

News Release

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Transcript of *bluenotes* interview with ANZ Group Executive Australia Retail Maile Carnegie

ANDREW CORNELL: Morning Maile, thanks very much for joining us on *bluenotes*. Quite some significant announcements today. A major milestone in the digitalisation of ANZ and for you – congratulations on your new role as Head of Retail in Australia. This change has been flagged for some time, indeed since ANZx was launched. But what's the timing, why now?

MAILE CARNEGIE: Well first of all thank you. Actually, I think this milestone really represents the work of a huge number of people across the bank. But it is very exciting. But you're right - when Shayne, Mark and I three years ago looked at actually separating, what was then, the Australia Retail business into two, the plan was always to bring it back together again. So the question was not whether we going to do it, it was when we were going to do it. And actually, I think Mark and I were more focused on the milestones or the conditions that we felt like had to be met in order to have confidence that when we did bring it back together again it was going to be successful. So I think you've got to kind of rewind the clock and say, "okay three years ago what was the context, what was happening?" And back then Shayne, Mark and I kind of looked at the amount of work that had to get done – the amount of work in remediation, the amount of work in running the business to maintain momentum – but also being really clear that the foundations of that business were not set up for success. So needing to stand up and really get a transformation team. And we kind of looked at that and said there's no way one team is going to be able to successfully digest or get all that work done. So we split in two. And the milestones that Mark and I were really keen to make sure we got done before we brought it back together again were, firstly, getting the remediation and the regulatory agenda to a point where it was still really important, still something we need to keep our eye on, but it could be treated more as business as usual versus the number one priority of that team. And the second one is we had to have confidence that the transformation team that we were standing up was going to be able to deliver the quality of work, but also the roadmap and delivery of work sufficient for us to have confidence that it was going to genuinely transform the underpinning of the bank. So the good news is that the team has done an extraordinary amount of work and we feel like those two conditions are met. And, as you know, we're about to launch our first ANZ Plus proposition so it's exciting.

ANDREW CORNELL: It's obviously a very complex... any kind of change of this magnitude is complex. So have you a sense of what you're immediate priorities are? How this will roll out?

MAILE CARNEGIE: Sure. I mean, the first priority is really to talk to the team and the people who are really closest to the work and make sure that I am understanding and listening from them on what they think the priorities need to be. Because that obviously is going to largely craft it. But I go in obviously with some assumptions and I really have them in what are the business priorities and what are the organisational priorities? The business priorities are clearer to me because I actually think they're going to be very consistent with the priorities the team already have. We know that we have to increase our competitiveness in home loans and get our revenue momentum going, we know we've got to get the first ANZ Plus proposition out and making sure that it's not just landing well but we can see that it's improving the financial wellbeing of our customers, we need to accelerate the ANZ Plus home loan proposition, we've got to make sure our resources are properly allocated across

the teams etc. So we know those priorities. The ones I want to spend a bit more time on are the organisational priorities and making sure we're really clear so when we bring these two big teams together, that we are really high performing. So how can we, when bringing the teams together, make sure things like our decisions making is sped up, that we've got really great communication and relationships across the newly formed team. So there's a lot of teamwork and teaming to do but again I'll sort that out once I get time with the team itself and they can help to guide the priorities.

ANDREW CORNELL: And it sounds like you've described the challenges of the process as well. Or are there other challenges as well on top of that?

MAILE CARNEGIE: Look, I mean it's a complex problem so there are going to be a number of challenges. Again, I plan to talk to the team but I've mentally bucketed them in three different places. The first one is absolutely how do we make sure that, as we're bringing the teams together we're actually doing it in a way that actually brings even more energy and even more motivation into the teams themselves. They're already excited about - hopefully many of them - about the prospects of what we're doing. But how do we make sure that after a couple of long years with COVID, that everyone's really excited and on the journey. So yes, that it a big priority or big challenge. But the other ones that are top of mind for me are making sure that as we're going through this change that we maintain, or even strengthen, our customer focus. Because it's very easy, when you're facing into what we've got to get done, to become more internally focused than externally and customer focused. So we've got to make sure we do that. And I'm already looking into my calendar to make sure I can spend a lot of time with the frontline and the contact centre. So that expectation is on me as well as the broader team. And the other one is, given the diversity of work that we've got to get done, this balance between how we resource for the short-term as well as the long-term. That's a problem that I think anybody leading a business needs to balance. But, given the urgency to make sure that we're back in market with mortgages etc and we continue to invest in the transformation. It's just a problem that, or a challenge that, I really need to make sure I spend time with the team so that we can get it right.

ANDREW CORNELL: And for customer, the first tangible sign of what you're doing will be ANZ Plus which launches... well, it's rolling out now but the formal launch is around the end of March. Is that an indication of what the whole business is going to look like in the future?

MAILE CARNEGIE: Sure. So actually it is something that we're launching to our customers but also there is a massive employee or frontline banker portion to it as well. But really what we're launching in March is the first of the propositions and really it's what we're calling a "minimum-loveable" or a minimum-viable product. Meaning that we're putting something out that we're really proud of, that we can absolutely see is going to really help our customers improve their financial wellbeing. But it's not the end point. And basically the first launch is focusing on savings and transaction accounts distributed via a new app with a lot more great functionality and supported by coaches. And those coaches are going to have some wonderful new technology and tools to help them. So it is kind of confined at this point to savings and transaction accounts and is minimum-viable but the engine we are building means you're going to see a lot of functionality continue to drop to get it from minimum-viable to hopefully best in class. So for example, across March and April I think we've got about 40 bits of functionality that we're going to be releasing just for these first two products. So it's exciting!

ANDREW CORNELL: And when we step back from those products that customers are going to actually see, I take it this isn't the end of digital transformation? That that will be an ongoing project?

MAILE CARNEGIE: Well, I am assuming anyone who knows how to manage digital transformation will have a job for the rest of their lives because it's never going to stop! But absolutely, we've got a lot of work to do. The next thing we've got to get out the door is our home loans and getting a really winning, digital-centric home loan proposition out. And we're well advanced in the design and the delivery of that but we're really hoping to get a beta version of that out this year. So really if you look at the next little while, you're going

to see growing and exciting functionality on that first savings and transaction account, you're going to see a home loan come out into the market, we're also starting to pilot what some physical new branches or stores could look like. Because this is not just a digital proposition – we also want to support it with actual really great coaches or people and some stores. So there's a lot to go but it's never going to end. Our customers continue to increase their expectations and we've got to keep pace with them.

ANDREW CORNELL: Well thanks very much for your time this morning. Good luck with the process.

MAILE CARNEGIE: Thank you, I'm looking forward to it.

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