tied up in businesses which were not core and were not generating a strong return.

Since 2016, when Shayne took over as CEO, ANZ has sold more than 30 businesses. Which along with the rebalancing of our institutional business, has released about \$14 billion in capital.

Some of those funds have been returned to you, our shareholders, and the remainder has been invested in ways that are designed to generate stronger returns in the future. In particular, into technology that serves our customers.

An example of this is the investments we've made in ANZ Plus and in another technology platform called Transactive Global. We've been describing this as our dual platform strategy which Shayne will talk to in more detail in his remarks.

Very importantly, ANZ is not just starting on this journey, unlike some others. In fact, we've already invested \$2.5 billion over the last five years to build these two world class technology platforms that will underpin your bank's competitive positioning for years to come.

Let me look at some other achievements through the year. In 2024, after a lengthy regulatory process, we received the required approvals to acquire Suncorp Bank which gives us a stronger competitive position in Queensland, and very importantly, the opportunity to scale up the ANZ Plus platform very significantly by migrating around 1.2 million Suncorp customers to it.

We completed the sale of our stake in AmBank in Malaysia, releasing around \$900 million in capital, with much of it returned to you, our shareholders, through our \$2 billion share buy-back.

We also continue to refocus our lending in our institutional bank to better quality customers. In fact, that part of the bank has had its best financial result in our history, including a return on equity in the mid-teens which is almost twice that of five years ago and well above most of its global peers.

From a credit risk perspective, very important in a bank, this year your bank delivered the best performance of the big four Australian banks as measured by the lowest risk intensity and by measures of non-performing loans. Indeed, our revenue result was the second highest in our history and our cash profit is the second highest since 2017.

So in summary, this was a year in which ANZ delivered strong financial and business results consistent with our strategy. All up, this resulted in a total shareholder return of 27% and a return of 50% across the last two financial years.

It also meant that your Board was able to determine a total dividend for the year of \$1.66 per share, returning almost \$5 billion to you, our shareholders, and this is the fourth highest dividend in our history.

So those are some of the key achievements of the year. But this was also a year when your bank faced into negative issues relating to our management of non-financial risk. Now, as I've just outlined, we have a good track record when it comes to managing

financial risk. But we are still building capability when it comes to our management of non-financial risk.

What is non-financial risk? Well, put simply, these are the risks that we run from managing our operations, our processes, our systems. This was underlined by the credential regulator, APRA, requiring ANZ to hold an additional risk capital overlay due to concerns in this space, as well as publicised issues within our markets business which I'll address shortly.

As of late last year, our non-financial risk program, known internally as I.AM Amplified, was making good progress. But the events in the markets business highlighted the need for us to do much more.

As shareholders would expect, the Board is requiring further focus from management, particularly around strengthening risk culture and embedding non-financial risk processes across the bank. We'll keep you, our shareholders, up to date on our progress.

Related to these issues were well publicised events that took place in our markets business. For those who are unfamiliar with the issue, during the year it was reported that ASIC is investigating potential misconduct by ANZ's market business during a 2023 bond issuance for the Australian Government.

Now, these are serious issues and while no specific allegations have been made, we continue to cooperate with the regulator to get to the bottom of what happened. Additionally, there have also been conduct and data issues identified within the same part of our markets business.

In response, the Board has taken the following actions. First, we are assessing reports from independent experts in the financial markets who have been appointed to analyse trading activity and report directly to the Board.

Secondly, we've engaged external legal advisors independent of management to ensure rigorous and thorough outcomes from these expert reviews. Thirdly, we've established a subcommittee of directors with relevant experience, chaired by me, to evaluate and test technical matters relating to markets matters.

Finally, we have commissioned the consulting firm Oliver Wyman, in consultation with APRA, to undertake a thorough independent review of culture and controls within the markets business.

I can say categorically that a key goal for the Board and management is to put non-financial risk management on a par with our strong performance in the management of financial risk.

Let me now turn to the resolutions being voted on today and in particular, the adoption of the remuneration report. The new Chair of the people and culture committee, Holly Kramer, will speak to this shortly but given the interest this year, I also wanted to make some comments.

The Board has applied what it considers appropriate consequences for these non-financial risk matters that I've just outlined. Should new information come to light, the Board has the discretion to freeze or reduce future vesting to accountable executives and we remain satisfied that the quantum of their outstanding equity is sufficient for this.

As mentioned earlier, although a majority of shareholders are voting to support the remuneration report today, a sizeable group is voting against it. In addition, while prior to the meeting we received majority support from shareholders to grant our CEO his long term variable remuneration, a substantial proportion of shareholders voted against the resolution.

In recognition of shareholders' views and to limit the impact on the bank, Shayne has decided to forfeit this year's long term variable remuneration. I commend him for his leadership and for his selflessness in doing that.

Therefore, item 4 has been withdrawn. Now, I'd like to put some context on this. I've met with many shareholders in recent weeks and almost universally there has been acknowledgement that the Board has demonstrated independence and appropriate due diligence in investigating these matters.

What's interesting is that in these same meetings however, I've encountered a wide variety of views on the appropriate quantum of downward adjustment that should be applied to our executive remuneration.

It's clear this is an issue where reasonable minds can differ. Your Board is paying close attention to the feedback on the remuneration report and with appropriate humility and respect, we will ensure we take the lessons into account in our future deliberations.

Let me turn now to climate because that's the other resolution I want to specifically address. I know this is of interest to many shareholders. It relates to climate change and our lending to the resources sector.

Our ambition as Australia's largest institutional bank is to be a leading bank in supporting an effective and orderly transition for our business customers. That's why we were the first Australian bank to formally engage with 100 of our largest carbon emitting business customers on their transition plans and to disclose their progress. A practice that has since been followed by our domestic and global banking peers.

While ANZ firmly believes that climate change is a risk that needs to be managed now, the Board does not consider the proposed amendment to the Company's constitution at items 5 and 6 to be in you, the shareholders, best interest.

Item 5 seeks to amend our constitution notwithstanding that shareholders have many existing avenues for engaging and providing feedback or concerns or to raise issues. Indeed we meet regularly with shareholders, along with other important stakeholders, to gain insights into the different perspectives on our operations.

In regard to item 6 which will only be put to the meeting if item 5 is approved, we are determined to be a leading bank in supporting the transition to net zero emissions by 2050.

Through our Large Emitters Engagement Program, which we call LEEP, L-E-E-P for short, we encourage and support customers to focus on their transition plans. We are very clear about our expectations.

For all LEEP customers, we expect their public targets and strategy to be aligned with the Paris goal of limiting global temperature increases to well below two degrees and striving to keep them below - or striving to at least achieve 1.5 degrees. And if we don't see adequate commitment or progress, we may decline to participate in new lending, we may reduce our existing limits, we may sell down our exposures.

Changes in our exposure are visible to you, our shareholders, in our annual carbon disclosures. We firmly believe, that as a bank, we can have the most positive impact for the community by working with our customers to reduce their emissions. Not by withdrawing finance from them and forcing them to borrow from lenders with lower or no carbon emissions standards.

I want to close by talking about the CEO succession and also about our Board. As shareholders are no doubt already aware, our Chief Executive, Shayne Elliott, is stepping down from ANZ next year, having served with distinction as CEO for more than nine years.

Shayne joined ANZ in 2009 to lead our institutional business. He went on to become Chief Financial Officer, leading the charge on improving capital efficiency before being appointed Chief Executive on 1 January 2016.

Now, Shayne has been very clear he still has much to do before he finishes next year. There will be a time and place in the New Year to properly acknowledge Shayne's enormous contribution. However I will say he will be remembered as a CEO that set ANZ on the path to long term, sustained success, particularly given the change in strategy he executed for us in 2016.

We also look forward to welcoming Nuno Matos as our new Chief Executive Officer next year. Nuno, who was most recently the Chief Executive of Wealth and Personal Banking at HSBC, is a worthy successor as CEO and his appointment was the culmination of systematic work by your Board to identify the next leader of ANZ.

Very importantly, Nuno has led several bank migrations and transformations, which will be a significant benefit as we prepare to scale the migration of customers, including many from Suncorp Bank, across to ANZ Plus.

I know shareholders may be concerned that an international appointment of this nature may be a signal we are looking to change course. Let me assure you the Board and the incoming CEO are absolutely aligned on this. We have the right strategy in place and whilst strategy will always continue to evolve, we are not signalling a return to the Asian expansion strategy of 2010/2012.

Indeed, our immediate focus is on improving our delivery capability, particularly around the rollout and migration to our new technology platforms and a continued focus on elevating our management of non-financial risk.

Let me talk briefly about Board membership. In terms of Board membership, the process of renewal continues with a particular focus on appointing directors with deep financial services experience.

First, I'd like to acknowledge the contribution of Sir John Key who retired from the Board during the year, having also served as the Chairman of ANZ New Zealand. Sir John made an enormous contribution to ANZ with his international business and political experience playing a critical role.

In turn, we welcome both Scott St John and Richard Gibb who will bring significant banking experience to the Board. While they will outline their relevant experience when they

address the meeting shortly, let me say that I know they will make a valuable contribution on behalf of all shareholders.

As a part of our new group structure we also have two bank-only Company directors who I am pleased to introduce to you up on stage today. So Graham Hodges, who is right down on my left, your right, at the end of the table.

Many of you will remember as a former CEO of ANZ New Zealand and a former Deputy CEO of the ANZ Group. While Graham retired from ANZ in 2018, he has more than 30 years banking experience and he joined the Board in 2023.

On my right at the end of the table, John Cincotta, who has more than 30 years' experience in banking, including as Chief Operating Officer of Deutsche Bank Australia and New Zealand and as a founding member of Barrenjoey Capital Partners.

Paul O'Sullivan: Thank you for joining us today, and I'd like to close by acknowledging the more than 40,000 people who come to work at ANZ each day across 29 different markets internationally. I'd like to thank our customers for again trusting us with their business, and to especially thank you, our shareholders, for supporting us. Your continued support is much appreciated, and I'd now invite your CEO, Shayne Elliott, to say a few words. Thank you.

[Applause]

Shayne Elliott: Good morning, ladies and gentlemen. I too would like to acknowledge the Wurundjeri people as the Traditional Custodians of the lands on which we meet today, and I pay my respects to Elders past and present and extend that respect to other Aboriginal and Torres Strait Islander people joining us today. I'm pleased to be here with you today in person in ANZ's hometown of Melbourne.

Before I begin, I'd just like to echo the Chairman's comments about this week's devastating earthquake in Vanuatu, where ANZ has a deep history dating back to 1971. We're grateful that no one in our team was hurt, and our thoughts are with those in the wider community who have sadly lost loved ones or who were injured. To help those who are struggling, we're putting in place a customer support package. In addition, ANZ is making donations to registered charities and will put in place support payments for our staff. The Pacific has been an important part of our global network, and we stand ready to help our neighbours wherever we can.

Turning to the business of the day, at our results presentation just over a month ago, I described 2024 as pivotal. This has been the case not just for ANZ but also for me personally, with the announcement that, next July, I will be stepping down as Chief Executive. Therefore, today marks the ninth and last time I will stand before you as CEO.

Casting my mind back to when I first stood here as CEO in 2016, I am proud of what we've achieved, despite significant changes in the regulatory and competitive landscape. We also experienced the most material changes in technology we've ever experienced and of course the Royal Commission and COVID. Despite those challenges and others, we've significantly simplified the bank, selling over 30 businesses, none of which we regret. We strengthened our balance sheet, with our capital ratio rising from 9.6% at the end of FY16 to 12.2%, and we derisked our bank markedly.

Prior to 2016, ANZ reported average credit losses of 8% of revenue. Yet, in the last three years, we've continued to have the lowest losses in the industry, at less than 1% of revenue. We've invested heavily in leading contemporary technology. Notably, ANZ Plus and ANZ Transactive, which will underpin growth and returns for years to come. We delivered over \$1.7 billion in cumulative cost savings - that's about 16% of our current expense base - to help fund our transformation and keep delivering decent returns to shareholders.

It hasn't always been easy, and I accept we didn't always get everything right. There's more to do. But I am confident that we do have the right strategy, the right team and momentum to drive the bank further. It's been a great privilege to be the custodian of ANZ these last nine years, and I will speak to this more in my closing remarks.

As I reflect more specifically on 2024, three key achievements stand out for me. First, we completed the purchase of Suncorp Bank. The bank we bought is performing even better than when announced two years ago. We're confident that the synergies will be larger and earlier than we planned.

Second, after years of hard work, the institutional bank delivered another record result on the back of our industry-leading platform ANZ Transactive, record revenues, record profit before provisions and a record return on equity.

Finally, ANZ Plus emerged as a key competitive strength. In just two years since launch, Plus has become home to almost 1 million customers, with high levels of engagement, industry-leading net promoter scores, substantially lower costs to operate and best-in-

class security protection. In the not-too-distant future, ANZ Plus will be home to most ANZ and Suncorp retail customers, who will benefit from world-class technology and service.

In terms of the financial performance, we delivered our second-highest revenue ever. Less than 0.5% lower than our all-time record in 2023. Customer deposits increased 11% year on year, from a combination of the Suncorp Bank acquisition and organic growth. We now have the second-largest customer deposit base of any Australian bank.

In addition to our strengthening number one positions in Institutional and in New Zealand, we also now occupy a clear and growing number three position in Australian retail banking. As the Chairman said, this year, we also saw the benefits of a multi-year investment of about \$2.5 billion in platforms and tools. That investment's already delivering, and it will continue to do so in the years to come.

For Plus, roughly half of the customers joining are new to ANZ, and the deposits in Plus are growing strongly, up 70% to almost \$16 billion in the 2024 financial year. Our customers are not just joining Plus, they're actually embracing it. In line with our financial wellbeing focus, almost half of the Plus customers use at least one financial wellbeing feature, and more than a third are actively pursuing a savings goal.

We've introduced new features, including the ability to move billers and payees from ANZ's existing app to Plus at the touch of a button, as well as joint accounts and offsets. Most recently, we launched ANZ MyAccounts. A really important step to help make ANZ Plus the home bank for more customers. This is the first time a major Australian bank has leveraged open banking to allow customers to import balances and transaction details from other Australian banks, so that they can get a consolidated view of their financials.

Well before Plus, we started investing in institutional payments and cash management, including a platform which is now the market leader, Transactive Global. If Plus is the key platform for retail and small business customers, Transactive is our key platform for larger businesses and multinationals.

While platforms such as Plus and Transactive are important to our future, we also need to stay focused on the here and now. I do acknowledge that times are tough for many customers today amid continued higher interest rates and cost of living pressures.

In line with the broader economic environment, the number of Australian ANZ home loan customers in hardship has risen over the past year to around four in every 1,000 customers. The number for small Australian business customers in hardship is around two in every 1,000. Sadly, the number in hardship is likely to rise further, given the external

environment. But whatever the situation, we will work with customers to find a solution appropriate to their circumstances.

As I look ahead to 2025, our priorities for the bank remain as outlined at the Full Year Results. Ensuring that we retain an engaged, purpose-led culture driving better customer outcomes, including protecting them from scams and fraud. Driving value from the Suncorp bank acquisition. Making ANZ Plus even more successful. Delivering strong financials and remaining focused on productivity.

I'd also like to stress that we remain firmly committed to addressing concerns raised around non-financial risk management and getting changes embedded to improve the way we manage the bank, so that APRA's capital overlay can be removed.

In addition, I will of course work to prepare the bank for an orderly transition to the new Chief Executive. I assure you that, over the coming months, I remain committed to executing on those priorities and maintaining the same focus and dedication to the role that I have shown these past nine years.

Before I close, I would like to take a moment to reflect on the history of your bank. You may have seen in the foyer today a range of artefacts from ANZ's Gothic Bank museum. This includes things like a general ledger, which recorded bank transactions in the late 1880s and an Adler electronic adding machine used by ANZ in the 1990s. They are an important reminder of how far we've come and the pace of innovation that has driven our success to date and will continue to do so.

Our Gothic branch first opened for business in 1887, during a boom era in Melbourne's history, which spurred the evolution of banking institutions in Australia. To honour this history, striving to shape a world where people and Australia and New Zealand thrive, we refurbished the building and re-opened it to the public as a museum. We wanted to showcase a building which has stood witness to the ebb and flow of economic tides across nearly two centuries and acknowledge the hard work of the thousands of colleagues who came before us.

Indeed, in 1828, when a small group of people in Van Diemen's land, now Tasmania, got together to start a bank, it wasn't profit that motivated them. It was actually the desire to bring prosperity and opportunity to their community, their small business and their families. That took courage. It took commitment, and it took a lot of heart. The bank they started became ANZ.

I believe that same courage, commitment and heart has sustained us over the 196 years that followed, allowing us to grow into the ANZ that we know today, serving more than 10 million customers, big and small, globally. Across that time, the bank has navigated wars, famine, natural disaster, revolutions in technology, the creation of new nation states, trade wars and more. Only to emerge today stronger than ever.

As custodian of ANZ, my role is to leave the bank in better shape than I found it. Strong, simpler and more capable. I believe we've done that. Over my final six months, as I said, I assure you that my eye will remain firmly on the future and ensuring that ANZ is in the best possible shape as we transition to new leadership.

My successor, Nuno Matos, has a tremendous responsibility and opportunity as he leads ANZ into its third century, and I sincerely wish him every success as ANZ's next custodian. With that, I will pass back to Paul. Thank you.

[Applause]

Paul O'Sullivan: Thank you, Shayne. We now come to the formal resolutions and Q and A section of the meeting. Questions can now be submitted online. This year, we disclosed via the ASX a summary of proxies on all resolutions received before the meeting, and they are now on-screen. I confirm that I am holding available undirected proxies in my capacity as Chair of the meeting and as disclosed in the Notice of Meeting. I will vote all available proxies in favour of the resolutions in items two and three and against the resolutions in item five.

Item six was conditional on item five passing by the requisite majority. Based on the proxy results received in advance of the meeting and the number of votes in the room today, it is clear that it has not passed. Therefore, I will not put the resolution in item six to the meeting. There will, however, be an opportunity for shareholders to ask questions on that item during the Q and A.

We'll now go to the presentations on the resolutions. We've addressed the Group's results in the earlier speeches, and there is no formal resolution to be passed in relation to the Group's Annual Report. Shareholders will however have an opportunity to ask questions on the reports and about the management of ANZ in the Q and A section of the meeting.

We'll therefore start with the presentations in respect of the election and re-election of Directors. Details of the experience and profile of Directors standing are included in the Notice of Meeting. The Board, excluding the respective Directors due to their interest, recommends that shareholders vote in favour of their election or re-election.

We move first to the election of Scott St John, who also Chairs our New Zealand Board. Scott joined the Board in March this year and is retiring in accordance with the Company's constitution. Being eligible, he offers himself for election. Scott will now say a few words.

Scott St John: Thank you, Paul. Good morning. I'm pleased to stand for election to your Board, having joined the Group Board in March this year. As some of you will know, and as Paul's mentioned, I've been on the Board of ANZ New Zealand since July 2021 and the Chair since March this year. My background is in financial services, looking after individual savings and investments, advising businesses and promoting offshore and onshore investment.

That part of my career saw me largely based in New Zealand but also travelling extensively to interact with investors globally, and for three years, running a business in Australia. The regulated nature of the industry gave me high levels of interaction with regulators and saw me appointed by the New Zealand Government to the Establishment Board of the Financial Markets Authority in New Zealand.

In addition to my ANZ roles, I am Chair of Mercury NZ, a listed renewable energy company. Previously, I have had roles as a Director of Fonterra and Chair of Fisher and Paykel Healthcare, an ASX50 company. Both large, global companies. I was also Chancellor of the University of Auckland. So, my financial services and regulatory background is complemented by useful knowledge of the energy, agriculture, healthcare and education sectors.

Philosophically, I believe that stakeholders' interests align comfortably with commercial and strategic objectives but believe the shareholder is the first amongst equal stakeholders. In that context, I am a shareholder and believe ownership provides important alignment.

I acknowledge the responsibility that goes with the Director role and respectfully ask for your support.

Paul O'Sullivan: Thank you, Scott. We now move to the election of Richard Gibb, who is Chair of our Risk Committee. Richard joined the Board in February this year and is retiring in accordance with the Company's constitution. Being eligible, he offers himself for election. Richard will now say a few words.

Richard Gibb: Good morning. I'm very honoured to have been asked to join the ANZ Board and to seek your support for election at today's AGM. It's a role I take very, very seriously. As you all know, ANZ has a long and storied history and plays a critically important role in

the Australian and the New Zealand financial systems and economies. Both in supporting households across both countries and connecting the corporate sector to the rest of the world.

In terms of my own experience, I've spent over 35 years working in the global banking sector, having started my career many years ago as part of the Graduate Banking Program at Westpac. My experience then included over a decade at both Merrill Lynch and Deutsche Bank and, most recently, over four years as CEO of Credit Suisse here in Australia.

I've had the opportunity during this time to advise a wide range of financial services firms on their strategy and on key strategic transactions. This has given me invaluable insight into many different corporate cultures, skillsets and capabilities. Throughout my career, I've held roles spanning direct client engagement, transaction origination and execution, business line leadership, risk, operational and governance oversight roles, including over seven years as a regulatory accountable executive.

As Paul mentioned, I've taken up the role of the Chair of the Risk Committee. The Risk Committee and our risk management functions are critical to the success, strong governance and sustainability of our bank. The Committee performs an essential role in navigating the bank's businesses through an often uncertain and rapidly changing economic environment and in addressing ever-increasing regulatory requirements and expectations.

Risk management, both financial and non-financial risk, is core to the effective functioning of any bank and permeates all aspects of ANZ's businesses. Managing risk is a collective effort, and I'm committed to working closely with our Management team to ensure we have the right risk settings and to foster a culture that prioritises risk awareness and resilience.

I appreciate and thank you for your support and look forward to contributing sustainable value for the shareholders of ANZ. Thank you.

Paul O'Sullivan: Thank you, Richard. We now go to the re-election of Christine O'Reilly. Christine joined the Board in November 2021 and was first elected by shareholders at the 2021 AGM. She is retiring in accordance with the Company's constitution. Being eligible, she offers herself for re-election. Christine will now say a few words.

Christine O'Reilly: Thank you, Paul. Good morning. I am also pleased to stand, in my case, for re-election to your Board, having just completed my first three-year term. Standing for

election, or re-election for that matter, always causes me to reflect on the contribution I can make.

In my case, I bring a range of Board experience with significant Australian businesses, including currently at BHP and Melbourne Airport, and previously at companies such as CSL and Medibank. Companies that lie at the heart of both the economy and the community.

Importantly, I also have commercial experience as a CEO and with one of Australia's largest fund managers, along with an early career in chartered accounting and investment banking. These roles provide a deep insight into the skills and behaviours required of a Board member, as well as an affinity with what the Company does and why it exists.

Looking at ANZ specifically, this is very much an exciting and challenging time, as we face into a world grappling with uncertainty, change, disruption and technological advancement. While we can benefit from lessons of the past, we must also be alert to a future that may move to a different trajectory with change headwinds and tailwinds.

As you know, we recently announced a new CEO who will start in July and we must now deliver on several initiatives that were well advanced under Shayne's leadership, including the Suncorp integration and migration of existing customers to ANZ Plus. We also need to further evolve as an organisation to deliver long-term value to our shareholders, while maintaining community relevance and demonstrating a strong commitment to creating social value for all our stakeholders.

I believe my extensive experience, both as a CEO and a non-executive director has equipped with the breadth of skills, experience, insights and perspectives to contribute meaningfully as one of your directors as we tackle these challenges. I also confirm that I have the desire, energy and capacity to perform my role. I look forward to working with both my Board colleagues and the management team to deliver value for all our stakeholders. I would greatly appreciate your support of my re-election. Thank you.

Paul O'Sullivan: Thank you, Christine. We now move to the presentation on matters concerning remuneration. Item 3 concerns an advisory vote on the adoption of the Remuneration Report and item 4 has been withdrawn. The words of the proposed motion are now displayed on the screen. To provide you with an overview of remuneration matters, I now invite Holly Kramer, the chair of the People and Culture Committee, to address the meeting. Over to you, Holly.

Holly Kramer: Thank you, Chairman and good morning shareholders. You've heard from the Chair regarding the status of voting resolutions 3 and 4 where we did not receive the level of support that we aim to achieve. Prior to today's AGM, we engaged widely with proxy advisers, the Australian Shareholders Association and our largest shareholders and we thank them for their consideration and feedback. We recognise and respect that there was a wide range of views in terms of the Board's decisions on outcomes around remuneration this year.

I would like to share with you the process we went through to come to these decisions and how we applied our judgment in determining consequence management. A key objective of APRA standard CPS 511 which governs remuneration, is to ensure that remuneration outcomes are consistent with both business performance and risk outcomes and that they are fair and proportionate.

