Start of Transcript

Kathryn van der Merwe: Good morning, ladies and gentlemen. My name is Kathryn van der Merwe and I'm the Group Executive Talent and Culture and Service Centres here at ANZ and a member of the executive committee. I will act as the moderator for today's Annual General Meeting.

Before the meeting starts the Chairman has asked me to run through some housekeeping matters, particularly in relation to voting. I will also explain what will happen if there is an unexpected technical problem. We have sent an online meeting guide and an FAQ document to all shareholders explaining how to vote and ask questions. If you need further copies they are available at anz.com/agm.

For shareholders and proxy holders present in the room today you have been given a card with a QR code. Using either your smart phone or the device provided by Computershare please scan the QR code with your device's camera. Once the Chairman opens the poll for voting press the vote icon and all resolutions will be activated with voting options. To cast your vote simply select one of the options; for, against or abstain. There is no need to hit a submit or enter button as the vote is automatically recorded.

If you have any trouble with voting during the meeting we have representatives from Computershare in the room who can help. You will receive a vote confirmation notification on your screen. Please keep your card for the Scheme meeting, which follows this AGM.

For those eligible to vote who are on the online AGM platform it's very similar. Once the Chairman opens the poll for voting press the vote icon and all resolutions will be activated with voting options. To cast your vote simply select one of the options; for, against or abstain. There is no need to hit a submit or enter button as the vote is automatically recorded. You will receive a vote confirmation notification on your screen.

Of course, you can change your mind or cancel your vote at any time before the poll is closed and the Chairman will announce when that is about to happen. Wayne Hopkins from Computershare has been appointed Returning Officer and Martin McGrath from our external auditor, KPMG, has been appointed as Scrutineer. Martin will also be available in the event shareholders have a question of the auditor.

The Chairman has also asked me to outline the process should there be any technical issues that impact the meeting. If there are issues on confirmation from the Chairman we will either continue with the meeting, if possible, under the matter is resolved or, if that is not possible we will temporarily suspend proceedings while we try to get back up and running. If we cannot fix the problem in a reasonably short space of time the Chairman will formally adjourn the meeting and look to resume at 2.00 pm Adelaide time this afternoon using the same login details as now.

If this happens, and we hope it does not, we will announce this to the ASX as soon as possible and also provide an update on anz.com. Please note, we cannot control any internet problems experienced by individual shareholders or their representatives and we will not suspend proceedings should individuals be having problems of such a nature. If you are having problems with your internet the online meeting guide and FAQ documents outline what to do. The Chairman will now address the meeting. Over to you, Chairman.

Paul O'Sullivan: Thank you, Kathryn. Ladies and gentlemen, good morning. My name is Paul O'Sullivan and on behalf of your board I have the privilege of welcoming you to the 2022 hybrid Annual General Meeting of Shareholders and there being a quorum present I now declare the meeting open and I also open the poll on all resolutions, except item six.

Before we begin I would like to ask Adele Fiene who is our General Manager for Business Banking here in South Australia and the Northern Territory, but who is also a proud Birapai woman, to acknowledge the country on which we are meeting. So over to you, Adele.

Adele Fiene: Lovely. Thank you, Chairman. Hello to all here today and also those joining us virtually. What a stunning part of Australia we're meeting upon today, Garna land, with its gorgeous coastline, plains and hills. I wish to acknowledge the custodians of this land, the Garna people, and recognise their continuing connection to land, waterways and community and really thank them for taking care of these lands that I am now fortunate enough to live, work and raise a beautiful family on.

I would also like to acknowledge the Traditional Custodians of the land from which many of you are joining us from today. I very much want to pay respects to Elders past, present and emerging and to any Aboriginal and Torres Strait Islanders who are joining us either here in person today or online. On a more personal note, I would also like to acknowledge my elders, the Birapai people from the mid-north coast of New South Wales, and extend a very warm hello to anyone joining us from that beautiful part of Australia also. Thank you.

Paul O'Sullivan: Thank you. Many thanks, Adele. Thank you for that. On behalf of the board I would also like to acknowledge the Garna people as the Traditional Custodians of the land from which we're presenting this morning and to pay our respects to their Elders past, present and emerging. I extend that respect to other Aboriginal and Torres Strait Islander people who are joining us today.

Now, after a couple of years of having to do virtual meetings it actually is a really great experience to be back meeting with our shareholders in person and it's particularly pleasing to be doing that here in Adelaide, which is a city where ANZ has a long history.

We actually opened our first branch in Glenelg in 1837, which is just 10 kilometres from where we're standing today and it certainly was an interesting branch. It wasn't your typical branch. It was actually a large tent which had been sewn together by our first bank manager, a guy called Edwards Stevens, and he sewed the tent on his voyage over from England. It sounds like it was quite a tent. It also served as Mr Stevens' home and indeed the tent was a church on Sundays.

From those very humble beginnings we now have around 650 people looking after our customers in South Australia while we also as an organisation contribute more broadly to the community.

On that note, as a major bank we continue to be mindful of the key role we play in all the communities in which we operate, particularly when our customers find themselves in need and the recent floods across large parts of Australia, including here in South Australia, saw us again doing all we can to help our customers get back on their feet. In fact, it probably won't surprise you that we've had to enact our disaster relief policy seven times this year across Australia, New Zealand and the Pacific, in the process supporting thousands of customers through difficult times.

Now, let me begin the formalities of the meeting with a review of 2022 and after almost three years of living with COVID it's fair to say that the operating environment remains highly uncertain, stemming from rapidly rising inflation, geopolitical tensions, most notably the war in Ukraine, and the impact of rapidly tightening monetary policy across the globe.

While data from the Reserve Bank shows that household balance sheets are in the best shape they've been in for 15 years, the reality is that cost of living pressures are starting to have a meaningful impact and the next six months will be testing for many Australians. Despite these significant challenges your bank remains in good shape and we are delivering on our commitments to customers and to you as shareholders alike.

The work done by Shayne and his team over many years has left us in a good position and the Board was pleased with this performance last year. Our profit of $7.12 billion was up 16% on the prior year and we had good momentum coming into this year. As a result we've been able to declare a fully franked final dividend of $0.74, taking the total dividend to $1.46 per share, which is up $0.04 from the prior year and equates to more than $4 billion being distributed to shareholders.

From a capital perspective, even when we allow for what we plan to spend on acquiring Suncorp Bank, our Common Equity Tier 1 ratio, or what's known in the industry as our CET1, is 11.1%, which is well above APRA's unquestionably strong benchmark of 10.5%. We have also maintained prudent reserves to weather any external shocks. We have a collective provision balance now of $3.9 billion, which is over half a billion more than what we held in March 2019 before COVID.

All of this is on top of the work we've done to materially improve the quality of our business lending book, which is best highlighted by the value of investment grade lending increasing by 50% since 2016.

So wrapping that all together the way I put it is that your board and management are focusing on strong performance today while still actively preparing the bank for tomorrow. Core to looking to the future has been the continued digitisation of the bank and in particular the launch of ANZ Plus with deposits growing at a rate faster than any new digital bank in Australia.

Now, Shayne will talk more about this in his address and, indeed, we've got some of the ANZ Plus team here in the foyer ready to answer any questions you may have. But what we have effectively built in ANZ Plus is a new digital banking platform that will be the backbone of ANZ's retail and commercial bank in Australia for years to come.

As I'm sure you're also aware, we announced the acquisition of Suncorp Bank in July and this closely aligns with our ambition to grow our retail and commercial business in Australia. While the sale is still subject to various government and regulatory approvals the board is confident this will provide ANZ with a platform for growth in the fast growing Queensland market, a market where traditionally we've been underrepresented and, importantly, the acquisition gives customers the benefit of a wider range of products while allowing the Suncorp Group to focus on its goal of being the best insurance company in Australia and New Zealand.

Of course, the acquisition will be largely funded by the successful $3.5 billion equity capital raising that we conducted earlier this year. You may not know this - an interesting fact - but it was actually the world's largest equity raise for a merger and acquisition transaction this year and particularly importantly, the board and management structure this in a way to ensure that all shareholders, institutional and retail, were treated equally.

We also continued this year the systematic derisking of the bank, which was highlighted by the sale of our margin lending business to Bendigo and Adelaide Bank and we completed the formal separation of our wealth business to Insignia and Zurich in September.

Another important part of preparing for tomorrow is our proposal to introduce a new corporate structure, known as a non-operating holding company or, if you take the initials in short, a NOHC, and that will be the subject of an extraordinary general meeting which follows this AGM today. This proposed structure will allow what we call our non-banking businesses, like our joint venture with Worldline on terminals, to operate on a more level playing field with other companies whilst at the same time maintaining an appropriate regulatory environment for the bank as a whole.

I will talk more about the rationale for that change later but from the outset there's one point I really want to land and make really, really clear. ANZ's core business is banking and that will not change. Rather, the new structure is about allowing us to be more effective in accessing the best technology and people who can make ANZ an even better and stronger bank.

I would like to now turn to give you the Board's perspective on some of the resolutions that are being put to today's meeting. Ilana Atlas, who is the Chair of our Human Resources Committee, will talk specifically to our remuneration approach. However, I will make some initial comments. As a board I believe we have struck a balance between rewarding good performance whilst also holding management to account for areas where we did not achieve expectations.

It's fair to say that management had a good year, delivering a strong financial outcome for shareholders, particularly in the second half of the year. In line with the financial performance that I mentioned earlier, home loan growth was back in line with the market and we've made solid progress preparing ANZ for the future highlighted by, as I mentioned, the progress with ANZ Plus and the agreed acquisition of Suncorp Bank.

While the Board was pleased with this progress we did determine that a short term variable remuneration outcome of 74% of the maximum opportunity was appropriate for the CEO. The other resolution I want to specifically address, and I know this is of interest to many shareholders joining us in the room and online today, related to climate change and to our lending to the natural resources sector.

As we have outlined in the past, we are already the largest institutional bank in Australia and New Zealand and we are determined to be the leading bank in supporting these economies to make the transition to net zero emissions by 2050, and we've made meaningful progress.

Among other things, we're the first Australian bank globally to align disclosures with the financial stability board's TCFD, or its Taskforce for Climate Related Financial Disclosures. We're the first Australian bank to join the Net Zero Banking Alliance and the first bank to issue a sustainable development goal bond in Australia and probably most importantly, we were also the first Australian bank to engage with our 100 largest carbon emitting business customers, an approach which is now being followed by our peer major banks.

We did this to support these customers through the transition to a lower carbon future, backing their plans by providing more finance for less emissions. And as a bank we have high expectations, in particular for customers in the energy sector and we expect our energy customers' plans to be net zero aligned, public and specific. We have also committed to publicly disclose how our lending will back our customers' reductions in their carbon emissions intensity in line with the Paris Agreement target of 1.5 degrees maximum warming.

Recent events both here in Australia but also, sadly, in Europe have shown the importance of a planned and carefully managed transition of the energy sector and the reality is that the people who suffer most from energy shortages and high energy prices are those on low incomes or with jobs in areas most exposed to energy cost.

However, it is clear that those who have lodged this resolution today on climate are seeking an immediate withdrawal of financing for companies that continue to have any exposure to fossil fuels. So let me be clear; we do not accept that is in our shareholders' or the community's best interests that ANZ abandons support and services for leading companies genuinely committed to effective climate transition plans.

In fact, such a step would remove a key support for energy companies that are seeking to reduce emissions and it would potentially push them to source their finance from lenders who have no requirements on emissions reduction. Indeed, we are on track to set targets for nine priority sectors by the end of 2024 aimed at ensuring that at least 75% of our lending portfolio emissions are on a net zero pathway and we commenced this work last year, setting emissions intensity targets for power generation and large scale commercial real estate.

Just last month we disclosed new reduction pathways and targets in four key sectors; oil and gas, aluminium, cement and steel. These are the more comprehensive set of pathways for any Australian bank. Interestingly, our customers have welcomed our proactive engagement because they understand that the market dynamic on carbon is changing and they want to work with us to have a successful transition.

Let me turn briefly before I close to the issue of scams and security. It is undoubtedly the case that cyber security has been at the forefront in the national conversation in recent months. While Shayne will talk more about our approach, I wanted to cover the work we're doing to protect our customers from the rapid rise of scams. We know that as a bank we have a critical role to play, which is why we have hundreds of people working on the frontline to help protect our customers.

Scams are having a significant impact on the community. The ACCC estimates around half a billion dollars has been lost already in 2022. It's also why we've implemented new artificial intelligence technology that has averted tens of millions in scam transactions this year alone. We have also implemented a new behavioural biometrics capability, which detected appropriately 3,500 fraudulent applications last year, preventing nearly $40 million of identify fraud.

As a bank we're committed to the strongest possible technology defence and every one of our staff is aware that it is our responsibility to protect the security of the bank and its customers. I think it's fair to say Australian banks are at the forefront of cyber security and are investing heavily in our defences. But I should also say, and it's important to say, that as customers we are all the first line of defence.

As such, we have some of our best security people today here in Adelaide in the foyer and I would encourage you to have a chat to them after the meeting about how you can best protect yourself from scams. We also have material you can take home and for all joining us today there are comprehensive resources on security available on anz.com.

So in summary, it’s been a good year for the bank, particularly with the substantial progress made to prepare the bank for the future. In closing, I would like to acknowledge the enormous contribution of Graeme Liebelt, who is retiring from the Board at the conclusion of today’s meeting. Graeme has served the bank for the past nine years on the Board.

During that time, he has chaired our Human Resources and our Risk Committees. I can say in all honesty that he can be very proud of his contribution. Speaking personally, I will miss his wise counsel and strategic insight. On behalf of all shareholders, we wish him and his family well for the future and we thank him for his service.

I'd also like to welcome Jeff Smith to the Board. Jeff is standing for election a little later this morning. He's a very experienced technology executive. He brings the necessary skills to a modern financial services bank Board. While Jeff will introduce himself shortly, as a former CIO at several large organisations - including IBM in North America, Suncorp and Telstra - he is also already making a significant contribution to ANZ.

Finally, I'd like to thank our team of more than 39,000 people who work hard every day for all our stakeholders and to acknowledge our customers and to thank them for again trusting us with their business and to thank you, our shareholders, for supporting us through the year. We do not take it for granted. Your support is very much appreciated and welcomed by the Board.

With that, I will now ask our Chief Executive Officer, Shayne Elliott, to address the meeting. Over to you, Shayne.

Shayne Elliott: Thank you, Paul. Good morning, everybody. I'd also like to acknowledge the Garna people as the Traditional Custodians of the land on which we're meeting and pay my respects to their Elders past, present and emerging. I extend that respect to other Aboriginal and Torres Strait Islander people joining us today, either here in person or online.

Ladies and gentlemen, it's pleasing to be back together to meet in person. It's terrific being here in Adelaide. As the Chairman mentioned, we have a deep history and a strong presence supporting South Australian customers, the economy and the broader community.

Now a recent example of this is the ANZ Community Ball held here in Adelaide, which has quickly become one of the pre-eminent events on the social calendar. Now the ball was an initiative driven solely by our team. They can be really proud of the impact they've had with almost $1 million raised since 2018 for worthy local charities.

Now as we have done for more than 180 years, we're backing our customers here in South Australia, companies like Coopers, featured in the earlier video, who we've banked from the beginning and which has gone on to become a significant Australian champion, or Drakes Supermarkets, another long-term ANZ customer based here in South Australia who've invested and grown to become Australia's largest independent grocery retailer. Now growing ANZ is a lot easier when you back those with great vision generation after generation.

I believe that strength and our long-term commitment to backing customers was a key reason why we were recently appointed the sole provider of core banking services for the South Australian Government. Now this was a very competitive tender and we're honoured that we were selected. Now your team at ANZ are already working hard to make sure we improve on the banking services provided to the government for the benefit of citizens, taxpayers and all of those driving the economy right across the state.

Now while Paul outlined the headline results, I wanted to give a bit more detail on the key drivers of the business. First, this was one of the best sets of results we've delivered, demonstrating the benefits of a simpler, better-balanced portfolio. The recent environment has been supportive.

However, looking back on the year, we achieved our five clear priorities. We restored momentum in Australian home loans. We successfully launched ANZ Plus, our new Australian retail platform. We drove disciplined growth in the institutional and the commercial divisions. We completed major regulatory programmes as we've committed. We continued the simplification and de-risking of the business.

Just to mind everybody, we have four key businesses at ANZ, institutional, New Zealand, the Australian retail business and the Australian commercial division. Each of them made a material positive contribution this year.

Institutional continues to be a key differentiator for us. It's benefiting from our multi-year transformation, particularly as rising rates around the globe create better conditions. The transition from a business driven by lending to a leader in providing banking infrastructure and services to governments, funds and other financial institutions has been dramatic. It's one of the reasons we were successful in winning the South Australian Government contract.

Turning to New Zealand, we're the country's oldest and largest bank with a well-diversified, high-performing, very well-run business. Now in addition to all the services you'd be familiar with here in Australia, it's also worth reminding shareholders we are New Zealand's largest private-sector fund manager, overseeing $34 billion in funds under management with good prospects for future growth.

Now those who are familiar with New Zealand may know that the Reserve Bank of New Zealand asked the banks to implement one of the largest regulatory programmes ever implemented in the country. Known as BS11, after five years of hard work, your team have largely completed the work. This investment means we're well positioned to focus on the future and further build the New Zealand franchise.

Closer to home, with growth restored in Australian retail, the repositioning of our Australian retail bank onto the ANZ Plus platform continues with exceptionally strong early signs. ANZ Plus is effectively a new retail bank and one focused on winning business and driving better shareholder results by improving the financial wellbeing of our customers.

As I said, the early signs are very promising with strong deposit growth and extremely positive customer ratings, particularly with those customers who are new to the bank. In fact, as Paul said, deposits and customers are growing at a faster rate than any bank ever launched in Australia.

Today, with more than 113,000 customers, around a third of which are new to the bank - and we have over $2.3 billion in deposits. Now to put that in a little bit better perspective, those numbers have more than doubled since we announced our results at the end of October.

Now if you're interested in joining, we have an ANZ Plus stand right outside the room with some of our team who can help you sign up and take advantage of the great 3.75% interest rate currently available on savings balances.

Now with that deposit product taking off, we hit another major milestone this month with the launch of a staff pilot for our new digital home loan. Now to be clear, this will not be a fancy digital frontend but still paper-based backend like many offer in the market, but a fully digital end-to-end experience from application all the way through to settlement.

Now that means we'll have the capability to accept a loan application from a mobile device and have it fully assessed, approved and settled without any manual intervention. Now we still have some testing to do, but we'll introduce the product to all ANZ Plus customers later in 2023, initially focused on the refinancing market.

With other parts of the business performing well, the time was right to focus attention on the next biggest opportunity, banking small and mid-sized businesses here in Australia. Now banking small business has always been core to what we do with a strong focus on trading businesses so sole traders, tradespeople, cafes, restaurants and like but also all the way up to mid-sized, manufacturing companies, health service providers and operators right across the food and agri sector.

Now to fast track this business, we separated out our small business segment, creating a standalone Australian commercial division. We're backing that team with the largest investment in new technology and capability that we've ever made. Now last week I also announced that Clare Morgan will join my team as the new Group Executive to lead this division. Clare is a very experienced banker, joining from Commonwealth Bank. I know she'll do a terrific job leading the team that is working hard for our customers in Australia. I look forward to introducing Clare to shareholders in future.

Now another highlight was the announcement or the commencement of the ANZ, Worldline joint venture, which will allow us to provide business customers with world-leading point-of-sale and online payment technology. Why is this important? We all know today that paying for goods and services is mostly cashless. There's a myriad of ways to pay and to get paid, mainly revolving around those payment devices that shops and traders have on their service counters or through an array of online services.

Now I've been in banking for 30 years and it's fair to say I've never seen the pace of change and innovation we're experiencing in this area. Essentially there's a technology arms race in the payment space. We don't think it's feasible for a domestic-only operator to bring the world's best solutions. Our customers deserve the world's best solutions. That's why we were the first bank to offer Apple Pay in 2016 and our customers have never looked back.

Now while on the subject of payments, I know that many shareholders are concerned about how we're managing security with the increased risk associated with cybercrime and scams. Now it is a threat environment that is dynamic, rapidly changing and impacting all industries. First and foremost, protecting customers and the bank remains a key focus. In fact, protecting the bank from criminals has been core since we opened our first branch. It's just that now the methods have changed from old-fashioned robberies to sophisticated cyberattacks targeting the new jewels of today, data, data about your identity and data about your money.

