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ANZ 2024 Full Year Results – Chief Executive Officer Shayne Elliott Speaking Notes

Good morning.

2024 was pivotal for ANZ.

First, we completed the purchase of Suncorp Bank. The bank we bought is performing even better than when announced over 2 years ago, and we are confident synergies will be larger and earlier than planned.

Second, we completed the sale of AmBank shares, contributing to one of our largest buybacks, which has already reduced our share count by thirty million, with more coming.

Third, Institutional delivered another record result, on the back of our industry-leading platform 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 achieved 1% share of all retail deposits across Australia purely through customer opt-in and is already home to nearly 1-in-5 of our active Australian retail customers, with high levels of engagement, industry-leading net promoter scores, best-in-class security, and all at a substantially lower cost to acquire and serve.

Strategically, we have long believed banking is challenged by greater customer, regulatory and community expectations, sharper competition, and higher costs. That's why we're moving to lower-cost, adaptable platforms that deliver better financial wellbeing and sustainability outcomes for customers.

Our migration from an uncoordinated, aging set of systems and processes to a contemporary dual-platform business is well progressed, where all customers from ANZ and Suncorp, from anywhere globally, irrespective of size, needs or complexity will be using Plus or Transactive.

This delivers resilience, lower costs and the ability to bring new propositions to market faster than others, driving growth and market share.

We've invested around \$2.5 billion in platforms and tools over the past 5 years, completing the foundational tech stack at both Plus and Transactive.

That investment is delivering now.

2024 was our second highest revenue ever, basically flat with our record 2023 result on a constant currency basis. Lending, deposit, and transaction volumes grew strongly, with well-managed margins. Looking through acquisition accounting, cash earnings and earnings per share were up strongly over 2 and 3 years, enabling better dividends for shareholders.

Customer deposits increased 11% year-on-year, from onboarding Suncorp Bank plus organic growth. We now have the second largest customer deposit base of any Australian bank.

We increased lending similarly, with a step up of \$102 billion in gross lending assets, up 15% FX adjusted.

Credit losses remained low, reflecting local industry trends, but ANZ is consistently outperforming due to derisking, and we believe this is sustainable.

Capital efficiency programs released around \$30 billion of Risk Weighted Assets, and several debt ratings were upgraded during the year.

In addition to our strengthening number-one positions in Institutional and New Zealand, we now occupy a clear and growing #3 position in Australian Retail.

Shareholders received total returns of 27% over the year, approximately 50% across the last two financial years, and it's pleasing to announce a final year dividend of 83cps, franked at 70%, higher than the first half.

A quick update on the bank we've bought, and how this supports the bank we're building.

Our investment in Suncorp Bank was to build scale and provide a platform for growth in Queensland, Australia's fastest growing state and youngest demographic.

In August we welcomed 3,000 Suncorp Bank colleagues and 1.2 million customers, and from the outset the business has exceeded expectations.

It's a quality business with significant upside when combined with the power of ANZ's technology and scale.

In the two years since announcement, the bank we bought did not stand still, it just got better.

Customer numbers, loans and deposits grew, and impaired assets fell.

We've welcomed a highly engaged workforce, excited about the opportunity a larger bank with better technology and access to twenty-nine markets brings for their customers, and careers.

A few months in, we've had early wins. Three simple examples:

- In week one, we approved a \$100 million loan in 24 hours rather than the weeks they were used to, as the benefits of a bank-owned bank became clear,
- Second, we quickly reset their risk appetite, allowing faster growth, reflecting the benefit of being part of a larger, more diversified portfolio, and
- Third, we have seen wholesale funding costs improve by 10 to 15 bps, as the market priced in the benefits of ANZ's ownership, saving tens of millions every year once rolled through the book.

These are just a few examples of why we are more confident that synergies will be larger and earlier, and we'll provide more details at the first half results next year.

Turning to the bank we're building.

In four years, ANZ turns 200.

Less than 42 months away, we aspire for ANZ to be radically better as we celebrate our bicentenary. While the environment will continue to evolve, at this point, it is our ambition that:

- Well before then, any individual in Australia will be able to join Plus and fulfil their everyday banking and home ownership needs. Plus will be the only way to join ANZ for retail customers from 2027.
- Cognitive technologies like Generative AI will be embedded within Plus, helping customers make more of their money. These prototypes are already under development with our AI partner in Palo Alto.
- By the end of 2028, our Australian retail customers, including Suncorp, will be migrated, and enjoying Plus.
- Small businesses will also be able to join Plus and fulfil their needs in a rich and engaging way using AI and Advanced Analytic tools to help them run their businesses better. All mid-sized corporates within Commercial will have already migrated to Transactive, mostly before 2026.
- There will be a progressive decommissioning of channels, systems and processes at ANZ and Suncorp along the way, accelerating from 2026.
- Our dual-platform vision will be a firm reality.