Whilst business performance against ANZ Group's scorecard this year was largely on target, the Board adjusted remuneration outcomes in response to the non-financial risk matters which our Chairman outlined earlier. These include a range of issues that occurred within our markets business, noting that our own investigations have not substantiated the most serious of those allegations. The Board also took into account the additional \$250 million capital overlay that was issued by APRA in relation to the Bank's non-financial risk management.

The actions we took to apply remuneration consequences include: the Board reduced the Group scorecard by 10%, which affected the variable remuneration pool for all eligible staff to reflect the importance of managing non-financial risk throughout the entire organisation; there were further reductions to the FY24 short-term variable remuneration, or STVR, with more significant adjustments applied to executives that the board considered had greater accountability for these matters and these included the CEO, the Chief Risk Officer and the head of our Institutional Bank; and we applied a further reduction to the long-term award, which affected the CEO and the entire executive team.

As a result of the FY24 STVR outcome in particular for the CEO, he was assessed at 65% of target and 52% of maximum and this is a \$1.1 million or 46% reduction relative to the previous financial year. The Board believes the overall remuneration outcomes are meaningful reductions and they are fair. As you heard earlier from the Chairman, in the event that any additional findings do come to light, the Board has the ability to reduce future variable remuneration as well as the substantial equity awards which remain on foot.

As for the second resolution, item 4, which is related to the proposed grant of restricted and performance rights to our CEO for his long-term variable remuneration, this LTVR is an important additional mechanism to ensure that management and shareholder interests are aligned over the longer term. While the Board took action to reduce the quantum of this grant to Shayne as part of a risk-related assessment and also to pro rata for his remaining period with the Company, we have received the message that there is not strong support for this proposal and as you would now be aware, Shayne offered to forfeit the proposed grant and therefore the Board chose to withdraw this resolution.

Let me reiterate the comments from the Chairman earlier, that we as a Board remain fully committed to our management of risk within the Bank and we will maintain our heightened focus on this in the year ahead. Thank you. With that, I will hand back to the Chairman.

Paul O'Sullivan: Thank you, Holly. Items 5 and 6 are external proposals which I have addressed earlier in my formal speech. While item 5 has failed to pass and item 6 will not be put to the meeting, I will nonetheless ask Kyle from Market Forces to now come to microphone three to address the meeting. So welcome, Kyle and over to you.

Kyle Robertson: (Market Forces, Analyst) Thank you Chair and greetings to the Board and greetings to shareholders present in this room and online. I'm speaking on the resolution at item 6, transition plan assessments. This resolution was filed by Market Forces on behalf of more than 150 shareholders. A request that ANZ disclose whether it will require all of its fossil fuel clients to have a Paris-aligned climate transition plan from October 2025 next year in order to continue receiving finance.

This resolution is not a request for ANZ to adopt a new policy. In fact, dating back to at least November 2021, ANZ has clarified its expectations for customers to have or sorry, to establish specific time-bound public transition plans and diversification strategies for their businesses. By October 2025, ANZ will have given its fossil fuel clients four years to produce clear and credible transition plans and it also will have given itself four years to drive improvements at those companies.

ANZ stresses the importance of transition plans being time bound, but has repeatedly demonstrated in its disclosures that the October 2025 deadline is not really a deadline at all, in fact all ANZ has disclosed is that it may decline or reduce support to projects and customers that don't meet its expectations. ANZ claims that it expects its clients' transition plans to be Paris aligned, but this is not substantiated by its disclosed requirements. For example, ANZ had no requirement for fossil fuel producing customers to set targets to

reduce the emissions from the use of the coal, oil and gas that they sell. These Scope 3 end-user emissions typically make up more than 80% of an oil and gas producer's contribution to climate change.

Climate science shows emissions from burning oil and gas must fall substantially this decade to meet the Paris climate goals, yet current ANZ customers like Woodside and Santos have plans to significantly increase production in that time and also their end-user emissions. According to ANZ's definition of a mature transition plan, a fossil fuel client only needs to disclose its Scope 3 emissions, not reduce them in line with global climate goals. That means that ANZ could rubber stamp new finance for fossil fuel customers, even if they have coal, oil and gas expansion plans that are wildly inconsistent with the Paris aligned transition.

ANZ has failed to provide a reason as to why its clients are not expected to reduce end-user Scope 3 emissions in line with the Paris agreement. ANZ also does not have a track record of restricting financial support to clients that don't have a Paris aligned transition plan. In 2023, ANZ escalated 22 high-risk transactions for clients in the energy sector to a senior risk committee, which then approved or conditionally approved 19 of those transactions. In 2024, that committee approved five out of six. That's 24 out of 28 transactions in the last two years.

In those two years, ANZ has loaned or arranged bonds for the following clients: Santos, a company pursuing three new oil and gas projects; APA Group, a company planning to build large-scale pipelines for Australia's biggest proposed gas development, the Beetaloo subbasin; GERA and GE Vernova, two companies involved in building out a massive amount of new gas-fired infrastructure in Bangladesh, a climate-vulnerable country that could be locked into dependence on gas for decades if these plans go ahead; Glencore, a company which has put forward the largest coal mining proposal ever in New South Wales and also recently told a Senate greenwashing inquiry that it makes no claims to be aligned with the Paris Agreement.

No Australian bank has provided more finance to companies expanding fossil fuels than ANZ since the Paris Agreement was signed. Yet this resolution offers ANZ a chance to remedy that and start living up to its climate commitments. Transition plans are an established mechanism for global investors and governments to identify which companies have credible, demonstrable plans to reduce their emissions in line with the Paris aligned scenario.

It is crucial for high-emitting businesses such as fossil fuel companies to demonstrate to their investors that they are allocating capital towards the solutions to climate change and away from its causes. As a bank that claims it is committed to helping its customers transition, all finance that ANZ provides to its fossil fuel clients should be considered transition finance. But the reality is that the vast majority of finance ANZ provides to the fossil fuel sector is still going to companies with coal, oil and gas expansion plans. We strongly urge all shareholders to vote in favour of resolution 6, not only for a better planet, but for a better future for our Bank. Thank you.

Paul O'Sullivan: Thank you. Thank you, Kyle. That concludes the formal presentations. So, we now come to the Q&A section of the AGM and I will take questions on all items of business. A quick reminder, we ask that given the AGM is all about giving shareholders an opportunity to ask questions, we ask that you respect the rights of others at the meeting and be as concise as possible when addressing the meeting.

For those in the room, the people you see at the microphones are senior ANZ staff members and thank you to you for giving us your time today. If you are a shareholder, proxy or corporate representative and would like to ask a question, please approach one of the microphone attendants, show them your white or green card and give them your name. I'll start with an initial question from the floor and we'll rotate between questions from the floor and from the online platform. So can I have the first question from microphone two please.

Moderator: Thanks Chairman, I have a question from Chris Lobb from the Australian Shareholders Association.

Chris Lobb: (Australian Shareholders Association, Shareholder) Good morning, Mr Chairman, Board and fellow shareholders. Firstly, on behalf of shareholders, welcome back to home base here in Melbourne after a seven-year physical absence. We note that you have – my name's Chris Lobb, I'm a volunteer representation the Australian Shareholders Association. We note that you have over 500,000 registered shareholders, 90% of these shareholders hold 5,000 shares or less and many would be ANZ customers of course.

Today I hold proxies from 1,104 members and non-members for approximately 4.9 million shares. Given that enormous retail shareholder base, today's annual meeting is the most important event on their calendar and is the only opportunity that we have to hear firsthand from the Board and management and vote on matters put before them. We therefore look forward to a productive and respectful meeting this morning.

We would like to commence proceedings by raising two matters. Mr Chairman, 12 months ago at the AGM in Brisbane we asked why the AGM was not a hybrid meeting. Such meetings allow all shareholders to participate and most importantly, vote live during the meeting. You responded along the lines that the Bank were experimenting with the most appropriate format for the meeting. With no change to the format this year, we asked the same question, that is, can you explain why today's AGM is not being held as a hybrid meeting?

Paul O'Sullivan: Thank you, Chris and as you said, we are looking to try and find the optimal way of running the meeting, conscious that it needs to be orderly and give everyone a chance to express an opinion. We've tried the hybrid model in the past, indeed you referenced that last time in Melbourne live, seven years ago, even though we were in Melbourne in the interim in a hybrid or in a virtual fashion. We found the hybrid model quite difficult to manage in terms of the logistics of giving everybody a say.

The model we have today whereby those in the room can come to the microphone and those watching online can submit a question online, we find is the most optimal way to give everyone a chance to express their view. We'll continue to listen to feedback, particularly from your organisation and we are continuing to consider what's the best way to run things.

Chris Lobb: (Australian Shareholders Association, Shareholder) Thank you. I'd only note that some of your peers are in fact holding hybrid meetings. Secondly, February next year will mark six years since the Royal Commission handed down their final report. Today ANZ is the only Bank to still have a capital overlay, as has been mentioned in your address and that of the CEO, placed up on it by APRA. When can shareholders expect this capital overlay of \$750 million to be removed?

Paul O'Sullivan: Well, I'm not going to try and forecast, but what I will say, it's a priority for Board and management to demonstrate confidence in our non-financial risk management. We've got a number of programs underway on that. I mentioned in my speech the I.AM Amplified program. That's a program which is putting a technology platform and a whole set of processes and controls around non-financial risk across the Bank. There are 16 risk themes in that, at which we've rolled out 10, so the program is on track and due to finalise in the coming year.

We're now adding to that a program around embedding the behaviours and the use of those platforms in the business, which we also think is important. We also have done some

work and are continuing to work on what we call our high-impact processes. Those are the processes in the Bank that have an impact on customers in a material way and managing those very carefully end to end. We've also been building and enhancing the dashboards and tracking we have around those.

I believe those four paths will allow us to demonstrate to the regulator a significant uplift in non-financial risk and my expectation is that when we deliver the results from those, that we'll get a positive reaction from the regulator. It's a priority for us.

Chris Lobb: (Australian Shareholders Association, Shareholder) Thank you, Mr Chairman, we look forward to hearing further news of your progress.

Paul O'Sullivan: Okay, thank you Chris. Thank you. Next question please from microphone number one.

Moderator: Thank you, Mr Chairman. We have Mr [Spira Akousis] from Queensland.

Spira Akousis: (Shareholder) Thank you, [unclear]. Good morning, Chairman, good morning, Mr Elliott, good morning, Board. Good morning to the institutional shareholders and the retail shareholders and to our ANZ in New Zealand, good morning and if Sir John Key you're listening, good morning to you, *kei te pehea koe and kia ora*. Mr Chairman, I've just got a few statements to make, listening and reading so much over the last 12 months.

I'd like to highlight that we, at ANZ, we're a business. We're in the business of people, we're in the business of lending and also trading to uplift our revenues and increase, like I shared in the 2019 AGM, that we're a business and we'd like to see our share price go from the \$25, \$30, \$40 and \$50 which Mr Elliott has been working tirelessly hard to achieve those goals.

As a business, what's important is both our customers equally as our staff and our teams and they must be respected and treated with goodness and assistance whenever it's needed, both the customer and our staff. This is what's going to bring in the revenue, the introduction of our customers to new customers to our branches, which will bring in more deposits, more term deposits, business lending and home lending and credit cards and again, the Board has been working tirelessly to achieve that.

In this process right now with Mr Elliott, I'm hoping that this point that I bring up now in relation to the Suncorp merger and acquisition, which has been a big job in itself and Mr Elliott to achieve, I would like to ask the Board to consider to keep Mr Elliott on for another 12 months to make sure that the Suncorp merger and acquisition is bedded and any

problems with historic customers and their problems can be resolved and that Mr Elliott, as he leaves, will be able to leave with his head high and with a job well done.

I leave with this last statement, that you're aware of Berkshire Hathaway. Mr Warren Buffett and our late Charles Thomas Munger, they would say that integrity is our greatest currency. Now Berkshire Hathaway's shares traded around about \$670,000 for their A-class share, their B-class share trades at around about \$450. The reason for that is their outstanding performance in assisting shareholders resolving any problems, whether it's with the shareholders or their customers.

I encourage the Board to look at their model, take any ideas on from there that you can implement with your Board because ANZ is an amazing Bank, it's got an amazing history, Shayne Elliott has done an amazing job over these nine years. Now we're all aware that there are issues, but keep in mind that Shayne Elliott is one man. We cannot expect one man to be omnipotent and be all around Australia and New Zealand and in every room of ANZ and that's what Mr Elliott waits for, is his management to do a great job to report back to him.

I leave you with these points. Congratulations on your work, Mr Elliott.

Shayne Elliott: Thank you.

Spira Akousis: (Shareholder) I'm sorry that you didn't get your remuneration, but I'm sure something good will happen in the future. Thank you for listening, Mr Chairman. Thank you, Board. Thank you, New Zealand ANZ.

Paul O'Sullivan: Thank you Spira. Also...

[Applause]

Paul O'Sullivan: ...you have also been very good at sending good supportive messages to a number of our people, and we thank you for that. I'm going to informally appoint you as the President of the Shayne Elliott Fan Club from this moment. Let me also say, I share your positive thoughts on the work Shayne has done for us. Of course, we've made an announcement so that there's an opportunity for a planned and managed transition, and Shayne is working very closely with us to make sure that transition is a success. Thank you.

Next question is from microphone number four.

Katherine Bray: Thank you, Mr Chairman. We have a question from [Michael Sanderson] from the Hunter Valley.

Michael Sanderson: (Shareholder) Giddy, Board. Good to see you again. Just a bit of housekeeping to start with. Just like to point out 250S of the *Corporations Act* that requires the Chair of an AGM to allow reasonable questions and comments and point out that it is an offence of strict liability under Section 6.1 of the *Criminal Code* not to do so. One thing I noticed when the slides went up, there was only 24 characters allowed for a question online. I hope that's a – that, I would consider, to be totally unreasonable. How can – that's 10% of an ex comment. I think that's rather unreasonable.

Anyway, I'll go into questions. Because the four major banks are deemed too big to fail, they enjoy a borrowing advantage over smaller banks due to government guarantees. The RBA has calculated this advantage to be worth \$3.6 billion per year – this comes with a social licence. Twenty years ago at the Money Matters in the Bush Inquiry in 2004, the banks gave assurances they were to close no branches. Twenty years and a \$72 billion windfall later, the Bank's strategy is to continue to close banks, to lie, and to play the long game. If the government put people first and replaced too big to fail with not too big to nationalise policy and, at the same time, re-established a public bank using Australia Post network to restore services, how would this affect ANZ's business model?

Paul O'Sullivan: Is that your question, Mr Sanderson?

Michael Sanderson: Yes. I've got just an add on to this. Jim Chalmers approved Suncorp on the basis that there'd be no regional branch closures for three years. I'd like to know, where's Jim Chalmers? I believe that undertaking's been broken. Yes, there's a couple of questions.

Paul O'Sullivan: Okay. Thank you.

Michael Sanderson: [They have got a] follow up.

Paul O'Sullivan: Okay. Well, thank you for the questions.

[Applause]

Paul O'Sullivan: Let me just say to begin with, we're very conscious of all the rules and requirements around the AGM, and we are scrupulous in sticking with them. On the regional banking front, look, this is a very important question facing the banks and, I think, the community. It's a very challenging question. Let me be clear to begin with, we have honoured all of our obligations that we've given to the government in terms of regional banks. We've said we would not close any regional branches over the next three years, and we will honour that obligation.

The challenge I think we have as a community is that we've seen the use of branch banking decline dramatically over the last five years. In fact, only 8% of customers today depend on a branch for their banking, 96% of our transactions are done digitally. Having said that, we recognise the important role that branches play in the community.

The big challenge for everybody is affordability, and we're working closely with the ABA and with the government to try and find ways in which we can sustain the commercial viability of branches in regional areas. It's a critical issue and a challenge for all of us.

Michael Sanderson: I'd just like to pull you up on one of the responses. You said 96% of transactions, but not all interactions with branches are transactional. People come into branch for many other things. If you considered those, the value of branches, a lot more than just a transaction.

My second question is, British Prime Minister Benjamin Disraeli stated, there are three kinds of lies - lies, damn lies and statistics. While giving evidence to a Senate Inquiry into Regional Bank Closures in Canberra, your Chief Executive, Shayne Elliott, made the bold claim under oath that an independent university research had shown most older Australians - that's people like me - like and accept online banking environment. It was later revealed the study involved 46 people living in capital cities. Is this acceptable to the Board? What, if anything, is ANZ doing to help older Australians who are included = excluded, sorry, from the digital world, who rely on cash, cheques and face-to-face service? In light of Shayne Elliott's departure, would ANZ consider opening Katoomba Branch as well as other branches they have closed and restore critical services?

[Applause]

Shayne Elliott: Do you want me to answer? Thanks, Michael. Obviously, we do consider branches, we don't just look at transactions - you're right to point that out. We look at the number of people who come in, even if it's for a chat, so we do evaluate that more broadly. The Chairman was just giving you the facts around the transaction numbers because, obviously, that's a statistic that we have available. So, we do take those things into account.

Look, closing a branch is not an easy decision, we're very aware that it has an impact on a local community. As shareholders, you would also expect us to ensure that we invest your money well to generate a fair and reasonable return, so we have to balance - these issues. We are a business that needs to generate a profit so that we can continue to grow and

provide services to small businesses, mums and dads, big businesses, et cetera. So, it's a difficult decision we go through.

In terms of regional branches at the moment, as you probably are aware, we actually have a moratorium. We're not closing branches. We're not going to close any more for the next couple of years. We've made that agreement with the government to continue to support rural and regional customers. There is a big issue for the entire industry about how we maintain service, not just for ANZ, for all banks that people deserve, I accept that.

So, there are things that we're working on. You may have read some press around things we're doing with Armourguard, for example, to ensure that the provision of cash is still available for customers irrespective of where they live and what they do. There's a lot of work happening with the Australian Banking Association looking for alternative models. So for example, you might be aware that in some small towns, rather than close the branch, we start restricting hours. Maybe they're only open a couple of days a week. So, we're always trying to find ways to provide service at reasonable cost to shareholders.

Michael Sanderson: I have a suggestion. I believe the concept of a public bank, using the Australia Post as the mechanism to deliver it throughout the country is back on Labor's agenda, although I don't see Jimmy Chalmers or his lieutenant, Stephen Jones, doing much in that area. Anyway, it's been - why not support the establishment of a public bank that would offer these services to the regional areas, and the new blokes can just bugger off...

Shayne Elliott: That's a...

Michael Sanderson: You could go fully digital. You wouldn't have to...

Paul O'Sullivan: Thank you, Mr Sanderson. There are a number of different ideas which are being canvassed. Let me assure you, we want to look after our customers nationally and to provide services as far and as wide as possible. The challenge for all of us, not just ANZ, is finding a way to do that effectively to meet the high standards that our customers expect of us, and to be able to do it in a viable way. Thank you for the suggestion.

Michael Sanderson: So, you wouldn't support a public bank?

Paul O'Sullivan: Well, I think the track record of public banks globally is quite mixed...

Michael Sanderson: A lot of...

Paul O'Sullivan: ...so it's something to think hard about before you decide if it's...

Michael Sanderson: ...[unclear] was closed after the moratorium, so that's a [furphy] – well, that's being nice.

Paul O'Sullivan: The decision on Katoomba was made before we made any commitments in terms of regional branch banking.

Michael Sanderson: I'd like you to play Shayne - I can play Shayne's - what do you call it? Deposition to the committee. I'll tell you what, he [ain't] convincing.

Paul O'Sullivan: Well, thank you, Mr Sanderson. Thank you and thank you for attending. Okay, our next question is, I think we've got a question online.

Katherine Bray: Thank you, Chair. We have a couple of comments and questions from [Mr Steven Main], including that there are multiple governance issues with today's AGM. The first of Mr Main's questions you have already covered regarding online voting in your remarks on hybrid.

The second, I will read in full form. It is poor form not to follow the Agenda and instead offer just one jumbled lot of questions. With a 38% REM strike, a 49% protest vote against the CEO's LTI grant, a shareholder resolution on climate and three directors up for election, all these issues should be debated and voted on sequentially. You don't ignore the Agenda in Board meetings, so why do it at the AGM?

You are also continuing with the poor practice of holding a rushed pre-Christmas AGM, which means external nominations for the Board closed before you even revealed how the directors performed for the year.

On a positive front Mr Steven Main notes, thank you for disclosing the proxies early to the ASX. He further asks, did this only happen because you had to explain why you were withdrawing Shane's LTI grant, as I asked for this early disclosure last year and you refused?

Paul O'Sullivan: Thank you. Thanks, Steven, for the questions. I know you perform a very important role. I always feel guilty when I read your questions before I even get a chance to answer them. If I could leave the question up for a moment just to make sure I get through all of it.

Just on the security issue, we did publicise yesterday that a number of protest groups were planning to protest outside the AGM and, indeed, we took extra security measures today to make sure that we could safeguard the safety of everyone attending. I think therefore it's not fair to say that we are in a world where we are discouraging people from attending. In

fact, I grew up in a society where people attempted to intimidate others to retreat indoors, and we've been very keen, given the freedoms we have in Australia, to make sure that we continue with business as usual despite those who might want to disrupt.

In terms of the Agenda. Look, Stephen, if you've got a better way of running things that you think will work, I'm all ears. We experimented with trying to stick to the agenda and, unfortunately, that was taken advantage of by those who wanted to filibuster the AGM. So, questions which related to later in the Agenda were being asked up front and then having to be repeated later. Many normal average shareholders complained that because special interest groups were hogging the microphone in the early part of the meeting they were leaving before they had a chance to ask their questions. So, we're taking the format we have today to avoid that repetition and to give a maximum opportunity to everyone to ask their question - but I'm always, always willing to listen to ideas.

In terms of the timing pre-Christmas it relates very much to our financial end year and wanting to be accountable and visible while it's still relevant to shareholders. The alternative would be to travel through the Christmas and holiday period, we'd be into February before we would have the AGM and we'd be right on the edge then of our half year results. So, we don't think that's appropriate either.

In terms of Shayne's and the proxies. First of all, again as I said earlier, I admire Shayne's leadership and I thank him for his leadership in the steps that he has taken. No, that was not the reason we decided to put the proxies up front. The decision to do that, which if I recall, Steven, was a result of a question and a proposal you've made to us previously. We had decided to do that before Shayne made that decision.

Hopefully, I've answered your question. Steven, we do have a good track record, I think, of taking action based on your feedback.

Okay. Next question please. It's, I think, again an online question.

Katherine Bray: Thank you, Chair. A question here from [Mr John Weir]. How can you migrate customers to ANZ Plus when it currently lacks so many basic features? No credit cards, no loan products apart from home loans, the platform is only accessible via a smartphone or ATM. When will these features be available?

Paul O'Sullivan: I'll invite Shayne to add a few words in a moment but, let me just say, there's almost a million customers active on that platform today. The Net Promoter Score, in other words, the customer satisfaction measures we are getting [off it] are actually way

above what we've seen traditionally in banking. So, it is a platform that's getting a lot of very positive feedback and a lot of usage. Shayne...

Shayne Elliott: Yes, thanks. Thanks for the question. Look, we're really proud of Plus and what we're building. Just to give you the dates, we're actually testing the credit card application as we speak, so a few of us have got that on our test versions. The plan is that we will have all services for retail customers in Australia by the end of 2026. We're progressively adding cards soon, we'll add out all the other sorts of loans that people have. That means from '27 onwards Plus we'll have full functionality to service, essentially, all needs of any retail customer in Australia.

I would - you're right that, at the moment, Plus is, largely, a digital offering. At that time it will also be serviced through the branch network. That's something that we're building out and we're proud of the fact we've already got a million customers who really are active using it and will continue to build out those features and functions over the next two years.

Paul O'Sullivan: Okay. Thank you for your question. Next question please - again, I think an online question.

Katherine Bray: Yes. Our next question is from [Miss Catherine Caulfield] who states and asks, recent shareholder opposition to the outgoing CEOs remuneration package highlights significant concerns about the alignment of executive performance incentives with ethical conduct and sustainable long term shareholder value. What immediate and structural changes is the Board implementing to ensure that executive remuneration directly reflects the accountability for ethical behaviour, effective risk management, and the delivery of tangible long term outcomes for shareholders? Furthermore, how will these changes be transparently monitored and reported to shareholders to restore trust and confidence in the board's oversight?

Paul O'Sullivan: Probably come at this from a couple of brief angles. First of all, we're very clear in ANZ about the code of conduct that we expect everybody to observe. Indeed, to be eligible for our annual remuneration program and increases, all staff have to conduct an online training module, otherwise they're not eligible for that. We do a lot of measurement and tracking at the individual level, which I'm happy to talk more about, but that includes measuring risk culture and actually looking in detail at the results across each leader's unit and how it's operating.

