

## Transcript: Shayne Elliott with Ross Greenwood – Sky News Business Now – ANZ Plus

**Ross Greenwood:** One of the big dilemmas for our banks is how to engender customer loyalty at a time when virtually no one has face-to-face dealings with banks anymore. Today, the ANZ bank launched its ANZ Plus app, which seeks to address the challenge of open banking, where customers own their own data and can shop around more easily. I caught up with ANZ's chief executive, Shayne Elliott at today's launch and started asking him about the state of Australia's economy.

**Shayne Elliott:** Well we think the economy is in really good shape actually. Yes, there is a little bit of debt out there, but there's also enormous amounts of liquidity in cash. We see it every day in our customers, mums and dads, small businesses, big businesses, guess what? They may have a little bit more debt than they had before, but they've got mountains more cash, and the banks are really flooded with liquidity. So, the economy is a bit of a coiled spring, that money is ready to be deployed and actually there is opportunity for even more leverage for the right kind of opportunities. What people need is a bit of confidence, and that's really to do with things like the dreadful situation in Ukraine, and a little bit of uncertainty about another COVID variant, etcetera, but once those things get put aside, we really are very optimistic about the future.

**Ross Greenwood:** How do you imagine in the future those extra savings are going to be deployed?

**Shayne Elliott:** You talk to small businesses and they're sitting on their hands a little bit, they're sitting on lots of cash, they're ready and able, but it just comes down to this issue of confidence. We've seen this divergence, right, the economy on one hand, you've got employment remarkably low, and as I said, lots of cash, easy to get debt if you want to borrow from the bank and all that other stuff. But actually, confidence remains lower than you would expect at a time like this, but that can turn pretty quickly.

**Ross Greenwood:** Okay, so there's an enormous technical change coming up and competition in many ways that banks face. You and I have talked often about how to make a customer loyal. If they never go to a bank branch and never have a personal interaction, how do you do that?

**Shayne Elliott:** Well, you do it by giving them the things that they want. And what we've done the research on, is that people want help in leading a better financial life. And actually today sadly, you have to work against the banks in order to do that. So people want a simple thing, 'tell me how to save more money, make sure I don't have lazy balances lying around that aren't earning the right amount of interest, help me own my home faster.' And so that's why we're here today launching a new service, ANZ Plus, which really is fundamentally grounded in this idea of how to improve the customer's financial wellbeing, or their financial health. That's what they want, and they look to banks to help them do that, and frankly they've been disappointed because we haven't done a good job on it.

**Ross Greenwood:** Because banks traditionally are set and forget. In other words, you get a customer and you forget the customer, the customer picks out what they need and what they do. So, is this about trying to address this in a new technological age where a person never walks into a bank branch?

**Shayne Elliott:** Well, they can walk into a bank branch if they so choose, but they don't. And, technology has been a great thing, right? It's trained all of us to think differently about services, we want everything 24/7. I don't want to go to a branch when the bank tells me it's open, I want to do it when I want to do it. I actually like self-service and I want to do the things myself. So it's really about putting the tools into people's hands that are

delightfully easy to use and engage with, and actually give people what they want, and technology has enabled that, data for example. It's the ability to say 'Ross, I can see what's in your account, what you're doing, and how you're behaving and I can use that data to help you'. As part of the new ANZ Plus proposition we'll be able to say, 'Ross, we can use artificial intelligence to look at how you spent your money in the past to predict how you'll spend it in the future,' so you can say, 'maybe I should change my habits, spend less or cancel my subscription etc.' So I think we're putting tools into people's hands and that's what they want.

**Ross Greenwood:** Is this your way of also offsetting the potential competition that will come from open banking? Where the customer owns their own data and can actually choose where that data goes to, to get better deals?

**Shayne Elliott:** Absolutely. Like many businesses, I imagine, we have two options, either we take a step closer to the customer or a step further away. Further away may sound a bit funny but that's when you say, 'were going to be a commodity producer of something' and sit in the back and be the wholesaler. We've made the choice to step closer to the customer, we want to use open banking to give a better experience and give customers more control over their finances so they can own their home faster or run their business better.

**Ross Greenwood:** So, does that mean in the future – because there will be open telecommunications and open energy plans where the consumer owns the data – that you could go and compete with Telstra or AGL for example, to give a better experience and a better outcome for your customer?

**Shayne Elliott:** Well, that's an interesting theory and I think our aspiration is to say 'we don't want to be in the business of getting you a home loan, we want to be in the business of helping you to save, buy and own a home,' the whole experience. Part of owning a home is all of the utilities that go into it, so yes, we'd like to help customers to get the best deal on those things, to find the best suppliers, and manage those relationships. Yes, we would like to do that.

**Ross Greenwood:** And what about the other major banks, because quite clearly they've all got a very big push in on technology, and there is only a finite numbers of customers in Australia. Are you all fighting over the same patch of ground?

**Shayne Elliott:** Yes, and no. I obviously don't know what they're doing exactly, but I can see from their actions that technology is a huge opportunity that I think we've all got a slightly different angle on. What we know is that at ANZ, our business is built around this idea of financial wellbeing. We don't necessarily see the other banks doing this, we see them taking different paths in how they use technology. I think when you see our new proposition, ANZ Plus, that it's really different, it's not like a major bank, it's more like a neo-bank or a fintech in terms of the usability. So, I don't think it's necessarily true that we're all going down the same path.

**Ross Greenwood:** You've been fairly upfront in saying that your bank has missed much of the growth in home lending, and lost market share in that area to your competitors. Is this a way of trying to fast track some of the growth inside the bank that you need long term?

**Shayne Elliott:** We didn't set out to lose market share, and I have been upfront about that, we made some mistakes. But I think part of the mistake we made was that our focus was on this new exciting opportunity of financial wellbeing, and reimagining banking for Australians in the long term. Banks get criticised, I get criticised about being all about the short term. We've actually put our money where our mouth is and we're really betting on the long term, that Australians really want more from their banks, and we needed a new platform to be able to provide that. We had to do a lot of engineering below the ground. I use the analogy of building a skyscraper, that you have to dig a really big hole and put all of this engineering below the ground, but people don't see it. And now we're just emerging from the ground with our first proposition to market and we think that's going to be something that will be great for people and lead more people to choose ANZ, and then we'll

build on that as we go. One of those things we'll build on is the ability to do home loans in a much more sophisticated way than they're done today. Today, something like 27 per cent of Australians start their home loan journey online but almost none of them are completed online, because you can't, even if you want to. Internationally, in some countries up to 75 per cent of home loans aren't just started digitally, but they're completed digitally. That may not be what you want to do on your first home, but Ross you and I who have had a few mortgages along the way and probably know what we're doing, would probably be quite happy to do that. None of the banks can offer that today, a fully digital service, that's what we are building towards.

**Ross Greenwood:** Shayne Elliott, always great to chat to you. Thank you for your time.

**Shayne Elliott:** Great, thank you.

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