Now in days gone by, we protected our customers by investing in vaults and security guards. Today we protect customers by investing in digital tools and virtual vaults. We continued to invest in and improve our cyber defences this year with the amount spent on cyber now around double what we spent in 2016. We remain on high alert, ingesting more than 10 billion data events each day into our 24-by-seven security operations centre as part of monitoring and detecting activity right across the network. Yes, I'll repeat that. We scan 10 billion data events every day.

Now as the Chairman mentioned, most of the impact on customers is actually from the increasing prevalence of scams. We have a team of people outside that are able to provide you with additional tips on how you can better protect yourself.

Now this year was also about preparing for the future with a key milestone being the announced acquisition of Suncorp Bank. Now whilst there is a comprehensive approval process to work through, we believe a stronger ANZ will be able to compete more effectively in Queensland, offering better outcomes for customers. The acquisition will provide a platform to invest and grow in Queensland, one of the fastest-growing economies in Australia and one in which we believe we have many great opportunities.

Suncorp Bank has a great brand, a simple business and a terrific team. Our goal is to capitalise on those strengths and find ways in which we can add value, not just to employees and customers but to Queensland overall.

In fact, many of you may recall the acquisition of the National Bank in New Zealand in 2004. Now that proved to be a very successful acquisition for customers and shareholders and a major reason why we're so successful in New Zealand today. Many of the team who managed the integration of the National Bank in ANZ in 2013 are still with us. In fact, I was on the New Zealand Board at the time. The learnings and experience from that successful integration will guide us as we seek to replicate the success of the transaction.

Now looking ahead, the world has entered a period of significant uncertainty. Central banks are battling to control inflation while geopolitical uncertainty, most notably the war in Ukraine, continues to weigh heavily. Closer to home, there are many factors at play. While some indicators are weakening, many others support the strong underlying health of the economy. There is particular stress with regard to cost of living and the resulting rise in inflation expectation and the drags on consumer confidence. I can't overemphasise the impact that cost-of-living pressures are having in the community.

Now while we know some in the community are doing it tough, and we are well-positioned to support them, our data shows that they're entering this period of stress in strong shape.

But our focus is on those customers most exposed to stress. Those with less secure employment, those who possibly bought homes right at the peak of the cycle. Those more exposed to cost of living increases. Or those that have suffered other shocks, like family breakdown or illness.

Now for those few that will experience stress, we have kept in place the additional hardship resources we built during COVID. So look, while the future is uncertain, both the Bank and our customers are well-positioned for what may come.

One of the great [inaudible] of COVID was the value of data, and the ability to analyse those stresses at a granular level, and the ability to proactively intervene. So for example, we can now quickly identify home loans that are already in, or approaching, negative equity. Actively monitor them, and step in and help as needed.

Now just to finish, this was a strong year with all divisions making material positive contribution. There are economic risks ahead, but we are entering 2023 in great shape with positive momentum. We are well-prepared for whatever challenges lie ahead. We achieved what we set out to achieve in '22. We have differentiated strategies for all our businesses, and a clear road map to continually improve our technology infrastructure.

The NOHC structure, that we are voting on later today, is a really exciting development that will provide us with greater flexibility. Most importantly, allow us to better meet our customers' needs. I am also confident we have got the right team, and the strategy in place to build a Bank you can all be proud of. A Bank which [builds on] our heritage and culture.

So with that let me finish by thanking our Team for their hard work, and wishing you and your families a very happy festive season and a prosperous 2023. Thank you.

Paul O'Sullivan: Thank you Shayne. This year we again invited shareholders to send in questions prior to the meeting. The key themes arising from the questions have been addressed in the opening statements from myself and Shayne.

So I will now ask Kathryn van der Merwe, who you met earlier in the meeting to outline the process for asking questions.

Kathryn van der Merwe: Thank you, Chairman. To submit a question or comment, select the messaging tab at the top of the AGM platform. Type your questions into the text box. Once finished typing, please hit the send button. Questions and comments received from shareholders online will generally be read out verbatim by me, Kathryn van der Merwe, your Moderator. With changes made only to fix grammatical errors.

Where we receive questions or comments online that are the same, or fundamentally similar, we may read out one, or a representative selection for the Chairman to address. In the case of multiple questions on the same topic that have already been responded to, the Chairman may opt to advise that those questions have been adequately answered and move on.

You can submit questions and comments on any item online, starting from now. Questions and comments on specific items of business will be held until we get to that item. Please do not wait for that item before submitting your question. Online questions are limited to 2000 characters.

To ask a question by phone, please ring the number you have been provided. Provide your name, as per your holding, and your PIN when asked by the operator. Once you have been verified, you will be put through to the conference line. To ask a question please press star one on your telephone keypad.

The Operator will ask which item number you wish to ask a question on, and you will be placed into the questions queue. You will still be able to hear the meeting. At the relevant time you will be introduced to ask your question. We would be grateful if you can please keep your questions as brief as possible.

I can assure shareholders that both the Chairman and ANZ take obligations relating to the proper running of the AGM very seriously. Our procedures are designed to facilitate a broad range of questions, and provide the maximum number of shareholders the opportunity to ask a question. As such, there are a few procedural processes I will quickly take you through.

As you know, only shareholders and their representatives can ask questions of the meeting. To give all shareholders the opportunity to participate equally, we ask those submitting questions online to try and limit their questions or comments to two per item of business, and to submit each questions separately.

However, for those holders asking questions or making comments via phone in person, could you also try and limit your questions or comments to two per item of business, but ask them at the same time when you address the meeting for that item.

Back to you, Chairman.

Paul O'Sullivan: Thank you Kathryn. Let me just stress for the benefit of everybody, that this is a very important forum. It's where the Board makes itself available and accountable to shareholders. My duty as Chair is to make sure that we give everyone a fair go at having a chance to ask a question. So you'll see me Chair the meeting with a degree of discipline to make sure that happens.

Now in additional to ANZ's own resolutions, we have two shareholders-raised resolutions, which are items 5 and item 6. Now item 6 is what is termed a contingent resolution, which means it will not be put to the meeting unless item 5 is passed. Now we do understand that there are likely to be shareholders who wish to put questions to the meeting on resolution 6. So what we will do is take questions on both items 5 and 6 when we turn to the discussion on item 5.

That’s because both resolutions are essentially related to climate and climate change. So I ask that any question on that topic, including comments relating to climate change impacts, ANZ's policies, action, business activities and disclosures, including any impact on our financial disclosures or risk profile. That these be kept to that point of the meeting, that is, resolution 5.

To ensure the smooth running of the meeting, and to provide the opportunity for a broad range of questions to be asked, I would note that if you ask questions on these items before we get to item 5, we will hold the answers until we get to that item. Now please rest assured that the discussion on climate and environment matters is critically important to us. We will make sure we allow ample time for discussion at that appropriate time.

We also have two items, namely items 3 and 4, which both related to remuneration. Again I'll take questions on both items together when we get to that point in the meeting. We also have the Lead Auditor Partner, Martin McGrath, who is down to my right in the front row. He is from our external Auditor's, KPMG, and available to answer any questions shareholders may have for our Auditor.

Finally, we'll save any questions in respect of the non-operating holding company, or what I'll call the NOHC from now on, for that proposal, which we'll hold any questions back until we get to the Separate Scheme Meeting, which will begin right after this AGM.

This being a meeting of shareholders, it's important to note that we do not comment on specific customer matters, including our customers' business activities. Or indeed any matters subject to legal, or other dispute. As such, those type of questions or comments received online will not be put to the meeting.

For those here in person, we do have members of our staff outside at a booth. They can assist with these matters. That includes our Customer Fairness Advisor, Evelyn Halls, and our Customer Advocate Lead, Kristine Daniels.

As I'm sure you'll understand, ANZ will also not put any questions or comments to the meeting that are abusive, obscene, or defamatory in nature. So can I please remind the shareholders to submit any questions they want to raise online via the AGM platform now. We will store and respond to relevant questions and comments when we get to that specific item of business. For those asking questions via the phone, you can also do that now. Or indeed you can wait and dial in at the correct item.

So we will start with questions in the room. Questions and comments on item 1, Annual Reports, together with general comments and questions about the management of ANZ, except for those items I've highlighted that we're holding till item 5 and item 6.

For those in the room, [the people] you can see now standing at the microphones are ANZ staff members, Tiffany Williams, Rachel Leach, Catherine Peacock and Alex [inaudible]. These are all members of our local team here in Adelaide. If you'd like to ask a question on any time at the appropriate time, please approach one of the microphone attendants and give them your name.

I'll take the first question from the room here, it's at microphone one. So please go ahead.

Alex: Thank you, Chairman, we have a question from Bob Ritchie.

Bob Ritchie: Good morning, Chairman. As one of 100 volunteers, I have been appointed to represent the Australian Shareholders' Association. You were told, my name is Bob Ritchie. I will be voting 6.3 million share proxies, donated by 1300 shareholders. If the holding is consolidated, it would be equivalent to the 13th on the list of top shareholders in the Annual Report. The number of donors is greater than the number of people in this room.

The Association applauds the form of the recent share raising, which all shareholders were given equal treatment. As funds raised facilitate the acquisition of Suncorp Bank, would you please summarise how this acquisition will bring benefits and risks to ANZ?

Paul O'Sullivan: Thank you, Bob, for your questions. Can I also, for the benefit of the meeting and on behalf of the Board, note the work that's done by the Australian Shareholders' Association and thank you. It is a volunteer organisation, as you say, and it performs a critical role in ensuring that all shareholders have access to good advice and good information before we come to the meetings.

In terms of your question on Suncorp. The Board thinks it's a very important acquisition. Really there are three key benefits for the Bank that we see. First of all, it gives us increased exposure to the fastest growing state population-wise in Australia, that's Queensland. It has the highest net migration inwards from the other states, and there's a lot going on up there.

It's hosting the 2032 Olympic Games, and there's a lot of investment going in the state associated with the transition to a greener future. We have traditionally been underrepresented there. So it provides us with a platform for growth.

The second benefit is that, as you know, and as Shayne and I have discussed, we have been putting literally millions of dollars, if not $1 billion dollars, into building our new Digital Bank. That's a new technology platform. With technology you have a high fixed cost, but then the more customers you can put through it, particularly because it's very efficient, then the greater return you get. So the Suncorp acquisition gives us a larger customer base that we can migrate on that platform, and improve our returns.

Finally, and I think this will be very much relevant to shareholders, ANZ tends to get a lower valuation relative to the other major banks because we have a larger exposure to the institutional market, we are the lead institutional Bank, which is basically companies and trade. As opposed to not being as exposed to retail and commercial. This gives us a much larger exposure to retail and commercial, and so we think we will create value for shareholders.

What are the risks? Well, I guess the first one is making sure we get the approvals. It's got to be approved by the state government, by the ACCC, and the federal government. Your Board and Management have been working very hard on that. I have personally been to Brisbane several times. We are confident at this stage that all the advice and signals we are getting are that we will get the necessary approvals.

The second risk is transition risk. That was commented on by Shayne. We have got a lot of experience at ANZ, having done the acquisition of National Bank in New Zealand several years ago, and successfully migrated that into the ANZ family. So that's going to be a key learning.

The third one is to make sure that the staff at Suncorp, who are - it's a really well-run Bank, and we are really pleased with the people we have met. It's important to us, given that the culture is so aligned to ANZ and so similar in values, we want to make sure the staff and the customers of Suncorp feel valued and welcomed as they join ANZ. That's a key risk we need to manage.

I hope I have answered your question.

Bob Ritchie: Thank you, you've answered comprehensively, including the risks element that I threw in. I will hold the rest of our questions, and perhaps not [ask] them, depending on how the meeting goes.

Paul O'Sullivan: Thank you, Bob, thank you very much. I'll go to microphone two for the next question.

Unidentified Company Representative: Thank you, Chairman. This next question is from Craig Caulfield of Queensland.

Craig Caulfield: Good morning Mr O'Sullivan, Directors and all shareholders. I really enjoyed your opening statements, both of them, and I learnt a few things from that. So thank you very much. I would mention that I am a founder of Bank Warriors, and we are fiercely independent. So what I say may not represent the interests or the ideas of others. I am also an advisor to Bank Reform Now. Bank Reform Now has 15,000 members and followers. Again, I won't say I'm representing them all, buts that's some further background.

Firstly, let me congratulate you on the online guide that was provided so that remote shareholders can ask questions. Over the couple of years of COVID there were difficulties across multiple AGMs with multiple banks. I found that Westpac yesterday, I attended Westpac's AGM, and ANZ's today, was exemplary. So in this new environment, thank you very much.

In contrast, CBA, for example, which was only two months ago, remote shareholders couldn't ask questions live. So there's a difference [inaudible] ANZ ahead on that one. Thank you.

Paul O'Sullivan: I feel there's a but coming somewhere here, yes?

Craig Caulfield: I've got a big but. The Reserve Bank's eight consecutive interest rate rises has not yet impacted ANZ customers in a big way. We know rising food prices, rising fuel prices, rising energy prices can add to the hardship of ANZ customers. Many ANZ customers are also transitioning from 2% fixed rates into 6% variable rates. This is no small wave.

Reserve Bank Governor, Philip Lowe, pumped $200 billion of emergency artificially low rates, which have started expiring. This 200% rate rise in such a short time is unprecedented. ANZ customers are anxious how they will cope with financial hardship. I am a longstanding ANZ customer. I have just hit my loan limit with ANZ, and ANZ has sent me text messages to remind me, which I've fixed up.

But I am worried too. Some customers can draw on savings, lines of credit, they could tap into credit cards. I would say, credit cards that are often thrust or packaged in to borrowers. So this will provide some delay, so impacts of what's coming out might be delayed for these reasons.

Combined COVID uncertainty, a forecast recession in New Zealand. I note ANZ is the dominant, the largest Bank in New Zealand. Geopolitical tensions that Mr Elliott talked about. It's understandable that we will also see mental health consequences.

Banks and regulatory remediation systems I have found are inconsistent and not fit for purpose. I know first-hand how sustained phasing banks remediation systems, failures detailed on ANZ's likely secretive APRA report that wasn’t released, they can have terrible impacts on bank customers.

Unfortunately, and tragically depression can set in as people, protections and regulators all fail us. Depression and suicide, especially in rural areas, is a tragic consequence. These traumatic impacts go beyond the industry label of financial hardship. Now I would like to acknowledge Mr Elliott, because in his speech he sort of proactively referenced some of these things, that it does go beyond that.

But I call it psychological hardship that bankers in the past have failed to consider. There has been a strong focus on financial hardship. Drawing on my own experiences of CBA's behaviour, my request for financial hardship was refused. Now this is some years ago, but I know how deeply emotional and psychological non-financial impacts cut beyond the mere financial impacts.

Post-Christmas we are expecting spending will subside. Confidence will subside in the New Year as a wave of rising costs take their toll. Directors of ANZ have known for years, we look back at the - now this is past Management, or past Directorships, but the botched case of Charlie Phillips in Outback Queensland. So the Directors need to be aware of this.

My questions are, why has ANZ's systems policies and processes ignored the emotional and psychological hardship above and beyond the financial hardship? Why hasn't ANZ employed behavioural scientists and psychologists to address this deeply serious issue now? Thank you.

Paul O'Sullivan: Thank you, Mr Caulfield, thank you for your energy as well in representing, or in being part of the Bank Warriors and all they do. I think the point you raise about the environment we are in is really important. [Inaudible] separate thinking around our customers situation from the prudential side of the Bank.

Prudentially we have obviously a requirement under the law to test mortgages and so on at a higher rate than we lend at. Typically, it's at 3% above the interest rate that is current when you're making a mortgage. Or it's a minimum of 5%. So prudentially, from a risk point of view, we are just getting into the territory now with interest rates where those tests took place.

But your point is a really important point, which is putting that aside, the impact on people of rising energy prices, inflation, of rising interest rates and mortgage repayments, is significant. Whilst on the one hand we can rationalise it. To your point, emotionally, it's a very difficult environment. Especially for anyone who doesn't have a lot of flexibility.

Shayne mentioned earlier, that our approach is to ourselves proactively look at our customer data, and to see can we identify and proactively contact customers who we think might be heading for some stress. We have a number of options when we do that. They're things like loan deferrals, or recapitalising the loan. Or indeed in some cases we may be best placed to persuade the customer that it might be time to make a difficult but important change.

Our policies are to equip our lenders with the necessary tools and sensitivity, take into account the customer's wellbeing. And Shayne and the Board have defined the core purpose of the bank as being to improve the financial wellbeing of our customers.

So that's our guiding process as to all the decisions that we can make. We do have a number of staff who work - dedicated to customer hardship and to working with customers to try and address issues. And as I say, we do our best to try and take into account the key concerns that customers may have.

Shayne, is there anything you'd like to add to my comments?

Shayne Elliott: Only that I take your point, Mr Caulfield around psychological harm and hardship and I agree with you and we do see that from time to time. And I think you're right to point out that it's likely that that will increase as things get tougher for many in the community.

We do actually employ psychologists and we do have people on call to help us and advise us in terms of the ways we interact with customers who are experiencing stress. I'm not for a minute going to stress we always get that right and that there isn’t more that we can do.

But I agree with you that it's something that we can do a better job in. And Maile, who looks after the Australia retail business in particular, I know we've just made some changes in the way we structure our support teams, our contact centres, our complaints teams, our advocacy teams.

And part of that, I think is a good idea for us to go back and have a look and see if we can do more around psychological hardship as you describe it.

Paul O'Sullivan: Thank you, Shayne and thank you Mr Caulfield.

Craig Caulfield: (Shareholder)Yes, thanks very much. And there's not a one simple answer to this but if the Board could keep that in mind, psychological issues, that would be appreciated. Thank you.

Paul O'Sullivan: Thank you. We're here to listen so we absolutely will. Thank you.

Craig Caulfield: (Shareholder) Appreciate it.

Paul O'Sullivan: Am I seeing anyone at microphone number 3? Yes, okay. Over to you.

Unidentified Company Representative: Thank you, Chairman. I have [Judith Dwyer] from [My land] with a question.

Judith Dwyer: (Shareholder) Thank you, Chairman. I want to acknowledge the progress that the bank has made towards being a net zero business. You will know that in September, 2020 the Science Based Targets Network issued interim targets for nature including zero deforestation and zero conversion of all natural habits from 2020 as a first step towards nature positive targets.

Given the agriculture sector's contribution to ASZ's scope 3 emissions and the pressure that land clearing associated with pasture expansion places on our environment, has ANZ implemented conditions within relevant loan agreements to prevent deforestation or sustainability linked loans to promote nature positivity or are there concrete plans to do so?

Paul O'Sullivan: Judith, thank you very much for your question. Now, as I said at the beginning of the meeting, my role is to make sure everyone gets a fair go at asking a question. So because now there'll be a long discussion on climate and we spend a lot of time ourselves as a Board discussing climate, I'm going to hold your question over until we get to item 5.

There are some reserved seats that we've put near the microphone so if you want to take one of those, we'll make sure you're in a position to ask your question when we get to that time.

I'm now going to go to microphone number four.

Unidentified Company Representative: Thank you, Chairman. We have a question from Michael Sanderson from [unclear] in the Hunter Valley.

Michael Sanderson: (Shareholder) G'day Board. Shayne, congratulations. You're the last standing CEO since the banking Royal Commission. Still got to work on that funny twang you have.

Shayne Elliott: It might take me a while.

Michael Sanderson: (Shareholder) Yes.

Paul O'Sullivan: If he's got a twang, I think the Chairman is in even bigger trouble, right?

Michael Sanderson: (Shareholder) I've got a bit of a tongue in cheek request. I have some other questions but I'll leave that until later. It relates to relevant matters. The ABC reported and the heading was power prices surge up to 18.3% as energy market turmoil flows through to households.

This was equivalent, again, reported, to about $250 a year for the average residential electricity bill. Today, parliament is being recalled to address that. In a vain attempt to control cost push inflation, the Federal Government's Bank, the not independent RBA, increased the cash rate 3% which is equivalent to $15,000 or $300 a week on the average $500,000 residential mortgage or business loan.

This is 6000% worse than the household energy crisis but there is no recall of parliament to address this. [Adverse] really. The RBA was established by the Reserve Bank Act 1959. Therefore, any independence or autonomy is and has always been at the pleasure of the federal government.

It has the power to reverse recent interest rate increases. Now, to give you some contrast. Japan has a cash rate of minus 0.1%. Its inflation is only 3%. Its fiscal spending is 266% of GDP.