In terms of our executive remuneration, the board has been quite clear there's a risk modifier which takes account of any risk issues that may have arisen through the year as

we adjudicate remuneration. All of our annual reviews include a measure of what we call, the how, as well as the what. It's not merely what results did you achieve, it's how did you achieve them and did you stick with the values that are important to ANZ? Then we disclose very fully in our Remuneration Report, as Holly outlined, how we've adjusted or how we've taken account of any issues through the year.

This year you can see that very directly. You can see that we've adjusted three of our senior executives for issues associated with non-financial risk. Indeed, if you look at the short term incentive for our executive team as a whole, the average of that pool is down almost 30% year-on-year.

So, I think that we have actually a strong track record in demonstrating that the Board is very conscious of these commitments and takes them into account in remuneration.

Onto microphone number one back here in the room.

Katherine Bray: Thank you, Mr Chairman. We have [Mr Peter Starr] from Sydney.

Peter Starr: (Shareholder) Good morning, Mr O'Sullivan, Chairman. Good morning, fellow shareholders, both mum and dad shareholders, retail shareholders and also the Australian Shareholders Association, Chris. To you, Mr Elliott, thank you.

Just some housekeeping. Just quickly, I'd like to thank Evelyn Halls that come and spoke to me in relation to the matter. I believe the whole Board and senior executives at ANZ were listening to my comments at Westpac in relation to that matter about the mule accounts, so hopefully that will be now fixed up.

Hi Holly, how are you? You surely know who I am because you're at Woolworths - yes.

So, we're talking about governance and about standards. Are you talking about here - is this the standard that you guys on the Board accept that, in the Federal Court we appeal a fine of 2.5 and it's dismissed and with the judge's comments were scathing of ANZ. Then we have the manipulation of the bond market. In heaven's name, can somebody explain to the mum and dad shareholders here and to the shareholders and the clients I represent what the hell has gone on?

Because I'm at a loss. Then, to top it all off, we've got the regulator scathing at what the Board hasn't done. To take it even further, we take it to the Academy Award performance, of what the hell has gone on in the dealing room. It isn't the first time.

These comments were reported in the paper. Can somebody please tell us what sort of governance is going on? Where you have executives come back to a dealing room, a bit

intoxicated. That was a good lunch, wasn't it? Yes. I don't know what else is going on in the dealing room but can anybody just please explain it? Because that's not the standard that I accept.

Nor is it the standard that the shareholders expect. That's my first question.

Paul O'Sullivan: Okay, maybe I can answer that and I will remind you, we want to give everyone a chance at the microphone today. So actually, why don't you give me the second question and then we can be super-efficient.

Peter Starr: (Shareholder) Yes, the second question is can we have - I see Mark Whelan, is he still with the Group? Who is actually being held accountable please?

Paul O'Sullivan: Thank you. Look, thank you, Mr Star, for your questions. There was a number of issues you raised in the first one. Let me just start with the - I think it's the 2015 institutional placement of that court case you're referring to?

Peter Starr: (Shareholder) That's correct.

Paul O'Sullivan: As directors, our job is to act in the best interest of the business and indeed to safeguard your interests. The issue here, and it's quite a technical issue, but it relates to a disclosure that's required to be made to the market around how a certain deal takes place.

There had been no equivalent disclosure of that nature made in Australia before. So this was a new - new ground. A new item of interpretation of law. Our advice differed from that of the regulator.

So the advice we got as directors was it was important to clarify the precedent that was being set because we would need to follow, as would all other banks, these new rules and disclosure in the future.

Indeed, the legal advice we got was that it was incorrect. So it is actually our obligation to act on your behalf to make sure we get clarity on that outcome. That's why we appealed the case. Once we got the judgement, we've accepted the judgement, we respected the court and there is now greater clarity in terms of the law.

In terms of the markets business, I think your question there was what's gone on? The Board has done significant independent investigation of the allegations there. The allegations relate to primarily a manipulation of the market in terms of a bond placement in 2023.

We've said publicly, based on our review of the facts and our analysis of what we on, we have not found evidence that supports the allegations of market manipulation. But we are deeply respectful of ASIC.

They perform a very important role for all of us in keeping Australia sense in a corporate sense and we are cooperating fully with them to make sure that between our cooperation and their investigation, there can be clarity about what exactly happened and the right findings can be made.

In terms of non-financial risk, in my Chairman's letter in the annual letter I've given a fairly lengthy outline of what the Board and management have been doing there. As late as this year, we were getting positive feedback in terms of the progress we were making from the third party we hired to independently review this.

But clearly, the allegations that were made and some of the conduct issues you just referred to in our Sydney markets trading room did raise questions and did indicate that we have more to do.

The regulator, quite understandably, therefore made some commentary and applied an overlay. In terms of the dealing room and the conduct, we've had a detailed investigation of what's gone on in that group.

Let me just say we have over 1,000 people who work in markets across a number of international locations. So in the Sydney dealing room, there were findings relating to poor conduct and some of them were alcohol related.

Some of the more colourful allegations in the media were not substantiated in our investigations, largely to do with claims associated with drugs. But there were consequences for people there. Some people left the business.

We are now working with Oliver Wyman, in cooperation with APRA, to do a wider survey and review of our markets business across all of our trading rooms to just check to make sure that what we've seen in the Sydney markets trading room is not systemic - is not evidence of a wider issue.

In terms of accountability for executives, your second question, in the remuneration report, you can see that we've applied what we call Westminster accountability. So in other words, Shayne and Mark, they're not sitting in the Sydney trading room managing it directly.

But they have Westminster accountability for it. They are ultimately the accountable people. So we've adjusted the remuneration this year, quite significantly. Mark got 50% of his bonus, despite the fact that institutional has had its best ever year in ANZ's history and improved - a significant improvement in profitability.

I think that just brings home the point I made earlier. At ANZ, it's not just what results you get, it's how that result is achieved. We made a significant reduction in remuneration for the accountable executives to reflect our findings.

So I hope that's given you and others some confidence that the Board is very much focused on these issues. I should add, should anything emerge from ASIC's investigation, we've ensured that there is sufficient deferred remuneration due to our executives, that we could adjust that.

But as I said, at this stage, we have not found anything to support the allegations of market manipulation.

Peter Starr: (Shareholder) I have some other comments in relation to the directors but I'm happy to wait and give others in the room to speak.

Paul O'Sullivan: Thank you.

Peter Starr: (Shareholder) Just one point if I can make, when you people spend shareholders' money defending these things and penalties we pay, it affects the mum and dad shareholders in this room and it affects my shareholders. It affects Chris' group that he represents which is quite a significant group. Because it's our money that reduces our dividends. I hope the Board gets it and understands that.

Paul O'Sullivan: We absolutely get that and that's one of the reasons we're proud of giving our fourth highest dividend ever. But also, we have an obligation to protect your interests by making sure there are important points of law, important principles, that we get clarity on those and we protect the bank moving forward. So it is a balance. Thank you.

Peter Starr: (Shareholder) Thank you.

Paul O'Sullivan: Next question please from microphone number 4.

Moderator: Mr Chairman, we have a question from [Zach Carrun] representing Market Forces.

Zach Carrun: (Shareholder) Good morning, shareholders, stakeholders, both here and online and to the Board. I thank you in advance for your deliberation of this question and honest response.

I just have a quick introduction and a two part question on one of your investments. If I may take us all back to the year 2020. ANZ developed its human rights grievance mechanism after the Company's experiences in Cambodia where ANZ had to pay an undisclosed amount in compensation back to victims and those affected there due to gross misconduct.

My question is has ANZ conducted a cost benefit analysis of its relationship with and investments in Lockheed Martin? For example, a profit risk statement. If so, has ANZ assessed how much it would need to provide in remedy to individuals injured or compensation to families Lockheed Martin has facilitated in the murder of in military occupations and conflicts around the globe, most notably, in [unclear] and occupied Palestinian territories, and in Gaza if it were found by the OECD or similar bodies to have violated its own human rights commitments and profited off human rights abusers.

Paul O'Sullivan: Thank you for your question, Zach, and let me just start by saying I'm sure I speak for everybody in the room, it is very distressing to see the harm that's happening to both sides in the Middle East and certainly it's a concern to your Board.

In terms of Lockheed Martin, I think associated with your question is whether we're providing finance to the production of weapons. Let me just be clear on our policy. We do not support and we do not aim in any way to finance the production of weapons for military use as a general principle.

We do make an exception in terms of the Australian and New Zealand governments because clearly we want, as a good citizen, support national security and the defence of our home countries.

We do - and I won't comment on specific customers. But we do lend to customers who may be involved in other sectors who also have some involvement in weapons production. But our lending is strictly to the non-weapons part of those entities. I hope that's given you some insight into how we approach this and how we think about it.

Zach Carrun: (Shareholder) Well, if I may unpack that answer, how do you differentiate between the investments when you are giving money to a company like Lockheed Martin, how do you know that that money is not going to the manufacture of weapons or components?

Paul O'Sullivan: That's exactly what our policy is about. It's understanding where the funds are going, what are they being used for? That's not just because of doing the right thing in terms of the policy. As a bank, you also need to understand where the money is

going, how is it being applied, and what is the likelihood of you actually getting it paid back.

So we do actually a lot of investigation. We have a heightened sensitivity when it comes to anywhere where there is weapons production.

Zach Carrun: (Shareholder) So if I may, you didn't really answer. Did you do a profit risk assessment?

Paul O'Sullivan: No, we - well, when you say - I think you said a cost benefit analysis, is that right?

Zach Carrun: (Shareholder) Yes.

Paul O'Sullivan: Look, I'm not going to talk on specific customers. But just say I think what you were talking there was trying to outline the social impact of things versus the bank's profitability. Is that where you're coming from?

Zach Carrun: (Shareholder) Well, the financial risk if you had to pay compensation in the future due to international court rulings or something.

Paul O'Sullivan: Well, given - the answer to that question is no. Thank you.

Zach Carrun: (Shareholder) Thank you.

Paul O'Sullivan: Okay, onto microphone number 3.

Craig Caulfield: (Shareholder) Thank you, Mr Chairman.

Paul O'Sullivan: Welcome, Craig. How are you?

Moderator: I have Craig Caulfield from Bank Warriors.

Paul O'Sullivan: I was just asking, Craig, how are you?

Craig Caulfield: (Shareholder) Good morning. Thank you very much. I'm good. Good morning to you and good morning to everybody here, shareholders online and in the room.

ANZ is today facing into an unprecedented range of crises. Contrasting with the largely positive attributions and the sanitized failures that you and Shayne spoke of, both regulators have deep and serious investigations on foot.

Saying I accept we didn't get everything right or there's more to do is not acknowledging the gravity and the seriousness of these investigations. APRA not only said ANZ failed to resolve serious culture, governance, and accountability reforms in 2019, but increased

failures at ANZ meant APRA had to message the Board with an additional \$250 million capital reserve penalty.

ASIC clearly was unhappy with ANZ's timeliness and cooperation providing documents. To the extent that the Federal Police conducted dawn raids on four ANZ premises. ANZ should now reflect on Westpac Chairman John McFarlane's letter to shareholders nearly five years ago in April 2020.

Noting that Westpac published their APRA report back then and ANZ didn't and Westpac has subsequently outperformed ANZ for shareholders by some margin over this time. McFarlane said we have no tolerance for controllable negative surprises.

There is no question we need to materially improve our management of non-financial risk. Westpac then, ANZ now, needs to reinvent itself. We need a cultural transformation. As Anna Bligh says, sunlight is the best disinfectant.

Two questions. Question one. To demonstrate in a very real palpable way that the Board acts with integrity, accountability and transparency that you speak of. Will you now publish as I have asked at prior AGMs for your currently concealed 2019 APRA report into cultural governance and accountability failures in ANZ?

Question two, will you also commit to publishing all reviews, redactions where appropriate from Oliver Wyman, Allens, Freehills and internal investigations? Will you be transparent to show your uplift in non-financial measures? Thank you.

Paul O'Sullivan: Thank you, Craig. Can I just start by clarifying, to my knowledge, ASIC have not raided ANZ premises. In fact, on the contrary, we are very supportive and cooperating fully with ASIC in their work.

The Board and the Organisation feels very clearly that getting to the bottom of the issues associated with markets and some of those allegations is really important and making sure we arm ASIC with whatever information they require.

[Over speaking]

Craig Caulfield: (Shareholder) If I said ASIC, I apologise. It was the Federal Police.

Paul O'Sullivan: Or indeed the Federal Police. I'm not aware of ANZ premises being raided by the Federal Police either. In terms of the questions you've asked, the 2019 report predates my time on the Board, but my understanding from when I heard my predecessor ask a similar question was that we didn't want to release it because we were looking to protect some of the confidentiality of statements made within it.

So I don't think it would be appropriate for me to make commitments on that. In terms of Freehills and other reports and our investigations, look Craig, we have to look after the best interest of the business. It could well be that there is legal action underway on those so I don't want to make a commitment because it may not be in the best interest of shareholders and the Bank to commit to disclosing everything that is in the Freehills or whatever reports.

What I will commit to is that as we conclude the work with Oliver Wyman, we will provide a summary of what we understood to be the key findings. I think it is important that people get a sense as to what we've learned.

In terms of non-financial risks generally, absolutely. We are very focused, as I mentioned earlier on the four areas that I talked about, delivering our I.AM Amplified program, embedding those behaviours, having identified our high impact processes, and being very cautious in how they're managed end to end and having very enhanced and strong dashboards that we will be able to update you on the progress on that.

You'll have a very visible sign because the regulator at some stage will be considering, rather to remove these overlays.

Craig Caulfield: (Shareholder) A very visible sign would be being transparent with the reports. Now, you said in your comments, then that won't publish all. I'd said to you, it's fine to have some redactions in there.

If a person is mentioned or someone's named that you don't want named redact it. If there's a particular legal item that might have relevance to ANZ, take it out but it's not sufficient to have a summary.

We need that report published and we need it published exactly like Westpac did. Exactly like the Commonwealth Bank did, exactly like NAB did. If we look to those three banks, those three banks were all transparent. ANZ wasn't. Those three banks have outperformed financially by a long shot all of ANZ's results.

Paul O'Sullivan: So Craig, you're entitled to your view. My job is to act in the best interest of the Bank and of our customers and shareholders. So I'll take your comments and feedback but ultimately I'll make sure I do my job as well. Thank you.

Craig Caulfield: (Shareholder) Thank you.

Paul O'Sullivan: Next question, please. I think we're back online.

Katherine Bray: We are, and I have a next set of questions from Ms [Natasha Lee], the first of which has been largely covered but I will read it out among two questions for completeness.

So the first question, I'm aware that the police recently raided the ANZ offices following an ASIC probe. This action does not appear to have been reported to the ASX. Could you advise why this was not a significant matter to be reported?

The second of Ms Lee's questions are, while the level of female representation is reasonable, there is a lack of diversity in other areas. It is important to have a broad range of lived experiences on the Board as the Bank should reflect the community it represents. It may be that the apparent cultural issues that resulted in the AFP raid may have been addressed with broader Board representation.

Paul O'Sullivan: Thank you and yes, in terms of question one, let me be really clear. The Federal Police have not raided ANZ offices, so I don't know where that's coming from. On question two, we take diversity as a key goal inside the Bank.

It's actually apart from being ethically right, it's also good business. The more you understand your community as the question points out, the more successful you will be in meeting its needs and in being a successful contributor to your business.

We have a number of metrics that we look at inside the bank. It's not just about female representation, it's also about inclusion across a range of metrics. Indeed, we measure how people feel in terms of their inclusion.

Shayne can talk to the diversity of our staff. We actually have a very multicultural staff. In terms of the Board, our recruitment is very much based on skills and experience. To the extent that we can, we will look to bring in people with diverse backgrounds.

I would argue that what you've seen in the last couple of years is indeed bringing people in from different backgrounds. Jeff Smith, who joined us, who has a background in technology, is based in the USA, although he has a long history of involvement with Australia.

Holly, who's joined us, who's got a long background working in the retail sector, and also has a strong professional involvement and interest in issues of sustainability and climate. So we are very conscious of the need to bring people with the right skills onto the Board and as much as possible from a range of backgrounds. Onto the next question, please.

Katherine Bray: [Anthony Ferraro]. The last date that ANZ bought back its own shares was on 27 September. While NAB and Westpac have continued to buy back their shares. NAB's most recent buyback was on 17 December, while Westpac's most recent buyback was on 11 December. ANZ has almost twice as many outstanding shares as CBA. When will ANZ recommence efforts to reduce its very high share count? CBA's most recent buyback was on 17 November.

Paul O'Sullivan: Thank you. Of course, one also has to take into account the value of the share, looking at the total amount that is outstanding. But I'm joined by Farhan Faruqui, who is our Chief Financial Officer. Good opportunity to introduce him to you all. Farhan, would you like to comment on this?

Farhan Faruqui: Sure. Thank you to [Ms Jenner], and thank you Mr Ferraro for asking the question. We have been in blackout following the end of the financial year until our results were announced. Since then, we have also been in the market, buying shares to neutralise the [DRP] and the employee share obligations, which we have completed now. Our intention is to return back to completing the share buyback as soon as we practically can. We're almost half way through our \$2 billion share buyback.

I will point out one other fact, which is that, before the blackout, we were active, buying back shares on approximately 80% of the available trading days, which was actually higher than peers for that period.

Paul O'Sullivan: Thanks, Farhan, and thank you for the question. Next question please.

Moderator: From [Ms Ella Caulfield], who has two further questions on the bank's non-financial risk. The first of which reads, the recent penalties imposed by ASIC and APRA and subsequent actions the Board has taken to improve ANZ's non-financial risk management processes seem significant. How much is this costing shareholders in regards to measures ANZ is taking both proactively and reactively?

The second of Ms Caulfield's question, what specific measures does ANZ implement to ensure the accuracy, validity and compliance of securities valuations for retail customers, and how does the bank safeguard against potential errors or biases that could undermine customer trust and regulatory standards?

Paul O'Sullivan: Thank you for the question, Ms Caulfield. I'm going to invite Shayne to comment in a moment. In terms of question one, let us put it in the context of our annual [investments slate] and the programs we run in the bank. Because we're doing non-financial risk work, not just because [the regulators are] asking us to do it but because it's

actually important to our operation. Likewise, I'll ask Shayne if he wants to comment on the question too.

Shayne Elliott: On question two?

Paul O'Sullivan: On question one to begin with.

Shayne Elliott: Yes, sorry. In terms - as the Chairman mentioned in his opening, we already had a piece of work in place, that's a program - we call it I.AM Amplified. That's a significant investment that we were doing anyway. That's not just in response to regulatory questions. That's because we want to strengthen the way we manage non-financial risk to make us a stronger bank.

What we are doing - that's already in the budget. In the numbers - in the results, it's already in there. It's already in the expense numbers, and we're going to continue that work. So, there's no extra cost there. There is a little bit of extra cost in terms of some of the work - the reviews that the Chairman mentioned. Some of the work there, whether it's legal reviews or consulting, they would probably - they're in - some millions of dollars.

But in the scheme of the ANZ, they are, again, within our general expense envelope. We'll continue to make sure that we spend that wisely. But I would remind shareholders, those investments are to strengthen the bank for shareholder benefit. Those - this is not wasted money. This is sensible investment.

In terms of the second one...

Paul O'Sullivan: I think, Shayne - I think the intent of the question is to talk about - I'm guessing it's to do with how do we arrive at appropriate valuations on home loans? I think. In terms of that.

Shayne Elliott: I'm not really sure. I was going to go to the second question. I'm not really sure what they mean by securities valuations, but all I can say is, there's a very robust process around valuations of any financial instruments that sit in our balance sheet.

Whether it's home loans, whether it's bonds, whether it's derivatives, whether it - whatever it might be.

There's multiple layers. We have multiple, [very deep] financial teams that do that. That prepare all those valuations. That's checked by independent groups within the bank. That's then audited by our internal audit team that reports to the Audit Chair of the Committee. Then, there's an external audit done by KPMG. There are multiple layers to ensure that any

valuation of anything on our balance sheet is to the - accurate and in compliance with accounting standards.

Paul O'Sullivan: Thank you. Thanks for the questions, Ms Caulfield. I hope we've understood them correctly. The next question is back in the room at microphone number two.

Moderator: Thank you, Chairman. I have Sophie Hardefeldt from ActionAid with a question.

Sophie Hardefeldt: (ActionAid, Policy and Research Manager) Good morning, Chair and Board. Thank you for the opportunity to ask a question. My name is Sophie Hardefeldt. I work with ActionAid, which is a global women's rights organisation. But I'm asking a question on behalf of [Zelcor], which is an environmental and human rights organisation based in Papua New Guinea.

Your bank finances Santos, which is part of the Papua LNG project. The Papua LNG project will affect an estimated 12,000 people, 48 newly discovered species, and takes place near communities displaced by climate change and - that are facing serious human rights concerns, including in relation to free prior and informed consent. Some landowners impacted by another Santos LNG project in Papua New Guinea still haven't been paid full compensation 10 years later.

Under the UN Guiding Principles on Business and Human Rights, your bank is accountable for the finance that you provide via corporate loans. My question is, have you calculated how much the bank would be liable for if required to pay redress and remedy for human rights abuses linked to Papua LNG in the future?

Paul O'Sullivan: As we mentioned at the outset, we don't comment on individual customers. If I open those floodgates, where does it finish? I don't think anyone in the room would want their personal or private banking to be disclosed in public. So, I'm not going to comment on that specific customer. What I will say is we are very sensitive to issues associated with any major projects we finance. Particularly in terms of environment and land rights. We have established, what was mentioned earlier, a grievance mechanism wherever there is an issue that people are concerned about. Beyond that, we have an additional level of screening and review that goes on inside the bank for any lending we may do to a customer who's got a project that could impact in those areas. That's probably about as much as I can say on that.

Sophie Hardefeldt: (ActionAid, Policy and Research Manager) Can I just ask a follow-up question? Given that ANZ has received a human rights complaint relating to another one of its corporate loans to Santos just last year, is the Board worried about the ongoing relationship with Santos and what it could do in terms of your reputation on human rights?

Paul O'Sullivan: Actually, I think in general, our standards are very high. We work very closely with our customers to understand the impact of their projects. As I indicated in my speech, I actually think a bank like ANZ, which sets high standards in terms of understanding the impact on community, the impact on land, the impact on environment - which also requires under our programs that a customer has a publicly set of targets for how they're going to reduce carbon emissions over time, and that we are able to verify those.

I think, as a bank, we're bringing a set of standards and requirements to customers which are higher than they would face if they went to a lot of other banks. I think our work in that sector is positive, and I believe we are actually a force for positivity in that space.

Sophie Hardefeldt: (ActionAid, Policy and Research Manager) Are you concerned about the relationship with Santos though, and the implications that...

Paul O'Sullivan: We don't talk about individual customers at the AGM. We just don't think it's appropriate. Thank you.

Sophie Hardefeldt: (ActionAid, Policy and Research Manager) Thank you.

Paul O'Sullivan: Next question is at microphone number four.

Moderator: Thank you, Mr Chairman. We have a question from Jo Dodds from Tathra in New South Wales.

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) Good morning to the Board and shareholders, in particular Mr O'Sullivan.

Paul O'Sullivan: Thank you, Jo.

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) I'm the co-founder and President of Bushfire Survivors for Climate Action. I'm a bushfire survivor, and since 2018, I've had direct experience of three separate terrifying bushfires in my community. Two of which threatened my home directly. I've travelled here today from my home near Tathra on the far south coast of New South Wales to ask the following questions of the ANZ Board, and I thank you for your time today. I should also add, I received no payment for coming here.

My questions relate to ANZ's support for companies involved in Australia's biggest proposed gas development, the Beetaloo Sub-basin. If developed to full scale, it's estimated that the burning of gas from Beetaloo would produce 1.1 billion tonnes of carbon dioxide equivalent, CO₂, over its lifetime. That's the equivalent to Australia's largest coal plant, Eraring, operating for more than 95 years.

Recent reports in the media identified two of ANZ's oil and gas clients, pipeline company APA Group and oil and gas giant Santos, as key stakeholders that could be critical in the fast-tracking development of the Beetaloo Sub-basin beyond its pilot phase. Santos has interests in the Beetaloo Sub-basin, and APA is proposing to build several large-scale pipelines that would unlock Beetaloo's fracked gas.

In the last year, ANZ was a lender to both APA Group and Santos. I want to reiterate that this is the biggest proposed gas development in Australia. That the majority of this gas is intended not for domestic use but for export overseas. What due diligence is ANZ doing on its fossil fuel customers' future expansion plans?

Paul O'Sullivan: Thank you. Thanks, Jo. Can I say to start with, I'm sorry to hear about your experience in bushfires, and I thank you for volunteering your time for the community. Thank you for doing that.

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) Appreciate it.