Key to this is Plus, which is experiencing exponential expansion and growth.

This financial year, Plus customers grew 84% to nearly 850,000, with 48% first-time ANZ customers. We welcome around 30,000 onto Plus monthly, roughly 50/50 new and existing customers.

Transaction numbers grew much faster, almost 300% year-on-year, 3.5 times faster than customer numbers, demonstrating how quickly new customers adopt Plus for everyday needs. In fact, 58% of Plus customers now consider ANZ as a main financial institution – which means they are either depositing their salary or using it regularly for payments.

As a result, deposits grew 70% to almost \$16 billion, with average saving balances stable at around \$19,000. Interestingly, despite changes to our deposit conditions and pricing, deposit growth this October was 22% higher than last October.

In line with our financial wellbeing strategy, almost half of Plus customers use at least one financial wellbeing feature such as round-ups or card or crypto controls, with many using more than one. More than a third are actively pursuing a savings goal. Customers are not just joining Plus, they're embracing it.

Irrespective of platform, retail and commercial customer engagement has improved dramatically based on investments in personalisation.

In 2024, we increased personalised messages by seven-fold to almost 300million, supporting a 20% uplift in digital sales and a 2-year high in brand consideration.

We continued to add Plus features, enriching the experience and smoothing the path to migration, including:

- The ability to move billers and payees from ANZ's existing app to Plus at the touch of a button, which has long been a point of friction for customers migrating or changing bank;
- We launched joint accounts, and offsets, which are critical as we accelerate Plus Home Loans;
- Launched a richer set of savings products including conditional bonus deposits;
- Integrated Cashrewards, Australia's #1 cash-back provider with two million members, which we fully own, bringing savings to customers at a time when many are looking to make their money go further; and
- Round-ups – delivered in just six weeks and already used by 14% of Plus customers who have saved more than \$12m from this simple tool. Simple, but we remain the only major bank to offer it – again showing the value of the tech stack investment.

These features are great for customers, but importantly lay the foundations for the smooth transition of ANZ and Suncorp customers to Plus – which is now 35% cheaper to serve, a significant improvement from 20% cheaper a year ago, showing the benefits of scale.

But the most exciting feature is the most recent – ANZ MyAccounts.

This is the first time a major Australian bank has leveraged Open Banking allowing customers to import balances and transaction details from any other Australian bank to get a consolidated view of their financials.

Launched quietly 7 weeks ago, already more 50k customers have explored it.

It's an important additional step to help make ANZ Plus their home bank and we are excited about the capabilities from here, particularly leveraging AI and Advanced Analytics.

Given strong momentum, we are working hard and hope to begin scaled migration of existing ANZ save and transact customers to Plus in the next 6 to 9 months.

They'll be moving to a simpler, safer, digital-first, AI enhanced proposition, enabling us to deepen relationships and decommission legacy products, channels, and platforms.

Well before Plus, we were investing in Institutional payments and cash management, including a platform which is now the market leader – Transactive Global.

I can't emphasize enough how important payments capability is to Institutional. Helping companies move and manage money is core to our relationships. When you are a company's payments bank, it's the equivalent of being a main financial institution for a retail customer, and the basis for longer and broader relationships, driving higher customer value and returns, not just in payments, but across the board including lending and markets.

That's why innovation and technology leadership matters.

If Plus is the key platform for retail and small business customers, Transactive is our key platform for larger businesses and multinationals. Put simply it's the banking app for Corporate Treasurers and business owners.

It attracts and retains deposits by offering a secure digital banking platform, integrating features such as Falcon, allowing businesses to move and manage money, make payments and foreign exchange transactions, manage trade finance, loans, commercial cards, and receive data insights – all on a mobile app.

What started with single sign-on accounts in 2014, has developed significantly with digital payment volume growing 117% since 2020, and the cost per payment falling 45%, about 10% annually.

Transactive is the backbone of Institutional's success and extending its impact.

We already deliver the power of Transactive to mid-sized corporates in our Commercial business. They make up 71% of active users, having grown almost a third since 2021 and generate 12% of our Australian payment volumes.

Underpinned by Transactive, our overall payments offering keeps getting stronger.

Technology leadership has allowed us to provide clearing services to more than 90% of the world's global systemically important banks and capture around 60% of the market for Aussie and Kiwi dollar clearing, winning more mandates this year which will further increase share.