Australia's cash rate is 3.1%. Its inflation is in excess of 7%. Total fiscal spending is a mere 36% of GDP. This inept and pointless interest rate austerity transfers real assets from real workers, that Labour claims to represent, to the already wealthy.

My request is I was in parliament last week - for the last week of sittings and witnessed the awesome power of the Australian Bankers Association. Based on a 24-hour backflip on $1 million fines for bankers, it would seem the Federal Government will bend the knee instantly to instructions from the ABA.

For balance, just so it's not political, the LNP established a Clayton's banking Royal Commission when instructed by the big 4. I asked the ANZ in conjunction with the other big 4 to request that Anna Bligh on behalf of all mortgage holders to instruct the Federal treasurer to stop and reverse the not independent RBAs inept interest austerity and be more like Japan. That's it.

Paul O'Sullivan: Thank you, Michael. You've travelled a fair way today so thank you also for making the journey. The points you made are actually very interesting and they go again to the heart of the impact of the economic environment on all Australians and obviously we are concerned about that too.

I wish we had the sort of leveraging power that you are describing but nonetheless, I take note of your request and we will certainly take account of it.

Michael Sanderson: (Shareholder) Would you like me to ask another question now? Or we can leave it until later, it's - this is a real question.

Paul O'Sullivan: Okay, go ahead.

Michael Sanderson: (Shareholder) Okay. This is - one thing I noticed, when the screen was up there for online questions, in the question box there was 24 characters. That's a pretty short question. I hope that's not the case. Just a comment.

Paul O'Sullivan: I very much doubt it but yes, we'll check.

Michael Sanderson: (Shareholder) Okay, this goes to dispute resolution. The Australian Financials Complaint Authority is the peak EDR, external dispute resolution, body used by banks.

[AFCA], which is important too, is perceived by bank consumers to be biased, in favours of their members, yet banks routinely claim AFCA is independent and impartial. In my experience, this is not the case.

And some examples. A former AFCA case manager, we'll call him RC, worked for NAB for 29 years before working for AFCA for two years. He then took up a position with Bankwest.

Just prior to leaving AFCA, RC found in favour of a Bankwest case manager. I'm not suggesting RC was corrupt. It's not a good look. Also, Gerard Brody of the Consumer Action Law Centre, referred to as CALC, found that of all home lending complaints made to AFCA in 2020, there were no determinations in favour of the consumer.

Also, in March of this year, an AFCA ruling was overturned by the New South Wales Supreme Court due to the absence of impartiality and independence. Now, I believe that there would be more judgements like this if AFCA consumers could represent their cases in the Federal Court.

I personally know as a complainant and an ex-member of AFCA, that AFCA is biased to the point of corruption. My question is because there is no meaningful merit review of ANZ cases outside the courts, is ANZ prepared to fund merits review of ANZ AFCA cases in the Federal Court?

Paul O'Sullivan: Thank you for that, Michael. Can I start by saying that AFCA is the ultimate escalation body for customer complaints. But we do a lot of work inside ANZ in the first place.

So we're not waiting for the regulator to jump or for people to have to go to the regulator. In fact, in the last 18 months, we've spent a lot of money to implement a new complaints managing technology system that allows us to capture complaints right across the organisation and to work hard on redesigning our core processes to pick up any gaps or any problems.

As a Board, we also regularly review the number of complaints that are being recorded. We look at them also in terms of how long they've taken to resolve. And we have a key metric which is to ensure questions - complaints don't go to AFCA for resolution but resolved by our own staff.

And that's our first endeavour in every situation. I'm not going to comment on the regulator and I don't think it's appropriate for us as a bank to necessarily be providing judgement on the regulator.

We want to be a law-abiding bank. We want to have a constructive relationship with the regulator and so therefore we'll work with AFCA within its guidelines. But look, thank you for suggestion.

Michael Sanderson: (Shareholder) Just on your comment - I've got some noise here.

Paul O'Sullivan: I want to give another person a chance to ask a question but very briefly.

Michael Sanderson: (Shareholder) I've just got a follow up on your comment you made there. In relation to [IEA]. You said you did a lot of work prior to AFCA. The issue there is where you have a consumer who is the weaker party, generally the consumer has no idea of the real issues of his case or her case.

Therein lies the problem. There is no - what do you call it? Balance. And the bank and AFCA and mediation and farm debt mediation know that at the end of the journey, these consumers have no access to the courts.

So there is a culture I believe - no, I don't believe, I know - there's a culture of impunity that clouds the whole EDR and IDR process. I'll leave it at that.

Paul O'Sullivan: Okay, thank you, Michael and you're entitled to your view and I'd encourage you to feed it through to government as well. Can I just clarify, online allows 2400 characters. So it does allow adequate space for anyone to raise an issue.

Okay, I'm going to rotate the questions between the room, online, and the phones so everyone gets a chance to ask a question. So let's go next to an online question and I think Kath is going to read that out to us.

Kathryn van der Merwe: That's right. Thank you, Chairman. We have two questions from Mr [Alexander Cinton]. First, can you please outline the progress you are making to comply with New Zealand's conduct of financial institutions or CoFI legislation with specific reference to the fair conduct program area of acting ethically, transparently, and in good faith?

And the second question, will ANZ Plus be rolled out in New Zealand?

Paul O'Sullivan: Thank you, Kath, and thank you, Alexander for your question. As it happens, one of our Board members, Sir John Keys, is also the Chairman of ANZ New Zealand. So he's probably perfectly primed to answer these questions. So Sir John, would you like to respond?

Sir John Key: Thank you, Chairman. In relation to the first question, there's a number of things that are happening. Firstly, as a bank, we have observed what took place in the Royal Commission here in Australia and we have made sure that we can cross reference that to our activities in New Zealand and take the best practice that was the learnings from the Royal Commission.

Secondly, we've set up our own independent conduct and culture subcommittee of the Board and that not only meets very regularly but reports to the New Zealand Board. Thirdly, we undertook our own what was called section 95 review in New Zealand. And that was moderated by one of the leading accounting firms and that looked very closely at all these issues.

So I'm very confident actually that both the New Zealand management and the New Zealand Board are addressing those issues very, very careful. In relation to ANZ Plus, we have different systems and different capabilities in varying locations.

So look, at some point, if ANZ Plus could be rolled out in New Zealand, particularly with some of the great functionality that I know is planned for Australia, then we would want to welcome that. It’s certainly one of the things that the IT and technology people are looking closely at. But at this stage, it needs to be successfully deployed in Australia before we can migrate that over the Tasman.

Paul O'Sullivan: Thanks, Sir John. Okay, Kath, move to the second question online please.

Kathryn van der Merwe: Yes, you have a question from [Davinda Chabra] of Junior Enterprise Proprietary Limited. My brother in law was scammed where Citibank treasury notes were transferred to an ANZ bank account held by scammers.

How is ANZ [unclear] failed in checking and allowing such kind of scammers to open accounts which have the title Citibank clearing account? What is being done to protect general consumers by the bank?

Paul O'Sullivan: Thanks for the question, Davinda. And actually I think it's shocking to see these sort of stories and I certainly feel for the impact it must have had on your brother in law and his family.

And you know, we're very conscious of the damage these scams are doing across the community. I mentioned in my speech the ACCC's estimate of what they're doing.

We're not going to comment, as I said at the beginning, on individual customer cases here. What I can say is that we do look at each case on its own merits and independently. And that's reviewed internally.

And we do look to provide a fair and balanced outcome. So thank you for your question. I should add that I outlined in my speech, as did Shayne, the major investment we're making in reducing scams. And we will continue to be very vigilant on that and focus on it moving forward. So thank you for the question.

We'll move onto the third question online please, Kath.

Kathryn van der Merwe: Yes, a question from Mr [Graham Neil]. When we will you introduce the competitive savings rate of 3.75% per annum on conventional savings accounts? Not everyone wishes to bank on their phone.

Paul O'Sullivan: Thank you, Graham, for the question. I'll ask Shayne in a moment to comment because he's very close to the competitive environment. But the Board actually spends quite a bit of time discussing our capital strategy.

And to give you a sense of the factors that come in when we're looking at rates, you know, what we've got to think about is the source of funds for the bank and what we're able to lend out.

And so we're looking at deposits which are a great source of capital. We're looking at what we can raise in the external markets. We're looking at securities like hybrids. All of these have a cost associated with them.

We think about how we can apply those funds. What are the margins and lending rates available in the market and many of you will know that the mortgage market in particular in Australia has been very aggressive and very competitive of late.

So the challenge for management and the Board in supervising management is wanting to understand how we balance all those factors to arrive at what are our competitive rates on our deposits. But Shayne?

Shayne Elliott: I think you've covered it there, Paul. I think you know, we have a portfolio of deposit products. We've got Progress Saver and Access Advantage and all sorts of other - and of course we have term deposits. It just so happens that at the moment, our special rate is at 3.75% for call deposits, so no conditions, is on ANZ Plus. And we're really pleased with that.

It's really easy to join. You can join up in less than sort of three minutes. So we, as Paul said, we monitor the competition, we've got to be competitive, we've want to have great rates available for savers and today, and I don’t know where that will be tomorrow or next week, but our lead price is on our ANZ Plus product.

Paul O'Sullivan: Thank you, Shayne. I'm going to move to the fourth question online please, Kath.

Kathryn van der Merwe: Thank you. Question comes from [Mahindra Nayar] of Nayar Holdings Propriety Limited. What do you think there is need to take over Suncorp rather than natural organic growth with unforeseen risks when global financial markets do have threat?

Paul O'Sullivan: Thank you, Mahinda. And I'm guessing if I interpreted your question correctly, you're worried about whether we are fully aware of what's inside Suncorp when we acquire it.

And in that sense, let me talk a little bit about the due diligence which the Board provided oversight to as we looked at Suncorp. We actually did a lot of evaluation of their lending book, of the way the bank is run, and of their risk appetites and their risk policies. And all of that informed the Board and management in deciding whether or not to move ahead.

We actually have quite a positive view of the way Suncorp has been run. And it's interesting, if you look at their financial performance but also at their customer metrics, and a key indicator we look at in the industry is what we call main financial institution. In other words, people feel they're treated by the bank so well that they make it their main bank and their main financial institution.

And Suncorp scores very positively when we evaluate it. It's not either or. Suncorp provides us with a unique opportunity to grow our scale and our position in a fast growing [state].

But we're also focused on continuing to grow ANZ with organic growth as you said. I'm now going to move from online and we'll keep rotating until we run out of questions. I'm going to move from online to the phone.

So let's go to the first phone question please.

Kathryn Van Der Merwe: Operator, please put him through. Welcome [Mr Robertson], please proceed.

Bruce Robertson: (Shareholder) Good morning, Chairman. Look, I just want to highlight the risk that the Bank is taking at present. Its risk has dramatically increased. The ANZ Banking Corporation is taking far more risk than it is has historically tolerated in its lending to Woodside and the associated global investment partners investment in Pluto 2. Historically banks mitigated risk in LNG projects by lending to projects that were structured as a consortium with many substantial counter parties. Banks also lowered risk by insisting on 20 year LNG offtake agreements that matched their financing terms.

Why is ANZ lending to Woodside, a company that owns 100% of the very large Scarborough project and has short term, less than 10 years, LNG offtake contracts? What has led to this fundamental reassessment of risk by the Bank given major LNG customers such as Japan have firm commitments to lower LNG usage in their power system by 50% by 2030? Do the provisions in our Bank's account take account of the far higher risks our Bank is facing?

Paul O'Sullivan: Thank you for your question Bruce and really this is at the heart of the transition risk associated with the move to a lower carbon economy as you pointed out in the case of Japan. So, our exposure to a fossil fuel provider in that context is really the heart of your question. As I said at the beginning, I want to make sure every shareholder has a chance to ask a question, so I'm going to hold your question and you're welcome to bring it back again when we get to item 5. One more customer on the phone or one more shareholder I should say on the phone I gather so…

Kathryn Van Der Merwe: Yes.

Paul O'Sullivan: …operator, please put them through.

Kathryn Van Der Merwe: Yes, we have a question on the phone from [Morgan Pickett]. Operator, please put them through. Shareholder, please proceed.

Morgan Pickett: (Shareholder) Yes, can you hear me?

Paul O'Sullivan: Yes, thanks Morgan. Welcome.

Morgan Pickett: (Shareholder) Wonderful, thank you. Good morning to the Board. My question relates to the legal risk. Last year the Federal Court ordered Commonwealth Bank to give a shareholder access to [prudential] documents so the shareholder could check whether Comm Bank had complied with its own climate change policy in lending to oil and gas projects.

Last month, a UN high level expert group focused on the corporate greenwashing stated non-state actors cannot claim to be net zero while continuing to build or invest in new fossil fuel supply and ASIC's Deputy Chair Sarah Court warned that ASIC is currently investigating a number of listed entities, super funds and managed funds in relation to their green credentials' claims.

Companies are on notice that ASIC is actively monitoring the market for potential greenwashing and will take enforcement action, including court action for serious breaches. I should also mention that just this week Federal Treasurer Jim Chalmers said the Australian Government is focused on confronting and cracking down on greenwashing. ANZ has publicly committed to the goals of the Paris Agreement and net zero emissions by 2050. So, is the Board concerned about the potential legal action when we're still investing in new fossil fuel supply which is incompatible with the climate goals?

Paul O'Sullivan: Morgan, thank you for your question and I know people like yourself who volunteer your time on these sorts of issues are very genuinely and positively motivated and I welcome that and ultimately, I think we're all trying to get to the same place on climate. Because it is a climate related question then I am going to hold that until we get to item 5 when you're welcome to resubmit the question. With that we will come back into the room, so back to microphone one.

Unidentified Company Representative: Thank you Chairman. We have a question from [Rita Mazaleski].

Rita Mazaleski: (Shareholder) Thank you. Good morning, Board. It's nice to be here face to face again. I am also here as a founding member of Bank Warriors who work with and assist financial victims. I have a question relating to the Board.

Under your corporate governance statement with the performance evaluation, it says that this year the Board is utilising the services of an independent external facilitator to assist with the evaluation of the Board, the Committees and the Directors. This will include interviewing each of the Directors and key members of Senior Management with the results to be discussed by the Board and subsequent actions to be agreed.

Then in the past it states that for the evaluation of Non-Executive Directors the Chairman normally has a one-on-one meeting with a Non-Executive Director regarding their performance and this information will be fed back to the Chairman who will discuss the feedback with each Director. Like a usual performance with staff. It also says that to do with the Chairman of the Board, ANZ's longest serving Non-Executive Director usually facilitates the evaluation of the performance of the Chairman. This involves seeking input from each Director and then this is also fed back to the Chairman.

So, in regards to engaging an external facilitator, given that boards only meet a handful of times a year for board meetings, not frequently and that the relationship is very critical, why is ANZ engaging an external facilitator to do this part of the process for performance where that facilitator doesn't know the intricate details of the person's experience and how they're performing? Is this a cost the shareholders are bearing which hasn't been reflected in any of the Director's salaries?

Paul O'Sullivan: Thank you Rita. It's a pleasure to put a face to the name because I think you made a number of phone questions over…

Rita Mazaleski: (Shareholder) Yes.

Paul O'Sullivan: …the last two AGMs, so great to see you in person and thanks again…

Rita Mazaleski: (Shareholder) You too.

Paul O'Sullivan: …for your activism. Let me start by saying this is considered to be best practice in corporate governance. It's not only ANZ but most ASX top 100 boards will bring in an independent evaluation on a fairly regular basis, usually every two or three years. The reason it's an external is independence because we want to make sure that people are comfortable speaking the truth to power and so the Chairman, the Chairperson, whoever they are, has a degree of authority and power so I think it's important that there's somebody independent who is able to run the evaluation.

There are a small number of highly qualified professional firms who provide this service and it is one of them that we have engaged. I think it's actually an important service to shareholders because what you all want to make sure of is that a Board like us is made up of appropriately qualified people who are diligent and doing their jobs and that we are running our governance and committees in an appropriate way. I should add, this year we had 18 Board meetings so I think this has actually been a very hard-working Board and I thank my colleagues for the time that they've put aside.

So overall, it's not a hugely material cost in the context of the Bank, but I actually think it's an important exercise and I participate in it in other boards that I've been on over the years.

Rita Mazaleski: (Shareholder) Can I just clarify something? I realise that there's an external facilitator that comes in every three years to review the Board as a whole. Are you saying that the individual reviews will be…

Paul O'Sullivan: They're part of that.

Rita Mazaleski: (Shareholder) …every three years, not yearly.

Paul O'Sullivan: The individual reviews are within it. So, the external review we're talking about, that's being done as both an individual review of Directors and the Board's performance and the committee performance overall. That's part of that two to three years.

Rita Mazaleski: (Shareholder) Every three years.

Paul O'Sullivan: That's part of the external review. We do evaluate ourselves and our committees every year and that's run as an internal process and certainly as Chair, I'm not waiting for the feedback results, I'm actually constantly talking to Directors and giving feedback. I attend every committee meeting, or at least I am to. Obviously, I attend and Chair every Board meeting.

So as a Chair, I shouldn’t be waiting for somebody to come along and do an evaluation. I need to be coaching and counselling relevant people on an ongoing basis and indeed I like to think, the good Irish Australian that I am, we are never known for being backwards in our commentary. I like to think people know where I stand and I welcome them in being frank and forceful with me.

Rita Mazaleski: (Shareholder) Okay, thank you.

Paul O'Sullivan: Okay, microphone four next please.

Unidentified Company Representative: Thank you Chairman. We have a question from [Julien Vincent] from Melbourne.

Julien Vincent: (Shareholder) Morning. I've got a question that relates to human rights which doesn't have a specific item attached to it so I will ask it here, but before I do, I would like to actually make a point of order. In your opening remarks the statement that you gave to this room to the people listening in and the statement that has been uploaded to the ASX, you made the comments in relation to items 5 and 6 that those who have lodged this resolution are seeking an immediate withdrawal of financing for companies that continue to have any exposure to fossil fuels. That is not the case.

The resolution actually, if you open up the Notice of Meeting, you will see that it seeks clarity from the Bank on how its financing will not enable the expansion of the fossil fuel industry. I believe that you knew this. I believe that you've read the resolution. You must have been across the material and so I'd like to give you the opportunity before I ask my question to correct the misleading statement that you made at the beginning of this meeting, please.

Paul O'Sullivan: Well, thank you [very much]. You're entitled to your view and there's certainly no desire or intent to mislead on mine or the Bank's part. I think your clarification has been made available to all shareholders so I'll allow shareholders to form their own view and their own judgement on it. Now, if your question relates to climate change and the environment can I suggest we hold it until question 5 or 6.

Julien Vincent: (Shareholder) It relates to human rights, sir, as I said before.

Paul O'Sullivan: Okay, well go ahead.

Julien Vincent: (Shareholder) I look forward to you not misrepresenting resolutions at five and six again later in the proceedings. So, in June this year it was reported by the ABC that Tiwi Islands traditional owners had launched a Federal Court action alleging they were not properly consulted about potential risks to their marine environment, dreaming story tracks and animals from proposed gas infrastructure.

Given ANZ's commitments to conduct due diligence to identify human rights, risks and impacts associated with its activities, was the Bank aware of the Federal Court proceedings filed in early June and the allegations by the Tiwi Islanders. To be clear, I'm not asking for a comment on a specific deal or a client relationship. I am just looking for a yes or no as to whether ANZ was aware of these court proceedings when they were filed in June.

Paul O'Sullivan: Well, I'm pretty sure we would have been but I'm not going to sit here this morning and give you the authoritative answer on that. I will take it on notice if I may and confirm it back to you.

Julien Vincent: (Shareholder) Well, given the Federal Court has now confirmed the regulator could not be assured Tiwi Island's Traditional Owners were properly consulted in this instance and the spokesperson of the Munupi clan of the Tiwi Islands has publicly stated Munupi people don't want any fossil fuel activities off the coast of Tiwi Islands, can ANZ commit to applying its human rights policies in full when considering any related loans?

Paul O'Sullivan: Well, I can certainly say that we have very high standards around environmental, human rights, reputational issues and we apply those to all lending. In terms of giving the question relates to funding a fossil fuels project, I am going to hold that until we get to question 5.

Julien Vincent: (Shareholder) That's a no then. Okay.

Paul O'Sullivan: Thank you. Have we any more questions in the room? Microphone three.

Unidentified Company Representative: Thank you Chairman. I have Jason Hall from the Finance Sector Union.