Paul O'Sullivan: In terms of our commitments - I'm not going to talk about individual customers, but with all of our oil and gas customers, we have committed publicly to reducing the carbon emissions intensity of what we lend, what we finance, in line with the Paris Agreement. As we look at our portfolio, it's all about having a plan, which we publicly publish and disclose every year to all of you - having a plan to reduce the emissions intensity in line with the Paris Agreement over time.

We've actually - if we look at oil and gas, we've actually reduced our exposure in the last four years. We've halved our exposure to the oil and gas sector. We also announced this year that we would not be funding any expansion of upstream oil and gas projects or any new oil and gas projects upstream. Today, if you had a sense of what our exposure is to the sector, it's about \$4 billion, which is about 0.3% of our balance sheet.

Between committing to bring down the emissions and publishing to you how we're tracking - you can see it in this year's Climate Report - and our policy on not lending to expansion and new projects, and given the numbers I've shown with you, I think you can see, we believe we're honouring our commitments.

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) Thank you. Can I also ask, do you accept that projects like this are dangerously incompatible with a safe climate, and will likely...

Paul O'Sullivan: I'm not going - yes. I don't think it would be appropriate for me to comment on any customer in a forum like this. They've got a right to a degree of respect and confidentiality.

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) Thank you. Can I ask, then, do you look at what levels of global warming these companies - backing these projects are aligned with? Do you look at what the likely impacts of those levels of warming will be in Australia?

Paul O'Sullivan: We've been one of the leading banks globally on joining the Net Zero Banking Alliance. That's a number of banks which are committed to assisting the response to climate change. In our case, it's about ensuring, as I said, that not only in energy but across a number of sectors, we're reducing the carbon intensity of the companies that we - and the finance that we provide to companies.

The sectors that we disclose now - and these graphs are available - you can look in our Climate Report and see, by each of these sectors, what's the carbon emissions intensity associated with our finance. We're doing it for power generation, oil and gas, thermal coal, transport, aluminium, cement, steel and large commercial property.

We're actually one of the first banks globally to give this level of disclosure. It's very visible and very public, and I think we've shown leadership, not only in Australia but globally, in terms of our actions in this regard. We are the largest institutional bank in Australia, so we think that our responsible approach here has an important role to play in making sure Australia transitions successfully to a low-carbon future.

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) Thank you. If I could just make some comment about the urgency of this. As a bushfire survivor and a community member, I've watched too many families, too many friends, too many neighbours lose everything they own. That includes every single thing that is precious, every single identity and financial document, and the homes, which are of course their biggest investment and safest place. When I see ANZ invest in companies such as Santos and APA, companies with interests in the mining and transport of gas in the Beetaloo Basin, I cannot describe the depth of my despair.

Because every cent invested in coal and gas is an investment in the destruction of my home and those of my friends and neighbours and families, again. Many of the shareholders present today witnessed my distress yesterday as I spoke about the very real and utterly devastating impacts of climate damage-fuelled fires on my friends and neighbours and on my community. I won't repeat what I said yesterday, because the cost of doing so, to me, is just too high.

I'll just say this. If you have seen what I have seen, you will know why my following comments are critical to the future of my community and to yours and even to the future of this bank. The ANZ is Australia's third-largest mortgage lender. The Domain bushfire risk to property report 2024 - which I have a very tattered, well-read copy here - states that 5.6 million Australian homes, which is almost 50%, are now at increased risk of bushfire, and with climate change - damage - escalating as emissions continue to soar, this risk is increasing.

Statistically, every second person in this room, across the shareholder and customer base, every second Executive, is facing increasing bushfire risk due to climate damage.

Paul O'Sullivan: Jo, if I may just jump in, I have a responsibility in chairing the meeting to make sure everyone gets a go.

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) Absolutely.

Paul O'Sullivan: So, is there a question coming?

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) There is certainly - I have three questions coming.

Paul O'Sullivan: Okay. Can I encourage you to get to the question? Let's also remember, we want to give other people a chance to speak. So, maybe you could help me with that.

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) Absolutely, and I'm observing that many other people here have spoken for quite some time in their questions, so if you will indulge me just a little bit longer. The bank is currently willing to lend to new and expanded coal and gas. This is the equivalent, to me, of sliding just a single cup of tea - sorry, just a single teacup of petrol under my house and under each and every one of the houses of the people in this room. Every day, emissions are rising, and it's just another teacup of petrol, and then another and another...

Paul O'Sullivan: Jo, can I just pick you up on that? Can I just pick you up on that?

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) Yes, please.

Paul O'Sullivan: That's factually incorrect. As I just said, we're not lending to any new or expanded upstream oil and gas projects. On coal, we have - we have committed to exit coal - thermal coal - by 2030. In fact, we've reduced our exposure to thermal coal by 85% since 2015, and most of our finance now is in runoff or associated with remediation of coal. I just wanted to make sure I didn't let those two items slide by.

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) Thank you for the clarification.

Paul O'Sullivan: Again, can I encourage you to get to the questions so that everybody gets a go today?

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) My home is more likely to burn down today than it was yesterday, and that's why this is urgent, and that's why even the investment in the coal that you're talking of, to be reduced by 2030 - the sooner that is reduced, and the further that is reduced, the less likely my home and those of others are to burn down.

Fossil fuels also cause hazardous air pollution, which is implicated in the deaths globally per annum of 8.1 million people. This is a brutal statistic. Lastly, the insurance industry - and this is most relevant to you as a bank - which has been aware of and scrambling to address climate risk for decades, is warning homeowners that (1) home insurance is becoming unaffordable, and (2) increasing numbers of homeowners will not be able to access any home insurance.

How can this business, ANZ, who provide the third-largest number of mortgages, walk past this brutal fact? How does your concern for reputational risk address these critical and urgent issues?

Paul O'Sullivan: Jo, you're going to rival myself and Shayne in terms of the length of your speech. Can I get to the key point you'd like to ask me?

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) That was my final question.

Paul O'Sullivan: We're not walking past it. I think we've demonstrated, as the largest institutional bank, we believe in reacting to climate change now. We've got a number of very explicit policies. We publish the results. We are directly accountable to you and to the community for the targets we've set, and we measure those. I - the experience you've had personally is something that someone like me cannot even imagine, and I feel terrific

sorrow and sympathy for the losses that you've had. But we are very focused on trying to be constructive and helpful in Australia and New Zealand's response to climate change.

Jo Dodds: (Bushfire Survivors for Climate Action, Co-Founder and President) I appreciate your time, and I would welcome the chance to talk further after this meeting. Certainly with Ms Kramer and with you yourself, and do appreciate your time today.

Paul O'Sullivan: Thank you. Thank you very much. Next question is at microphone number two.

Moderator: Thank you, Chairman. I have Katherine Tu from ActionAid with a question.

Katherine Tu: (ActionAid, Head of Policy & Campaigns) Good morning, Mr Chairman, the Board and Mr Elliott. Thanks for your time today. My question relates to ANZ's human rights grievance mechanism framework. ActionAid recently published a report titled *Financing Climate Destruction: How Australian banks are eroding women's rights*. The report found that, since 2016, ANZ has loaned or arranged the most amount of money of any Australian bank for Australia's two biggest oil and gas companies, Santos and Woodside, totalling \$1.8 billion.

Our report found that there are a range of human rights issues associated with Santos and Woodside's overseas oil and gas projects. In Senegal, Woodside's Sangomar oil project, which began operating this year, is resulting in significant costs to Senegal's fishing industry, which accounts for almost 600,000 local jobs. The [Fishers Union] has been a vocal opponent of offshore oil and gas development due to its impacts on livelihoods, and reduced household incomes for fishing families have forced some women to turn to sex work as an alternative source of income.

Santos is also currently pursuing its second gas project in Papua New Guinea, as we heard, Papua LNG. Santos's first gas export project, PNG LNG, has been the cause of inter-group violence since operations commenced and has been the cause of disputes about distribution of benefits from the project and disputed land ownership in project areas.

According to ANZ's human rights grievance mechanism framework, ANZ will accept human rights complaints associated with ANZ's institutional or corporate lending customers. My understanding is that ANZ already received a human rights complaint related to its corporate lending to Santos last year, and given the human rights issues with Santos' and Woodside's oil and gas project, there appears to be a significant risk the bank could continue to face more complaints seriously damaging its reputation.

My question is, can you speak in a bit more detail about the process that ANZ follows when assessing human rights risks involved with providing general-purpose corporate lending or underwriting bonds for large institutional customers in the fossil fuel sector? What action will ANZ take if it finds these human rights risks to be true?

Paul O'Sullivan: Can you just ask that question one more time? I missed the very beginning of it.

Katherine Tu: (ActionAid, Head of Policy & Campaigns) Speaking in more detail about the process that ANZ follows when assessing human rights risks involved with providing corporate purpose lending and underwriting bonds, and the action that you'll take if these human rights risks are found to be true?

Paul O'Sullivan: Okay, and I'm not going to comment on specific customers, but I'll start by mentioning the human rights grievance mechanism, which we were one of the first, if not the first, bank in the world to put in place. It was mentioned earlier, and it's designed to provide a solid vehicle for people to escalate and raise issues.

So as I said, I'm not going to talk on specific customers, but whenever we are looking at a project that has the potential for impact on environment or nature or climate change, there is an extra set of reviews and filters that goes on.

Should issues be raised, we'd look at them very seriously. If I give you an example, the CEO has actually recently visited the Tiwi Islands in order to talk directly with the communities there and to hear their views on things.

So we do take the issues very seriously. We do have a deliberate mechanism for resolving grievances, and we have extra filters and controls in place for any lending that we do.

Shayne, is there anything you would like to add to that?

Shayne Elliott: No, I think you covered it well, Paul. I mean, perhaps just one thing. Look, you asked about the process. Obviously, when we're doing any sort of financing that is directly related to developing an area or investing in something new, we undertake a pretty thorough assessment of the impact on the local environment, community, et cetera.

We have to reassure ourselves that not only do the programs meet the standards of the law, but they meet the standards that we have. We do do a pretty thorough risk assessment around those things. We take it very seriously. So it is a detailed process they go through and any time that we are extending money, your money, to customers.

It's not just a financial - I just want to reassure, we don't just look at the financial impacts of when we're extending money, we look at the total impact on the community environment.

Paul O'Sullivan: Thank you, Shane. Thank you for the question.

Katherine Tu: (ActionAid, Head of Policy & Campaigns) Thank you. Thank you. We'd love to just share copies of our reports with you at the break. Thanks.

Paul O'Sullivan: Sure. Thank you. Okay. Next question, which I think is back online.

Katherine Bray: Yes. We have a question here from Mr [Miles Cody] about CEO succession. It reads, why have we appointed an outsider to the CEO role with zero Australian banking experience? Were there no qualified internal candidates and why is there no succession planning through the business?

Are we in for another [unclear] type situation that happened at Telstra all those years ago?

Paul O'Sullivan: I have to say, as someone who worked at Optus, [soul] is the gift that kept on giving. In terms of our process here, we actually have a very structured process for succession. In fact, for a Board, it's one of the most important jobs, and as Chair, it's something I turned my mind to on day one in the role.

We need to make sure, that not only for the CEO role but for all of the executive roles and senior roles, we have good succession planning. We've done a lot of work internally, that includes doing external evaluations of the strengths and weaknesses of our internal executives, to making deliberate moves so we could give development opportunities and provide extra training and support to those internal executives.

Externally, my role, and that of the Chair of the People and Culture Committee, has been to make sure we're continually scanning and looking at the benchmarks being set globally and in Australia by CEO appointments and CEO candidates.

We were spoiled for choice in this case. We had very, very strong internal candidates. What swung us in favour of Nuno's appointment was the fact that he has an outstanding track record in terms of execution and ANZ has a number of very important executions ahead of it in delivering on its strategy.

In particular, he has a track record of delivering on bank migrations and technology transformations, and those are the heart of what we're doing with ANZ Plus, and with our transactive programs.

I'll just say that despite good old soul, we should also be fair and remember there have been some very successful international appointments, and indeed in the banking sector, I think we'd all remember Bob Joss, who came in and ran Westpac. So I think we need to also have an open mind.

I think there's a great phrase that I once heard about those of us who are migrants, it doesn't matter when you arrived in Australia, what matters is that you're rolling up your sleeves and helping to build a better tomorrow. That's the way I'd like you all to think about Nuno.

[Applause]

Next question, please.

Kathrine Bray: Thank you. The next question from Ms [Catherine Caulfield]. It's another question on the impact of the bank's non-financial risk issues. It reads, what is the estimated impact on ANZ's intangible brand equity from the negative media coverage regarding the regulatory investigation into bond trading practices and allegations of charging fees to deceased customers?

How is ANZ working to protect [good] corporate goodwill?

Paul O'Sullivan: Thank you. We're very sensitive to this issue because reputation really matters. We have a range of metrics we look at. One that might be more familiar publicly is a thing called RepTrak. So we're continually looking at what matters and what impacts on this.

The issues we have in the [markers] business is undoubtedly a factor in contributing but so are many of the other things that we do. Such as the work we do in working on climate change. Such as the work we do in the community. Things like the work we do with the Brotherhood of St. Laurence on helping training people about how to manage money. Such as the work we do in helping people who are vulnerable customers.

When we look at the overall impact, yes, the NFR, the non-financial risk issues, have been a factor, but so have some of those positives. We continue to track it. In terms of our large corporate customers, we are very open in disclosing what's going on. We have been at pains to make sure that our large corporate customers have the opportunity to engage with us on this issue and without in any way diminishing the seriousness of the issues we're facing into.

I think it's important to note, that we've just had our best ever year in the institutional bank. So look, there is an impact, and it's something that we're very conscious of, but it also needs to be taken into account into the wider holistic impact of all our activities on our reputation.

Next question, please.

Katherine Bray: From Mr [Steven Main]. Bear with me whilst I read it in full. ANZ has more than 400,000 shareholders but less than 2% of them will have voted today. Exacerbated by the needless ban on live online voting at today's AGM.

When disclosing the outcome of voting on all resolutions today, but particularly the three contentious items which attracted material votes against the Board's recommendation, please advise the ASX how many shareholders voted for and against each item, similar to with a scheme of arrangement.

This will provide a better gauge of retail shareholder sentiment and insight into the chronically low retail shareholder participation rate. The likes of Qantas, ASX, Suncorp, [Tabcorp], and even our own share registry provider, Computershare, have all voluntarily provided this data during the current AGM season.

You've moved on early proxy discloser today, will you also move on providing extra voting data in the poll outcome announcement? You've got the data, so why not let the sunshine in and reveal the retail shareholder's thoughts about today's resolutions rather than just the institutional holders which dominate corporate voting in Australia?

Paul O'Sullivan: Thanks, Steven. Look, we are always open to your suggestions. Roughly half of the shares in ANZ have voted at the AGM. We typically don't provide the numbers of shareholders, we're not sure it's that informative. We provide details on the number of shares. An important point is that, for example, the super fund voting shares are representing thousands of individual members.

So, look, we're going to stick with our current format. We hear the feedback, we actually think it's more informative to actually disclose the number of shares.

Next question, please. I think we're back in the room at microphone number 2.

Moderator: Thanks, Mr Chairman. I've got a question from [Russell Boyle] from Melbourne.

Russell Boyle: (Shareholder) Mr Chairman, are you in a position to offer shareholders any updated advice on the likely level of franking to future ANZ dividends?

Paul O'Sullivan: Yes. Thank you for your question, Mr Boyle. You will note that last year we actually made some commentary on this as well.

So we are the largest institutional and international bank in Australia and New Zealand, so we do have a significant number of businesses offshore as well in Australia. They're providing capital to help Australia and New Zealand companies trade internally.

So our franking ability is very much driven by the amount of tax we pay in Australia on our Australian earnings and therefore it kind of represents our geographic spread. This year it's around about the 70% level, which reflects the geographic mix of what we do.

With the acquisition of Suncorp Bank, it actually increases the weighting of our business towards Australia. So that will help a little bit in the years ahead. As our operations continue and a proportion of our tax in Australia could potentially increase as well.

I think a good baseline for right now is to link our ability to frank to the spread of our operations, which as I said, is about 70% today weighted towards Australia.

I should add, we know that franking credits are worth more in your pocket than in ours. So wherever we can, we'll take advantage of them. Thank you.

Russell Boyle: (Shareholder) Thank you, sir.

Paul O'Sullivan: Next question, please. At microphone number 3.

Moderator: Thank you, Chair. I've got a question from Lucy McLean of Healthy Futures.

Lucy McLean: (Healthy Futures, Representative) Good morning everyone. [Spoken in foreign language]. My name is Lucy McLean. I am a clinical psychologist, working with young people in a tertiary mental health service. I also work at Healthy Futures, which is an organisation of doctors, nurses, and allied health professionals concerned about the human health impacts of climate change.

ANZ's stated purpose is to shape a world where people and communities thrive. I want to ask the Board today how it reconciles this purpose with its current actions on climate change.

As a clinical psychologist, I specialise in the intersection of mental health and climate change. I've written a thesis on climate-related distress, and I've seen plenty of evidence of the incredibly detrimental impacts that it has on our communities.

As climate change worsens, climate-related distress will increase in our communities. Climate change is an existential threat that large cross-sections of our communities are

already severely impacted by. A future with more severe and frequent bushfires, floods, heatwaves, sea levels rising, and the irreversible decline of our ecosystems is completely incompatible with a safe, secure, and viable future.

Does ANZ agree that doing everything we can to achieve the goals of the Paris Agreement is absolutely essential in shaping a world where people and communities thrive?

Paul O'Sullivan: Thank you, Lucy. Thank you for your question. I think actions speak louder than words on this. I think as I've been outlining, we believe it's important to be responding to the climate emergency now. We have designed our policies in order to be a part of the solution to those issues.

We are the largest institutional bank in Australia and New Zealand. In other words, the largest lender to large companies. The fact that we have adopted the goals of the Net Zero Banking Alliance, the fact that we're now disclosing eight or nine sectors where the carbon emissions intensity of our lending is, the fact that we have committed to bring that down in line with the Paris Agreement, targeting two degrees, striving for 1.5 degrees.

Those are all the actions of Australia's largest institutional bank and a full-frontal approach to how we can assist the transition. We also aim not only to be bringing down emissions but to be the largest lending to people investing in new renewable and sustainable sources of energy. Again, that's an area that we've made significant progress on.

Lucy McLean: (Healthy Futures, Representative) Thank you. I'm just thinking about the 27% of people who voted in favour of Item 6 today. Given the expansion of fossil fuels is incompatible with Paris, how do you reconcile being Australia's biggest financier of companies expanding fossil fuels with this purpose to shape a world where people in communities thrive?

Paul O'Sullivan: Yes, and I think as we've indicated, and in fact one of the reasons that we - when we read Resolution 6, one of the reasons we were - we gave it a lot of thought was that we're doing several of the things that are in that resolution.

So we've said this year, we will not lend to any new or expansions of upstream oil and gas. Nor will we take on a new customer who gets the majority of their revenue from upstream oil and gas.

We've committed as well that we will reduce our exposure to oil and gas over time. What we've said is that in terms of oil and gas financed emissions, we'll have reduced them by

26% by 2030, by 40% by 2050. All those goals are consistent with what we see as the goals of the Paris Agreement.

So we're very much front and centre of trying to get to the same outcomes that you are. I think a constructive engagement and a requirement from Australia's largest institutional bank to drive this sort of reduction and change is more important than us just disengaging and pulling away.

Lucy McLean: (Healthy Futures, Representative) Thank you. I hope we can respond truthfully and honestly to our very distressed young people.

Paul O'Sullivan: Thank you. Next question, please. At microphone number 2.

Moderator: Thank you, Chairman. I have a question from [Anthony Lawrence from Coburg].

Anthony Lawrence: (Shareholder) Hello. I'm asking this question on behalf of the Centre for Energy, Ecology and Development, which is a Philippines-based NGO. In March of this year, ANZ provided \$172 million, as part of a \$3.1 billion loan to San Miguel Global Power. ANZ was the first joint-led manager and book runner for bonds underwritten for San Miguel. One of the Philippine's worst companies when it comes to coal and gas power expansion.

The Philippines is home to the highest concentration of marine/shore fish species in the world. It's sheltered in a marine corridor known as the Verde Island Passage, the VIP. The rich biodiversity of the VIP makes it comparable to the Amazon. Two of San Miguel's large-scale fossil, gas-fired power plants are located along the VIP and imperial this biodiversity hotspot.

Operating these plants, and increasing shipping activities for LNG, importation, it degrades marine and coastal ecosystems and the livelihoods of the communities in the area. The legal risks that San Miguel's gas activities faced in the VIP include a confirmed violation of land conversion law that led to a cease and desist order in 2022.

Paul O'Sullivan: So Anthony, they've already had to put up with listening to me and Shayne. I hope you're not going to rival us in terms of the length of your speech. Is there a question you can get to?

Anthony Lawrence: (Shareholder) No. I have one more paragraph, and hopefully, you can give a good answer.

Paul O'Sullivan: Great. Thank you, Anthony.

Anthony Lawrence: (Shareholder) On behalf of the Civil Society in the Philippines, we would like the Board of ANZ to know that any financial support extending to San Miguel contributes to harming communities and biodiversity. It signifies acceptance of risks and complicity in obstructing the Philippine's climate ambitions and energy transitions to renewables.

I would like to ask the Chair, and the Board, how the significant harm that San Miguel has caused bypassed your bank's due diligence and lending in line with your ESG policies. Will ANZ immediately commit to ending further finance and underwriting for San Miguel?

Paul O'Sullivan: Thank you. Thank you, Anthony. Look, as I've said, I'm not going to comment on individual customers. It would be inappropriate at the meeting. I think I've also covered off a lot of the material issues around how we look at funding any projects that have an impact on the environment or on climate change.

So I've really got nothing to add, but I do appreciate your question.

Anthony Lawrence: (Shareholder) All right. So would you say that was ethical bank loaning?

Paul O'Sullivan: I'm not going to get involved into commenting on a specific customer but thank you, Anthony. Thank you, I presume you're volunteering your time. So thank you for doing that.

Okay. Next question, please, is online.

Katherine Bray: Two questions here related to one another from Ms [Olivia Corfield] regarding generative AI. The first, I congratulate the Board on ANZ's adoption of generative AI, particularly through the establishment of the AI Immersion Centre, and the impressive milestone of having more than 7% of ANZ Banking Groups code written by artificial intelligence.

Building on these achievements, how is ANZ addressing the competitive risks posed by newer banks that have leveraged AI more aggressively to offer superior services at lower costs, and what steps are being taken to ensure ANZ continues to lead in delivering exceptional values to customers through AI innovation?

Relatedly, how is ANZ equipping employees with the skills needed to navigate periods of technological disruption? Generative AI is a notable example, but how is the bank preparing its workforce for the broader challenges and opportunities presented for ongoing digital innovation as part of its broader digital transformation strategy?

I would be grateful if you could specify numbers. Thank you.

Paul O'Sullivan: Thank you, Olivia, for your question and I think it's a really good opportunity to give Shayne a chance to comment on the work we're doing.

Shayne Elliott: Great. Thank you for the question. The answer to the first one is quite simply, that is what ANZ Plus and ANZ Transactive are all about. Those platforms, those technologies, allow us, they build the foundations that we can adapt and adopt things like generative AI to enhance customers' experience.

So we are absolutely all about competing with using the very, very best technology to improve outcomes for customers. So big tech, that's part of the big strategy that we have.

In terms of the second one, how are we equipping? Well, we launched the immersion centre. What is it? It's a training centre. It's a room just across the river there where we bring our staff in to teach them about generative AI. What is it? We give them some training, we give them some tools and they leave after a few hours better equipped to use generative AI in their own day-to-day work.

To date we've only had it open for - don't quote me - eight to 10 weeks, something like that. We'll have had 1,000 of our staff go through that experience by the end of this week, and we'll continue to put more and more people through there. So far the feedback from staff is really, really strong. They really feel not just that they've learnt something, they go out better equipped to do their jobs better with new tools.

Then in addition to that, we actually provide a - there's a technology company called GitHub, it's part of the Microsoft Group, which gives you the tools that allows the software engineers, the people who write all the code, to use AI to help them write the code faster and better. We've already got something like 3,000 of our software engineers, which is a lot, who are actively utilising those tools. It's an ongoing area of investment and I'm really confident that it's going to be part of how ANZ differentiates itself and continues to win market share, both in our retail businesses but also in our institutional bank.

Paul O'Sullivan: Thanks, Shayne. Okay, next question which, again, I think is on line.

Katherine Bray: It is a question from [Miss Ella Grainger]. How is ANZ planning to support young people in the transition to a more sustainable future? What specific initiatives are in place to help young investors and customers reduce their carbon footprint?

Paul O'Sullivan: Shayne, did you want to pick this up?