More generally, payments continues to be fast-evolving, with ANZ at the forefront given our unmatched network, and sustained investment in Plus and Transactive. We led with NPP and now leading with PayTo, which is revolutionising Australian payments. ANZ is the only Bank to have activated PayTo across all segments and channels.

Let me bring this to life.

Using ANZ PayTo, customers can already purchase international flights through one of the world's largest airlines, instantly and safely, without credit card fees.

We've also tested PayTo with a major global car company allowing people to buy a new car, at low cost using our natively built platform.

No need for cumbersome bank transfers or cheques and all done securely, in real-time, reducing the risk of error and scamming.

We're also leveraging our leadership in tokenisation.

You may not realise that after superannuation gets paid, it can take weeks to be invested.

We completed a ground-breaking tokenisation pilot with two major Super Funds and a clearing house, to reduce that to seconds, putting hundreds, if not thousands, of investment dollars in the hands of regular, hard-working people, faster so they can generate better returns.

It also allows Super Funds to instantly reconcile member accounts saving time and money.

These innovations are transforming ANZ, delivering higher revenue and share, and it's pleasing to see this recognised, with ANZ named as the "Best Bank for Payments, Globally" by Global Finance Magazine.

Institutional now generates much of its income from these low-risk, low-capital processing businesses, helping drive a doubling in its RoE since 2016.

That's not possible without sustained investment, and a disciplined commitment to a market leading platform, which we are now applying to other parts of the bank - including ANZ Plus.

At the first half, I outlined six priorities, and we made substantial progress across the board.

Looking ahead, the FY25 priorities agreed with the Board include:

1. **Ensuring** we retain an engaged, purpose-led culture, driving better customer outcomes and strengthening the management of non-financial risk,
2. **Delivering strong financials** focused on sustainable growth and returns,
3. **Driving value from Suncorp Bank** capturing synergies, managing costs and growing high value customer deposits,
4. **Making ANZ Plus even more successful** launching relevant features supporting migration, adding customers, deepening engagement and launching our first scaled migration,
5. **Continuing to improve platform excellence, functionality, and resilience**, and finally,
6. **Remaining focused on productivity.**

I would like to stress that we are committed to addressing the concerns raised around Non-Financial Risk management, getting changes embedded; to improve the way we manage the bank and have the capital overlay removed.

Before closing, I would like to take you back to 2016, when we were first to talk about the need to build a simpler, better bank.

We sold more than thirty businesses, decommissioned products, streamlined processes, radically reduced our Institutional customer base, took out cost, and built a stronger, de-risked balance sheet.

That work continues, but in 2024 we pivoted to the next phase of simplification, the simplification of our technology to a dual-platform future.

We are well advanced, and this phase will be even more powerful, and the advantages harder to replicate.

I've referenced AI and Advanced Analytics several times this morning.

That's deliberate.

Like the web, mobile and cloud revolutions, AI will fundamentally change the way we operate, serve customers, and compete. In our view, the impact will be more profound.

It will drive a step change in productivity but more importantly can drive competitive advantage.

Every bank will use out of the box co-pilots and use them well. These are tactical tools that will be table-stakes, and the advantages will be competed away to the benefit of customers. No different than how we all use Microsoft Office today.

But the competitive advantage accrues to those who engineer strategic solutions using AI and Intelligent Automation into propositions and critical operations. That is only possible for the few who have invested in building the contemporary technology and data platforms required.

You can't build a skyscraper on sand, and you can't build it overnight.

We have built that stack in Plus and Transactive. The foundations are complete, and we are ready to leverage them.

We have a team of some 7,000 engineers, most writing software that millions of customers use daily. At peak, every second of the day, more than 200 customers look at their bank accounts and 300 payments made, all done through solutions engineered by our team.

We have been systematically giving modern tools to our engineers, to help them write software faster, better and safer – because the better the tools, the better our engineers are.

We've added Github Copilot over a year ago, and all our leading engineering teams use it daily.

As a result, more than 7% of the code written at ANZ in the last 6 months was written by AI, and that number will only increase. Unlike peers, who will continue struggling with multiple legacy high-cost and ponderous platforms, our ambition is to have the simplest, contemporary platforms, powered by the best partners like Salesforce, ServiceNow, Adobe, AWS and Zafin, augmented by leading internal innovation.

Getting that right allows us to better serve customers, keep them longer, at substantially lower cost, with faster deployment, unlocking the real benefits of simplification.

With that, I will hand over to Farhan.

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