Jason Hall: (Finance Sector Union) Good morning, Mr Chairman. I am Jason Hall, the Local Executive Secretary for the SA/NT branch of the Finance Sector Union. I am here today on behalf of ANZ employees and union members. In July you announced the acquisition of

Suncorp Bank for $4.9 billion and committed to no net Suncorp job losses or branch closures as a result of the transaction for three years following completion of the transaction.

However, you have made no such commitments to ANZ employees or customers about the future of their jobs or local ANZ branches. Job insecurity concerns are being compounded by an acceleration in process automation initiatives that threaten longstanding roles with no real transitional pathway to new roles. While you have been prepared to spend billions of dollars on technology and the purchase of Suncorp, to date you have refused to invest in our members which are your employees.

ANZ employees are stuck on an expired enterprise agreement from 2016 because you've refused to invest in a new EA with terms and conditions that reflect the hard work. This hard work has led to a profit of $7.1 billion and you've made comment yourself around the cost-of-living increases and yet the lowest paid in ANZ were delivered a below inflation real world pay cut which is utterly unacceptable.

So, the question Mr Chairman is while we acknowledge positive commitments made in a recent meeting with CEO Shayne Elliott around a new EA, will the Board and CEO today publicly commit to negotiate a new ANZ EA in 2023 and extend the same Suncorp job security commitments to ANZ employees?

Paul O'Sullivan: Thank you Jason and thank you for the work you do to work with our employees and to make sure that they do get a fair hearing. Can I say as the Chair and I'm echoing the views of the Board, we spend a lot of time looking to understand and make sure the wellbeing of our staff is maximised and to make sure that we're an attractive and good place to work. Let's be honest, you can't run a good bank and be successful unless you're looking after your people.

There are a number of factors taken into account when we discuss that but I'm going to throw to Shayne to talk specifically about the EBAs and our views in terms of how we will handle the relationship moving forward.

Shayne Elliott: Yes, no, thank you and you're right in terms of the fact that we haven't - we have been operating under an EBA that goes back to I think 2016. What I said to your team, was it last week or the week before, that I was very open and our team is open to the idea of entering into a bargaining round in 2023. We absolutely will go into that open minded and seek to be able to complete an agreement in 2023. That's our intent.

To the rest of the question, you're right. Our people are extraordinarily important and there are changes as you know. There are changes in terms of the way our customers want to engage with us and sadly people have moved and no longer use branches, for example, to the same extent and want to be able to do their banking online or using mobiles or remotely and so that means we have to think about the changes in our workforce.

The good news is that despite the fact that we have closed branches and that is a reality right across the sector, for the vast majority of people who were impacted we have been able to redeploy them because they are people with skills. These are people who are great with people, they're great, they understand our systems and processes.

A great example was during COVID we were able to use a lot of those very talented people to help and man those hardship lines that we talked about when [Mr Caulfield] was asking the question before. Our intention is to continue to offer to redeploy, to retrain, as many people as we can as we see the changing shape of our workforce and that commitment remains.

Jason Hall: (Finance Sector Union) If I could just clarify one piece. The question also alluded to the deal in regards to Suncorp and the preservation of the jobs and branches there. You've mentioned a number of times of growing that bit of the market and Queensland is really important to you going forward. I specifically ask again, is there a possibility of extending that agreement out to the ANZ base that is currently there servicing Queensland and making sure that their jobs are secure?

Shayne Elliott: So, what I said to your team the other week was specifically no, we're not going to extend that guarantee. The issue for Suncorp was a very different one and what we're seeking to do through the commitments we have made and by the way they're only part of the commitments, we've also made significant commitments to back the State of Queensland by putting more of our balance sheet to work there and lending more particularly around all the really exciting projects that Queensland has in terms of renewable energy and to house the Olympics et cetera.

There's a range of things we want to do, but what we're really trying to do there, as Paul said, is hey, we're going to be acquiring these [1.2] million customers and we want to give those people assurance that the day after the acquisition life will continue to be the same for them. The same branches, same people, same network, et cetera, for at least three years. That means that gives us time to work out what the future looks like.

I think we will understand that over that three years it will change materially and I can't - I don't know what that's going to look like in the future. We will be doing work to say how do we bring the two businesses together so that we can be a better bank together? So, we're unable to make that commitment around ANZ, but as I said, our commitment is to do the best we can to respond to the changing needs of customers and to redeploy as many of our people when they are impacted by things like branch closures.

Paul O'Sullivan: Great. Thank you, thank you for your question. Onto microphone one.

Unidentified Company Representative: Thank you Chairman. We have a question from [Susan Richardson].

Paul O'Sullivan: Welcome Susan.

Susan Richardson: (Shareholder) Thank you Chairman. My question is short. It's about financial risk so I think it's pertinent at this stage. I want to begin by observing that, and I think you confirmed this with your New Zealand figures, not Australian figures, but nearly half of Australia's economy has a high or a moderate dependence on nature and it's very likely that your loans both to businesses and to households reflect that sort of national average.

Last year there was published a very highly credible paper by ecological scientists that found that 18 of the 19 Australian ecosystems that they examined in detail are at serious risk of collapse. These include iconic and essential ecosystems for human health and wellbeing such as the Murray-Darling Basin and the Great Barrier Reef, but they're all over Australia these vulnerable ecological systems. Now, of course the floods in the Murray-Darling are going to reverse that for a while but they have their own impacts on your customers, both for households and businesses.

My question, I've got three short questions. Does ANZ conduct assessments of the extent to which each loan it makes is at risk from the effects of substantial decline or collapse of a relevant ecosystem? First of all, you have to know what they are and then secondly, when does the Bank plan to start reporting on the extent and character of the nature based risks that its portfolio of loans and investments faces?

Paul O'Sullivan: Thanks for the question, Susan, I do have the answers to those questions but the primary threat to the biodiversity if I recall correctly is from climate change where it's a significant source of the threat. So if I may, I like to pick that question up as part of when we get to resolution 5.

Susan Richardson: (Shareholder) If I may, Chairman, disagree. The threats are of course also from climate change but they're also from feral pests, they're also from development happening in the wrong places. It's - so land clearing is not just a climate issue, it's an ecological issue…

Paul O'Sullivan: Indeed but climate change…

Susan: (Shareholder) …so it's not a climate - I'm not asking a climate question. I'm asking an environmental collapse question which is connected but different.

Paul O'Sullivan: It is indeed connected and look, my job is to make sure we give adequate time to everybody so we do have some seats reserved right here. If you want to sit here, we'll make sure that I do respond to that question at item 5 and thanks for your understanding, Susan.

I realise it can be frustrating but I've also got to manage the meeting efficiently. We will go back online for the next question. So Kath, over to you, please.

Kathryn van der Merwe: Sure, question from [Mr Matthew Williams]. During one of the presentations, reference was made to the floods in South Australia, Riverland, and other areas. What specific consideration and support is ANZ providing to those customers adversely impacted by the floods?

Paul O'Sullivan: Thank you, Matthew for the question and we do indeed have a focus on how we can assist customers. Indeed, we deployed teams in recent floods in areas like Gympie in Queensland but Shayne, did you want to pick that up?

Shayne Elliott: Yes. Sadly we are dealing with floods and droughts and fires regularly. So we do have a set process where we essentially extend hardship support. So we contact customers when we see events like this as quickly as we can to understand whether they need assistance and that assistance can range from all sorts of things to temporary availability of funds.

It might mean that we would suspend customers' obligations to pay their home loan or their business loans et cetera. So it depends on the circumstances but what we do specifically, we reach out to our customers proactively, their impacted by those to see what we can do to help and we're - and as I say, we have a range of options available.

Paul O'Sullivan: Thanks. Thank you, Shayne. Okay, go to the second question online please, Kath.

Kathryn van der Merwe: Yes, we have two questions from Mr Mahindra Nayer of Nayer Holdings Proprietary Limited. Firstly, during the last visits to your branches, I note the atmosphere is no more friendly. Rather too formal as compared to in the historic past. Staff seem stressed. Any action being taken, please? The…

Paul O'Sullivan: Go ahead, Kath. Yes. Sorry.

Kathryn van der Merwe: The second question is, what are you doing to minimise data collection and retention to protect customers interests?

Paul O'Sullivan: Okay, well I'm - it's very useful feedback to get from you, Mahindra and I'm going to let Shayne comment in a moment because we do spend a lot of time discussing and focusing on how we can make sure we're a good work environment. I will then come back and answer the second question that you've asked. Shayne?

Shayne Elliott: Yes. No, that is a bit disturbing that you've felt that. I can assure you that we do talk to our staff all the time and survey how people are feeling to make sure that we're not having people with undue stress.

I mean, the latest data that we got and correct me if I'm wrong here, but our engagement level - that people feel good about the Bank and their job was in the mid- to high-80% and that's industry leading. So that's the best of any of the major banks and it's something we take really seriously.

That's at a Group level and then we drill down and look at that data right down into the detail, whether it's in the Institutional Bank or the branch network or the contact centre. So we do that.

We also monitor really closely, things like just turnover. You know, if we - if people are leaving the Bank for whatever reason, that's obviously a cause of concern to understand why that might be. As you know, there's a range of reasons why that could be. Again, those are the sort of data points we look at but I have not seen any data recently to suggest that there's an issue there but it's something. I'll talk to Maile afterwards and maybe we can go and have another look and do a survey around staff in the branches in particular.

Paul O'Sullivan:" Thanks, Shayne. In terms of second question, Mahindra. I'm sure every organisation in Australia after the Medibank, Optus and indeed the other breaches - cyber breaches that have happened, is questioning the data that it holds and what it needs to hold.

One of our challenges at the Bank is that we're required by regulation to store some customer data. For example, we're required to keep some data for seven years after the transaction. In terms of customer identities, we're required to store those whilst the account is active and for a period thereafter.

Some of this actually is to protect customers. It's to make sure that if there is a dispute, there's a way to go back and check the records but we do have some very strong rules about how we handle data.

First of all, we have clear rules about where it is stored and by-and-large, the principle is to only store it where it needs to be stored and where it's used effectively. Secondly, we have controls over who can access data and we regularly monitor and check those. Thirdly, when data is no longer required, that it's properly curated and properly destroyed.

I think moving forward, you're going to see corporate Australia in general revisit this issue and I know from my own dealings with government in recent months, the whole issue of a national identity, which would mean organisations don't need to store 100 points of ID. That's under active consideration and I think it would be a positive step.

We've got another question now on the telephone so over to you, Operator.

Kathryn van der Merwe: That's correct. There are no more online questions for this resolution and we have one final question on the phone. That's from shareholder [Geoff Wilson]. Operator, please put him through. Thank you, Mr Wilson, welcome and please proceed.

Geoff Wilson: (Shareholder) Look, thank you, Chair and it's probably for Chair and Shayne, I'd be interested in your thoughts. I'm extremely concerned at the moment about the significant unintended consequence of the Government's proposed legislation called franking dividend - called franked dividends and capital raisings and its impact on the financial market, particularly the banks.

APRA Chairman, Wayne Byres said in early 2020, at the start of COVID, in reference to the Australian banks that dividend payments should be offset by raising capital but under the proposed Government legislation, these dividends would not be franked if that were the case.

I assume this legislation will significantly increase your cost of capital in the crisis and how would this proposed legislation - I'd be interested in your thoughts of how it would affect ANZ and its impact on profitability?

Paul O'Sullivan: Geoff, thanks for your question and I guess for shareholders, it's a very important question because franking credits are very important, I know, to our shareholders.

I'll start by saying look, we're seeking to obviously engage and make sure we are correctly understanding the legislation and that we are able to offer our point of view. It largely relates, as I understand it, to special distributions.

ANZ's in a - perhaps a slightly unique place. We do have franking credits but typically we have just enough franking credits to cover off our annual dividend in terms of how it operates. We don't usually carry a large number of surplus credits.

So in that sense, it may not have a large impact on us in terms of our normal dividend distribution but certainly it's an area we are focussed on and concerned about. Farhan, did you - I should introduce Farhan who is our Chief Financial Officer. Farhan, did you want to add any comment on that?

Farhan Faruqui: Yes, no, thank you, Chairman. I think you covered it quite well. We typically haven't done on - we have only done on-market buybacks, we haven't done off-market buybacks for the reasons that the Chairman pointed out in terms of surplus franking credits. So this particular legislation has a very limited impact on us but potentially does impact other banks buyback activity.

Paul O'Sullivan: Thanks, Farhan. Okay, there's microphone two. I think we've got another question there?

Unidentified Company Representative: Thank you, Chairman. This next question is from [Amelia Moretti] from South Australia.

Amelia Moretti: (Shareholder) Thank you. This question is for the CEO and the Board. My name is Amelia Moretti. I'm 15 years old and I'm here today because I've already seen the impacts of climate change on our communities. I, like many other young people fear that these impacts will only worsen if we don't act now.

Even though ANZ says it supports the Paris Agreement and the goal of net zero emissions by 2050, and I acknowledge the work they've done towards this, I understand that ANZ has been involved in at least 33 new fossil fuel deals since the beginning of 2021. This makes ANZ the biggest lender to new fossil fuels in Australia.

If ANZ continues to be the number one banker to the fossil fuel industry, how do you think the next generation of Australians will view the Bank? Where does ANZ think it's going to get its next generation of staffing customers from if it keeps funding fossil fuel expansion?

Paul O'Sullivan: Thank you, Amelia, for your question and congratulations on your activism. I think it's terrific to see someone like you who is willing to commit and get involved and make sure you lobby organisations like us.

That is a question which relates again to climate change. We have some seats reserved here so I encourage you to stay and to grab one of the reserved seats. I will come back to the question at resolution 5. Thank you. Have we got a question at microphone one, please?

Unidentified Company Representative: Thank you, Chairman. We have a question from [David Hansman].

David Hansman: (Shareholder) Thank you. Thank you, Mr Chairman and the Board for coming to Adelaide. We always appreciate this. My - I may have missed this because unfortunately, I was late for the meeting but in your address, did you mention succession plans for yourself and the Chief Executive Officer, Shayne Elliott?

In relation to that, I notice you have two other Chairmanships and some people might regard that as somewhat excessive because if a critical situation develops, as happened at another bank, you would be unable to carry out your duties as fully as you would like.

Another point is that at this meeting, I'm disturbed at people - shareholders, instead of asking a question, they've entered into a rambling speech. So what I suggest is that you limit questions - in a parenthesis, to a maximum of two minutes, which would be in everyone's interests, I believe. Thank you.

Paul O'Sullivan: Thank you for those great points. Thank you and thank you for attending. Can I answer the last bit by saying I may not like what everybody says but I will defend to the death their right to say it. So I'm a big believer in free speech and I'm quite happy to have people make comments today. We are available to get that feedback.

Let me come to the first part of your question on succession. It's a key responsibility of the Chairman and the Board to make sure there is internal succession - sorry, that there is succession for the CEO, which includes internal succession and external succession potential.

I do work quite hard on that. The Board has looked at the development of our Executive Team so that if and when Shayne decides to move on, that we have a good cadre of internal candidates who will be ready to be candidates for that role.

I also personally continually engage externally. I make sure that I'm not a stranger to anybody who could be a potential candidate but can I say that right now, Shayne as CEO is focussed on transforming and building the next round of ANZ, is doing a very strong and very good job at that. That's where Board and Management are focussed.

In terms of my own succession, we actually do have fairly active Board renewal. We do that with the Board Nominations Committee. You've seen us appoint two new directors in the last 18 months and we actually, sadly, will lose another couple of Directors at the AGM next year.

So I'm involved along with some of the Board members in an ongoing active search. We're not doing it at a transactional way. We've actually sat back and said what will a financial services institution look like? What does it need to be to be successful in five years' time? Let's recruit the skills that match that.

So Jeff, for example, who is up for election today, Jeff has got deep skills in technology and digitisation. We think those are very important for our Bank moving forward.

Finally, my own role, this is the only ASX listed Company that I am Chair of. I do Chair the Company that holds the assets for Singtel's operations in Australia - or primarily their assets, which is Optus. That's not a listed Company role and the formal governance of that, of those assets, is actually done through Singtel and its Board.

In terms of the other role, which is chairing the new international airport for Sydney, that's an important role. Again, it's not a listed entity. It doesn't have the same burden of external disclosure and regulation as a listed company but I do think it adds a lot of value to ANZ because the two key shareholders for that company are the Minister for Finance and the Minister for Infrastructure. So it gives me an opportunity to engage with key members of government and therefore to build relationships which I think are helpful when it comes to ANZ.

We had 18 Board meetings this year. I attended every one so I want to assure you and everybody else, I love my job and I have adequate time to do it properly. Thank you.

David Hansman: (Shareholder) Thank you.

Paul O'Sullivan: Okay, we've now got a question on microphone number 2, so over to you.

Unidentified Company Representative: Thank you, Chairman. This next question comes from [Evan Greer] of South Australia.

Evan Greer: (School Strike 4 Climate) Good morning, everyone. Chairman, the Board. My question is to the CEO and the Board. It is a request but while you may wish to leave it to question 5, that's fine, I'll ask it now.

My name is Evan Greer and I'm 15 years old. I strike from school for the climate because I take my future seriously. More than that, I feel a sense of obligation to. I as a young person do not have the privilege to sit and watch as my world falls apart. We're seeing the effects of climate change. Some of us are hurt more than others and we do not have time to waste.

We cannot afford to be silent so I will put my question to you, hopeful that ANZ will actively listen to me. To us. The concerned youth. School Strike 4 Climate has been trying to get a meeting with Shayne Elliott for over 15 months and has, as of yet, received no reply. As young people, we are deeply concerned about ANZ's lending to fossil fuel companies that are fuelling climate catastrophes. Companies like Santos, Woodside and Glencore.

So the question is, will you meet with us to discuss how ANZ will end its relationship with the companies that are expanding the coal, oil and gas industries in a way that honours your commitment to the Paris Agreement and limit global warming to 1.5 degrees. Will you meet with us?

Paul O'Sullivan: Thank you, Evan. That is a - yes, a round of applause. It gives me great optimism for the future when I see people like yourself putting your energy in and effort in and with the way - and so confidently that you speak, I think you're going to be a rival for Shayne and my job one of these days.

Unfortunately, I am going to have to hold it to question 5 because I can't have one rule for one and a different rule for everybody else but please, do sit here and we look forward to hearing from you again…

Evan Greer: (School Strike 4 Climate) Thank you.

Paul O'Sullivan: …at item 5. Microphone number 3, we have a question?

Unidentified Company Representative: Thank you, Chairman. I have [Colin Pilcher] of Seaford.

Colin Pilcher: (Shareholder) Thank you, Mr Chairman, for taking my question. Mine is about buy now pay later schemes. There's been a flurry of them since or during COVID-19 and my basic question is, what sort of effect will this have on the running of the Bank and which these buy now pay later schemes are basically a credit system?

There's a lot of unintended consequences with this, assuming that people can manage their own funds, which my experience is, there's a lot of people who can't and that there's going to be a lot of social impact on this but how will this affect the Bank and is the Bank keeping a keen eye on the situation?

Paul O'Sullivan: Thank you very much for your question, Colin. I think it's a really good question, not only from the impact on the Bank but on the community. These buy now pay later products which are available, usually at point of sale if you're buying a phone or a computer, are effectively credit.

We are keeping a very close eye on it. Our view is that as credit, it should be regulated in the same way as other credit institutions like banks are regulated. We took note recently of the comments by Stephen Jones who is a member of the Government with responsibility for financial services. He made the comment that he expects that there will be a need and a requirement for greater regulation in this area.

We've also made sure that we offer some of the features that go with buy now, pay later inside our own products although clearly, we have very tight credit requirements, we have to be seen as responsible lenders and to only lend to people where we're confident that we're not going to create financial distress for them.

So yes, we do watch it very closely. I think you'll see some developments - personal view, on regulation on this in the coming 12 months but thank you, very much, for your question. We've got another question online, I think?

Kathryn van der Merwe: That's correct. We have a question online from [Mr Donald Walker]. When I want to contact staff in branches, it is by landline only. When they are busy, I have to ring back and they are often still busy. If they had mobile phones, I could leave a text message so they can get back to me later. Please can you address this issue?

Paul O'Sullivan: Thank you, very much, Donald, for your question. Shayne? It's great feedback.

Shayne Elliott: Yes, it's an interesting suggestion. Clearly you shouldn't need to call somebody in the branch in the first place but hopefully you'd be calling somebody in our contact centre and you can do that using chat or text or phone. Whatever you'd like.

Look, I don't know the right answer to that. Again, I'm looking at Maile here in the front row. We'll take it on notice and have a look and see if that's an idea worth pursuing. Thank you.

Paul O'Sullivan: Thank you and thank you for the question. Okay, we've got another question on the phone so let's go to the phone, please.