Shayne Elliott: Yes. I think we've met before, Ella, so thank you for the question. It's a really interesting question and, obviously, as a bank we have a role to play but we can't solve all of this on our own. What we're trying to do, and again with ANZ plus, on the roadmap for ANZ plus is to use technology to provide better tools and training opportunities for our customers, not just on sustainability but more broadly. For example, how to protect yourself from scams and fraud, how to make your money go further, all those things. On that roadmap, in terms of our plans, there are plans to help people around sustainability training as well.

We've also been looking, and we haven't made a decision yet, there are some people and really great technology out there that allows individuals to measure, for example, the carbon footprint of your home - maybe you have a home loan with ANZ and you want to understand what that looks like in terms of the carbon footprint - and give you tips and tricks and guides and nudges to how to improve those things.

What we've got to do first before we can actually enable that at scale, because remember we need to be able to do these things at scale because we have 10 million customers, is build the right technology platform that allows that, and that's what Plus and Transactive allow.

Paul O'Sullivan: Thanks, Shayne. Okay, next question which, again, is online.

Katherine Bray: Our next question in two parts from Mr Miles Cody. The first on ANZ Plus and the second on share price performance so I'll read them together.

Firstly, I'm a shareholder and also a long term customer of ANZ. I find that ANZ's technology and security features around its app and website are far inferior to the likes of Macquarie, CBA and even Ubank. I put it on par with Bank of Queensland, which has probably the worst technology of the lot.

I now actively use these other banks, not Bank of Queensland, over what was once my main banking relationship with ANZ. How has ANZ got so far behind with the hot mess of ANZ Plus not being integrated with existing accounts? It's so confusing to have multiple apps - Classic and Plus - no internet banking for Plus, and no ability to integrate accounts. Security features are almost non-existent. How did this mess happen? The...

Paul O'Sullivan: Yes, sorry. Go ahead. Do you want to do question two as well then, thanks?

Katherine Bray: Sure, happy to. The second question. The ANZ share price, as of today, is below where it was in 2013. It has done nothing for more than a decade. What is the Board doing to sustainably grow this business? It seems stuck in neutral without a roadmap for growth.

Paul O'Sullivan: I'll let Shayne do question one, and I'll pick up question two.

Shayne Elliott: Great. Probably unsurprising, I'm not sure I agree with your assertion. What we've done here is we accept banking is all about technology and it always has been. Today, it's really about the apps. That's how our customers - by and large, not only - want to interact with us and send us instructions and manage their money. So, we recognised that really early on, that the old world and the apps that we have weren't going to be able to keep up with the future.

So, rather than try and just fix what we already had, which we didn't think was sustainable, we decided, boldly, to rebuild an entire new retail banking application, which is known as ANZ Plus, and that's what we've got. Today, it is without a doubt the most contemporary leading technology of any major Australian bank today. That comes in terms of the security features, the ease of use. Obviously, we're building from zero and so it's not perfect - we accept that. As I said, we've still got things to add like credit cards and other bits and pieces.

Yes, we have both, but we're not asking customers to go to Plus unless they want to. For customers who just have a savings account or just want to use a transactional account, Plus is amazing. If you want to have a home loan and a credit card, it's not for you today and we're not asking you to go to Plus - the classic app is where you should be.

So, we're in this transition and I accept that, for some, it can be a little bit confusing which one is the right one for me. Our people and our branches, our people in our contact centre are trained to talk to customers to understand what's right for them. As we build out the richness of Plus over time and add all those features, we will have more and more customers that'll be the right place for them to be.

The security features, proof is in the pudding. If you actually look on the App Store where customers actually rate the experience, ANZ Plus is very regularly number one rated in the App Store.

Paul O'Sullivan: Thanks, Shayne. Let me come to question two, which is really about the share price and the performance of the share price. Our focus, as a Board, is always on

increasing the value of the business in the belief that that will ultimately be reflected in value for shareholders.

I think I mentioned in my speech, as Shayne took over in 2016 we were coming out of the tail end of what was known as the Asian Expansion Strategy, and that meant that we were involved in a lot of retail banking businesses in Asia which were not core to the Bank and which were not really delivering a return. We had other businesses. We were involved in wealth management, dealer finance, a whole range of other businesses that were not seen as core or good returns for the Bank.

Under Shayne's leadership, we've sold over 30 businesses. Selling a business is not like selling your house - you move out and it's done - no. There's usually a whole lot of work to be done on transitioning customers, tidying up your liabilities, dealing with regulators, there's a lot of work to do in even selling one of those. We've released over \$14 billion in capital out of those businesses and because historically they gave ANZ a lower return on tangible equity, that was reflected in a lower valuation in the share price.

Now, we've been reinvesting that money - other than what we give back to you as shareholders - in the new technology platforms that we've been talking about. For example, ANZ Plus has a 25% to 30% lower cost to serve than traditional banking in Classic, and a much higher Net Promoter Score or customer satisfaction rating. Actually, the marginal cost of putting another customer on a software platform when you've built it is very low. So, by buying Suncorp Bank, that gives us another million retail customers that we can move on to the ANZ Plus platform. As I said, there's very little extra cost associated for us with that - it increases the return.

Likewise, the Transactive Global business and Institutional, we've doubled the size of that in the last five to six years. It's around about \$1.6-1.7 billion a year in revenue now off that technology platform. We've also built a thing called Digital Backbone in the Institutional Bank, which has helped us regularly get rated as number one and number two in relationship management compared to all the international banks operating globally in Asia.

So overall, the strategy is to get better yields, better return for you, our shareholders. Where there would have been a 300 basis point gap between us and two of our competitors when Shayne was first starting this work, we have narrowed that gap over time to being about 70 to 80 basis points. There's still more work to do, but we believe

these strategies of using these technology platforms and getting a much better return on capital will deliver for you, our shareholders.

In the meantime, we're not taking our eye off the business. As I mentioned in my words earlier, we've just had our second highest revenue year in our history - last year was the highest - and we've just had our second highest cash profit since 2017. Indeed, our Institutional business has had its best year ever. So, we're all focused as well on running the business very effectively.

[Unidentified Speaker]: [Inaudible].

Paul O'Sullivan: Well, we're working – yes, that's exactly the core of the strategy, is to have sustainable value creation, and that takes time. That's why you invest in technology platforms, which take time.

Unidentified Speaker: [inaudible]

Paul O'Sullivan: If you've got a question, maybe I can get you...

Unidentified Speaker: [Inaudible]

Paul O'Sullivan: If you've got a question, I'm happy to take it at the microphone.

Unidentified Speaker: [Inaudible]

Paul O'Sullivan: Okay. It isn't a formal question but just note, I hear your feedback. We are very focused on that as well. I will note we have delivered very strong shareholder return in the last couple of years, but absolutely, we're focused on building sustainable growth for the Bank as well.

Next question we've got a microphone number two.

Moderator: Thank you, Chairman. I have a question from [Imogen Senor].

Imogen Senor: (Shareholder) Thank you and good morning all. UN experts have declared that the transfer of weapons and ammunition to Israel may constitute serious violations of human rights, international humanitarian laws and risk complicity in international crimes. ANZ's Military Equipment Policy states, ANZ supports customers that use internationally accepted industry management practices to manage social, environmental and economic impacts, including effects on human rights, biodiversity, cultural heritage, indigenous rights, health and safety, governance and environmental sustainability.

There is considerable risk that Lockheed Martin does not meet ANZ's standards for defence sector customers, given its involvement in supplying weapons to the Israeli Defence Force

that have been extensively used in the invasion of Gaza. I want to humanise this conversation that we've been having here about mum and dad investors and talk too about those mums and dads that we have seen been murdered in the past 13 months. This is only becoming more pertinent with the Australian Government's position on the recognition of Israel's occupation of Palestinian territory becoming more clear.

Has the board considered and documented the legal risk of ANZ's relationships with weapons companies such as Lockheed Martin under International Law, and, will this lead to ANZ ruling out funding to weapons companies such as Lockheed Martin based on human rights grounds? Is the legal risk of having relationships with weapons companies that supply weapons on the Board's risk radar?

Paul O'Sullivan: Thanks. I think I've already answered that question earlier. I don't talk about specific customers but we have a clear policy in not directly financing weapons production. The exception we do make is working with the Australia and New Zealand Governments on their security.

I will just say, we are distressed at what we see as the loss of life in the Middle East. Our goal always will be to find ways in which we can help those communities coexist. I'm a proud Australian, I've been here since 1986, but I grew up in a country where the communities were at war with one another. I believe the only way you can sustain a peaceful outcome is to work hard to bring both communities together and to find ways to coexist.

Imogen Senor: (Shareholder) May I clarify how you determine that you are not financing weapons productions if you have relationships and financial relationships with those weapons companies?

Paul O'Sullivan: I mentioned this earlier, we have a clear screening policy that says if we're lending we want to know what is the purpose of those funds? What are they being used for? It's good ethics policy, it's also good banking in terms of understanding how your money is being used. Thank you.

Next question we have at microphone number four.

Katherine Bray: Thank you, Mr Chairman. We have a question from [Ron Guy] representing Regional Trade Unions shareholders.

Ron Guy: (Shareholder) It's Regional Trade Unions Shareholder Human Rights Group. In the risk of covering similar questions that have been asked, but I was wondering how ANZ

Risk Management team takes into account such things as the ICG recent ruling on Israel and offering financial products to customers. Of course, there's the recent Amnesty International report that came out, do you consider these things? The International Criminal Court, ICC, arrest warrants for Prime Minister Benjamin Netanyahu and former Defence Minister Yoav Gallant for war crimes.

Just to try and jump around so I don't go through the same things that had been mentioned there. In June 2024, the Norwegian Pension Fund divested \$69 million from Caterpillar Incorporated due to its alleged ties to Israel human rights violations in Gaza and the West Bank. In August 2024, the University Superannuation Scheme - the UK's large pension fund - reduced its exposure to Israel assets by \$80 million - £80 million, sorry. The Norwegian one, pension fund, pulled out of Caterpillar because they could not guarantee that any of the equipment supplied would be used to clear land in the West Bank, et cetera. So, hopefully the Board, even though a lot of these things have happened over the last 12 months, the focus on that, whether they review your accounts with things.

There's also the Delek Group, an Israel company, that is involved with Chevron and is drilling off Gaza and also off Western Sahara - they're exploring off there. Chevron was using them and the Norwegian fund pulled out of that. So, there's quite a few violations that are happening that if every individual can find then surely the Board should be able to find these things.

Another thing that was brought up too by one of our members was the concern of the use of different companies that are supplying cybersecurity, enterprise software, surveillance and artificial intelligence machines. A lot of them are linked up to organisations directly supporting the illegal expansion of settlements, providing their staff incentives to join the IDF, et cetera. We can supply that list to discuss what software companies you're in contractual arrangements with, and any future direction there. I'll leave that as...

Paul O'Sullivan: Thank you. I think that the gist of your question is really, are we conscious about our impact on human rights and on the community? Look, I've answered a large part of the questions already so I'm not going to repeat.

I'll just say, one of the things that has been developed by the bank with the Saint James Centre is an ethical decision making framework. I think you can take, from the comments I made on climate that I made on other things, that we actually do put an ethical screen over our activities, and we are very conscious of the impact we have on the community. The Board regularly asks for examples of where the ethical decision making framework has

been applied, particularly with our large corporate customers so we're very aware of those issues and very sensitive to them. I'm not going to comment or endorse on any comments in terms of ANZ and some of those companies.

Ron Guy: (Shareholder) Well, we're prepared to meet with the company to discuss that if they'd like further information and, hopefully, you'll take that up with us.

Paul O'Sullivan: All right. Thank you for the offer. Okay, next question is at microphone number one.

Katherine Bray: Thank you, Mr Chairman. We have [Mr Paul] [inaudible].

Paul [Herman]: (Shareholder) Paul Herman.

Katherine Bray: Paul Herman from Brisbane. I apologise sir.

Paul Herman: (Shareholder) Giddy. I'm not sure if it's morning or afternoon but giddy to everybody here. My concern is, the property market has been very strong over the last 20 years or so. I was living on the Mornington Peninsula during the '90s and I remember quite a severe property downturn then. I know that the stock market, especially in America and perhaps to a lesser extent in Australia, has been very strong. If there is a bear market in the stock market and that flows through to the property market, and if there's a downturn similar perhaps to the global financial crisis, I'm concerned about the stability of ANZ Bank.

My concern specifically is about liar loans. I've mentioned them before at other AGM's and I want to just go over a few points there. ANZ had 55% liar loans in the UBS survey in 2001. To give people a definition of liar loans, it's where the information has been falsified. So very often, income has been inflated. In 2001, UBS found that 81% of ANZ customers with liar loans said that ANZ employees told them to falsify their information. I think that that's a real concern. There's been, I think, six UBS surveys, they have produced similar results. I'm concerned, in a downturn, that that would affect the stability of the whole banking industry.

ANZ regularly comes up highest, except for one year, comes up the highest having the highest rate of liar loans. I know that defaults at the moment are quite low but if there is a severe downturn, I would be very concerned about the stability of the ANZ bank.

In the global financial crisis, the banks had to go to the government for support. I'm certainly concerned about these issues.

Paul O'Sullivan: Thank you. A good question and an important question. I might share the answer with Shayne. If I just start at a macro level, I think it's important to reassure

everybody that Australian banks, in terms of their requirements to hold capital, are among the most secure globally.

We use a measure called CET1 and if you adjust that for international comparison, then the Australian banks are holding a lot of capital compared to their exposures relative to other banks internationally.

Whilst we will groan and complain about that, that's also a tribute to the strong regulatory environment and to the actions of APRA over the years, to make sure that Australian banks are very safe.

If you have a look at credit ratings, I think there are seven banks in one of the credit rating agencies that are rated at top tier. Four of those seven are Australian. That tells you again, the strength of the Australian system.

I think there is a view that some of the results of that survey are not born out by our reality or our findings in practice. Shayne did you want to talk about that and also how we look at anybody who is wanting to borrow off us.

Shayne Elliott: Sure. So thanks for your question, Paul. Put simply, we don't just take what people tell us. Yes? We don't just assume that what they tell us is right and it's not that we doubt people's integrity. Because people don't always remember exactly what their household expenses are or their perfect income. Not everybody remembers those things perfectly well.

Under regulation and our policy, we have to verify those numbers. So we don't just take what people have put in their application. Our responsibility is to verify. So we look into their bank statements, we get evidence that those numbers are correct.

Then the other thing we do is we sort of haircut a lot of those things. So we discount incomes, we add numbers to their expenses, we check against indices, et cetera, et cetera, et cetera.

So it's a pretty robust process that we go through that our regulator looks at as well and that's what we take comfort from. I would also point out that the vast, vast bulk of Australians, not just at ANZ, at any of the banks, when they go and borrow for their home loan, they don't borrow as much as they could.

So most people do not max out on their total borrowing, they actually borrow quite conservatively. What we've found over time, Australians and New Zealanders for that matter, are quite conservative. So when we look at our book today, and because of the

strong house price movement in particular, you also look at things like the loan to value ratio. So how much have we lent versus the value of a home?

If we valued all the homes today versus the amount we have out, on average, people have borrowed less than half of the value of their home. So there's a lot of security and systems and process to ensure that we're verifying what people tell us. We're pretty comfortable about the quality of our loan book.

To Paul's point, the overall structure of our balance sheet, the huge amount of capital we hold against all of these loans and of course the security as well.

Paul Herman: (Shareholder) Okay, I guess - I've got a few concerns. One of them is that in my case, an ANZ employee inflated my income by 625%. So that was on one loan. I had a number of loans. It ranged between 285% my income was inflated, without my knowledge, after I signed my application forms...

Paul O'Sullivan: So can I jump in there? Because I mean this is not the right place, to be fair to you or to be fair to the bank, to look at individual cases.

Paul Herman: (Shareholder) No, look, I understand...

Paul O'Sullivan: Evelyn Hall is our Customer Advocate. She's actually available outside, you can follow up. Look, it does sound like a very distressing experience so I don't want to diminish it but I just think it's better off being handled offline.

Paul Herman: (Shareholder)) Okay, so I guess my issue is that - one of the issues is that I run a support group for people with difficulties with - it's called ANZ unhappy customers and another support group which is bank rip offs customer support group. So my concern is that there were a lot of people who had their documents fraudulently altered. In some cases, signatures forged. So they had their signatures forged.

Now, with the UBS surveys, it seems to be that there's a change of tack. Because UBS found that 81% of customers said that bank employees, ANZ bank staff, told them to falsify their loan application forms. That's a concern.

Paul O'Sullivan: So look, there's clearly been some distressing experiences for people. I just want to be clear though as well and say we are very diligent in how we assess things. So you would expect me to say that I won't necessarily endorse or agree with those comments, but I hear them.

If there are specific examples, I think the best thing to do is to raise them with Evelyn and we can follow up on those.

Paul Herman: (Shareholder) Yes, I'm quite happy to do that. I feel that ANZ is not taking this issue seriously. So I've actually spoken to parliamentarians, MPs, and senators about getting a senate inquiry into liar loans. If ANZ - if it's a falsification by UBS, which is a big Swedish bank, look somebody is not telling the truth.

I feel that is it ANZ or is it UBS? I have my experience and I have the experience of people who have come to the support group with their stories. You know, really tragic stories.

Paul O'Sullivan: Look, I can hear the frustration in your voice and I can hear the disappointment. It's not something I'm going to be able to resolve in the meeting for you. I think if there are specific examples, bring them to us and we can look at them. In general, there is absolutely no incentive for us to encourage people to falsify these things. Because ultimately, it's going to be a bad credit risk for us, to your point.

Paul Herman: (Shareholder) Well, it helps you to gain market share and I agree with you, it would be very risky.

Paul O'Sullivan: It's futile. Yes. What comes in the front door just goes out the back door as a loss. So there's absolutely no point in anybody booking that sort of fraudulently developed documents.

I just want to stress, we have a lot of controls and a lot of focus on preventing it. But if you've got specific examples, raise them with us and we'll have a look at it.

Paul Herman: (Shareholder) Yes. Okay, I mean ANZ was fined \$10 million for this sort of activity. It was where there was - yes, that was in - a couple of years ago so yes, it certainly is an issue and I'm very concerned that ANZ take it seriously.

Paul O'Sullivan: I think you're talking about the home loan introducer program?

Paul Herman: (Shareholder) right, yes.

Paul O'Sullivan: Yes. Because that was a 2017/2018 program. We had two unlicensed third parties. There was 50 home loan applications that we identified and four staff. We obviously took action and enforced accountability.

Indeed, the customer fairness advisor, which is the equivalent of Evelyn today, undertook a comprehensive review to have a look at any of the failings in our controls there and in our systems. So yes, we take these issues very, very seriously. Thank you.

Okay, next question is microphone number 4.

Katherine Bray: Thank you, Mr Chairman. We have a question from Heather Slater from Pascoe Vale.

Heather Slater: (Shareholder) Actually, I have a couple of questions and a couple of comments. First of all, a comment and question to Christine O'Reilly. Now, whilst I voted for your re-election, I nearly didn't.

The reason being, I feel that you've got your fingers in too many pies. I just don't understand how directors can concentrate 100% on what you're doing for each company that you belong to.

So if I'm reading this correctly, you're a director in four companies so that means you've got to give 400%. How do you do it? How can you give your full attention? Do you have a photographic memory? Do you have the ability to compartmentalise? How can you do it please?

Paul O'Sullivan: Can I just start by saying Christine is rated externally as one of Australia's most highly rated and respected directors. So we feel very fortunate to have her on the Board.

I think it's also important to think about the balance here. Actually, the ability to see issues in different companies and to bring best practice from one to the other is actually an advantage. We certainly find, for example, her directorship of BHP has tremendous value to us in looking at wider issues to do with Australia's economic performance and with our own business.

So there are significant advantages to having Christine be on other boards.

Heather Slater: (Shareholder) But how can you not get mixed up? Oh, sorry, that was a wrong comment, that should actually be with BHP? Or sorry, that's not BHP, that's one of the other companies that she's on.

Paul O'Sullivan: Christine, as indeed all our directors, they're highly professional. They're people who have had extensive careers. In fact, Christine has been a chief executive in her own right in the infrastructure industry.

These are very accomplished people. As a CEO, you're dealing with multiple issues on multiple topics every day.

Heather Slater: (Shareholder) Don't you sleep?

Paul O'Sullivan: [Laughs]. Well, she looks reasonably refreshed to me. So I think...

Heather Slater: (Shareholder) Okay. All right. I have been coming to you, some of the banks...

Paul O'Sullivan: Did you want to add - Christine might like to make a comment.

Heather Slater: (Shareholder) Sorry.

Christine O'Reilly: Maybe there's some confusion but as a Director, I am not a fulltime employee of ANZ. I am a Director of ANZ and I am expected to have sufficient bandwidth to undertake all the activities that a director would be required.

But your comment around how can I be 400%? That was never the expectation nor the role of a director, to be a 100% fulltime employee of a company of which they are a director.

Paul O'Sullivan: Thanks, Christine.

Heather Slater: (Shareholder) Okay. My next comment is that I've been coming for many years to some of these AGMs when they're in Melbourne and I just can't help but wondering, is the bank actually working towards, way in the future, of being what used to be called a merchant bank? And just get rid of all of us ordinary mum and dad type customers and keep closing the banks?

Do you want to get out of that type of - what is it? Retail section and just go towards business - institutional business and that side of things?

Paul O'Sullivan: Definitely not. In fact, if anything, we've been doubling down on retail. You can see that in a couple of ways. The money we've been putting into ANZ Plus, which arguably is going to be the most flexible and highest customer satisfaction platform for retail customers, and likewise, the money we put into buy Suncorp Bank, which has a very large retail presence, over 1 million retail customers in Queensland.

So no, retail is very, very important to us and Shayne has described a number of the products and services we're bringing onto the Plus platform which will actually enhance what the bank can deliver for retail customers.

Heather Slater: (Shareholder) So it's not even a little thought bubble?

Paul O'Sullivan: We are investing heavily. It's actually good for the bank as well. Because we are the most diversified of Australia's banks in that we have businesses in retail, commercial, and institutional.

So developing the retail bank as part of the diversity is good.

Heather Slater: (Shareholder) Okay. My next question is in relation to scams. As everybody knows, it's becoming an incredible big, big issue. So with the bank reimbursing quite a lot of people, their customers who have been scammed, where do you get that money from for reimbursement? Is it just taken out of the general money? Or do you have a fund put aside?

If you - where are the expenses shown in the financial report please?

Paul O'Sullivan: Let me just talk about it more generally first and then we can talk about - it does show up in the P&L obviously. But the most important priority for us is actually stopping them and making sure they don't get through.

Last year we investigated 9500 individual scams. We actually halved the losses for ANZ customers. We prevented \$140 million in scam losses in the bank last year. A lot of our work is on providing information and training to customers, providing information and training to our staff.

We have algorithms we've developed, which are computer programs, to spot what we see as likely unusual behaviour. We've added friction to payments to destinations which we know are used by the scammers. So there's more time for you as a customer to consider and also to check. And we spent a lot of time and effort as well investigating any that got through. If we have to reimburse, and we reimburse where we believe the bank has been at fault or where the law requires us to, if we reimburse that is obviously going to show up obviously in our expense line. But our focus is on minimising that, not because of just the profitability, but actually we want to have ANZ customers feeling they're dealing with one of the most secure banks. Indeed our Falcon advertising is all about highlighting that.

Heather Slater: (Shareholder) But where does it show up?

Paul O'Sullivan: It'll show up in the profit and loss, so you'll see it as part of our annual profit and loss account, you'll see it as part of what shows up in that because it obviously comes off the revenue line.

Heather Slater: (Shareholder) What's the heading?

Paul O'Sullivan: What's the amount?

Heather Slater: (Shareholder) What's the heading?

Paul O'Sullivan: What's the heading - it will be booked under...

Shayne Elliott: It's booked under expenses.

Heather Slater: (Shareholder) Yes, but...

Paul O'Sullivan: You want to know the individual heading under expenses.

Heather Slater: (Shareholder) Yes.

Paul O'Sullivan: Do we disclose that level of detail? I think...

Shayne Elliott: No, it's under – it'll be recorded as operational losses. It's not a material number, so you wouldn't notice it in the reports. In the scheme of ANZ remember, I mean our expense base is, call it \$11 billion, it's in there. But it's not big enough to be called out in its own line.

Farhan Faruqui: I believe it's note 4, but I'll just reconfirm.

Heather Slater: (Shareholder) Okay. Because, being that it's becoming a really big issue over the last couple of years and I can see it's going to become a further issue, I thought it might have warranted its own figure heading. Give people like myself an idea of just how much money you're having to reimburse and to spend on this particular terrible issue.

Paul O'Sullivan: That's the point, we have a materiality threshold for where we break out a line item. It is not material. But our focus is, to your point, on reducing it. Can I just close off by saying, in terms of it getting bigger over future years, the Australian Government have published a code of practice around this and the banks are working together. And along with the telecoms industry, social media companies and obviously government and regulators and other financial institutions, we're collaborating strongly to improve the protections with a view to minimising the risks.

