

News Release

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

ANDREW CORNELL: Morning Maile, thanks very much for joining us again on bluenotes. And today is the launch of really a profound new development for ANZ Retail - it's ANZ Plus. For a long time this was the ANZx project, so maybe you could start by telling us the future is Plus and what was x?

MAILE CARNEGIE: OK. It's a great question. So like all organisations, well most organisations when you're in kind of stealth build mode, so you're not really ready to talk about it externally. You have a code name to refer to the program or that project. And so for a while we've been talking about ANZx because that's the project name for what has now been birthed, which is ANZ Plus. And the way we think about ANZ Plus is there are two parts of it. There is an underlying platform or rebuild of the underlying platform that's going to support the Australia Retail business. And then there's the first proposition that we're launching off of that new platform and that is ANZ Plus.

ANDREW CORNELL: And that's... we'll talk about this but that's the first of many propositions. But essentially what we're talking about is it's not a new core system, it's not a separate bank. What is it? Is it a... do you call it a technological change?

MAILE CARNEGIE: We're referring to it as a platform and really a fundamental both rebuild and rewiring of all of the aspects that will underpin the future Australia Retail business. And so yes, it's technology that's obviously critical. But it's also the data, it's the people, it's the culture, it's the systems, the processes etc. So that's why we're referring to it as a platform. So maybe to help kind of bring that to life, if you think about it from a people aspect, we've actually hired over 1,000 people to help rebuild this platform. And they are largely people who come from design, engineering, data backgrounds. And again, over half of them come from best-of-breed organisations in their particular fields. It also includes, yes, technology. So we've put in place about 20 new technology bits of kit. And again about half of those are with really important partners like Salesforce for CRM or Twilio for our contact centre. But about half of them have actually been built by this new team. And so they include things like Fabric, which is our digital engagement platform with our customers all the way through to things like Xplore, which help us to really properly manage our controls and the performance of the business. But the other thing it has also done is we've built about 150 reusable business services. So they're the actual functionality that come together to create the propositions. And we're building those in a way that they can be reusable. So already about 70 per cent of those have been reused. So it's a very comprehensive, as I said, rebuild and rewiring. And it's all about step changing the capacity and the capability of this future of Australia Retail business.

ANDREW CORNELL: Because one of the challenges that incumbent banks have faced is huge legacy systems, old core systems, all those things that required a lot of intervention and manual operation. And ANZ now for three or four years has been working on an overall simplification. So from what you say, it sounds like this does fit in to that strategic template of making things simpler and more efficient.

MAILE CARNEGIE: It does absolutely. And what we've done is avoided what is very tempting to do, which is just to put a veneer of change over the top of that "spaghetti in silos" as some people call it, which is that platform which is just not fit to win in a future which is

really going to be won by people who know how to leverage data and technology more efficiently. So yes, I guess you could say it's within that broader simplification but it is a massive kind of step change in effectiveness as well.

ANDREW CORNELL: And the first proposition, the first of many propositions that you're launching today is around a savings product and it's driven by financial wellbeing. So we know post a lot of things that have happened in the banking industry over recent years, that financial wellbeing hasn't necessarily been front and center in banks' strategic thinking. So it is here. But equally, where's the value for the bank in looking after someone's financial wellbeing?

MAILE CARNEGIE: I think in most industries that are winning today, their orientation is very much anchored towards their customers winning, right? And their customers doing well and better by leveraging whatever they're offering versus their competition. And the way that we've chosen to articulate that or what we want to be able to do, is improve absolutely the financial wellbeing of our customers. And the way that that will benefit our shareholders is by really step changing the loyalty that our customers have to us and basically customer lifetime value. Because by being more loyal to us, by trusting us more, by trusting we're doing the right thing by them, we will earn the right to offer more services and more things to them.

ANDREW CORNELL: And there's still a live debate about what the bank of the future will look like. And indeed, we've discussed the bank of the future quite a bit. But am I right in paraphrasing that you think of the bank in the future not so much as a set of technologies or products or things but more as a sort of mindset of adaptability? Is this what ANZ Plus is going to help with as well?

MAILE CARNEGIE: So the reason we had to do that rebuild of the platform is so that absolutely we can be adaptable to the ongoing change that is likely going to be facing our industry and our customers. But also that includes the ability for it to be extendable and contractable or flexible to just shifts in demand or shifts in credit and stuff like that. But also it's going to be significantly more resilient. So absolutely, the platform itself will be able to support multiple different business models in multiple different ways to kind of look after our customers. But as you said, the first proposition is a savings and transaction account, a very smart savings and transaction account. But it's rapidly going to be followed by increased functionality into those products but then also a digital home loan. And what we're really aiming for is a straight-through process loan that you can get in under ten minutes and we're targeting that for later in the year.

ANDREW CORNELL: And there's always this debate about which banks around the world are the most technologically advanced. As this project unwinds, where do you see ANZ in that field?

MAILE CARNEGIE: Well, we believe we're going to have clear advantage at least in the domestic market because we are actually going in and have rebuilt the real core or heart of our business. Rebuilt that platform. And it will absolutely, we believe, set us up for long-term, and not just short term kind of episodic success or improvement, but really long-term success.

ANDREW CORNELL: Well, thanks very much for your time today.

MAILE CARNEGIE: Thank you.

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