Kathryn van der Merwe: That's right, we now have a question on the phone from [Edwina Lloyd]. Operator, please put them through. Shareholder, please proceed.

Edwina Lloyd: (Shareholder) Thank you, my name's Edwina Lloyd. I am a solicitor and a former corporation law lecturer. Just before I ask my question, a bit of a point of order in regard to how you are dismissing people's questions that are related to climate change.

Right now, members are asking questions in relation to item 1 and that is receiving the annual report. Shareholders are permitted to ask questions that are relevant to each item and you are required to answer the questions, at the time we ask them and prior to voting on that item. It is not appropriate to simply say this is climate change related, therefore it can just be pushed off to resolution 5 because you think it's more convenient, or I think you said before, because of time constraints.

It's taking time for me now to give you the law how on how you're supposed to be responding to shareholder questions on specific items. Instead of simply presenting these reports and holding votes, the Chair must also allow a reasonable opportunity for shareholders to ask questions about or comment on the Company's management. ASIC would be concerned if you were holding this meeting and not allowing questions to be asked and comments to be made and responses to be given.

ASIC has further said members entitled to vote on resolutions put at the meeting should have the opportunity to consider responses to questions and debate before doing so. That simply means you are required to answer our questions on an item if it's related to that item at the time we ask the question.

So, now I'm going to move on to my question, and would request that you comply with what ASIC have required you to do and answer the question.

Paul O'Sullivan: Edwina, can I just very quickly clarify your comments? We are certainly well aware of our obligations under the meeting, and we are organising the meeting this way in order to make sure it runs smoothly and that all shareholders have an opportunity to ask questions in an orderly meeting.

We believe we are fulfilling our obligations in line with the requirements under ASIC, and they certainly don't stipulate which part of the meeting we take questions. Respectfully, we'll agree to disagree and I will say if your question is going to be related to climate change or issues associated with resolutions 5 and 6 I will be asking you to table them then. Back to you, Edwina.

Edwina Lloyd: (Shareholder) Thank you very much. I completely disagree and this is from the ASIC website that says members are entitled to vote on resolutions put at the meeting and they should have the opportunity to consider responses to questions and debate before voting. That's from ASIC themselves. That's not something I've just thrown out there.

In regard to my question for item 1, I note that in the Annual Report it includes the Directors Report, the Corporate Governance Statement and the Financial Report, and the Auditors Report on the Financial and Remuneration Reports.

I would like to take you to the Corporate Governance Statement and 10.1 of that under communication where it says to be able to make informed decisions about ANZ and to communicate views to ANZ, shareholders need an understanding of ANZ's business operations, performance, and governance framework. We strive for transparency in all our business practices and we recognise the impact of quality disclosure on the trust and confidence of shareholders, the wider market, and the community.

Can you confirm - I've got three questions - can you confirm whether or not you have provided shareholders with the climate analytics report on the Woodside [LNG BP] project?

The other matter I wanted to ask you about is in regard to communication with shareholders. United Nations high-level expert group on net zero emissions commitments have unequivocally stated that financial institutions making net zero commitments cannot provide finance to companies involved in fossil fuel expansions. That report from the United Nations high-level expert group was released on 8 November 2022. Has this been provided to shareholders so they can understand the risks that might attach to decisions that we might be making in regard to fossil fuel projects, not just in Woodside? That's my first question then I've got one other about education.

Paul O'Sullivan: Please carry on, we'll take them all together, thanks, Edwina.

Edwina Lloyd: (Shareholder) Thank you, all right. The next question is at 5.9 of the same document, continuing education for Directors. It says ANZ Directors take part in a range of training and continuing education programs relating to their duties and responsibilities as Directors. As far as I am aware, none of the Directors are scientists so I wanted to ask about the specific training and education programs that Board members have done in relation to shareholder risk to climate change events.

Now, I understand that you've got in the Annual Report that you receive regular education and briefing materials and education sessions, and you've written on key areas such as sanctions, competition law, cybersecurity, and banking executive accountability regime scenarios.

Climate change and associated risk to shareholders is not identified as a key area where education has been delivered to be Directors despite it being the most significant risk to our share price. No Director is a scientist and given climate change risk in financing and investment decisions is significant, shareholders need to be assured that Directors are informing themselves of all relevant matters to ensure that you, the Directors, are in fact exercising your due diligence.

What education have Directors undertaken specifically related to our risk when considering financing or investing in fossil fuel operations like Woodside? Specifically, which scientists or what science bodies have provided Directors with the advice that building new and expanding existing fossil fuel operations, offsets aside, is going to meet net zero by 2050?

Because we know that the IPCC report, the IEA, and the United Nations High-Level Expert Group on Net-Zero Emissions Commitments of Non-State Entities has stated unequivocally that financial institutions making net zero commitments cannot - cannot - provide finance to companies involved in fossil fuel expansion.

How are the Directors informing themselves about relevant risk in investing and financing in new and expanded fossil fuel operations? Who specifically are you getting your information from to inform yourself to making sure that you're exercising due diligence to benefit us, the shareholders?

Paul O'Sullivan: Thank you, Edwina. I know people like yourself are genuinely concerned about the issues you've raised and that you do dedicate your time, so I hope my comments in response are constructive. I'm not going to go into detail on the first part of your question other than to say if you're talking about distribution of reports to Woodside shareholders, that is their accountability, not ours.

In terms of the second question, I will confess I've forgotten the thrust of it because it was quite a lengthy piece. On the third one, in a general sense the Directors are very active in education but in terms of ANZ we have on all issues which relate to environment, to sustainability, to reputation, to the community, to how we engage with Australia overall, we have a dedicated committee which I chair and which has a regular education process, including bringing in outside speakers and outside experts. Can you remind me what your second question was, please?

Edwina Lloyd: (Shareholder) Yes. It was pretty specific about...

Paul O'Sullivan: And maybe the abbreviated version if you could, please, Edwina.

Edwina Lloyd: (Shareholder) It was pretty specific about who are you getting, what scientists and what science bodies are providing you information that it is still acceptable to build, to support new and expanding fossil fuel operations, and that they are somehow going to meet the net zero target for 2050 when the IPCC.

The IEA and the high-level expert group say that financial institutions making net zero commitments cannot provide finance to companies involved in fossil fuel expansion. Where is the science that the Directors are basing their decision on to continue to finance these operations? Where - shareholders need to know; where are you getting it from? What's [does science say], what's the body?

Paul O'Sullivan: Thank you. Thank you for that. I think again that relates really to a whole discussion on fossil fuels and climate change so I'll hold that part of the question until we get to item 5, and you're welcome to table it for there, thanks.

Edwina Lloyd: (Shareholder) Thank you.

Paul O'Sullivan: Thank you. I'm going to move on to another phone question.

Katheryn van der Merwe: Yes. We have a question on the phone from Paul Stephenson. Operator, please put him through. Welcome, Mr Stephenson. Please proceed.

Paul Stephenson: (Shareholder) Hi. My name is Paul Stephenson. I come from Central Queensland from near the town of Baralaba in the heart of the Bowen Basin coal-producing region. I'm a member of Save the Dawson Group; we're a group of farmers, Traditional Owners, and community members from the region. We were formed to protect our community from the Baralaba South proposed coalmine, which is proposed on the banks of the Dawson River, eight kilometres upstream of the drinking water extraction points for the towns of Baralaba and Woorabinda Aboriginal Community.

In 2020, we undertook a community survey showing 97% opposition to the Baralaba South coalmine in the community in the region. Impacts of the project would be devastating with serious human rights consequences with respect to poisoning and depletion of critical drinking water supplies, destruction of country, and so on. In 2019 it was reported that ANZ provided a loan of $260 million to AMCI, the company which is the current proponent of that project, and that loan remains current.

Last year, Save the Dawson engaged very closely with the United Nations Principles for Responsible Investment, a very large global ESG initiative, around the Baralaba South project. As a result of our formal complaint to the UN PRI, the former proponent of the Baralaba South coalmine withdrew from lodging an EIS for the project and later withdrew from the project altogether. I understand that ANZ is a signatory to the UNPRI which commits it to integration of ESG principles in investment decision-making processes.

Firstly, I'd like to invite ANZ to meet with our communities and Traditional Owners to discuss this situation because this information might be new to ANZ that its provision of $260 million to AMCI will go towards these coal expansion activities in the region. We would also ask for ANZ to commit to engaging with its clients to ensure the withdrawal of inappropriate projects like Baralaba South that don't align with its ESG commitments under the UN PRI and elsewhere, and if they don't withdraw those projects which don't align with ANZ's stated ESG principles, then funding is withdrawn.

Now, this is not a specifically climate-related project. We're community members from on the ground who are directly impacted by the direct impacts of these projects, which include threats to Indigenous and human rights.

Paul O'Sullivan: Paul, can I just jump in there? You're making some very important points but I think we need to make sure we give everyone a chance to ask their questions. Can I suggest that's an item that relates to our policies on climate change and fossil fuels, and as I said at the beginning of the meeting, I think it's important that we have some order and so we'll take those questions at that time.

Paul Stephenson: (Shareholder) I would say that our group members are primarily farmers and Traditional Owners. We're entirely constituted of locally impacted community members. Our concerns are not really specifically around climate change; it's around the direct impacts of these coal projects which are right on our doorstep.

Paul O'Sullivan: Well, I'm very happy to take it up when we get to resolution 5. Can I say to anybody else waiting on the phone, if you've got a similar or related question, I think in the interests of everybody here - because a lot of people have come a long way today in order to be able to participate, to hear from the Board, to hold us to account, and to make their contribution. Can I respectfully ask that anyone who's got an environmental/climate/fossil fuel-related question that you hold off to putting that question until we get to item 5 so we can keep moving with the meeting?

But thank you for the question and also I can appreciate the importance of the topic you've raised. Certainly, for anyone on the land the relationship with the land is very close and indeed very essential in terms of being able to get a good living and in order to live in a community that will be whole. I'm not in any way wanting to diminish the importance of it. Let's go to the next question on the phone.

Kathryn van der Merwe: Yes. We have a question on the phone from Mr. Geoff Wilson. Operator, please put him through. Welcome, Mr Wilson. Please proceed with your question.

Geoff Wilson: (Shareholder) Thank you and thanks, Chair. Unfortunately, my question earlier re franking credits you misunderstood. There's actually two parts - two proposed legislations out there from the government at the moment on franking credits. The off-market buyback one is the one you answered, which wasn't the question I asked. The other legislation talks about franked dividends and capital-raising and it broadly means that if any capital is raised to pay a dividend either before that dividend or after, then that dividend is deemed to be unfranked.

My question was about buyers saying that during COVID or times of crisis encouraging banks to raise capital and keep paying dividends. I'm trying to understand how you will - if we come into another difficult period, the GFC et cetera, then if you can't raise capital that's associated with paying a fully-franked dividend you'll either have to pass - you won't be able to pay a dividend, or you'll be raising capital at a very low price so your cost of capital will increase significantly. My question was how does the proposed legislation affect ANZ and impact your cost of capital and your profitability?

Paul O'Sullivan: Okay. Thank you, Geoff. I'll pass to Shayne, yes, sorry.

Shayne Elliott: Geoff, I understand the question. I guess the difficulty here is we're talking about a series of hypothetical situations here. What I can say is that - and having been through the GFC and through more recent - and through the COVID crisis, that the reality is we're very fortunate to be well regulated and governed here in Australia, and the regulators and government, of either persuasion, have always shown themselves to be pragmatic and been willing to deal into the situation as it evolves.

There is no better example of that than what happened during COVID where all of the regulators - remember, we have multiple regulators - got together and very, very quickly were able to amend the rules and understandings to allow us to offer deferrals to customers with no penalty to either the customer or to ourselves. I'm very confident that in situations of crisis that you are describing that we would be able to work these situations through. I don't think we can talk to you the hypothetical situation you gave but I'm confident that the system itself works.

Paul O'Sullivan: Thanks, Shayne, and I'd like to believe - sorry, Farhan, go ahead.

Farhan Faruqui: I think this particular legislation is largely focused not on the dividends that are paid in the ordinary course of business but on abnormal dividends. It's a very nuanced legislation but I think Shayne's answer covered that as well.

Paul O'Sullivan: I think our track record as well is that we've been very diligent in managing capital and also in finding the proper and efficient way to get returns to shareholders. Thank you. Have we got another question on the phone?

Kathryn van der Merwe: We do. Operator, can you please put through the call from Mr [Luigi Bocello] Welcome, Mr Bocello. Please proceed with your question.

Luigi Bocello: (Shareholder) My question is to the Chairman. I had a discussion with you at the last AGM where I was unable to access capital investment because I don't do internet. With this AGM, I tried to get hard copies of your proposal to start a new company and I had made three attempts and three times I got exactly the same document. Not one document that I got told me what you propose to reimburse us with the assets you transferred to the holding company or anything about it. So, I was unable to vote for the scheme because I knew nothing about it.

Paul O'Sullivan: Okay. Well, Luigi, I think we'd be keen to learn from that and I'm sorry that you've had that experience because our desire to get as many shareholders to vote as possible. We mailed out over a quarter of a million proxy forms and notices of meeting and so I...

Luigi Bocello: (Shareholder) Yes, you mailed - sorry to interrupt you, Paul. You did mail the voting proxy forms but nowhere did they tell me what was involved, what you propose to transfer over, and did we get compensation as shareholders for losing that asset.

Paul O'Sullivan: Okay. Well, we'll pick up - I'm happy to answer more questions on the scheme when we get to the scheme meeting because shareholders will basically be getting a swap of shares and therefore not losing out. But in terms of - I would like to understand why if you requested the scheme booklet that it didn't come to you, because our desire is to get it to as many people as possible.

Actually, we're keen to have as many votes as possible. There is a number of pages in the Notice of Meeting which do outline some elements of the scheme and which would provide some information. But Luigi, can I get you perhaps afterwards to be available to our investor relations team so we can understand why your requests weren't fulfilled?

Luigi Bocello: (Shareholder) Three times I asked for it and three times I got exactly the same paper. I've got another question.

Paul O'Sullivan: Please.

Luigi Bocello: (Shareholder) This is for Shayne Elliott. I won't [dulge] into the main question that I was going to have a shot at you about, Shayne, but I'll go in brief. I'm very disappointed at the lack of, or the slackness in the level of service at the moment that I'm getting from the local ANZ banks. You've closed all the country branches that are around me and you've moved us onto Pakenham.

I recently went into Pakenham and found a notice that says on Tuesday you cannot have counter service. My credit card payment is due every now and then on a Tuesday. If I want to do it over the counter I've got to travel to Berwick. That's my nearest branch if I want to do counter service. Now, also at the same time, on 22 September I called in at the ANZ Pakenham to request the term deposit rate. The Bank of Melbourne offered 2.49%, CBA offered 2.2%; ANZ offered 0.65% when the going rate at the time was 2.85%.

When I asked the customer service officer to contact head office to see if they can negotiate a rate, I was told no, I got the email back, that's all they're going to offer you. That, in my opinion, is slack service.

In my days in the ANZ Bank, we consulted with head office and negotiated, tried to get a deal for the ANZ and for the customer. Where is the loyalty now? You keep saying you're closing branches because people don't want service, they want to do it on the phone. Some of the old people like me want to see face-to-face interaction.

Shayne Elliott: Thank you and I'm sorry that that's been your experience and it's difficult and I'm not making an excuse for it, but we have a lot of things to balance. The reality is that less than 8% of our customers use branches regularly and that continues to fall. At some point maintaining the branches becomes just not viable to keep them open when we have no customers and particularly not customers coming and doing things of any particular value. So it becomes really hard.

Of course people rely on the branch, I understand that, but we can't wait until there's no more customers in the branch, so at some point we made the difficult decision to close them. But of course there will always be those that are impacted and I'm sorry that that is the case. But we do think about it very, I think, pretty thoroughly and we have a process of going through in terms of making that decision. To your point, we have no interest in making it harder for our customers. Why would we want to do that? We want to keep as many customers as we can.

In terms of the rate, look it is a competitive market and there'll be days when we're not going to have the sharpest price and I think I mentioned that earlier today in terms of interest rates. But at the moment we have the very best rate available and if you are able to sign up and I accept that you don't want to do that online and I accept that that's not for everybody, but for those who can, we're offering 3.75%. So we do our best, I take the feedback on about your particular location in terms of Pakenham and I'll talk to the team there to make sure that we reassess the hours and the days that that branch is open.

Luigi Bocello: (Shareholder) Second part of my question to you, Shayne, was that lack of service. I recently wrote to you twice in my experience at Cranbourne branch and I never got a reply back from you, but I did from someone else on the first time. In case you don't recognise who I am, I'm the guy that David Gonski, when he was chairman, asked you to come and visit me at my farm. You proceeded to go to the Australian Open and completely forgot about me whatsoever.

Shayne Elliott: With respect, I do recall that. That was – and I do remember and I know who you are. If the letter didn't come to me, I apologise. I do reply to all the letters that come and all the emails. I think I agreed to come and that happened and then we had COVID happen. If I'm in that – I'm happy to revisit that and if I'm in the neighbourhood, I'll certainly come and see you.

Luigi Bocello: (Shareholder) Don't worry, I'm no longer farming, mate.

Shayne Elliott: Okay.

Paul O'Sullivan: All right, well thank you for your question. I apologise for the experience you've had and, as Shayne said, we will revisit Pakenham and understand what we can do to lift service there.

Okay, we've got another question on the phone I believe.

Kathryn Van Der Merwe: Yes, one final question from Mr Vishad Sharma. Operator, please put them through. Welcome. Mr Sharma, please proceed.

Vishad Sharma: (Shareholder) Hi, good morning. As some of you may be aware. HSBC has rolled out project finance to new or expanded coal and oil – expanded oil and gas seams. According to the international…

Paul O'Sullivan: So Vishad, can I jump in there, my apologies. Is this going to be a question relating to fossil fuels and lending?

Vishad Sharma: (Shareholder) It's a question relating to your competitor and their policies on that subject, but I think it's relevant at this stage to be asked.

Paul O'Sullivan: Well, with respect, because we do want to make sure we get to questions, but to run the meeting efficiently, I'm going to ask you if you can bring that question up when we get to item 5.

Vishad Sharma: (Shareholder) As far as I understand, Paul, I was the last question on the line, so if it's not taking too much time, I'd still like to ask it.

Paul O'Sullivan: I apologise, but there can't be one rule for one and a different rule for all, it's got to be run the same way. So look, thank you for the question, I'm aware of the issue you raise, which is HSBC's statements overnight, so what I'm going to suggest is that you put that to us at item 5 and I'll certainly be very happy to answer.

I think that's the end of our questions if I'm correct. So with that then, if there are no further questions, we'll now move to the formal resolutions. Apologies, there is a question here in the room. Microphone 2.

Moderator: Thank you, Chairman. Our next question is from Craig Caulfield from Queensland.

Craig Caulfield: (Shareholder) Thank you for that indulgence, Chairman. You spoke initially when you opened up of 3500 fraudulent loan applications discovered with new technology, that's artificial intelligence or something like that. This indicates that there's been thousands of fraudulent loans in prior years that have been approved, given that this is new technology you're finding. Our family's ANZ home loan confirms these types of failures and for balance, I would just say that I've had 40 loans with ANZ, 38 have been excellent and I've been treated wonderfully across the board over 45 years by ANZ, but it hasn't all gone to plan and Mr Elliott's assisting me. My bank is ANZ.

But it feeds into Michael Sanderson's comments on failures on the internal dispute resolution and serial systemic failures at AFCA. When we met David Locke, he revealed that two thirds of AFCA employees were bankers and lawyers. In my farm repossession case with the CBA, the lead bank ombudsman had determined against me, was formally a CBA banker. The CBA case manager was formally an ombudsman and both the banker and the ombudsman worked together for three years previously, ruling against me. So you can see the conflicts of interest, real or perceived.

We've seen ASIC's actions against our Directors drill down directly to boards about not being properly informed of issues raising up to board level, et cetera. I'm sure you're all aware of that. I'm hopeful Directors will be available this afternoon and you've said in the annual report that you would be, but I'm aware that you've got two meetings and I wouldn't like to hear that, oh well we've got flights booked, sorry we can't meet with you now. So I hope those arrangements – because I would like to meet the Directors that are members of the Ethics and Governance Committee. So if I can meet them this afternoon, that's all, thank you.