One of the things that will come in in 2025 is that the major banks are collaborating to provide a platform whereby if you're sending money to someone, you can check that the account name matches the name of the person you believe you're dealing with. Because that's been a significant source of fraud where people are doing identity theft.

Heather Slater: (Shareholder) Okay.

Farhan Faruqui: So just to finish on that previous point ma'am. It is [note 4] under operating expenses, it's not large enough to have its own line item, it's on page 105 of the annual report.

Paul O'Sullivan: And I'd reiterate, we reduced losses to ANZ customers by 50% in the year just gone by.

Heather Slater: (Shareholder) Okay, thank you. I'd like to say to Shayne Elliott, I've heard you on 3AW, I think you come across really well and you've done a great job and it gives a more human face to the bank and it's been very interesting the number of people who ring up and ask you, just very basic, ordinary questions that sometimes it can be hard to find an answer from even when you go to your local branch. Just wondering, with the new CEO coming on board, will he continue to do that stint on 3AW.

Shayne Elliott: That'll be up to Nuno to decide. Thank you for that, I must say I quite enjoy going on 3AW and I think it's part of the role to be out there and be available. So I'm sure Nuno will have a lot on to begin with, but I'm sure he'll engage in a way that's appropriate for him.

Heather Slater: (Shareholder) Well I think it would be fantastic if you could just...

Shayne Elliott: I'll give him a nudge. I'll make sure...

Heather Slater: (Shareholder) That's a good word, a nudge. And finally, I would just like to say, when the AGM is next in Melbourne, could you please make it a later start time? It was a bit hard getting here at 9am. In fact I was late.

Paul O'Sullivan: We'll ask for your help in that too because the bank AGMs tend to run for between four and five hours...

Heather Slater: (Shareholder) Well even 9:30am would have been better.

Paul O'Sullivan: Okay, thank you. We hear the feedback. We're just conscious of trying to manage people's time. You can all help us with shorter questions. All right, next question is microphone number 3.

Moderator: Thanks chair, I've got Chris Baron at the Finance Sector Union.

Chris Baron: (ANZ, Employee) Thank you [Gary]. Good afternoon Mr Chairman and the Board, thanks for having our questions this afternoon. Thank you to my ANZ colleagues who are also working through this event today and the event staff, thank you for your time. My name is Chris Baron, I am an ANZ colleague, I've been working with ANZ bank for now over nine years and a proud finance sector union member.

I'm here to raise two questions on behalf of our colleagues within the bank. In recent years ANZ has increasingly offshored Australian based roles, raising significant concerns about the erosion of local job opportunities. Today, the Board has talked about our Board-elect members, their depth of experience within the finance industry, they've talked about

the sale of over 30 non-core bank businesses and they've talked about the economic headwinds that are likely to approach soon.

Question there for you is around, how is ANZ addressing the challenges by investing in Australian workforce, in training and [adaptation], evolving job requirements? Particularly when referring to our investment in technology, in the ANZ Plus space which involves a significant deal of automation and artificial intelligence. How are we safeguarding long term employability and reinforcing the bank's commitment to support local jobs?

Paul O'Sullivan: Thanks Chris, thank you and thank you as well for your work for ANZ. I'm going to invite Shayne to comment and one of the things that's an interesting stat is that we now have more employees who work in technology and engineering than we do in the retail branches. Which is to your point on how it's all changing so quickly. Shayne?

Shayne Elliott: Yes look, it's a very good question and obviously the nature of work in a bank is constantly changing, as you know, right? Our job is to make sure that we continue to give our people the very best tools and the training to make sure that they're able to adapt. I mean, maybe you will have seen in the foyer earlier, we were playing a video with one of our staff who's been at the bank for 55 years. That's quite remarkable.

She's a great example because, it may surprise you, she works in our wholesale technology team. She's a great example of people who are able, like most of the people at ANZ, who are able to adapt, who do want to learn new things, who can take on new tools and opportunity. So our job is to make sure that we continue to spend enough in training.

The AI immersion centre, that is a training investment. That's not free, we had to go and spend a bunch of money, we're working with Microsoft to build that and we want to get as many people like you through, so that you can be adaptable and learn the skills that are required, that you have a career, whether that's with ANZ or somewhere else in the future. So it's something that we do take really seriously.

The other point is that, hey, the bank wants to grow. Yes we've gone through a period of selling a lot of businesses and hopefully that's pretty much done now, there's a few little bit sand pieces to clean up. Our job here is to grow. And in that growth, there'll be lots and lots of new opportunities and new roles that we can't even think about today, can't even dream what they might be. So there is opportunity and our job and responsibility is to make sure that people like you are equipped – training, tools, opportunity, and that's what we are committed to do.

Chris Baron: (ANZ, Employee) Yes, we'd love to see the bank lead the way and secure long term employment conditions because that has a direct flow on effect to how secure our mortgage book is. Good employment, good incomes, good banking outcomes.

The last question, I said I had two sorry. ANZ has one of the worst gender pay gaps in corporate Australia and has one of the largest for large Australian banks. ANZ should be removing barriers to full and equal participation of women in the workforce. What is the bank doing to address the almost 23% gender pay gap and what are we doing to ensure next year's results are an improvement on the pathway to a zero gender pay gap.

Paul O'Sullivan: Yes, actually I'm not sure those stats would actually be correct. So my understanding is that in the latest WGEA, I think it is, disclosure, our pay gap is around 18%, 19%.

Shayne Elliott: Correct, that's correct.

Paul O'Sullivan: It's about 21% to 22% for corporate Australia, it's 26% in the wider financial services sector. So we're actually doing better than the rest. It's still not good enough, to the point...

Chris Baron: (ANZ, Employee) Sorry that's my mistake, I stumbled there, I apologise.

Paul O'Sullivan: Okay, no problem. But to your point, it's still an issue that there is this pay gap between males and females in industry. That metric I gave you is an average right across all roles. There's another metric which says for the same role, are we paying people the same thing and do we have a gap there? And ANZ over the last few years has pretty much closed that gap.

So our big challenge now is getting more women into senior roles. The fact that three of our four business units, main business units, are led by women is a good start. We've got about 38% women in leadership, but we need to keep working on it and work harder. Our goal ultimately will be to close the gap and get to parity.

So it's a great question, it's an area of strong focus and I'll pay tribute to Shayne, he's done a lot of work in his time to improve the pipeline, the capability and the opportunities for women to move into leadership roles.

Chris Baron: (ANZ, Employee) Thank you for your time.

Paul O'Sullivan: Thank you. Next questions is microphone number 2. Welcome Rita.

Moderator: Thank you Chairman, I have Rita [Mazeleskis] from Perth.

Rita Mazeleskis: (Shareholder) Hello Board. Just before I ask my question, I have one business experience to share and just a general query. In my local branch in Fremantle a couple of weeks ago, there was a young gentleman in front of me and he had a bag, and I think he must have been depositing business funds. The branches now just have the counter with the little plastic Perspex square and the lady was counting the money and she kept telling him he was \$0.10 short.

She kept looking at the screen and the money, and going like this with the money and talking to the gentleman and the gentleman was talking to her with his sign language. She wouldn't acknowledge it. So he resorted to calling his manager and showing his screen and I had to pipe up and tell her, the poor man is deaf. And so then she just stood there and she goes, well I guess I should have realised that shouldn't I. So I just wanted to share that because it was pretty embarrassing and disgraceful.

Paul O'Sullivan: Thank you Rita. Look, it's disappointing whenever we hear our standards are below what we want and we'll make sure it's fed back.

Rita Mazeleskis: (Shareholder) Thank you. Could you please tell us if the bank has any intention of charging its customers for accessing its own money?

Paul O'Sullivan: You think – are we planning to do a CBA?

Rita Mazeleskis: (Shareholder) Yes. While you don't mention customers, yes.

Paul O'Sullivan: I can tell you we are not planning to introduce a fee in the form that CBA proposed.

Rita Mazeleskis: (Shareholder) Okay, thank you. All right, so my question. On 13 November, ABC reported that Australia's Treasurer says the government is close to signing a deal with the ANZ bank to keep all of its Pacific branches open. ANZ has the largest Pacific presence out of all the Australian banks, but like many others, it has been reducing its footprint in the region, closing 10 branches over the last five years.

It's part of a larger trend that has seen the region lose around 80% of so-called corresponding banks over the last decade. Pacific leaders have raised it as an important issue and earlier this year, the Australian Treasurer, Jim Chalmers, told the Pacific Banking Forum, his government would support regional banking systems.

So what I'd like to know is, why are political reasons okay to keep branches open in the Pacific, and make agreements and not require any further reducing of your footprint. Yet vulnerable customers in Australia don't matter, with many critical branches being closed,

which directly impacts vulnerable customers, who could be hundreds of miles away from banks, don't have internet, could have disabilities, the list goes on and on.

Paul O'Sullivan: Thanks Rita, and I'll let Shayne comment in a moment because he's been directly involved in talking with the government on the Pacific. But I just want to reiterate, our commitment, our three year commitment to not close regional branches. Can I also say, we are extremely sensitive to the importance of branches, but the challenge for us and the industry and ultimately for the community is the viability of them when we've seen transactions in branches drop by 50% over the last four to five years and when people are just not using them in the way they used to historically. Do you want to talk about the Pacific deal?

Shayne Elliott: Yes, sure. Thank you Rita for the question. Look, the Pacific is an important part of our network. I mean, shareholders may not know, but while we started in Australia and then soon followed in New Zealand, the third country in our network was Fiji in 1880 and the fourth country was Papua New Guinea in 1910.

So we've been in the Pacific a long time. They're very much part of the family. The reasons that we have been talking to the government about the bank at present are not political. It's got nothing to do with politics.

It's got to do with the practicality in a modern world, in a world where regulation is much more complicated than it used to be, how can we continue to serve people in the Pacific just as we serve people here in Australia effectively but also efficiently?

So what we did is we entered into discussions with the government, essentially trying to find a way to do that and they've been nothing but supportive. This is not a financial support. We're not getting a subsidy or anything like that from the government.

It's about how we can work together with the Australian Government and the governments of the Pacific to ensure that the people of the Pacific get the services they require. I mean, I was just literally there a couple of weeks ago meeting both the Prime Minister in Fiji and the Prime Minister in Samoa to ensure that we continue to operate there.

These businesses - I just want to reassure shareholders - our businesses in the Pacific are good businesses. They generate a decent and fair return for the risks we take there. We just needed a little bit of help to make sure that we could continue the service just like we want to continue the services in regional Australia or regional New Zealand or anywhere else that we operate.

Paul O'Sullivan: Thank you Rita. Next question is at microphone number 4.

Moderator: Thank you Mr Chairman we have a question from Dave [Radke] of Port Melbourne.

David Radke: (Shareholder) Okay, something probably a bit more down to earth. All right, for 45 years, my family had been customers of the ANZ. Now my father has dementia in the last three years. The rest of the family have been managing this.

In order to manage his finances, we took out a VCAT order for my mother to be responsible for his financial matters. Last year we gave the order to our business banking manager and she told us the VCAT order was not accepted by the legal team at ANZ. That we needed a power of attorney.

Given that the power of attorney must be signed by a sound mind, this is impossible. We managed the best we could for a while and then we needed some statements that were lost and we went to a branch armed with the VCAT order.

When asked for a power of attorney, we handed across the order, which we were then told that had to be processed and told to come back when we received an email from her. Well, that was when the hammer came down and the problem started.

All of my father's accounts - access to his bank accounts and credit cards were taken away without any consultation with my mother, who according to the VCAT order, is financially responsible for my father. The bank is not.

The bank had no right to take away access from my father without consulting my mother. The bank never consulted my mother. The bank has never told my mother what they did. The power of attorney department doesn't bother answering letters to tell us what they did. You do not hold the VCAT order. My mother does.

So my question is why doesn't the bank have proper procedures in place for the people with dementia? If you do have any, they're woefully inadequate. We were made to feel like we had just walked in off the street, not customers of 45 years, like we were the first people to have this happen to.

We are not certainly the first and we won't be the last. So what are ANZ going to do in the future?

Paul O'Sullivan: Thank you for sharing that. I'm very sorry to hear about your experience. I can relate to it actually because I'm going through exactly the same issues, albeit

overseas, with my mum who's got dementia as well. We're having to go through a lot of challenging procedures and trying to get clarity around who can act for her and how.

That's taken us quite a while. This is something I think we need to learn from. Can I ask if you could talk to Evelyn and let us take your case? I don't want to try and answer it in here but let us try and understand what's happened. It sounds quite complex.

As I say in my case, we've been at this for 18 months in another country but I've got a lived experience of just how frustrating and how difficult it can be. So if you're happy to share with us, let us try and get the learnings from it. Thank you and my apologies for the experience that you've had.

David Radke: (Shareholder) I have another question or another statement. One is more general; why is it ANZ doesn't like old people? You are closing the branches. You are discouraging cash being used. You're making it harder for older people to get their own cash out of the bank.

When there is a queue of 20 people in a branch to see a teller, there is something wrong. When a customer gets on a tram to go to the Elsternwick branch or Prahran branch in search of a shorter queue because the branch is so long in Prahran, there is something wrong.

You do know that people retired to the Mornington Peninsula and yet the last ANZ branch on the coast is in Mornington and that is full of old people as well. There is something wrong. You might want them to go electronic, but my mother does not know how to turn on a computer, let alone how to use a smartphone.

You are opening the door for elder abuse in driving everyone to electronic measures. Why are you bent on making life difficult for customers of 45 years? So why is it the ANZ doesn't like old people?

Paul O'Sullivan: Look, we've talked at length about branches and the challenges in keeping branches open. Let me just assure you, we have no desire to in any way alienate or discriminate older customers but there are some real challenges for all of us in thinking about how can we viably provide the right quality of service and the right support and get a good balance between what's available and what can be provided in a sustainable way.

It's not just us. It's an issue for the industry. As I said earlier, we're working with the government to try and find creative solutions that will allow us to keep a much more extensive branch presence in Australia for all the banks over the next few years.

Next question is from Kyle from Market Forces. Welcome back Kyle. We're saving the good wine to last are we?

Kyle Robertson: (Market Forces, Analyst) No need for an introduction there, so thanks for that Paul.

Paul O'Sullivan: That's all right.

Kyle Robertson: (Market Forces, Analyst) I'll try and keep it brief. I just wanted to draw attention back to some comments you made in your opening address about resolution - sorry, item 6, the resolution on transition plan assessments. You said that it's ANZ's preference to keep a relationship with these customers to try and drive improvements there rather than divesting.

Do you think that then it would be better to restrict the kinds of finance that you do provide to those customers, to things that are legitimate transition activities such as clean energy projects rather than giving them just general corporate lending when it's quite well documented that they have very capital intensive coal, oil and gas expansion plans in the near future. Do you accept that that might be a better alternative?

Paul O'Sullivan: I think they've got businesses to run and what matters to us is have they got a set of publicly identifiable targets and clear strategies, including their CapEx plans to reduce their carbon emission intensity over time. If they've got that, we'll work with them.

If we start pulling away on finance, even from salami slicing the business off of different bits, we're introducing them to other banks who may not have the same requirements or standards as us.

So the answer to your question is we will continue to work with them provided they have clearly committed to a pathway to reduce carbon emissions intensity in line with the Paris Agreement and in line with the timeline.

Kyle Robertson: (Market Forces, Analyst) What happens if they don't improve. I think it's quite arguable that many of your clients actually haven't improved their transition plans in the timeframe that you've given them already.

Paul O'Sullivan: Well, we've actually got three categories as we restated this year. From memory, it's mature, progressing, and emerging. Roughly 75% are either progressing or mature.

You're right, our requirement ultimately is to get customers to that mature stage. What we've said, and I think I mentioned it in my speech, if customers are not demonstrating

clear intent and evidence of wanting to move on that trajectory, then we will reserve the right to not participate in future finance, to actually sell down on existing facilities and indeed ultimately to change the relationship and sever it.

Kyle Robertson: (Market Forces, Analyst) Just my final point would be if they don't have legitimate transition activities such as fossil fuel expansion, is that likely to have a material impact on whether you decide to provide finance in the future?

Paul O'Sullivan: Sorry, I missed the beginning of that, Kyle.

Kyle Robertson: (Market Forces, Analyst) So sorry, if they don't have or if they're engaged in non-legitimate transition activities or activities that are wildly inconsistent with Paris, like fossil fuel expansion, is that likely to have a material impact on your decisions as to whether or not to provide finance?

Paul O'Sullivan: If their overall plan is to bring down carbon emissions, then we've been quite clear. We have also said we won't finance any expansion in oil and gas or any new oil and gas projects moving forward.

Kyle Robertson: (Market Forces, Analyst) That includes corporate clients or corporate lending?

Paul O'Sullivan: That's in terms of our finance to our customers who are in the oil and gas sector. So yes.

Kyle Robertson: (Market Forces, Analyst) Okay. Thank you.

Paul O'Sullivan: Thank you. Okay, any other questions? We've got a question number 3. Microphone number 3.

Moderator: Thanks Chair. I've got [Damien Jensen] of Calulu.

Damien Jensen: (Shareholder) I'm a primary producer and retired neurosurgeon. Earlier this year, the legal department of the ANZ was closed without warning. I received a peremptory take it or leave it letter informing me that my documents would be transferred to a trustee company notorious for its rapacity.

A telephone number was given, interstate and unattended. The email address was invalid. I sought the advice of my manager at the private bank and it appeared that no one was responsible. Do you think this could have been handled better and was the decision to sell the legal department holus-bolus given it involved 200,000 customers, a Board decision?

Paul O'Sullivan: I don't think we're familiar with what you're raising, but maybe we can get some more information from you. So we're not sure we know...

Damien Jensen: (Shareholder) ANZ Bank has sold its legal department to Equity Trustees. Did you not know this?

Shayne Elliott: Sorry, it wasn't the legal department. First of all, I apologise for the experience. That's clearly not good enough. We didn't sell our legal department and I understand what you're referring to. We sold the trustee company, which provides certain services to Equity Trustees.

That was sold seven years ago, something like that. Yes. That was one of the businesses that we felt we were not the best people to run a business like that. We were not qualified. We're a bank, not a trustee company. So we did sell it, but that was - I might be wrong, but I think it was at least six or seven years.

Damien Jensen: (Shareholder): I think you're wrong.

Shayne Elliott: It was six or seven years ago.

Damien Jensen: (Shareholder) No. It was this year that I received this peremptory letter.

Shayne Elliott: I apologise about the letter, but the sale of the business was a long time ago. I'm happy to take it up with you and again, we can talk to the customer people and clearly that letter was inappropriate and I apologise for that.

Paul O'Sullivan: Damien, if you can talk to Evelyn and the team outside, let us try and understand and get to the bottom of it. Yes, if we have created a problem for you, we apologise, but certainly that's not the way we want to operate.

Damien Jensen: (Shareholder) I would hope so.

Paul O'Sullivan: Thank you. Another question at microphone number four from Michael Sanderson.

Katherine Bray: That's correct, Mr Chairman,

Michael Sanderson: (Shareholder) Keep old people in the front of your mind.

Paul O'Sullivan: I think I'm just about qualifying as one aren't I?

Michael Sanderson: (Shareholder) Three score and 10 plus, plus, plus. Getting on a bit. Just going back to scams. I've got a bit at the end of this. Scams were mentioned 23 times in the Annual Report. However, nowhere can I find the differentiation between digital scams and non-digital scams.

Can the Board advise shareholders and customers what percentage of scams are digital and what percentage are non-digital?

Paul O'Sullivan: Yes, look, the stat I have is about 45% of our scams came from internet apps and of those apps about the vast majority of any single area was from social media.

Michael Sanderson: (Shareholder) 45%.

Paul O'Sullivan: Yes.

Michael Sanderson: (Shareholder) So you're saying that 55% are non-digital?

Paul O'Sullivan: Well, they may have a digital role, but they're not taking place completely in a digital way. So for example, someone can strike up a romance online. It could be that they follow up with phone calls or whatever else.

Michael Sanderson: (Shareholder) Let's put it another way. If we switched off the internet, how many scams would be left?

Paul O'Sullivan: Well, presumably it's a contributing factor, but yes. Shayne, have you got a view on that?

Shayne Elliott: Well, criminals find a way.

Michael Sanderson: (Shareholder) Not the question.

Shayne Elliott: Well, I understand that, but first of all, with due respect, it's not a reasonable - it's a hypothetical question. It's not a reasonable question. We are not switching off the internet.

Michael Sanderson: (Shareholder) No, no, I [unclear].

Shayne Elliott: No, I understand your question. What you're trying to understand is - I understand you're trying to say, hey, it's all digital's fault for scams. The reality is, even prior to internet banking, people were being scammed and their money being stolen and they were being conned out of money. Even in a branch network.

Paul O'Sullivan: The biggest difference now is because of digitisation; money transfers can happen very quickly and very swiftly. Whereas prior to digitisation, people were doing the longer term to make a transfer.

So that's one of the reasons why if we identify a high risk destination or activity, we're actually adding a bit of friction to slow it down. So we give a chance for the customer to again verify and check that it's all legitimate.

Shayne Elliott: I mean, I think it's worth saying - look, I mentioned at the beginning of the bank, 1828. Since 1828, bad people have been trying to steal money, our customers money. That is the nature of banking. We're in the security business. We have to secure people to make sure that their money is safe.

Sadly, what's happening today is criminals have figured out that the best way to steal money is to con people into giving it to them. So we have to be absolutely alert. That's why we put warnings.

That's why we try to put a little bit of friction in the system. So when people are sending money to somebody that's new that they've not sent money to before, or the amount's a little bit unusual, you'll get a warning.

I mean, we have to follow our customer's instructions. If you tell us to send money to somewhere and it's legal, we have to do it. We're trying to put warnings in place. We're also trying to use as many tools as we can.

One of the great things, again, around ANZ Plus, it's got a lot more security features in it that identify, hey, this doesn't look like a legitimate transaction and something we should do more about.

So it's a terrible scourge on the economy and the community. It's a terrible thing. As Paul, the Chairman said, we have to work together with other banks, other institutions, the telcos, and as a whole business community to try to make this go away.

There's lots of really good work being done with the government. The good news is Australia is one of the few countries in the world, one of the few in the world where the total losses are actually going down and actually going down quite significantly

Michael Sanderson: (Shareholder) With respect, there's one avenue that is relatively safe that you are not using as much and they're branches.

Shayne Elliott: People get scammed in branches.

Michael Sanderson: (Shareholder) I'm not saying they don't, but an insignificant percentage of people get scammed in branches as opposed to the digital format.

Shayne Elliott: That's because an insignificant percentage of transactions are done in branches. Anyway, you've made your point.

Michael Sanderson: (Shareholder) I go back to the '50s and the '60s, I was able to buy a car, go shopping, buy a house, and I was not exposed to the stuff that I'm exposed to

today. I was able to eyeball an individual who knew me. What's so wrong about that period as opposed to this period?

Shayne Elliott: Nothing.

Michael Sanderson: (Shareholder) Why don't we...

Paul O'Sullivan: We can debate the pros and cons and look; I think we take your general point. We know for example; people used to steal cheques and take the cheques out of letter boxes and so on.

So we can argue the pros and cons. Your general point, I think Mr Sanderson is you want to make sure we're thinking about the important role that branches play for some customers.

Michael Sanderson: (Shareholder) I suppose what I'm saying, what is the improvement today as opposed to yesterday?

Paul O'Sullivan: I'm not sure that I can meaningfully use the AGM and all our shareholders time debating the merits of today versus yesterday, but we take your point.

Michael Sanderson: (Shareholder) Okay, moving on. This is an odd one. It goes to disputes and it relates, I suppose, primarily to the Banking Code of Practice 2004, although it does have connotation to later iterations of it, which have been largely watered down.

If a matter is active in a court, clearly there is a dispute. There are the disputes, but I'm just using that as an example. To clarify, section 35.1.A and 36A of the Banking Code of Practice 2004 specifies the disputes must be free of charge.

For further clarification, the Code of Compliance Monitoring Committee bulletin number eight states from the date notified, the complainant of the complaint, no legal costs may be charged to the customer relating to the resolution of the complaint or dispute.

Now, this extends to the lawyers as well. The lawyers are also required to comply with 35 and 36 when the issue - when acting for the bank.

Paul O'Sullivan: So can you help us get to then the question on this?

Michael Sanderson: (Shareholder) Yes, yes, yes. This results in amplified inequity. What you have is one side with big resources and a lawyer's picnic.

Paul O'Sullivan: What's your question Mr Sanderson?

Michael Sanderson: (Shareholder) I'm reading my own writing and believe me it's bloody awful.

Paul O'Sullivan: I want to make sure I give everyone a chance at the microphone, so maybe I can...

