

For Release: 19 December 2024

ANZ 2024 Annual General Meeting Chief Executive Officer's Address

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.

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 would 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 are grateful no-one in our team was hurt, and our thoughts are with those in the wider community who have sadly lost loved ones or were injured.

To help those who are struggling, we are 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 long been an important part of our global network and we stand ready to help our neighbours wherever we can.

Now, 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 CEO.

Therefore, today marks the ninth and last time I will stand before you as Chief Executive.

Casting my mind back to when I first stood here as CEO in 2016, I am proud of what we have achieved despite significant changes in the regulatory and competitive landscape.

We also experienced the most material changes in technology we have ever experienced, and of course the Royal Commission and COVID.

Despite those challenges, we have 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, we reported average credit losses of 8% of revenue, yet in the last three years we have continued to have the lowest losses in the industry at less than 1% of revenue.

We have invested heavily in leading contemporary technology – notably ANZ Plus and ANZ Transactive – which will underpin growth and returns for years to come.

And we delivered over \$1.7 billion in cumulative cost savings, or 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 is more to do, but I am confident we have the right strategy, team and momentum to drive the bank further.

It has 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.

First, we completed the purchase of Suncorp Bank.

The bank we bought is performing even better than when announced two years ago, and we are confident synergies will be larger and earlier than 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 record return on equity.

And finally, ANZ Plus emerged as a key competitive strength.

In just 2 years, 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, Plus will be home to most ANZ and Suncorp retail customers who will benefit from world class technology and service.

In terms of financial performance, we delivered our second highest revenue ever, less than half a percent lower than our all-time record in 2023.

Customer deposits increased 11% year-on-year, from a combination of the Suncorp Bank acquisition plus 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 New Zealand, we also now occupy a clear and growing #3 position in Australian Retail.

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 is already delivering and will continue to do so in years to come.

For Plus, roughly half of the customers joining are new to ANZ and deposits are growing strongly – up 70% to almost \$16 billion in the 2024 financial year. And our customers are not just joining Plus, they're embracing it.

In line with our financial wellbeing focus, almost half of 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, another 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 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 for our future, we also need to stay focused on the here and now.

And I do acknowledge that times are tough for many customers today, amid continued high 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 people.

The number for small Australian business customers 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.

Now, as I look ahead to 2025, our priorities for the bank remain as outlined at the full year results:

- Ensuring 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 would 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 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 CEO.

I assure you that over the coming months, I remain committed to executing on these priorities and maintaining the same focus and dedication to the role that I have shown these past nine years as CEO.

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 a 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 Australians and New Zealanders 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 was not profit that motivated them.

It was the desire to bring prosperity and opportunity to their community, small businesses, and families. That took courage, commitment and a lot of heart. The bank they started became ANZ.

I believe that the same courage, commitment, and heart has sustained us over the 196 years that followed, allowing us to grow into the ANZ we know today serving more than 10 million customers, big and small, globally.

In that time, the bank has navigated wars, famine, natural disaster, revolutions in technology, 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 – stronger, simpler, and more capable – and I believe we have done that.

Over my final six months, as I said, I assure you my eye will remain firmly on the future and ensuring 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.

I sincerely wish him every success as ANZ's next custodian.

With that, I will pass back to Paul.

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