Paul O'Sullivan: Thank you, Craig, for your question and thank you for your business and I'm sorry to hear of your experiences with those two loans. I know Shayne is looking at that and is working with you on it. I'll certainly be joining you all outside for tea and coffee when we finally get to the end of both meetings, so I'm happy to talk there and to have a conversation. What I think of your specific customer issues, we're not in a position today to address those. You've done the right thing by raising them with the organisation, but I'll certainly be available to talk to anybody outside.

Craig Caulfield: (Shareholder) It's not to raise specific customer issues, it's to talk about more general ways to improve ethics, governance, culture.

Paul O'Sullivan: Happy to hear it.

Craig Caulfield: (Shareholder) So you did say that you would be there, but you didn't say the other Directors would.

Paul O'Sullivan: I'm sure every Director, who can, will join you outside.

Craig Caulfield: (Shareholder) Great, thank you.

Paul O'Sullivan: Thank you. Have we got another question? Microphone 4.

Moderator: Thank you, Chairman. We have another question from Michael Sanderson from the Hunter Valley.

Michael Sanderson: (Shareholder) Hello again. This relates to branches and Luigi touched on it. Banking is a unique service with unique powers and responsibilities. I put it to ANZ it's not possible to digitise personal interaction reflected in a file or do it remotely. ANZ now has the smallest regional bank network in Australia with just 179 of its original 615 branches outside the metropolitan cities still open, a cut of 71%. Branch closures are further complicated by the Suncorp deal as reported in the *Financial Review* on 13th.

Does ANZ claim that the branches it has closed are unprofitable? If so, would it submit this claim to an independent audit? How do ANZ branch closures comply with the mandatory contractual warranty of the Code of Banking Practice that states: We are committed to providing banking services which are inclusive of all people including (a) older people, (b) people with disability, (c) Indigenous Australians, including remote locations and (d) people with limited English. How will the Suncorp deal impact on these branch closures?

Paul O'Sullivan: Thank you, Michael. So the essence of your question is the Suncorp question, is that right?

Michael Sanderson: (Shareholder) No, that was an add-on.

Paul O'Sullivan: It was an add-on, okay. So maybe you could clarify for me what is it you'd like us to answer.

Michael Sanderson: (Shareholder) The reason for closing, is it profitability? If it is profitability, would you be prepared to subject to an independent audit?

Paul O'Sullivan: Okay, thank you.

Michael Sanderson: (Shareholder) And the Banking Code of Practice is mandatory. The ANZ has adopted that, so there is a contractual warranty and closing the branches, it would seem breaches the access of older people, people with disability, Indigenous Australians, including remote locations and people with limited English.

Paul O'Sullivan: Thank you. Okay, I understand the point. So I think the challenge we've always got her is the change in customer behaviour and trying to get the balance between viability, as you raised it and making sure there's accessibility. We do operate today over 400 branches nationally and I take your point, that's a significant reduction on where we were. But as Shayne mentioned earlier, when we look at who comes to a branch, only 8%, 8% of ANZ customers, regularly use a branch. So it is a real challenge for us, trying to get the right balance between the two.

In terms of governance, it's the Board's job to be accountable for making sure that we're making the right decisions and we're making them appropriately, so I think that's where you need to hold the accountability for any audit or any review, rather than us going externally. In terms of moving forward, we do a lot of work when we close a branch to make sure we are addressing access issues, in particular there's a bias towards older Australians who prefer to use branch banking and so we do reach out to people over 65 and we look to provide them with alternative ways in which they can bank with us and can transact.

So for example, we changed our systems technology so that you could link a Visa debit card to a passbook and therefore be able to still transact. We did very interesting survey recently, so I am not in any way diminishing the concerns and issues you raised, but people are embracing digital banking. We looked at over 50,000 customers over 65 who had actually used a branch twice in the previous six months and who we then worked with as part of our transitions to move to digital. Over 90% of those customers had started to use digital banking and a third of them had fully moved to digital banking.

So that's the balance we're trying to navigate. We do absolutely understand our responsibility to the community and to the Code of Practice and we're doing our best, Michael, to try and get the right balance on that.

Michael Sanderson: (Shareholder) I have another question, but I'd just like to make a comment to your comment. I personally am an ex-farmer and I dealt with two banks, none of them was yours; one was the Bank of Queensland, one was the NAB. I had a personal interaction with the NAB side and everything was sweet, okay, he understood me, he'd met me, I'd dealt with him for a while. On the other side, BOQ, it was remote and that experience was catastrophic. So personal interaction is important, especially in a rural concept.

But I'll move on to the next one. That was a comment. Now you have this chap here, [Mr Keys], how are you Mr Keys, I didn't' recognise you, bro, you must be well fed in this banking thing. Mr Keys will be able to help me give you some expert advice on this one. There's a chap by the name of Jim Anderton, that while his predecessor, Helen Clark was Prime Minister of New Zealand, set up a Kiwi bank.

Just a bit of background here, between 1991 and 1996, the Keating/Labour government sold out working, indeed all, Australians by privatising the Commonwealth Bank. My question is, would the ANZ support the re-establishment of a publicly owned bank to offer all Australians bread and butter banking irrespective of location and circumstances and would the ANZ support the reintroduction of Glass-Steagall regulation that separates bread and butter banking from risky, speculative banking?

I think Mr Keys could probably give us a bit of a background on the circumstances that related to the now public Kiwi Bank that they've done through the post office, there's some…

Paul O'Sullivan: Thank you, Michael, look, it's a hypothetical question and I think we'd have to look at it on its merits if it arose. I'm aware of Kiwi Bank and the work it does in New Zealand. We have a different set of circumstances in Australia, much bigger challenges, to your point, with population density, but look, we look at things on their merits when they arise, but thank you for your question.

Have we got one more? Microphone number one, it's Rita, I think.

Operator: Thank you, Chairman, we have another question from Rita.

Rita Mazaleski: (Shareholder) Thank you. Can I just thank you for your freedom of information – or freedom of speech, sorry – comment earlier, not that I intend on waffling, or a large, long question but I did fly here all the way from Perth. So if I wasn't granted more than two minutes, as a Shareholder I'd be very angry, so thanks for that.

In regards to ANZ's customer advocate, ANZ quietly removed its internal appeals avenue for aggrieved customers by closing down the customer advocate arm which provided borrowers and additional appeals process within the Bank if they were not happy with the Bank's decision through the Bank's own internal dispute resolution process. ANZ now has implemented a customer fairness adviser.

Could you tell us why the customer advocate role was removed and how does the customer fairness adviser role differ from the customer advocate and is there anything that an aggrieved customer now is not going to receive given that the customer advocate – through that process – given the customer advocate role has gone?

Paul O'Sullivan: Thank you, Rita, for the question, and indeed, our customer fairness advocate is here, so Evelyn is outside and manning one of the stands, so happy to follow-up, but Shayne, I know you're keen to answer this.

Shayne Elliott: I'll answer that, Rita, thanks for the question, it's a fair question. Actually, we did – ANZ was an innovator and had the idea of this customer advocate office many, many years before others and way before my time. It's something we maintained for many years and I think it added real value.

The issue was, there has been a change in the legislation that requires us to essentially get to a closure point with customer complaints much faster, so there's a deadline. The problem was, by having that extra step available, it meant we wouldn't be able to meet the timetable commitments we had. So the only option was we had to remove it. Now, what we have done is, we still have a customer advocate but it's not a sequential process.

At the moment, you went through complaints, if you weren't happy you could go to the advocate. So we still have a person there that looks out for customer interest as part of the process but it's changed. So that's the reason, it was really just to meet the timetable requirements, which are perfectly reasonable, and to do the right thing.

A customer fairness advisor, we've actually had for a number of years, and what that role is, not to get involved in individual customer issues or complaints but thematically. So Evelyn works directly for me. She works very closely with our teams to make sure that our products and services are designed to be fair, that are operated in a fair way, et cetera.

There are times when we get a serious complaint or a customer has an issue where we might – I might ask Evelyn to go and have a look at that and say, is this – can we learn from this? So that's her – it's an advisory role but very, very impactful and very, very important part of my team to make sure that we continually improve the way we treat customers.

Rita Mazaleski: (Shareholder) Can I just clarify, so with the condensed timeframe, which now is 31 days, yes – 30 days?

Shayne Elliott: Yes.

Rita Mazaleski: (Shareholder) Are you saying that through your IDR process, if that was to take the whole 30 days, if a customer is aggrieved, they can contact the fairness officer or is it only your internal process?

Shayne Elliott: No, it's an internal process. We've got this new timetable in as I said, by the time it went through complaints, go back to the customer, the customer says, I'm not happy, go to the advocate, by design, you were never going to meet the timetable and so we would be outside the requirements of the legislation. So we said we just have to redesign the process, we have to take that step out in order to comply.

But the principle of making sure that customers are comfortable – customers complain about all sorts of things, and perfectly reasonable – to make sure that we are treating them fairly, reasonably, empathetically, listening and getting to an agreed outcome in a short period of time is still there. We still have the office of the advocate really putting the customer's point of view on the table.

So I don't think there's been any diminution in the service or the process but technically you're right, Rita, in the sense that there's that one less step in there so that we can comply with the legislation.

Rita Mazaleski: (Shareholder) Yes, and that's a critical step because through the process…

Shayne Elliott: Well, that's the legislation.

Rita Mazaleski: (Shareholder) …the customer is actually cut out whilst the Bank does its own review…

Shayne Elliott: But that's the legislation we have to…

Rita Mazaleski: (Shareholder) …and there's no come-back for the complainant.

Shayne Elliott: Yes, but it – as you know, people have multiple avenues of coming to the Bank, not just through the formal complaints. People write to me, as you have availed yourself of previously…

Rita Mazaleski: (Shareholder) Yes.

Shayne Elliott: …and we'll continue to do our best to make sure that that whole process around complaints is as fair and reasonable as possible.

Rita Mazaleski: (Shareholder) Okay, and I'm not going to talk about my own issue but I would like to ask, can I arrange a meeting with you, Mr Elliott, please?

Shayne Elliott: Well, let's talk about it off - we have this conversation every year. We can do it outside…

Rita Mazaleski: (Shareholder) Yes, I know. I still haven't had a meeting so I'm just bringing it up again and I am a customer.

Paul O'Sullivan: Request is noted, Rita.

Rita Mazaleski: (Shareholder) Thank you.

Paul O'Sullivan: Thank you. Thank you. All right. We have another question. Microphone number 3.

Unidentified Company Representative: Thank you, Chairman. We have Robert Cooper of Glen Osmond.

Robert Cooper: (Shareholder) Thank you, Mr Chairman, and thank you and the Board for coming to Adelaide. We're only a small state but we're an important and innovate state. So thank you for coming to South Australia for your board meeting.

I'm a trustee of a superannuation fund and most superannuation funds, I have a large exposure to financial institutions. So Mr Chairman, when APRA instructed banks not to pay dividends to shareholders during the global financial crisis to protect the banks from their capital exposure for positions - to protect customers from financial issues, that had an impact on shareholders.

It was that there were no financial dividends coming in from banks to shareholders. So self-managed super funds who support and rely on dividends to pay our way and to keep ourselves off the pension, we were in a difficult position.

My question is did you have any choice in not paying or paying dividends during the APRA instruction? And in the future, if APRA decide to do this again, can you say no, we will pay dividends to our shareholders?

Paul O'Sullivan: Well, look, can I start by saying we're acutely aware of the dependence that so many of our shareholders have on a regular dividend. And that's why if you look at the actions of your Board, we've worked very hard again this year to make sure that we're achieving our dividend payout ratio, between 60% to 65% cash profit, and indeed we've increased the dividend this year.

And the way we think about how we operate is to try and make sure we deliver those dividends as efficiently - as tax efficiently as possible to you as shareholders. So I can understand how distressing and disruptive it was in the middle of COVID that there was a hiccup in the dividend process.

I note that we delayed the first half dividend but we did pay one ultimately in September '20. In terms of - again, it's a hypothetical. You know, we have to work with the regulator. I don’t think - I think you'd agree, it's not in the interests of your bank that we get into a situation where we're at war with the regulator.

So we do look to try and influence their thinking. We give them feedback on how they're operating. But we just have to wait and see what rules or what the environment is as it comes about.

Robert Cooper: (Shareholder) Thank you, Mr Chairman.

Paul O'Sullivan: So we're back at microphone number 1.

Unidentified Company Representative: Thank you, Chairman. We have a question from Barry [Pearson].

Barry Pearson: (Shareholder) Thank you, Chairman. I just want to talk about core banking. Now, probably about September/October, ANZ share investing moved over to CMC investing. Now I was a part of the core business years ago so I'm presuming share investing were not making a profit so you shut it down.

Second question I've got is digital banking. It's got its good points and its bad points. But let's take a look at Riverland now what's happening, up north from Adelaide just now. Places like Walker Flat or Bowhill have been flooded out. They've got no mobile, no internet banking, and they can't go to a branch because they're closed. So what do they do? Thank you.

Paul O'Sullivan: Thank you for the question and on the first question which relates to the share investing business, if I take a step back, what ANZ has been focused on over the last six to seven years is on looking to simplify our operations.

Because we began with operations across Asia and a whole range of involvements domestically in different businesses. The net effect of that is that we have quite a high - had quite a high cost base. And also, it wasn't always the case that we could focus enough on our core business which is retail, commercial, and institutional banking.

So we have been through a process of simplification and are often finding owners we believe for those assets. And CMC was one of those. And it's one of many things. I talked about disposing of the wealth advisory business earlier on and also of the margin business to Bendigo and Adelaide.

So it's been part of a process, a deliberate process, to streamline the bank so that we can focus on the core banking services we offer day to day in retail, commercial, and institutional.

In terms of your second question, and I'll ask Shayne to comment a bit as well, very sensitive to the hardship that's created in areas of natural disaster, whether it's floods or whether it's fires or whatever else.

And your point on the lack of availability of infrastructure is absolutely right and well taken. We do look to deploy other ways in which people can access us and get support in those areas. And Shayne, did you want to talk in particular about that?

Shayne Elliott: Only to say you're absolutely right. In these tragic situations, it's really difficult for people who are impacted. I would just note that having a branch isn’t necessarily the solution. I refer to the Lismore flooding. Our branch was flooded. We're impacted just like other people in the community so we weren't able to open the branch anyway.

So you know, so that's not always going to be the solution. I don’t know what the solution is. You're right, in those situations, it's almost impossible for people to access funds but I - so I don’t have an answer to you. But I put it to you that the mere fact that if there had have been a branch, it probably would have been impacted anyway.

Paul O'Sullivan: And I'll just close off, I was CEO of Optus until 2012. And one of the big changes in Australia in the last decade and a half is that after disasters like this, as well as getting in the emergency services, they actually ask the tele coms operators to come in quickly. Because the mobile network is essential in helping locate people who are missing and being able to identify them.

So I would hope that in response to areas like this, there's been some response from those agencies and that you're starting to see access to the internet come back.

Barry Pearson: (Shareholder) Getting back to my first question, ANZ share investing moved over to CMC investing. I was asking were you losing money in that area? If you were, how much were you losing? If you weren't, but only making a small profit, it's called customer service.

I had money tied up with the ANZ bank and I still do but as far as I'm concerned, ANZ investing a few years ago, they were a very good reliable crew and you got rid of them.

Shayne Elliott: I can answer that. It's a fair question. I would remind people, when you said it's a core business, actually, that was a business that was acquired and bought. It was the old E*TRADE business that ANZ acquired in the early 2000s. So it hasn’t always been core.

The sad reality of that business is we didn't run it very well. Now, it may have been great customer service but we had all sorts of technology issues and operational risk issues and we did not run it well.

And so we were unable - you know, it's not a core business to us. We're bankers. We're not stock brokers. And so we struggled. We tried many things. We put in different leadership teams, we invested in new technology, we tried to - we initially partnered with CMC to try to give it some stability and maintain the service and we were unable to do so.

So it wasn't just about profitability, although the business was not profitable. It was really about we need to do businesses on behalf of shareholders that we can run well. You know, that do not expose us to unreasonable risk.

And so we made the difficult decision that this was not one of those businesses and so we didn't shut it down, we sold the business and it transferred to CMC who continue to run that business today but not under our brand or connected to ANZ.

Barry Pearson: (Shareholder) But you haven't told me how much money you were losing on that area?

Shayne Elliott: I don't know that it's appropriate for us to talk about…

Barry Pearson: (Shareholder) Of course it's appropriate. I'm a shareholder here. I'm asking the question. What part of that area did you lose money on?

Paul O'Sullivan: Actually, I think it's in the interest…

Barry Pearson: (Shareholder) As far as I'm concerned, they were a very good crew. Now, some are upset they lost their jobs and some moved over to my knowledge. But you haven't answered my question. Were we losing say $100,000 a year? $200,000 a year? Were we losing $5 million a year in that area? Simple question. You must have a figure somewhere.

Paul O'Sullivan: I think if we start heading…

Barry Pearson: (Shareholder) Correct? Yes? No?

Paul O'Sullivan: …down the path of answering questions on specific items of business, we start cutting across our disclosure policies. And there's a commercial issue here. We may not always want our competitors or others to know how our businesses operate day to day or what sort of profitability they have at micro level.

So I think we respect the question but that's not something we would look to disclose at this time.

Barry Pearson: (Shareholder) All right. Thank you.

Paul O'Sullivan: Thank you.

Barry Pearson: (Shareholder) And just one final quick comment. I think my questions were very short here. So do I get a prize? Compared to other people?

Paul O'Sullivan: Your questions certainly were to the point. So thank you for that and thank you for your interest in the bank. We've got another question online so Kath, would you like to read that to us please?

Kathryn van der Merwe: Yes, thank you, Chairman, and this is the last question for resolution 1. It's coming online from Mr [Tee Yeo]. The bank did an on market buy back of a few billion dollars about one and a half to two years ago when ANZ shares were trading at $27 plus.

The bank also did a rights issue recently, raising $3 billion plus six months ago at $18.95. This is more than $8 below the buy back cost per share. While it has been a great outcome for those shareholders who were in the position to participate in both transactions, it was not so for the majority of smaller shareholders who do not have large enough holdings to sell and also do not have the extra funds to subscribe to the rights issue.

The question is, at the time of the on market buy back, could the bank have foreseen the possibility of the Suncorp or any potential acquisitions? Thank you.

Paul O'Sullivan: Thank you. And you know, I think this is going to be a very clear answer which is you know the Hollywood saying that it took me 25 years to become an overnight sensation? We've actually been looking at Suncorp since 2008. And we've been looking hard to see if we could find a way to be an attractive candidate to acquire it.

It did develop very quickly. And so - I mean certainly we would not have anticipated specifically at a point in time that we would be able to acquire the bank. In fact, I was travelling when it arose and I cut my trip short in order to get back to be here for the formal Board meetings that were required in order to progress it.

So no, we couldn't have predicted it. I should just add though that I take your point that not every shareholder would have been able to take advantage of it. But ANZ's Board made a very deliberate decision for which I know a number of shareholder groups have given us praise.

And that is we created what we know - what is known as a [unclear] rights issue. And that's when in which we make sure that retail investors have the same opportunity to participate as institutional investors. And there has been a lot of criticism in Australia in past that these sort of book bills have not been done in that manner.

So I thank you for the question. We could not have anticipated it. But when we did do the raising, we looked to do it in a highly equitable way. I think that's the end of questions both online and in the room.

And if so then, thank you very much for the energy and enthusiasm that's been shown. We've been talking for the best part of a couple of hours. So we'll now move to the formal resolutions.

We now move to items 2A to 2C which relate to the election and re-election of directors. Three of your directors, Jeff Smith, Jane Halton, and myself are seeking election and re-election respectively.

Our experience and profiles are included in the notice of meeting and the Board, excluding the interested director in each case, recommends that shareholders vote in favour of each director standing today.

The resolutions in relation to each person will be introduced separately and there will be an opportunity for shareholders to ask questions about each candidate. First is the election of Jeff Smith.

Jeff joined the Board on 1 August this year and he's retiring in accordance with the Company's constitution. And being eligible, Jeff offers himself for election. Jeff will now say a few words in respect of his election.

Jeff Smith: Thank you, Paul, and good morning or afternoon, shareholders. I appear before you today seeking your support for my formal election to the ANZ Group Board after being appointed as a Director in August of this year.

I come to the ANZ Board after finishing my executive role this month as Chief Operating Officer at World Fuel Services, a global energy management company based in Florida. Prior to this role, I held CIO roles at large global and Australian companies, including IBM, Telstra and Suncorp. In addition, while at Suncorp, I took on leading all the shared services as the Chief Executive Officer of Suncorp business services.