Michael Sanderson: (Shareholder) There's a number of people in the room that this bank has charged, lent them money in order to pay for their lawyers to take them to court. So you're carrying on a business that's in breach of the Banking Code of Practice, which is causing a lot of grief, a considerable amount of grief.

For instance, Mr [Caulfield] over here contemplated suicide. Paul Herman, he has to pose naked outside some of your branches to get attention. [Rita's] lost - you've sent her bankrupt. You've done this by lending them money to pay for your lawyers, in breach of the Code of Practice. In my case, the bank lent me \$155,000 to pay for their lawyers, while I represented myself in a Court as a self-litigant because they took everything.

There's Mr Selwyn Krepp, a CBA customer. That bank, and still in ongoing dispute, has lent him \$500,000 to pay for their lawyers to take him to Court. Does the bank acknowledge that this is a breach of the Code, and that any legal costs that have been charged to your clients should be reversed?

Paul O'Sullivan: Let me just be clear, and I've said this throughout the meeting, that I'm not in a position, and it would be inappropriate here, to comment on individual customers or disputes.

Michael Sanderson: (Shareholder) They were examples.

Paul O'Sullivan: But I would say, as well, I'd reject the generalisation that we're in breach. We have no interest in prolonging disputes. Indeed, our desire and our encouragement is always to try and get resolutions in an efficient and fair manner. I think if there are specific instances you want to raise where you believe there is a breach, let us know and we'll have a look at them on that merit.

Michael Sanderson: (Shareholder) It was a general comment. In other words, all I'm saying is if you lend a consumer money to pay for your lawyers whilst in breach, that isn't free of charge. Fact.

Paul O'Sullivan: Thank you for making the point. We've heard your point, and if you've got specific items you want to share with us, we're happy to look at it. Next question please is at microphone number three.

Moderator: Thanks, Chair. I've got Don Walker of Point Lonsdale.

Don Walker: (Shareholder) Mr Chairman. Branches. Got to make an appointment today. Not like yesterday when you could just walk in. To make an appointment, I try, and you get on the phone, no answer. It's engaged. You get on the phone again, it's engaged. I go in there and they say, we've got a whole lot of customers here, we can't see you. That's in Geelong.

I eventually got in one day, and it was to talk about a Pension Advantage account, and you've got to pay interest, and they've stopped the statements. I said, I need those statements so I can do my income tax. So, I got that, but they still stopped them again. I'm not happy about that, so I've got to go back there. Anyway, I'll worry about that later. My next question, customer advocate. Do you have a customer advocate in this branch? In this bank? Like the National?

Paul O'Sullivan: Yes, we do. In fact, there's a booth outside. Evelyn Halls, who is our customer advocate, and the team are available to help.

Don Walker: (Shareholder) Yes. I have - okay. One more. One more question. If you have a buyback - ladies and gentlemen, if they have a buyback here, the shares may go up, because there'll be less shares available. If people are selling - giving their shares back to the bank, there'll be less shares, so the shares may go up a bit. That's all. Thank you.

Paul O'Sullivan: Thank you. Thank you for your business, and I'm sorry you've had a bad experience at the branches, and we'll take the feedback. Thank you. Next is at microphone number one.

Nigel Tapper: (Monash University, Professor Emeritus) Yes, good afternoon, and thanks for taking your time to listen to me this morning - this afternoon, I should say. I'm Nigel Tapper. I'm a Professor Emeritus at Monash University, and I want to speak briefly to item six, and I will make this brief - a bit briefer because you've already answered some of those questions.

I'm a climate scientist with more than four decades of experience in the field, more than 250 publications, and I'm a lead author with Intergovernmental Panel on Climate Change. I provide climate and consultancy advice to Local, State and Federal Government in Australia and also to the Government of Singapore.

As a person who specialises in the impacts of and adaption to climate change, I'm extremely concerned by the scale of planned fossil fuel expansion currently proposed in Australia and around the world. This is particularly pertinent today, and I mean today,

because 2024 is almost certain to be the very first year that the global average temperature has been more than 1.5 degrees above pre-industrial...

Paul O'Sullivan: Nigel, I think you can tell, you don't need to convince us. We were quite clear, it's time to move [unclear]...

Nigel Tapper: (Monash University, Professor Emeritus) That's right. This year is going to be the first. It's not - it needs to happen multiple times for us to breach the Paris Agreement...

Paul O'Sullivan: Can I encourage you to get to the question?

Nigel Tapper: (Monash University, Professor Emeritus) But - can I get to the question?

Paul O'Sullivan: Yes, please.

Nigel Tapper: (Monash University, Professor Emeritus) What I want to say - to ask you - is I have three linked questions. Is ANZ being advised by climate scientists when developing its climate policies, and has ANZ consulted with climate and environmental scientists when developing its policy on fossil fuel clients' transition plans? That's my first question of three.

Paul O'Sullivan: We consult a wide range of experts. In fact, we've even invested ourselves in a climate advisory group, who provide expertise and advise to companies, looking at climate - both regulation and climate issues. So, yes. We do consult quite widely. I can't give you the specifics of who exactly we've spoken to, but we do rely on external expertise, if that was the thrust of your question.

Nigel Tapper: (Monash University, Professor Emeritus) That's good to hear, and I'm hoping that it will feed through into your overall policies. Do you accept - this is the second question - do you accept the conclusions of the IPCC that all new fossil fuel developments are incompatible with the goals of the Paris Agreement?

Paul O'Sullivan: We're conscious there's a variety of views, and we choose not to buy into backing one or the other or finding ourselves in the middle of controversy. Our policies on climate change are quite clear. We're committed to the - to managing our own loan book and the financing of carbon emissions in line with the goals of the Paris Agreement, and that's our statement and that says it for all. We don't want to get involved in ideological debates about who's point of view we're backing or not.

Nigel Tapper: (Monash University, Professor Emeritus) With respect, it's not an ideological debate. It's actually the science. But having said that, my last question is, given that ANZ has classified climate as a material risk to the business, will it consult with climate

scientists and seek out advice from global experts to ensure that the bank does not continue to make fossil fuel finance decisions that are incompatible with its own climate commitments?

Paul O'Sullivan: To follow up - to be clear on the question one, which was similar, our work is all science-based. We're using science-based material in arriving at our views, and we will continue to do that and to consult experts in the various fields in how we're operating. I do think - to the point, Nigel, I think actually - I would like to think that what you can see from us today is, we're walking the talk.

We are acting and managing to bring the emissions intensity of our loan book down. You're hearing right from the top of the bank, from Shayne and myself, that we're committed to that, and we're committed to continuing to be accountable to all of you on what we achieve.

Nigel Tapper: (Monash University, Professor Emeritus) Thank you, and I hope I can continue a bit of a discussion after the AGM with one or two of you. Maybe - particularly Holly Kramer.

Paul O'Sullivan: Thank you. I think we've given the climate topic a really exhaustive airing today, so unless there's a new angle, I'm going to say no more questions on that topic from here. I want to make sure shareholders have a chance to get their questions out. If there's any other questions, I'm happy to take them now. We've got a question there at microphone number three. [Spira].

Spira Akousis: (Shareholder) Thank you, guys.

Paul O'Sullivan: I'm pre-empting the ANZ volunteer. Thank you.

Spira Akousis: (Shareholder) Thank you very much, and very good afternoon. We're live here at the ANZ 2024 AGM. Chairman, I'd like to ask, and if I may ask Shayne, we're hearing about closures of branches, but I'd like to ask, on a positive side, are there new branches that you're opening in Australia and in New Zealand? If you'd be kind enough to answer that for our shareholders and our customers please.

Shayne Elliott: Yes. While the total number of branches is pretty stable, what we're seeing is they're shifting. A lot of them are being refurbished and completely changed into what our new - it's called a Breathe concept, so there's more - it's friendlier and it's a better place to go and have conversations and talk to people. We have an ongoing reinvestment plan. There's not too many totally brand-new ones, but there will be some as the

population shifts. But mostly it's about refurbishing and making sure that they are appropriate for today - what customers want today.

Spira Akousis: (Shareholder) Reverting back to the gentleman who - his family was 45 years as a customer.

Shayne Elliott: Yes.

Spira Akousis: (Shareholder) Could this be an idea, that if - with CBA, NAB and Westpac - if all of the bank are in an area, and particularly may be able to lease or own a building, and they all have their own little segment within that same branch, would that be something that could be helpful to minimise costs, but then, there are - the competition is there, and the customer service is there?

Shayne Elliott: Do you want me to answer that? It is an interesting idea. In fact, we've already done an experiment in New Zealand exactly along those lines. In a little place called Twizel. Where all of the banks, as a pilot or an experiment, got together and shared a branch. It worked okay. We're still experimenting there. Things like that, the ABA, the Australian Bankers' Association, looks at all sorts of alternatives like that. It's not quite as - I'm not making excuses - it's not quite as simple as it sounds. Because we're competitors as well, so we're not allowed - as you would understand, we can't get the four banks in a room and just talk about anything we like.

Spira Akousis: (Shareholder) Understood. Understood.

Shayne Elliott: But those sorts of ideas are absolutely being discussed by the industry where we can. About what are alternative ways of providing services, particularly in more remote, more difficult places to service. So, yes. All of those things are on the table. It's a good idea.

Spira Akousis: (Shareholder) I thought, I'd like to come from a positive angle. If I can also highlight, as an ANZ customer and shareholder, over the last 30, 35 years, I've actually introduced many customers to ANZ. More recently, on the Sunshine Coast, there's one exceptional manager that I could say would be a great national trainer for all of your managers throughout Australia and New Zealand. That's [Kevin Cigara].

In just a matter of 18 months, two years, I've introduced Kevin to a number of personally introduced customers, and all they had to tell me was the praise, the assistance, the wonderful customer service from all the teams. To show you how good Kevin is, the area managers asked Kevin, we need you at this branch to pick this up, and he's been moved

around about six times to different branches. Just to give you an indication on how good he is with his staff, his training, his likability and customer service. I just wanted to share that point with you.

Moving onto just another two little questions, and then I'll wrap up. Now that we're on the process of Suncorp being put to bed, is there - is ANZ on an acquisition mission for another bank at all in Australia?

Paul O'Sullivan: One of the reasons that that transaction was so important was that - and you heard the regulator say this - it was probably the last of the major acquisitions that could be done by one of the big four. The regulator themselves have said that they're not very open or amenable to further acquisitions by one of the big four. I think it would be difficult, with Australia, to make an acquisition like that today.

Spira Akousis: (Shareholder) That's okay, and thank you for answering that. Thank you, Paul. Last point. As far as revenue, that we can get the uplift and go past the \$30, \$35, \$40, \$50 in the future. In the '90s, I was privileged to have some training through a gentleman who worked very closely with a major bank overseas. Out of that came feedback on trading title deeds - where they trade title deeds - in the trading room, internationally. That could be another revenue source for us, and to the - for ANZ, and also which would be an uplift for the shareholders which is a bank instrument and trading, doing it back-to-back. Is that something that you're doing, or something that you're looking at, that could also help in the revenue of ANZ?

Shayne Elliott: It's not something we do today, but we're always open for new ideas, Spira, so very happy to take that on notice and see what we can do.

Spira Akousis: (Shareholder) Thank you, Shayne. Thank you, Paul. Thank you very much.

Shayne Elliott: Thanks. Thank you.

Paul O'Sullivan: Thank you, Spira. We'll make sure that feedback gets back to Kevin, I think it was, so he knows that he's been called out in a very positive way. We've got a question at microphone number one.

Katherine Bray: Thank you, Mr Chairman. We've got Mr Peter Starr.

Peter Starr: (Shareholder) Hi, Paul. How are you?

Paul O'Sullivan: Good thank you, Peter. Yourself?

Peter Starr: (Shareholder) Thank you. This goes to what Mr Elliott spoke to about - to the shareholders a couple of questions back about where people do the wrong thing and

people are scammed. This is a direct question to Mr Elliott. You were questioned at the parliamentary inquiry. I quote, including Chief Executive Shayne Elliott, have you done enough work to fix risk, culture issues, first identified by the Financial Services Royal Commission?

I don't know if everybody on the Board has had the time - and if they haven't done it, you need to read Commissioner Hayne's full report and the subsequent report. Are you able to indicate, has that happened? Has everybody read that report? The Hayne Royal Commission.

Paul O'Sullivan: Everybody is well aware the Royal Commission has findings, and we have discussed them extensively and at length at the Board. What's - can you come to the question, Peter?

Peter Starr: (Shareholder) Sure. Given that Shayne talked about when people are scammed and robbed, how do you address this question, Mr Elliott, where your own bankers from with inside the bank, employed by the bank, are doing the robbing?

Shayne Elliott: I don't know what you're - I'm not sure how to interpret your question. What exactly - what are you alleging, Mr Starr?

Paul O'Sullivan: Is there a specific allegation, Peter, you want to make? In terms of...

Peter Starr: (Shareholder) Absolutely I do.

Paul O'Sullivan: I just want to caution you, because we're in a public arena, and to protect you, just be careful. I don't want you to inadvertently get yourself in trouble by making an allegation about somebody. Just be - if you'd prefer to do it privately, we're happy for you to feed it into us offline.

Peter Starr: (Shareholder) Sure. I'm happy to meet with any of the Board.

Paul O'Sullivan: You don't need to meet with the Board to provide us with that sort of information.

Peter Starr: (Shareholder) Sure, but this specifically goes to what was going on in that manipulation of the thing - this was done by people who work for the bank.

Paul O'Sullivan: If I can again just be clear, as we've said, the Board has at this stage, not found evidence that supports the charge of manipulation of the market. Again, I just want to be clear on that. Obviously, we remain open to ASIC's findings.

Peter Starr: (Shareholder) Okay. In relation to what was going on in the dealing room, are you able to give us a clear explanation of what the hell was going on in the dealing room?

Paul O'Sullivan: We have. We've talked about the fact that we had an investigation on conduct and behaviour in that room. I've disclosed in my letter, we've talked about it publicly, that we did find some people who had not followed our processes and our Code of Practice and Conduct. There have been consequences for those. It's a small group of people. But no, I don't want to diminish it.

But part of what we're doing now, Peter, is we're actually working with Oliver Wyman to say, we've got this incident here, we've got 40,000 employees in the bank, we've got 1,000 in Markets. We've got this group here in the Sydney markets trading room. Let's look across and make sure that that's not representative of the sort of issues that we might find across the rest of the Markets business. We're doing that right now. I think that's what you as shareholders would want us to do.

Peter Starr: (Shareholder) Absolutely. That's to your credit, Paul. Absolutely. And to the Board's credit. But let me tell you, when the report was handed down to Catherine West from Channel Nine, the Chairlady, about the culture issues and everything that was going on, they never buried their heads in the sand. They called a media conference. They released the report in full. In fact, Ms West gave me her own hard copy of the report.

My challenge to you and to the Board is release that report and all other reports so we, the shareholders, know what the hell's been going on. I think that's transparency, and I think it's fair to every other shareholder in the room.

Paul O'Sullivan: Thank you, Peter, and I answered that question earlier in terms of our obligations. But what I will say is that the Oliver Wyman report will be shared in full with APRA, the regulator, whose job is to make sure that the bank is regulated properly.

Peter Starr: (Shareholder) Knowing APRA, I can assure you they will require you to release that report.

Paul O'Sullivan: They're a very positive force in the industry, and we think they do a lot of good work. So, yes. Thank you.

Peter Starr: (Shareholder) They absolutely do. It's sad that their criticism of - direct criticism that you guys didn't - as a Board and as the CEO didn't address things that should have been addressed. That's the sad part, Paul.

Paul O'Sullivan: Peter, thank you, and I think you made those points earlier. We hear you, and I think I've responded within my speech and in the Q and A today on those matters. But I hear your feedback, and thank you.

Peter Starr: (Shareholder) Thank you.

Paul O'Sullivan: Next question is at microphone number three.

[Unknown Male 1]: Thank you, Chairman. ANZ has instructed two law firms to conduct independent investigations. Former Chairman David Gonski was a long-term partner in Herbert Smith Freehills. Our current Chief Legal Counsel, Ken Adams, who no doubt would have deep oversight of ANZ's failures and regulatory inquiries was also a long-standing partner at Herbert Smith Freehills. To conduct this independent investigation, the Board appointed Herbert Smith Freehills. Why did the Board not consider these conflicts and select another law firm.

Paul O'Sullivan: There are a number of firms, [Craig], that we have engaged to help us in working on this. Actually, we're guided very much by where the relevant expertise and knowledge sits in terms of these matters. So that's what has guided us. It's a fairly finite market, so I'm pretty sure [unclear] whatever firm we work with, we'll find somebody at ANZ who has had an involvement with them.

Unknown Male 1: I think those were two particular appointments but thank you. Further to Paul Herman's comments on the UBS statistics, he said 2001. Actually, it was six months ending 31 December 2021. It was reported in 2022. ANZ was reported as 55% of liar loans.

I'm working with Paul and others to bring on a Parliamentary enquiry into liar loans, it's not just ANZ, it's all banks. It's just in all but one survey, ANZ is the worst. In a separate survey showing multiples of income, ANZ customers also have the highest loan ratio versus income. These statistics should engender deep curiosity if not alarm.

In contradiction to Shayne's comments that all loan incomes are verified, at the Royal Commission we saw an ANZ employee said, we do nothing. We saw those Sergeant Schultz comments, I know nothing.

In these respects, how many LAF, that's Loan Application File documents, does the auditor interrogate?

Paul O'Sullivan: I'll have to perhaps take that question on notice because I actually don't know the - as you can imagine, I don't know that number off the top of my head...

Unknown Male 1: Is the auditor here?

Paul O'Sullivan: The auditor is here. The auditor, Maria, would you like to answer the question? So, Maria Trinci is our auditor.

Unknown Male 1: Thank you, Maria. I mean - I don't mean, look at a high level. I don't mean the systems that override it. I mean how many Loan Application Files do you look at intrinsically? Particularly the income because we see so many of these fraudulent files that have inflated incomes. Thank you.

Maria Trinci: To answer your question directly, when it comes to mortgage loans in Australia, we selected a sample of 35 direct, we also selected quality control controls at a sample of 35 of those checks, and a further quality assurance of 35. Thank you.

Unknown Male 1: That's three lots of 35. Sorry, I'm not quite...

Maria Trinci: That is correct. Thank you.

Unknown Male 1: I'm not quite understanding of...

Maria Trinci: So there's independent testing of control. So where we reperform the test directly. That is a sample of...

Unknown Male 1: Yes. I'm not talking of controls. I'm talking of the actual content.

Maria Trinci: ...35. Correct. 35.

Unknown Male 1: So 35 Loan Application Files...

Maria Trinci: Correct. Correct, sir.

Unknown Male 1: ...you verify that the income...

Maria Trinci: Correct, sir.

Unknown Male 1: ...stated in there was correct or incorrect?

Maria Trinci: Correct, sir.

Unknown Male 1: Thank you. How many of those were not correct?

Maria Trinci: No exceptions, sir.

Unknown Male 1: No exceptions. There's - something is very surprising there.

Paul O'Sullivan: [Craig], the loss rate on mortgages does not reflect some of those findings on misrepresentation. So, look, we're always - as I said earlier, we have no incentive to lend to people who cannot afford to pay it back. Quite the opposite.

We would spend a lot of money and time acquiring that customer and then we would have to expense the loss and write it off. So there is no incentive to do it.

Unknown Male 1: I'm not making any assertions that you intend to do that. Not at all. That's not your intention. Your intentions are pure. You want to do the right thing by customers.

You support the economy, you support businesses and farmers and people like myself, et cetera. There is no implication that you intend to do something wrong, but it's a fact of life that various incentives that are out there, whether it's with brokers or whether it's in the bank, and of course, a lot of these have been addressed with the [unclear] enquiry and other things.

Banks are getting better than what they used to be, that doesn't mean we don't have the legacy loans, like Paul Herman's, like mine, like others that are here that have still got - you know, in my loan there's fraud. I've asked ANZ to look at the fraud, they said no.

I've asked you to look at documents last year, you said no. I said, I've got recordings of conversations. You've said no. These things are not being investigated properly.

Paul O'Sullivan: Thank you. Thank you, Craig. Thank you for your feedback.

Unknown Male 1: I'll sit down now but I have a couple of questions for directors just so long as everyone else gets a go. Thank you.

Paul O'Sullivan: Okay. Thanks, Craig. Thank you. Okay. Next question is back at microphone number 1.

Katherine Bray: Mr Chairman, we've got Mr Paul Herman.

Paul Herman: (Shareholder) Good day. Back again. Look, Craig's question sort of prompted my thinking. I mean 35 loan application forms and the documentation to be checked, I mean, that would be a tiny, tiny percentage of the loan application forms that you receive, or the loan applications submitted.

So I'm quite surprised because UBS when it was doing the surveys, would have been looking at about, I think, 150 or 200 for the year. Why is it only 35?

Paul O'Sullivan: I'm assuming that we're following a practice that looks at what's a representative sample but Maria, would you like to comment on that? I shouldn't be speaking for the auditor, they're external and they have independence.

Maria Trinci: Taking regard of my height, thank you very much. So that is what we call a test of control. So that is not the only evidence we obtain. So there are a raft of controls we test. There are over 50 controls within retail that we test. The direct application was a sample of 35, which is what we call an origination control.

We then tested a further 35 of ANZ's own checks. We then tested another 35 of what we call their hindsight review. So in total for that particular origination control, that was a sample of 95. That is only one aspect of what we do.

The second aspect is to actually check the models. The third aspect is to actually check the arrears and how the loans are performing, because if you look at our audit report, the key matter that affects the financial statements is the valuation of those loans. That requires extensive work by our specialists and by our modelling and by our technology people.

So I am comfortable, that that is just one of a raft of controls that we test and one test amongst many that we do around ensuring that the bank has the correct valuation for its loans and advances in its financial statements.

Paul O'Sullivan: Thank you, Maria. Look, we've - I think we've prosecuted this issue quite a bit. I also am conscious that some of you have individual issues, which I would encourage you to take offline with Evelyn or to follow up. So I'm happy to take new questions on new topics but I think we wrap this one up.

Paul Herman: (Shareholder) I've got a new question. So I went and checked product review, which has reviews from customers. So ANZ customers. It's a little bit like Google Reviews. It's quite a big review platform and 2,555 ANZ customers left reviews. The score was 1.3 stars. So one star is the minimum. So I guess it's like a zero.

So ANZ's score is 1.3, so it's very low. It's the lowest of all the banks. So I'm just really concerned about customer satisfaction. So 94% of the reviews were negative, 6% were positive. Something is going wrong there.

Paul O'Sullivan: So is there a question in that, Paul?

Paul Herman: (Shareholder) Yes. Look, I guess, the - because I run a support group for bank customers, I get to see a lot of legacy cases and I don't believe they're being treated fairly. I don't think they're being resolved fairly. My own issue has been running for 12 years.

I've been protesting outside ANZ branches and escalating the level of protest for 12 years. There's something wrong. The thing is is that - now this is a story that I hear all the time, is the psychological tactics.

So I - the people in this room are really nice people. They're great to deal with, great to talk to. I've spoken to Shayne Elliott and he's a lovely person to speak to. However, when you're dealing with the bank, you're dealing with ruthless people who use psychological tactics. Last year...

Paul O'Sullivan: Paul, I think I'm going to jump in because as I said all along, this is not the forum when we've got everybody else present, to chew up their time resolving individual matters, and there is a confidentiality issues as well, to protect you. So...

Paul Herman: (Shareholder) It's not individual matters, I'm saying...

Paul O'Sullivan: What you are raising are individual matters, but I'll come back to the review. I'm not familiar with the review but we do a lot of our own testing. We look at what we call contact points, we look at how people feel after they've brought a product et cetera.

So we do a lot of our own independent measurements to make sure that we're delivering well. Like any organisation, we will have our weak points and our strengths but we're continually working to elevate and lift the scores. If there's a particular question relating to the wider bank and policy, very happy to answer it...

Paul Herman: (Shareholder) Yes, sure. Look...

Paul O'Sullivan: ...but I don't want to be dragged into individual cases.

Paul Herman: (Shareholder) Okay. I'm not going to talk about individual cases anymore. However, if you have customers here who have had a really traumatic experience with a crime that is committed by the bank, so committed by ANZ Bank, not having those resolved over decades is - I can't see how that is going to be good for shareholders, good for the bank.

The people who you have to deal with in ANZ Bank are ruthless, they use psychological tactics, they are not good people to deal with.

Paul O'Sullivan: So, Paul, thank you for that feedback. We hear your view. We don't necessarily endorse or agree with it, but you are entitled to your view. If you've got specific matters you want to raise, then please raise them through Evelyn and the Customer Fairness Team.

I feel bad if there are people in the room who have had a bad experience, but each case needs to be looked at on its merits and this is not the forum in which to do that.

