

## **Transcript – ABA Conference: Supporting Customer Resilience – Shayne Elliott, ANZ CEO address**

Good morning.

To begin, I would like to acknowledge the Traditional Owners of the land on which we meet today, the Wurundjeri Peoples of the Kulin Nation.

I would also like to pay my respects to Elders past and present.

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Thank you for inviting me to speak to you about how banks can support the resilience of our customers.

There are few topics more important for the time.

Not only does a strong banking system need resilient customers, but we have a duty to help our customers stay financially healthy.

For ANZ, this duty is reflected in our purpose, which is to help shape a world where people and communities thrive.

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To help us think about how we can live up to this duty, I would suggest there are three areas in which we can act to support customer resilience.

These areas are: first, the economy, including the availability of housing in it; second, the products, services, and education we offer; and third, the help we provide to those who are experiencing hardship.

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Turning to the first of these areas, the economy is the most important determinant of the financial wellbeing of our customers.

As we are all aware, growth has slowed, and inflation remains stubbornly high.

Many in the community are feeling this as they struggle to make ends meet.

For a number of people, times are incredibly tough.

Food Bank is delivering roughly 65,000 meals every day in Melbourne while, heartbreakingly, some Australians are skipping meals to keep up with everyday costs.

Thankfully, however, employment levels remain strong, and savings built up during COVID remain high, providing many families with some level of security.

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In this environment, house prices are continuing to rise.

That's good news for the roughly two thirds of people who own a house or are paying off a mortgage but incredibly frustrating for those who want to buy their first home.

First home buyers face the triple challenge of higher deposits, higher borrowing costs and lending standards that are tougher than in previous generations.

The latest ANZ CoreLogic Housing Affordability report finds that buyers need almost 50% of a median income to service a new loan on the median dwelling value. Put simply, the average Australian cannot afford the average Australian home.

Because it takes many longer to save a deposit, they'll need to rent for longer.

The ANZ CoreLogic report also notes that the portion of income required to service rents hit a record high of 32% in March 2024.

High rents make saving for a deposit even harder.

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The question for the industry as we consider supporting customer resilience is: what can we do to help people get into housing?

ANZ continually reviews our lending practices to make sure we are providing credit where we can.

We are, however, mindful that current lending regulation creates a high barrier.

There is more work to do in improving the supply and cost of new homes.

To help, ANZ lends to the property sector that builds homes and works with it on new housing models, like build-to-rent.

We also have a target to fund and facilitate at least \$10 billion of investment by 2030, to deliver homes to buy and rent that are more affordable, accessible, or sustainable.

Since October 2018, we have funded and facilitated over \$5.7 billion towards that goal.

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The second area in which we can help our customers is by making sure they have the right products and helping them learn about financial resilience.

Our new platform, ANZ Plus, allows us to offer simple and intuitive financial wellbeing tools, like setting savings goals or using round ups to set aside money for a rainy day.

With over 740k customers already onboard ANZ Plus, it's really pleasing to see 47% of them actively engaged in one or more of our financial wellbeing tools.

For those with greater needs, we're also providing financial wellbeing programs including our long-running MoneyMinded and Saver Plus initiatives.

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The third, and last, area of supporting customer resilience is how we assist those in real need.

Many of our home loan customers seem to be doing ok, with 79% ahead on their repayments while offset balances are growing year-on-year.

However, the number of ANZ customers in hardship has risen over the last year, to around 3 in 1,000 people.

The number of small business customers was similar, at 2 in 1000.

While these numbers are historically low, they will likely rise as the economic environment continues to be challenging.

And of course, behind these numbers are people who are struggling.

To help them, we are working to improve both the experiences and outcomes for those seeking assistance.

Like many in the room, we are encouraging those in difficulty to come to us sooner.

We have processes in place to help identify at-risk customers, including using data analytics and modelling to proactively identify those facing hardship.

This helps us reach out earlier to customers, to understand whether support is required, such as a payment pause or a loan restructuring.

Now, thankfully for many, support is not necessary.

But, when it is, we can help customers get back on their financial feet and back to financial resilience more quickly.

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Thank you for your time and I look forward to discussing this important topic with you further.

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