ANZ is my only public company directorship and I can commit the time and energy needed to fulfill my duties on the Board. I believe I bring not only extensive experience in IT deploying global digital assets, but also managing complex cyber and back-office operations.

Also, I've had over 10 years deploying secure services to the cloud, an experience I first gained at Suncorp becoming one of Amazon's first financial services customers globally. In addition, I am familiar with ANZ, having been an advisor on the Company's international technology advisory panel from 2016 to 2019.

I am a proud dual citizen of both Australia and The United States. I believe my technology and operations' global experience as a senior level executive should be a benefit to the shareholders if I am elected to the Board.

Paul O'Sullivan: Thank you, Jeff. Now, I'll create an opportunity for any questions in regards to Jeff's candidacy. Are there any questions?

There don't seem to be any more - sorry, we do have a question on microphone one.

Bob: Yes, Mr Chairman. Thank you. I note what Mr Smith said about the benefits he brings. But as a resident of USA with directorship of Sunray Security and advisory responsibilities to a couple of companies there, I would like to hear his comments on how he's able to manage the impact of those responsibilities with these responsibilities here in Australia?

Paul O'Sullivan: Thank you. It's a good question. Let me add initially to that by saying, it was precisely because of those involvements in the technology adventure capital in The United States, that we actually thought he was an attractive candidate in addition to his extensive experience already. Both in banking and in telecoms and in technology with IBM.

So actually, we see those as an asset. But Jeff, did you want to comment at all, in terms of your time and availability?

Jeff Smith: Yes. I think the one - I'm on a Board of a privately held company, which is Sunray - it's a cloud based, cyber operations security firm. Actually, I gain a lot of intelligence through that.

But the commitments on that are very minor, being a privately held company. Advisory roles I have are limited as well. But they get me connections to some of the best companies in the world. Not just from a technology point of view, but from a leadership and culture point of view.

So, I still have - just finishing my executive role, I do have time to commit here. I still have a son that lives in Brisbane, so we're not only dual citizens, we're - my wife and I - are pretty much dual - where we're going to be living and spending time.

So, I feel I have the time necessary to support the appointment.

Paul O'Sullivan: Thank you, Jeff. Thank you, Bob. If there are no further questions - I'm not seeing any questions in the room - I'll now show details of the proxies received before the meeting.

Secondly, we now come to the re-election of Jane Halton AO PSM. Jane joined the Board in October 2016. She was elected by shareholders at the 2016 AGM and re-elected at the 2019 AGM.

Jane is retiring in accordance with the Company's constitution and being eligible, offers herself for re-election. Jane will now say a few words in respect of her re-election.

Jane Halton: Thank you, Chairman. Good afternoon, shareholders. My name is Jane Halton and today I am seeking re-election for a third term as a Director of The ANZ Group.

I was first appointed to the Board in October of 2016 and was elected by shareholders at the AGM in December of that year. Before retiring from the Australian public service in 2016, I held several departmental secretary roles, with my final position being Secretary of the Department of Finance.

While all of my roles as senior public servant had a heavy financial component, as Secretary of the Finance Department I was responsible for delivering the Australian Budget, as well as overseeing many billions of dollars of property and other national assets.

I believe that my background at the highest levels of our nation's finances has provided a very clear benefit to shareholders, as I've undertaken my Board duties. I'm an Independent Non-Executive Director at ANZ. In the past year, I attended all meetings of the Board and ensured I was well prepared in advance of those meetings.

As part of my role with the Board, I chair the Digital Business and Technology Committee. I'm also a member of the Human Resources Committee, the Ethics, Environment, Social and Governance Committee, the Nomination and Board Operations Committee.

ANZ Group is my only directorship with an ASX listed company. I believe I have been able to devote the appropriate amount of time to my Board duties. My interests beyond the bank tend to deal with some of the biggest issues facing our community and economy, which I think has been quite useful to my Board role.

These outside interests include my work with the International Coalition for Epidemic Preparedness Innovations, known as CEPI, and the Australian Council on the Aging, COTA.

As well in September, I completed an independent review of Australia's COVID-19 vaccine and treatment procurements for the Australian Government. I look forward to continuing my role as a representative of shareholders on the Board. I thank you for your support as I seek re-election.

Paul O'Sullivan: Thank you, Jane. Are there any questions in relation to Jane's candidacy? Please, microphone one.

Bob: Thank you, Chairman. The question involves skin in the game. As Ms Halton, at present, she holds insufficient - or at least at report date - held insufficient shares to meet the standards proposed by ASA or by the bank itself.

We'd like to hear whether she has intentions of changing that situation.

Paul O'Sullivan: Thank you for that question. This relates to a requirement we have that Directors hold 100% of their member fee in shares. Indeed as Chair, I'm required to have a higher allocation in terms of my requirement.

We do report on that in the annual report. It's to demonstrate alignment and conviction about the strategies we have at ANZ.

Jane met those requirements. But what's happened is as the share price has reduced, it's triggered a situation in which she's now below those requirements. So, it's a factor of what's happened with the share price.

At about $24.86, she'd actually meet the requirements today. She and I have spoken and Jane is absolutely committed to resolving that very quickly and at getting back in line, despite the fact that the share price is lower.

So hopefully, that resolves. Thank you. Any other questions? If there are no more - sorry, we've got a question on microphone two.

Unidentified Company Representative: Sorry, Chairman, we have one question.

Unidentified Participant: Thank you, Mr Chairman and Ms Halton. Are you going to resolve the issues of the shares of increasing the price or buying more shares?

Paul O'Sullivan: I think we could certainly - look, I've got to be careful how I answer it, actually. The duties of Directors are to act in the long-term best interests of the Company.

The share price is relevant and we are certainly very conscious of its importance to shareholders, and indeed, of the dividend. But we balance all that, in terms of making sure we're looking after the long-term interest.

So, Jane's commitment was to increase her shareholding.

Unidentified Participant: Thank you.

Paul O'Sullivan: Thank you. Question, microphone number one, Rita?

Rita Mazaleski: (Shareholder) Can I just ask what timeframe that would happen in? Because as a shareholder, if you're a low-level shareholder - so you just have the bare minimal - if the - when the share price goes down, the bank actually dissolves your shareholding automatically and you have no say.

If you don't watch it and you don't stay on top of it. So as a Director, if the shareholding has gone down, what timeframe is that going to be rectified?

Paul O'Sullivan: I'm not familiar with what you've been saying, Rita, about…

Rita Mazaleski: (Shareholder) I am.

Paul O'Sullivan: Well, I'll take your word for it. But can I just say - actually would be - do you want to just clarify a little bit more what you meant by that?

Rita Mazaleski: (Shareholder) Yes. I have shares, but I only have the - you have to have 500 shares. $500 is the minimum to come to an AGM, as a shareholder, and ask questions.

So, through our Bank Warrior Advocacy, that's what we've done. With some other banks, I have higher shareholdings.

When the share price goes down and goes under that $500 - because the share price has fallen - your shareholding is dissolved because you don't hold enough in the bank. By the time you realise, you get a letter from the bank and your shareholding has been cancelled. It can't be rectified.

So, you have to go through the process again, so that we are at a disadvantage.

Paul O'Sullivan: I think there's a couple of things to clarify, Rita. First of all, we don't cancel holdings. Also, to attend an AGM, you actually only need one share to come along to the meeting.

I think what you might be thinking about there is what's known as an unmarketable parcel. That's to do with the quantity of shares you need to have to be able to trade effectively to trade on the market.

Rita Mazaleski: (Shareholder) No. We had to buy 500 minimum to be able to attend an AGM. Not one share. Won't allow it

Paul O'Sullivan: Well, that's not…

Rita Mazaleski: (Shareholder) That used to be the old days, many moons ago.

Paul O'Sullivan: Well, you can attend today with just one. So, I…

Rita Mazaleski: (Shareholder) What was the timeframe that this would be rectified? [Unclear].

Paul O'Sullivan: As soon as possible. Directors have a challenge in that there are periods in which we are not allowed to trade because we're considered to have inside information on the performance of the Company. Then there are periods which are defined when we are okay to get out and trade.

So, Jane's given the commitment. She's a really upstanding citizen. AO PSM, I'm quite - first of all, I think we're very fortunate to have her on the Board.

Second of all, I'm quite confident she'll address this in a timely way.

Rita Mazaleski: (Shareholder) Oh yes, I'm not saying that. I just want to make sure that what applies to one, applies to the other. Doesn't matter what level you're at.

Paul O'Sullivan: Of course, we don't necessarily want people to know the exact moment in time when Jane's going to trade. We wouldn't want them to take advantage in that. So, I think we're going to be confident she'll handle it very appropriately.

Rita Mazaleski: (Shareholder) Okay. Thank you.

Paul O'Sullivan: Thank you. If there are no further questions, we'll now show details of the proxies received before the meeting.

We now come to my own re-election. For this item, Graham Liebelt, who's our longest serving Director, will take over as Chair of the meeting. Thank you, Graham.

Graham Liebelt: Thanks, Paul. Good afternoon, everyone. Paul joined the Board in November 2019 and was elected by shareholders at the 2019 AGM. Then he was appointed Chairman in October 2020.

Paul's retiring in accordance with the Company's constitution and being eligible, offers himself for re-election. Paul will now say a few words in respect of his re-election. Thanks, Paul.

Paul O'Sullivan: Thank you, Chairman. It's been a privilege serving on the Board and I'm honoured to have the opportunity today to again put myself forward for election. I thought I'd spend just a couple of minutes explaining my background and qualifications for the role.

Firstly, I've been on the Board for three years and I've served as Chairman since 2020. During that time, we've continued our focus on strengthening the bank today, whilst also preparing it for the future.

The announced acquisition of Suncorp and the associated capital raised were particular highlights this year, along with returning our home loan business back to growth.

Before joining the ANZ Board, I had a long track record with the telecommunication industry, where I've worked in a number of roles. Probably most relevant is the fact that I was a CEO of Optus for seven and a half years between 2004 and 2012.

I'm a Non-Executive Chair of the holding company for Singtel's Australian operations - well, for the majority of them. Which is a non-governance advisory role primary, for Optus. As I explained earlier.

These days, I'm actually a professional Non-Executive Director although [ASX] [sic] remains my only ASX-listed commitment. Previously, I served on the Boards of both Coca-Cola Amatil and Healthscope which were both successfully sold to other interests.

In the case of Coca-Cola Amatil, it was bought by the European operations of Coke; Healthscope was sold to a group of companies including the leading Canadian company, Brookfield.

You might have heard an Irish lilt coming through in my accent today. I am proudly born and bred in Ireland but arrived in Australia 35 years ago and am very much an Australian today. I remain active in the public sector where I Chair the Federal Government company that's building the Western Sydney International Airport and I'm also Director of the non-profit St Vincent's Health Australia.

All up, my track record here at ANZ, my experience in managing a large Company, my time as a Director not only in the private sector but as a government sector Director, means that I believe I can continue to contribute positively in my role as Chair of the Bank Board, particularly at a time like this when the Bank is facing major change and rising customer expectations.

So with that, I respectfully put myself forward for re-election and it would be a privilege to serve again as Chairman of the ANZ Board. Thank you.

Graham Liebelt: Thank you, Paul. Are there any questions? [Mr Ridley].

Mr Ridley: (Shareholder) Acting Chairman, we note very favourably the comments that occurred much earlier about governance and the actions being taken at Board level for Directors to become informed beyond – regarding their general responsibilities beyond attendance of Board and Committee meetings.

I have one specific question which becomes a little less important given that earlier statement from Mr O'Sullivan but as Chairman of the Board, I'd like to know how – from him, how he has encouraged fellow Directors to individually learn in greater depth about aspects of the Company's business operations?

Paul O'Sullivan: Yes, thank you. It's a very important question. First of all, when a Director comes on Board, there's an extensive orientation program which involves meeting with all the Heads of the Business Units in the Bank and getting an immersion in how they operate and in their key performance objectives.

Second of all as a Board, we remain very active in continuing to learn. Every day, there's a distribution of any media references that are relevant in the financial services sector so the Directors can stay abreast of developments, not only in ANZ but in any organisation.

Internally, we have a number of committees which are focussed on specific topics. A good example is the Digital Banking and Technology Committee and that invites in relevant speakers with their topics of interest and also will provide extra reading or availability.

Thirdly, whenever we can, Directors actually go out and spend time visiting with customers because if you want to learn how your organisation is working, spend time with a customer. Most recently, we spent a day in Toowoomba where we met what were primarily commercial customers and also we spent time in retail branches on other occasions.

Finally, we do want to take account of financial trends globally and that does mean that it is important to spend time with banks in other geographies. So in the lats 12 months, Directors have spent time looking to learn the lessons from regulation in the UK; from the developments of digital banking from banks like ING in the Netherlands; and interestingly, from Poland, where we've seen one of the fastest adoptions of digital banking, very successfully, in the polish market.

So those are just some examples of how we look to make sure we stay abreast of developments.

Graham Liebelt: Thank you, Paul. Are there any further questions? Well if there are no more questions, I'll now show the details of the proxies received before the meeting. Now I'll hand back to Paul as Chair of the meeting. Thank you.

Paul O'Sullivan: Thank you, Graham, very much and thank you, everybody, for your interesting questions. We now move to matters concerning remuneration and item 3 concerns the adoption of the remuneration report and item 4 concerns the grant of restricted rights and performance rights to Shayne Elliott, which forms part of his at risk pay.

The words of both proposed motions will now be displayed on the screen. Full details of how we structure remuneration are contained in the remuneration report, which is included in the annual report and for which we are seeking shareholder approval.

We're also seeking shareholder's approval to grant Shayne Elliott restricted rights and performance rights as detailed in the notice of the meeting. The number of restricted rights and performance rights that Shayne will be able to exercise and therefore the number of shares he will ultimately be entitled to acquire, will depend on the extent to which the relevant performance conditions are met.

The performance conditions for both restricted rights and performance rights are assessed at the end of the four year performance period with no re-testing. That again is as set out in the notice of the meeting.

To give you an overview, I now invite Ilana Atlas, the Chair of the Human Resources Committee, to say a few words. Over to you, Ilana.

Ilana Atlas: Thank you, Chairman and good afternoon, shareholders. There are two resolutions before you in relation to remuneration and in these remarks, I'll just briefly address each one.

The first, item 3 on your notice paper, is to adopt the remuneration report for the year ended 30 September 2022. As the Chairman has already mentioned, we're very proud of what we achieved in 2022 despite another year of challenging market conditions.

We believe the Board struck the right balance this year in rewarding our executives for their good performance while also holding them accountable for areas that did not achieve expectations.

Before I highlight the CEO's outcomes, I'll briefly touch on the changes we've made to our remuneration structure, which are outline in more detail in the remuneration report. This is particularly important given 2022 remuneration outcomes are not directly comparable with the previous financial year.

For context, we've been prompted to make these changes as a result of being required to implement APRA's new remuneration prudential standard known as CPS 511. As shareholders would expect, our approach has been to meet the letter and spirit of the standard, which has resulted in four significant changes.

First, we've re-designed our long-term variable remuneration to now include a 50% weighting to restricted rights with risk-based measures as hurdles to vesting of the restricted rights, ensuring material weight to non-financial measures as required under CPS 511.

Secondly, we've reduced the maximum remuneration opportunity that executives can earn to offset the greater certainty of vesting provided by the introduction of restricted rights which resulted in a reduction of $1.375 million or 14% for our CEO.

Thirdly, we've changed the way we defer the payment of remuneration so short-term remuneration is now deferred over two and three years and long-term vesting is deferred over four to six years.

Lastly, we introduced the right to claw back remuneration in certain circumstances. So turning to our CEO's remuneration, as we've already said, Shayne performed extremely well in a challenging environment. Delivering a strong financial performance in 2022 while also progressing key initiatives aligned to our long-term strategy.

Shayne again role modelled ANZ's values and is a respected leader amongst employees, stakeholders and the wider business community.

The Board assessed the CEO's performance as significantly moving the dial to support our future performance and growth. This resulted in a short-term variable remuneration outcome of 74% of Shayne's maximum opportunity or 93% of his target. This compares to 80% of target in 2021.

Despite this stronger performance in 2022, Shayne's short-term variable remuneration was down $140,000, reflecting the reduced remuneration opportunity under the new structure. There was no increase to Shayne's fixed remuneration in 2022.

We noted in the remuneration report that the performance rights awarded in December 2018 to the CEO were tested at the end of last year. 51.6% of the performance rights vested and the remaining 48.4% lapsed.

The second remuneration-related resolution before you, number 4 on your notice paper, relates to the proposed grant of long-term variable remuneration in the form of restricted rights and performance rights to our CEO.

We are seeking your approval today to allocate long-term restricted rights and performance rights with a combined value of $3.375 million. Whether Shayne receives any value for these rights at the end of the four, five and six year deferral periods, will depend on whether the performance conditions in each tranche are met.

As set out in detail in the notice of meeting, the restricted rights with the value of $1.6875 million have been subject to a pre-grant assessment by the Board which determined that the award should be made at full value and will be subject again to a pre-vest assessment of non-financial measures at the end of the performance period to determine whether they should vest in full.

The performance rights with a value of $1.6875 million will be subject to forward looking performance hurdles. 75% will be measured on ANZ's total shareholder return, relative to a financial services comparator group and 25% will be measured against the absolute total shareholder return target.

The Board recommends shareholders vote in favour of items 3 and 4. Thank you all and I'll hand you back to the Chairman.

Paul O'Sullivan: Thank you, Ilana. Are there any questions regarding items 3 and 4? Are there any questions in the room? On microphone one?

Unidentified Participant: (Shareholder) [Unclear] for a brief answer, Chairman. The particulars of the restricted rights, how does that differ from the normal performance rights? [Unclear].

Paul O'Sullivan: Thank you. This was one of the ways in which we sought to align with the regulator's requirement that we introduce some non-financial metrics into our remuneration and that they had a material impact.

So the way we will assess those is to have a pre-award and pre-vest set of criteria. We're conscious that there is a sensitivity among shareholders that we not depart too far from measures which have a direct impact on the performance of the business and so the way we've chosen to do those pre-grant or pre-award assessments is to actually look at our risk performance.

So the things we will look at is, has there been a material risk event? Has there been a requirement for the regulator to get engaged and perhaps to add additional supervision and we're running a series of metrics internally which look at the risk culture and the effectiveness of risk presence inside the business.

So those will be the material issues we look at. I should say, we won't double dip. If we've already adjusted remuneration in a prior period for some of those issues, we won't look to have a second go at it on this process but we think this is the best way which we can balance the requirements of CPS 511 from the regulator and demonstrating to shareholders that we are very much aligned with getting performance in the business.

Unidentified Participant: (Shareholder) Thank you.

Paul O'Sullivan: Have we got a question online, Kath?

Kathryn van der Merwe: Thank you, Chairman. We have a question from [Mr Rajivan Sitharaman]. Why isn't there a greater correlation between Director's fees and the share price?

Paul O'Sullivan: Thank you. Thank you and I think there's a really important principle here, which is we provide governance and supervision of the Company and as I said earlier, we are legally required to act in the best interest - long-term best interests of the Company.

So therefore what you want as Director is not to be overly responsive to short-term issues where you might get a sugar hit in the share price but you may not be acting in the best interests of the Company.

So that's why Director fees are typically fixed. However, as we mentioned earlier, we do have a requirement that Directors hold 100% of their fees as shares and in my case, I'm required to have 100% of the Chair fee as shares. That's so that there is skin in the game and there is some alignment with shareholders.

But hopefully that principle which exists across most public companies, is one which makes sense and which you can see is all about protecting your interests as shareholders. I think we've got a question in the room. Microphone number 4.

Unidentified Company Representative: Thank you, Chairman. We have a question from Julian Vincent.

Julian Vincent: (Shareholder) Thanks. The Bank's got a number of targets that are set in relation to financed emissions and portfolio emissions. On power generation in particular, the emissions intensity is supposed to decline year-on-year to meet a 2030 target. However, in the last couple of years and in particular, this last year, it's gone up 47%.

My question is, is anyone's remuneration, is anyone's incentives tied to these outcomes meeting these targets and has remuneration been affected in the last year for the failure to meet these targets?

Paul O'Sullivan: Thanks. Thanks for the question and the way we adjudicate short-term variable remuneration is actually outlined in our Group scorecard which you'll see in the annual report. On top of that, the Board has discretion which it has exercised in the past.

There's actually a specific answer to your question on emissions intensity which I'd like to take up when we come to question – items 5 and 6, but it basically relates to movements in the price of energy products. As such, it doesn't relate to a breach of our approach on policy but actually is something we believe will be rectified in the medium term.