Paul Herman: (Shareholder) Is Evelyn...

Paul O'Sullivan: I think we're going to need to move on. What's the question for Evelyn?

Paul Herman: (Shareholder) Will Evelyn be working with trying to get these issues resolved instead of the people who you have to deal with in the bank?

Paul O'Sullivan: I can hear real pain and frustration, Paul, in your voice so - and I feel terrible about that. Each case has to be looked on its merits. Evelyn's job is to look at things as a customer advocate in a fair and balanced way, but she and all of us have to act on the facts that are in front of us and on the merits.

I'm not familiar with your case so I'm not commenting on it but that's what we ask of Evelyn and that's what she does and has a very positive reputation for doing. Thank you, Paul.

Paul Herman: (Shareholder) Yes. Thanks.

Paul O'Sullivan: Unless there is anything else relating to the bank I think we can leave it there. Okay. We've got another question on microphone number 2.

Moderator: Thank you, Mr Chairman, I have [Chris Lugg] from ASA.

Chris Lugg: (ASA, Analyst) Good afternoon, Mr Chairman. I'm back and I was going to give you the opportunity to have a bit of a rest because I'd like to direct, with your permission, a question to Mr Gibb. Before doing so, maybe a couple of comments.

One is in relation - we spoke earlier about the format of the meeting, and we've had discussions on this and in that, in relation to the number of people that are left at the conclusion of the meeting, and the missed opportunity, I guess, they have in relation to discuss matters with directors outside of the formal meeting.

I believe there is an issue here today around security and there may not be an opportunity for those still present in the room to have those conversations but as you know we have raised there perhaps are other ways that the meeting could be scheduled that would allow something that shareholders particularly cherish, and that's the opportunity to meet with directors and management at a forum such as this.

So I'll leave that again with you, and your Board to consider, but it is obviously an issue.

Paul O'Sullivan: Thank you, Chris. We had a good conversation on this with you and your colleagues offline and you gave some very concrete suggestions to us. We do move around regionally to try and be available and yes, I apologise that today, because of the heightened security, you'd have seen the police presence outside, we're not going to be mixing as we like to do normally with shareholders, but I hope that we'll be in a better environment next year.

Chris Lugg: (ASA, Analyst) Yes, I'm sure shareholders would welcome that opportunity too.

The second comment I'd like to make, I think it's an appropriate time to recognise the services of Mr Elliott and his – what will be his last official AGM as CEO, we'd like to think we'd see him in future CEOs. I'm sure having gone through a few in his tenure, he may not be relishing that, but I'm sure he's looking forward to the time when he can [join], but Mr Elliott, I think again, on behalf of shareholders and in particular our association, we thank you for your leadership.

I think it's demonstrated perfectly today by your decision to withdraw the remuneration element and I think that is outstanding leadership on your behalf, so thank you for your efforts...

Shayne Elliott: Thank you.

Chris Lugg: (ASA, Analyst) ...and wish you well.

Shayne Elliott: Thank you very much.

Chris Lugg: (ASA, Analyst) So, with those couple of comments, I would like to give you a bit of a rest Mr Chairman with your permission and direct a question to Mr Gibb, given that we gave an undertaking to our members that we would ask Mr Gibb a little bit more in relation to his election.

Richard Gibb: Okay.

Chris Lugg: (ASA, Analyst) Okay. Mr Gibb. With your extensive background in banking and global financial institutions, your pending election is welcome. Given your role, as you've already noted in your address as Chairman of the Board's Risk Committee and your location in Sydney, have you - how do you intend to have any reaction with key executives based in the head office here in Melbourne?

Richard Gibb: Thanks Chris. Well look, I think I'd answer that in a couple of ways. Firstly, my interaction with executives in the last 10 months that I've been in the role has been

pretty extensive, as I think I mentioned to you the other day. I speak to Kevin Corbally, who is the Chief Risk Officer of the Bank, at least weekly if not – I think I’ve spoken to him three times in the last week. Now I haven’t – have I sat down face to face with Kevin, no, but I’ve done that over the phone and over Zoom on those occasions, which I think are fairly effective ways these days doing [direct] with people.

Beyond that, I don’t have it in front of me, but my guess is I’ve probably been in Melbourne 15 times this year and been at the ANZ offices, maybe not 15 times, but at least 10 times this year I would hazard a guess. On those occasions and again, as I said to you the other day, we come down and engage at Board meetings, but I think myself and I’d say this for all directors, I think we all make a matter of spending time at the Bank outside of those Board meetings. For those of us that chair different committees, we spend considerable time interacting with the relevant executives for the areas of which we have some accountability and responsibility and that takes the form of being around the office and obviously through other communication methods.

The other thing I would say is, one of the things I think we’ve done a good job of and been focused on as a Board this year, is trying to engage with people at layers below the executive committee layer in the organisation, two to three layers down, to really get a good feel for what’s going on in the Bank and in the organisation and I think we’ve done that as a Board, but we’ve also done that as individuals through various interactions and I think that’s a really important and helpful way for us as Board members to get a really good feel as to what’s going on in the organisation. It obviously requires additional time and effort, but it’s something that I think we all find useful.

Hopefully that answered the question.

Chris Lugg: (ASA, Analyst) [Yes]. That was exactly where we were coming from in relation to just get a better understanding. We appreciate that there are Board meetings and committee meetings, but it’s those interactions beyond those formal meetings I think that are very important in terms of getting the culture and getting a feel for the culture across the total organisation. Thank you for your answer.

Paul O’Sullivan: Thank you. Thank you, Chris. Can I also just say, you and the Australian Shareholders’ Association do terrific work and you’re all volunteers on behalf of helping investors, and so we very much acknowledge and appreciate the effort and time you put in.

Okay. We’ve got a question again at microphone number two.

Moderator: Thanks, Mr Chairman. I've got [Rita Mazeleskis] from Perth.

Rita Mazeleskis: (Shareholder) Hi. Just an observation, and this not an attack at all. I think from what I've observed today, just the manner in which you have tried to push people along with their questions, you have to be mindful that a lot of shareholders don't have a corporate mind and don't process information the same, so when they're asking a question, they might hesitate or um and ah and think about how they want to present it. When they're asked, what is your question, it might frazzle them a bit, so in future, it would just be nice if you could be mindful that some people need more time and I know that for certain for a couple of people today.

Paul O'Sullivan: Thank you, Rita. I'm happy to hear your feedback. My job is to make sure I run an efficient meeting, where everyone gets a chance to express their opinion, but I'm happy to hear your feedback.

Rita Mazeleskis: (Shareholder) Just quickly, on regards to security, at the beginning of the meeting I was told by your head of security that the heavy security was because of potential Palestinian protests and to protect us. I appreciate that, but that hasn't happened, so I don't understand why the Board can't come out and meet the shareholders.

Paul O'Sullivan: Yes, look we've got to act on the basis of security advice and my views on this are very strong. I'm very strongly opposed to any group intimidating people out of their normal day to day lives, I just think that's the wrong way for society to behave, but I also have a responsibility to the Bank and indeed to all of you as shareholders, and that is to provide a secure and safe place for meeting, so the advice we've got is that we should meet as we have today, that we should have had the heavy security we've outside, which frankly I regret that we've had to have and the advice as well was not to linger and hang around after the meeting so as not to provide an opportunistic target for someone who wants to make a point.

I apologise, but hopefully we'll be in a better place – and I should add, we had several groups, not just one group, who said that they were intending to make protest today.

Rita Mazeleskis: (Shareholder) It's just amazing none of that has evolved, and all the other banks, their directors come out and speak to the shareholders.

Paul O'Sullivan: You know, I think last year and the year before, I came out and I enjoyed it. I think that we took some photos, so I would like to do it, but I've also got a duty to observe the security advice.

Rita Mazeleskis: (Shareholder) Okay.

Paul O'Sullivan: Thank you.

Rita Mazeleskis: (Shareholder) All right.

Paul O'Sullivan: Have you got another question?

Rita Mazeleskis: (Shareholder) No. They were observations.

Paul O'Sullivan: Okay.

Rita Mazeleskis: (Shareholder) This is my question. On page 218 of the annual report, the auditor, under Key Audit Matters mentions the specific companies increasing possibility of the investment being impaired, but there's no mention or example of a group of borrowers' impairment to be as clear as that statement on 218. ANZ's Annual Report at the back has a glossary which lists credit risk, which is the risk of financial loss resulting from the failure of the Group customers and counterparties to honour or perform fully the terms of the loan contract.

Today you said, and please correct me if I'm wrong, either you or Shayne, credit risk is second highest in history with strong financial and business results. Was that correct?

Paul O'Sullivan: You mean our credit? No, it's not what we said. We said of the Big Four our credit metrics are the best of the Big Four if you look at credit risk intensities, there's a particular formula for it, or if you look at nonperforming loans.

Rita Mazeleskis: (Shareholder) Yes. That's why I asked, please correct me if I got that wrong.

Paul O'Sullivan: Yes, okay.

Rita Mazeleskis: (Shareholder) Thank you. Also at the beginning, it was mentioned that if anyone wants to, to go out and there is a customer advocate if they have any matters. As you're well aware because of my recent communication with you, my matter is well beyond a customer advocate, and I'm not going into detail. I have provided new information and evidence and have asked to meet with you, so I'm wondering because I had a direct credit agreement, if I could ask you now personally to have a meeting...

Paul O'Sullivan: [Unclear], this is not the forum for handling individual customer issues.

Rita Mazeleskis: (Shareholder) No, no. I'm not going into detail. You asked for no detail.

Paul O'Sullivan: You're welcome to write to me and I'll be happy to respond.

Rita Mazeleskis: (Shareholder) And I would like, with the audit – well I have, and I haven't received a response, because you keep – your emails have been flicked off to customer complaints and I haven't received anything from you. At all.

Paul O'Sullivan: If you'd like to send something directly to me, I will undertake to give you a personal reply.

Rita Mazeleskis: (Shareholder) I have. I have, and it's been intervened by customer complaints.

Paul O'Sullivan: Other than that, I don't think it's fair to the rest of the meeting for us to use up the time...

Rita Mazeleskis: (Shareholder) Well, I believe I'm the last person.

Paul O'Sullivan: ...[unclear].

Rita Mazeleskis: (Shareholder) I just wanted to know if I could...

Paul O'Sullivan: Actually, you're not. We have more questions coming.

Rita Mazeleskis: (Shareholder) Could I request to meet with you please? Because I have come from Perth and I'm here every year.

Paul O'Sullivan: No. This is not the forum. This is not the forum for that. We have a process for dealing with customer issues and I'm happy to follow the process.

Rita Mazeleskis: (Shareholder) And the auditor, and for the auditor, KPMG, to audit my ANZ file properly.

Paul O'Sullivan: So, if there are individual customer issues you want to raise, please raise them, but this is not the forum for us to be responding to customer complaints [unclear].

Rita Mazeleskis: (Shareholder) But you're not answering my emails, so what do I do?

Paul O'Sullivan: Well, if you send it to me, I will undertake to respond.

Rita Mazeleskis: (Shareholder) I've flown here, I've sent several emails and you haven't responded to me once.

Paul O'Sullivan: Right. Well, thank you [Rita].

Rita Mazeleskis: (Shareholder) So, what should I do?

Paul O'Sullivan: I've been clear. I'm not going to deal with specific customer issues in this forum, but if you want to send me something, I'm happy to respond to it.

Rita Mazeleskis: (Shareholder) Well, I will, but I will be here next year and I will update everyone whether you responded or not...

Paul O'Sullivan: Thank you.

Rita Mazeleskis: (Shareholder) ...and where we're at...

Paul O'Sullivan: Thank you, Rita.

Rita Mazeleskis: (Shareholder) ...because we're not into our sixth year.

Paul O'Sullivan: Thank you, Rita.

Rita Mazeleskis: (Shareholder) ...because Ben Steinberg didn't investigate my matter properly or give it a formal complaint number and he did on behalf of Shayne, as you know Shayne, and Ben Steinberg disappeared. Is he still with the Bank?

Paul O'Sullivan: Rita, I'm not going to go into your individual issues or your individual complaints.

Rita Mazeleskis: (Shareholder) Okay.

Paul O'Sullivan: I'm sorry that you've had to deal with him and if you want to write to me offline, I'll respond to you.

Rita Mazeleskis: (Shareholder) Okay. I just want to know. Is Mr Steinberg still an employee?

Paul O'Sullivan: I'm not going to talk about individual employees either. In fact, I'm not even aware of who he is.

Male 1: Yes, he is. Yes, Mr Steinberg is still at the Bank, yes, but he has a different role than he did when he was dealing with your case.

Paul O'Sullivan: We have another question on microphone number one.

Katherine Bray: Thank you, Mr Chairman, Mr [Spira] again.

Spira Akousis: (Shareholder) Thank you, Mr Chairman. This is directed to Mr Elliott. Shayne, I'd like to thank you again for your leadership with your Board. You've been a fine example that all your board members have been respectful and credible. When we go back recently with – it was excellent that you put in a good effort with [Joe Aston] in the Chairman's Lounge. Your comments were excellent and very well received.

As a shareholder, not only in ANZ but in Qantas, I have a goal to make Qantas great again and I'm very happy to work closely with CEO Vanessa Hudson and the new Chairman, John

Mullen. In saying that, across all the banks, NAB, CBA, Westpac, all the majors, they're all to be congratulated because what we saw with Alan Joyce and Richard Goyder was disgraceful and we're seeing wondering leadership from all of the Bank executives. Again, I'm complimenting you, Shayne, you've done a great job.

I'd like to just encourage all of us in Australia as Qantas is our national carrier to keep supporting and keep flying with them.

That was my first point. Second, addressing the issues that I keep hearing, not only in the newspapers but in our shareholding meeting, regarding oil, gas and coal. I encourage all of us to read the reports nationally and internationally on what's being said about renewables and how we can be – we will get there, but it's not going to be in the timeframes that they're talking about.

In the process of coal, gas, I think and oil, we've still got to support our communities. We can't leave our communities in despair or concern.

Paul O'Sullivan: Spira, sorry to interrupt, I could listen to you all day, but in fairness to everybody else.

Spira Akousis: (Shareholder) All right, I'll leave it there.

Paul O'Sullivan: I've been keeping everybody short. I should...

Spira Akousis: (Shareholder) But thank you for listening, Chairman. Thank you, Shayne. Cheers.

Paul O'Sullivan: All right, thank you, Spira, thank you. Okay, next is again microphone number one.

Katherine Bray: Hello, thank you Mr Chairman, we've got Mr Peter Starr.

Peter Starr: (Shareholder) Thank you Paul and through you, to Holly Kramer, Holly, you'd be aware Brad Banducci has just stepped down and I'll just – this is a quick quote, he transformed Woolworths' culture, which is not easy to do when you employ 200,000 people. Given that we employ 40,000 people and we're talking about change of culture, maybe somebody should reach out to Brad, it might be helpful in changing the culture, because there seems to be a culture issue at the bank.

Paul O'Sullivan: So, Peter, the question is, will we reach out to Brad Banducci?

Peter Starr: (Shareholder) Yes.

Paul O'Sullivan: Okay, all right, let me take it on notice. He may not want to take the call but let me take it on notice. Thank you.

Peter Starr: (Shareholder) Thank you.

Paul O'Sullivan: All right. Have we any other questions? Microphone number three.

[Unidentified Male, Craig]: (Shareholder) Thank you, Chair. I've actually got three questions and before that, I just want to make a comment. I don't agree with a lot of what Shayne Elliott says, but I would like to wish, Shayne, you all the very best in your future. I know we've had our disagreements, but Shayne is incredibly hard working, he's totally dedicated to ANZ. It doesn't mean we get it right on a personal basis and I thought it was very noble of you to sacrifice the long-term variable rem.

Shayne Elliott: Thank you.

Unidentified Male, Craig: (Shareholder) So that was very nice to hear and I wanted to wish you all the best.

Shayne Elliott: I appreciate that, Craig. Thank you very much.

Unidentified Male, Craig: (Shareholder) Just in case I get shut down, I didn't want to leave...

Shayne Elliott: I'll miss you.

Unidentified Male, Craig (Shareholder) Thank you. Now my first question and I'm happy to rotate for others if that's it, but I've got three, is regarding Ms Christine O'Reilly's directorship through you, Chair and I notice that you're the chair of the Audit Committee. I'm concerned with some things here. I think that, correct me if I'm wrong, but KPMG have been auditors since about 1959, before you were born, before I was born. That's too long.

When I think of the word governance, I think of directors. All of the directors, not just yourself, should be fully aware that that is too long a period and that does not give a feeling of independence. Now I know in your response it's likely to say, that's okay, but we rotate the person that's involved every five years or X number of years. It doesn't take away from the auditors being there too long and I would like to hear that that is going to be rotated.

Paul O'Sullivan: Okay, question one, Craig. Do you want to give us the three questions so we can be efficient?

Unidentified Male, Craig: (Shareholder) So can I hear that the auditor will be considered to be rotated?

Paul O'Sullivan: I'll pick that up, I'll answer that in a second, do you want to give us the other two questions?

Unidentified Male, Craig: (Shareholder) Okay, the other one was to a director, Ms Jane Halton and further to what one of the shareholders was talking previously, you're a director of Clayton Utz, an honorary professor at the National University Research School, an adjunct professor at the University of Sydney, Crown Resorts or former director of Crown Resorts, but there seems to be about eight roles that you have. You can correct me if I'm wrong on that. There just seems to be too many roles.

I know a director is not a full-time role, I know it's a part-time role. When you're chair of the Ethics Committee and I see that there are so many ethical standards that have dropped, it appears to me that you don't have the time. That's across the Board at ANZ and yourself as the accountable person, you don't have the time to address those.

Paul O'Sullivan: Thanks Craig. Have you got a third question?

Unidentified Male, Craig: (Shareholder) I have to come back to you on that one.

Paul O'Sullivan: Okay, can I pick up – I'll pick up briefly and if my colleagues want to add, they may. So yes, KPMG has been our long-term auditor. When we want to make sure we're acting in the best interests of the business, there's actually a bit of a challenge here. There's a very finite pool in Australia of audit firms that have banking experience and banking knowledge. The Audit Committee in its February and September meetings actually considered whether or not we should look at tendering the business and what we should do.

Our concern would be that given that the other firms are all engaged with our competitors, the risk is always going to be that we get the B team and we get the leftovers when we swap. So actually, we are setting ourselves up and we are talking to the sector to see can we find a way in which we can have a genuinely competitive tender sometime in the future. In the meantime, to your point, we don't rest on that. We actually have a practice of rotating the quality assurance auditor, which last happened I believe in 2020 and the signing partner, Maria you heard of today, was appointed only in the last 12, 18 months, if I recall, so it's relatively new. That rotation takes place.

But we would like to see a world in which there is rotation of auditors generally. It would be a healthier world, but there is a constraint.

Unidentified Male, Craig: (Shareholder) Good explanation, thank you and Maria was excellent before in answering the questions too.

Paul O'Sullivan: I agree.

Unidentified Male, Craig: (Shareholder) The final point then was just to talk of – and I'm not mentioning my case, but you talk about if you've got a case, see the customer advocate, see the fairness officer, see someone else and just like Paul said or Rita said before, some of these cases are longstanding, they've been through these people, they can't resolve them and it's still grossly unfair. ANZ doesn't get it right and that's why regulators are looking at you.

What I'm wanting to do is to alert all the Directors, particularly the new Directors coming onto the Board, we look at Break Free, 689,000 customers that ANZ said, you said, yes, we mislead and deceived them. I'm part of that. Our case has not been resolved, I'm not going into the merits of the case or about the case, but something's wrong with the complaint process, the IDR, the customer advocate, the fairness officer.

It's certainly outside of that when you say go see AFCA. AFCA has absolutely failed for the high-level cases. They're a very good small claims tribunal. ASIC we've seen just pulled up at a parliamentary inquiry how bad they are, we've had 70 political inquiries, 70 parliamentary inquiries in the last 15 years into banking and I'm trying to bring on another one with Paul.

Paul O'Sullivan: Craig, I think you mentioned some of these points earlier on this morning as well.

Unidentified Male, Craig: (Shareholder) Yes, but I'm directing it to the Directors. Look we've been through painful experiences and we're enduring them, grossly unfair, absolutely grossly unfair, our properties ripped out from us when you've deceived us, so I can't allow some simple comments like that to go to say the whole process is wrong and as the new Directors, you can step up and look into this, is all I'm asking.

Paul O'Sullivan: Thank you, Craig and can I answer your second question?

Unidentified Male, Craig: (Shareholder) Yes.

Paul O'Sullivan: Let me, I note your feedback and I've also had the benefit of having direct discussion with you, so I'm aware of some of your frustrations. Just on the second

question, in appointing a Board we want really well-qualified people who have, as was a point I made earlier today, of a diversity of experience and actually a lot of those appointments, which are quite prestigious, reflect the achievements of Jane in her career and reflect how widely respected she is.

I want to assure you that all of our Directors are very diligent. They've all demonstrated full capacity for handling their roles and we feel very fortunate to have all our Directors but particularly Jane, given her achievements.

Unidentified Male, Craig: (Shareholder) I would recognise that Jane Halton's highly respected, very experienced, but when I looked at it, I just looked that there wasn't enough banking experience on the Board and I do see that you're bringing that now. I do think you've done that. I'm finished now but I would like to thank you as Chairman because one thing that I always appreciate is that you do allow all the critics and the pros and the cons and whether you're the chair of the fan club of Shayne Elliott or opposed to that, all expressions are out there, thank you.

Paul O'Sullivan: Thank you and thank you, Craig, for your ongoing commitment to keeping us honest. Okay, with that – oh we have another question? Microphone number one.

Moderator: Yes, Mr Chairman, Mr Paul Herman.

Paul O'Sullivan: I'm just going to be – so if it's a new question, a new topic, I'm happy to hear it, but if we're going back over old ground, I want to respect everybody else here.

Paul Herman: (Shareholder) I feel that we have been really shut down on the topics of liar loans and I think that the excuse that's been given is that it's a personal issue. I'm talking about broadly for people who come to the support group and I am just very disappointed. I think that there is a real risk for ANZ with liar loans and the thing for me is there's no resolution.

I've done probably 60 protests outside ANZ branches and I'm quite happy to continue, but how is that good for shareholders? How is it good for the Bank? I just don't get it.

Paul O'Sullivan: Paul, in fairness, we have given a good hearing today on the topic, in fact we had the auditor come to the microphone twice to talk about our controls. Shayne and I have both talked about the processes that we go through and I've talked about the fact that our results don't seem to support some of the findings of the survey on liar loans.

Having said that, you make a very valid point, which is that we need to stay vigilant and we need to be conscious that there are people who believe that there is misrepresentation

going on in terms of mortgages and how they are presented and we are vigilant and always watching that. I'd like to believe we've given you a fair hearing, but hopefully you've also heard us.

Okay. I think we've got one more question, okay.

Moderator: Hello Mr Chairman, Mr Peter Starr.

Peter Starr: (Shareholder) Hi Paul, I said that when we heard from the two new Directors that spoke, I just should say that we supported your nominations to the two new Directors. Just by way of observation, I know that Graham who is on the Board there, I thought you would have been an excellent candidate for CEO, Graham, on behalf of the shareholders that I represent, because that was expressed directly to me.

Of course, I know Holly from the Woolworths Board and it is a little bit sad for you two new Directors that are on, I hope you've heard everybody and you're fully aware of what's going on, make yourselves aware. Let's not get into this ever debacle again because it's a stain and I hate it, Paul, I really hate it with a passion, you know? Because I cop the grief and you know, the clients that I've got are saying, Peter what the bloody hell's going on in the place? If Directors aren't across it and then, you know, you've got Shayne appearing at more parliament inquiries. But I want to say this. Shayne, there's nothing personal here, I do wish you all the best...

Shayne Elliott: Thank you.

Peter Starr: (Shareholder) ...in your retirement. I've been at inquiries when you've been grilled and things like that. I don't always agree but I certainly don't wish you – I wish you good health and good retirement. Maybe some of that hair will grow back.

Paul O'Sullivan: Okay, thank you, Peter and thank you for your positive concerns. The Irish have a saying that grass never grows on a busy street, so have a think about that. Anyway, I think we've given ample opportunity for people to ask questions and to make comments, so I'm now going to close the online question facility.

The ability for people in the room to vote via their smartphone will also close in one minute. For anyone in the room using hardcopy voting cards, can I please remind you to complete them and sign them and give them to a Computershare representative before you leave today. There being no further questions, this concludes the formal business of the meeting. Final results of the resolutions will be announced by the ASX as soon as possible.

On behalf of my fellow Directors, I thank you all for attending this AGM and for your ongoing interest as shareholders of ANZ. Subject to the finalisation of the poll, I now declare this AGM closed. Thank you all for coming today and on behalf of the Board and management, we wish you all the best for the festive season. Thank you.

End of Transcript