Julian Vincent: (Shareholder) So no one…

Paul O'Sullivan: But I'll happily give you more details.

Julian Vincent: (Shareholder) So no one's REM has been affected by this?

Paul O'Sullivan: I'm sorry, I didn't catch that.

Julian Vincent: (Shareholder) So on one's REM has been affected by this?

Paul O'Sullivan: Well if you look at our remuneration this year, you'll see that every executive has received different levels of remuneration and that takes into account their performance across all the metrics that we've outlined in the annual report.

So actually, everyone on the Executive Team shows to some extent or another, an impact from performance on all the metrics that we look at on their bonuses.

Julian Vincent: (Shareholder) Okay.

Paul O'Sullivan: Thank you. Have you got a question at microphone number 2?

Unidentified Company Representative: Yes, thank you, Chairman. This question is from Craig Caulfield.

Paul O'Sullivan: Welcome back, Craig.

Craig Caulfield: (Shareholder) Yes, thank you, very much. First, I would like to congratulate the team and I think it was Ms Atlas, mainly, for putting together the REM report.

It's a lot – there's a lot of work that's gone into it. I've read every page of it, you'll see all my notes in here and so it did make it easier to understand. I won't say it was easy and these REM reports need further simplification if it can be done but I can see a lot of work has gone into it.

A couple of comments and you correct me if I'm wrong here but my understanding is the Retail Bank division was previously run jointly by Ms Carnegie and Mr Hand?

Paul O'Sullivan: Not quite, if it's okay to jump in?

Craig Caulfield: (Shareholder) Sure.

Paul O'Sullivan: Yes, no, not quite. The ANZ Plus which was a development of the new technology platform for digital banking, that was run by Maile and Australian Retail and Commercial was a combined unit under Mark Hand.

Craig Caulfield: (Shareholder) Okay and am I right to say then, Ms Carnegie has…

Paul O'Sullivan: Has assumed…

Craig Caulfield: (Shareholder) ..accountability or stewardship over that Retail area?

Paul O'Sullivan: Yes, we've done a restructure, Craig. So what we've done is, we've combined the ANZ Plus technology platform with the Retail Bank because ultimately, it will become a core part of the Retail Bank.

Craig Caulfield: (Shareholder) Yes.

Paul O'Sullivan: Then we've split out the Commercial part into a separate division. We announced last week the appointment of a new Head of the Commercial Division but in the interim, Shayne has been running that.

Craig Caulfield: (Shareholder) Yes, okay. Thank you for that explanation. I understand that. It seemed – when I'm looking at it, even though the mistakes that I made there, I correlated that when Ms Carnegie was not involved in that Retail Division, ANZ was underperforming vis-a-vis to their peers and the four major banks in obtaining new loans or the length of time to process a loan application.

It seems that you've sped the times up and rectified some things. Is that a result of Ms Carnegie's leadership there or is there other factors?

Paul O'Sullivan: Well it's certainly Maile's been a key contributor to that but I think in fairness, we'd have to say it's the wider team as well. It's a team business. There's been a huge amount of work has been underway to restore our home loan momentum.

Indeed, we made a commitment to you as shareholders that we would look to get back to growth and indeed to be growing in line with the majors by the end of last financial year and we hit that milestone in September.

So there's – a huge effort has gone on at the working level, at the Management level, at the Executive and I would say it is a classic case that it takes a village to raise a child, it takes a lot of people to do it. But full marks to Maile, she is the ultimate accountable executive for the performance of the division and so she deserves the credit and the praise for how we managed to recover it as indeed I pay tribute to Shayne for his leadership in addressing this issue.

Craig Caulfield: (Shareholder) Okay, thank you for that and question section, is the APRA capital reserve $500 million enforceable undertaking – you know I'm still disappointed ANZ is the only major bank that wouldn't release that. That doesn't show great culture transparency but nonetheless, you know what's included in that report and you're using it as a measurement tool, we just don't have site of that.

I do – I would like to see greater metrics, customer feedback. You know, customer complaints, IDR, customer advocate, [albeit] named as different there now. How many cases go to AFCA? What is the average length of time? What's the average compensation? How many cases go to court?

There's other metrics can be - but, I would love to see all the banks have an Annual Report, a standard single page within this that said, here are the metrics and this is where we stand and go beyond - net promoter score to me, is misleading. It's farcical.

Paul O'Sullivan: Thank you Craig. Okay, we'll take your feedback. A number of the metrics you're talking about, actually AFCA does present, but we'll take your feedback and think about it.

Can I assure you that the APRA capital overlay gets a huge amount of focus from the Board and management? We discuss it at the Risk Committee, we discuss it at the Board and Shayne has an extensive programme underway to look to get to the stage where we can have it released. Thank you.

Craig Caulfield: (Shareholder) Okay, thank you. Just to comment on, you mentioned AFCA. They have a data cube, so there's a lot of information.

Paul O'Sullivan: Correct.

Craig Caulfield: (Shareholder) You can compare banks. What there's not in the AFCA data cube is the large serious home lending cases Mr Sanderson raised before. We can't see what's happening there. It's a misleading omission.

Paul O'Sullivan: Okay. Well thank you for the feedback.

Craig Caulfield: (Shareholder) Cheers.

Paul O'Sullivan: Okay there are no more questions on this item. There appear to be no further questions. So I'll now show details of the proxies received before the meeting regarding item 3, which is the adoption of the Remuneration Report.

I'll now also show details of the proxies received before the meeting regarding item 4, which is the grant of restricted rights and performance rights to Shayne Elliot.

Now I'd like to address a point of order which we had for Mr Vincent of Market Forces earlier on. My comments were about the position of those who lodged resolution 5 and 6, which is an organisation called Market Forces.

As we've heard from - sorry, as we have Mr Vincent from Market Forces here with us today, I'm going to give him an opportunity to state what is Market Forces' position on the ongoing provision of finance to companies that continue to have any exposure to fossil fuels.

Before doing so, let me just be clear about what resolution 6, says because I want to make sure it is clearly understood by everyone who's attending the meeting. Resolution 6 says, shareholders recognise the substantial transitional and physical risks of climate change and their potential financial impacts on our Company.

We also note our Company's support for the Paris Climate Change Agreement and the goal of net zero emissions by 2050. Shareholders therefore request the Company disclosure in subsequent annual reporting, information demonstrating how the Company's financing will not be used for the purposes of new or expanded fossil fuel projects.

With that, let me invite Mr Vincent to make a comment about Market Force's position on whether Market Forces seeks the immediate withdrawal of financing for companies that continue to have any exposure to fossil fuels and should he wish to do so also to ask a question. So welcome and please come to the microphone, Mr Vincent.

Julien Vincent: (Market Forces) Thanks very much. I'd also like to greet my fellow shareholders here who obviously I'm very keen to address on this matter. So look, this resolution was actually filed by Market Forces on behalf of hundreds of shareholders concerned for the security, not just of their investment in our Company, but far more importantly the security of the world we inhabit and the risks of humanity failing to keep climate change under control.

So it's difficult to actually overstate how conservative and how straightforward this resolution is. All it seeks to do is have the Bank clarify how it will not act through its financing to exacerbate what ANZ has already identified as a material business risk in the form of climate change through its fossil fuels; lending to fossil fuels and the risk of expansionary fossil fuels.

It does not ask the Bank to pull all finance out of activities that produce greenhouse pollution immediately, as has been represented in the past here in this room and through disclosures by the Bank. It just asks the Bank to demonstrate how it is not making the crisis of climate change any worse by financing additional and expansion fossil fuel projects.

The IEA, International Energy Agency has made clear there's no room to expand fossil fuels if we're to meet the goal of net zero emissions globally by 2050. While ANZ has committed itself to this net zero by 2050 goal, our financing routinely violates this commitment.

Among the Big 4 in Australia, ANZ has the worst approach to managing climate risk and it is evidenced both in terms of financing and policy. Since the signing of the Paris Agreement, this bank has loaned at least $2.4 billion to new fossil fuel projects that over their lifetimes will produce emissions equivalent to 9 times Australia's national footprint.

It goes on today. ANZ took part in a $1 billion loan to refinancing Santos this August, which refinanced and extended the 2022 deal related to the new Barossa gas field that is so emissions intensive, it has been described as a CO_2 emissions factory with an LNG by-product. I've commented already in this meeting about the additional human rights related concerns about that same project.

Now our policies, far from managing climate risk actually incentivise a rush towards new fossil fuel infrastructure. We're giving our biggest polluting clients three more years before there's any expectation, they might produce transition plans. That's a three-year period in which some of our biggest polluting clients are planning to lock in new coal, oil and gas infrastructure that would add billions more tonnes of carbon pollution to the atmosphere.

Far from restricting finance to companies planning to lock in new fossil fuel infrastructure, we're now putting more capital on the table that these companies can access. In our recent announcement of a $100 billion so-called sustainability fund, we point out that this means more finance to some of our largest emitting customers with no expectation these customers will drop their proposed expansionary fossil fuel projects.

Now, I could stand here and talk about the physical impacts of climate change and how is a bank exposed across the whole economy and ANZ should be preventing the expansion of the fossil fuel industry out of self-interest, as much of a desire to do the right thing for the climate.

I could be pointing out how the Bank is falling behind its peers in Australia and internationally, but really this appeal is to shareholders who may be here listening, ready to vote on these proposals. Our Company and our Board is failing to even take the most basic steps to prevent climate risk, spiralling out of control.

ANZ is preparing to make more money available to companies that have just taken part in a massive fossil fuel expansion, driving up both the price of energy and greenhouse gas emissions and can do more of the same in the coming two years.

So to my fellow shareholders, I commend these resolutions to you and to address your question Mr O Sullivan, I think I've made it clear the difference between withholding finance that would enable the expansion of an industry and withholding finance to companies that are simply exposed to an industry.

It would actually be inconsistent of my organisation, Market Forces that has engaged with and worked on companies to encourage them to manage down the existing fossil fuel assets that they have on a Paris aligned timeframe to actually responsibly manage those assets and the risks associated with them to simply encourage investors to walk away from absolutely every company that has any kind of exposure to fossil fuels.

I would like to know, given the explanatory notes in the Notice of Meeting, which I'm assuming you've got in front of you or you should have on the podium somewhere, what part of the wording of the proposals or the supporting statements supports your claim that this resolution was about cutting off all finance to any companies with any fossil fuel exposure?

This has been distributed to all shareholders and I would venture that in your engagements with institutional investors, you've made that same misleading representation. So I'd like you to identify the language in the resolution or the supporting statements that validates your claim, please.

Paul O’Sullivan: Thank you Mr Vincent. First of all, thank you for clarifying your view of the intent of that resolution. I don't accept the characterisation obviously, but as I said earlier, I very much defend your right to disagree with us and to express your views. I think perhaps I'll just leave it at that.

Julien Vincent: (Market Forces) Do you accept that you have a duty to shareholders to provide full and fair disclosure when making recommendations on how to vote on resolutions?

Paul O’Sullivan: I absolutely do and I believe we're running this AGM with exactly the intent of making sure shareholders are fully informed. That includes making sure you have an opportunity to address the meeting and to express your voice.

Julien Vincent: Well, I hope the shareholders in this room at least have not been able to have the wool pulled over their eyes, so thank you.

Paul O’Sullivan: We've got people online as well. So thank you. Thank you for your question. Can I also just say in opening that I suspect we're all trying to get to the same place.

We recognise there is a transition underway in the economy, but we also are very sensitive to the impact of abrupt overnight changes in energy supply. So what we're looking to do is be associated with a just an orderly and well managed transition to a net zero position in line with the Paris agreement.

I'm going to go to other questions if I may. So I know we had a number of people who wanted to ask questions in the room. Microphone 3 please.

Unidentified Company Representative: Thank you, Chairman, I have Judith Dwyer again.

Judith Dwyer: (Shareholder) Thank you, Chairman for the opportunity to have another go at my question. Before I do, I just want to make a comment about what we've just heard.

I'm not a lawyer. I don't necessarily know who's right and wrong on the implications of the words, but I'm disappointed that there isn't a constructive response if we really are aimed at the same goals for the Company to explain to the shareholders how it's going to honour those Paris agreements in relation to the funding of fossil fuel projects and quickly, because we all depend on it.

Paul O’Sullivan: Can I respond to that now?

Judith Dwyer: (Shareholder) Please.

Paul O'Sullivan: Okay, so I think it's a really important question and I might even at some stage, pick up the question on emissions intensity, but we do believe we need a transition plan to the future.

So for any energy company that wants financing from us today, what we insist they have is a clear plan for how they are managing their carbon emission intensity down in line with getting to the Paris agreement goal.

It's sufficiently important to us that it goes through several levels of escalation and authority within the Bank. If they do not have that plan, which has to be public, it has to have specific targets and it has to have good governance inside their organisation.

If we're not satisfied with that, we won't lend. So that's how we intend to get there. What that's driving, we believe, and I have to say in fairness, most of the resources companies we talk to are already ahead of us on this because they realise the importance this has to their customers and the community.

What ultimately we're looking to drive is that we're financing companies on a plan to lower the emissions intensity over time. If you look at our ESG report we put out a couple of weeks ago, we've now listed for six sectors, including power generation and oil and gas, the actual trajectory down over time of emissions intensity and our target.

There was a mention quite correct that it has gone up briefly. I'm happy to talk more about that but that relates to some short-term movements in finance associated with the increase in prices of energy products rather than us looking to deviate from the plan and the target.

We believe ultimately as a responsible bank, the largest institutional bank in Australia, if we are driving people to have plans that fit in with the Paris agreement, then our engagement and our lending will have a beneficial effect.

Judith Dwyer: (Shareholder) History will judge you on that.

Paul O'Sullivan: Indeed and we are happy to be accountable for it, which is why we're publishing these figures.

Judith Dwyer: (Shareholder) I'll ask my question

Paul O'Sullivan: Please.

Judith Dwyer: (Shareholder) Mine is actually about deforestation, which is an issue that sits right at the heart of the great Venn diagram that is climate response and nature protection.

Australia is the only developed country that is still deforesting. So we're really at the back of the class here, and particularly in Queensland. So I think the Bank has an opportunity to do something proportionate and manageable to help change our trajectory as a country in relation to deforestation.

So I'm talking about the downstream Scope 3 emissions that the Bank is enabling and could influence. I think it's a real opportunity to get on the right side of history in relation particularly to primary production.

I have a background in primary production, so I care particularly about the way that pastures are managed and the way that pastures are being de-treed, particularly in Queensland, which is where I'm from.

So I'm asking that the Bank establishes, if they have not already done so, conditions on loans that they make for particularly beef and related agricultural projects that require no deforesting as a condition of the loan or that otherwise include nature positive requirements. I'm asking if you've done that and if not, if you have concrete plans to do so. Thank you.

Paul O'Sullivan: Thank you for the question and certainly we're very sensitive, as I've said to the whole issue of emissions. By the end of 2024, we will have disclosed for roughly three quarters of our lending portfolio, the carbon emissions intensity associated with all of those.

We're now turning our minds more forcefully to biodiversity, which relates to the topics that you're raising. I mentioned earlier on the TCFD, which is related to carbon and climate related disclosures, there's now a body which is looking at biodiversity related disclosures and reporting.

So our intent is to - we are already active in that body and our intent is to see can we align our reporting and our targets in line with the methodology that they bring out.

We have committed to reduce Scope 1 and 2 emissions ourselves. We've actually raised our target. We are now committed to reduce them by 85%. Scope 3 is challenging, if I'm honest. There's a whole lot of debates around the methodology.

There's also, we need to some extent to get some help from regulators in making it clear how that works but we are turning our minds to it and it is an area where you'll see increased focus and outlook from ANZ.

Judith Dwyer: (Shareholder) I understand that.

Paul O’Sullivan: Yes, please bring the microphone up.

Judith Dwyer: (Shareholder) I understand that the Bank has been very active in managing its emissions and some of its Scope 2 emissions, but it's just the nature of the business that it's the Scope 3 emissions where you are making the biggest contribution to global warming and where some of your shareholders are asking you to stop. So thank you.

Paul O’Sullivan: All right, well thank you. Thank you for the point. We have another question, microphone number 2.

Unidentified Company Representative Thank you, Chairman. This one is from Amelia Moretti.

Amelia Moretti: (Shareholder) Thank you. I would just like to return to my question from before, which was questioning that if ANZ continues to be the number 1 banker of the fossil fuel industry, how do you think the next generation of Australians will view the bank?

Where does ANZ think it's going to get its next generation of staff and customers from if it keeps funding fossil fuel expansion?

Paul O’Sullivan: Thank you Amelia and actually, as I said, we've actually been the leading bank in Australia to head down the path of requiring customers to lock in targets on climate change and carbon emissions.

If we get a chance to give you a copy, just a few weeks ago we've now published the emissions pathway for six key sectors. As I mentioned, we'll have done three quarters of our book very shortly. We're ahead of the rest of the banks in doing that.

It comes not without risk to us because we're reaching new ground. We've been the first bank to do many things in improving climate change. As I mentioned earlier, I think we'll be at the forefront on biodiversity.

So I think the issues you're raising are very, very important. We recognise as a bank; our wellbeing depends on the wellbeing of the community and of the environment. So that's why I say we're trying to get to the same place. We're trying to do it in a very considered, structured and deliberate way.

So my hope would be that people like yourself who will in time be important shareholders and influencers in our society, I hope that you'll see that we did act in your best interests and we tried to find the right balance. Thank you.

Amelia Moretti: (Shareholder) Thank you.

Paul O'Sullivan: Next is a question from Evan Greer at microphone number 2.

Evan Greer: (School Strike 4 Climate) Thank you. Good afternoon now everyone again. Firstly I want to say I appreciate the opportunity to be heard by all of you again now, and I will repeat my question, which is, will ANZ commit to meet with School Strike 4 Climate and discuss your approach to climate issues with us?

It is inarguable that the fight towards a sustainable future and companies like yourself play an integral role in this. Shayne Elliott, we have made the invitation to you for over a year, but unfortunately a meeting has not yet been arranged.

So we feel strongly that to sit down with you or a member of your Board and to have an in depth conversation about how you will carry through on your promise to your customers about sustainability would be required.

Shayne Elliott: Okay, yes I'm very happy to meet with you. I found out that actually you have approached my team and my team offered to meet with you as a first step and you refused to meet with them. You only would meet with me but I'm very happy to do that.

Evan Greer: (School Strike 4 Climate) That is exactly what we need.

Shayne Elliott: Happy to do that. You will understand, I can't meet with everybody who wants to meet with me. I do have a busy job and we have millions of customers.

Evan Greer: (School Strike 4 Climate) Of course.

Shayne Elliott: Given the way you've represented yourself here today and the issues that you're talking about, I'll be happy to arrange that when we can. So in the coming months, we'll figure something out.

Paul O'Sullivan: Well done, Evan, you've articulated…

Evan Greer: (School Strike 4 Climate) I look forward to it.

Paul O'Sullivan: You've articulated perfectly. Well done to you. Okay. Next question is online. So Kath, over to you.

Kathryn Van Der Merwe: Thank you, Chair. We have a question from Mrs Margaret McArthur. Is ANZ aware that EU nations are withdrawing from the energy charter? France, Netherlands, Sweden, and Germany.

The recent floods are similar to those of us who are growing up in the 1950s. My husband and myself attended a lecture in New Zealand in 2006 at the Franz Josef Glacier where we were told that although the glacier was receding at that point, we were actually heading for another ice age. This has been supported by a recent core sample on Greenland going back 10,000 years by scientists from Denmark. It included the Ice Age 500 years ago. Thank you.

Paul O'Sullivan: Thank you, Margaret, for your point, and perhaps, question. The implicit question really is, where do we stand on these issues? We accept absolutely that the world is moving to decarbonise and that reducing carbon emissions are important. I think biodiversity will also be important and we're running the Bank in a way that is about supporting and hoping to accelerate that transition. Next question online, please.

Kathryn van der Merwe: Yes, the question is from [Davenda Chaubra] of Junior Enterprise Pty Ltd. Are there specific targets for the CEO, for sustainability and environment?

Paul O'Sullivan: Thank you for the question, and with the requirements in terms of sustainability and environment are implicit in the score card as well as something that the Board takes into account when we're looking at Shayne's remuneration. This is actually a really important area for the Board. I myself Chair, what's known as the EESG Committee, and the S in that is very much around making sure we address sustainability issues.

That's a meeting that happens on a regular basis, and that's where we discuss how we're performing against our targets, also how we're developing policies and how do we make sure that the Bank is living up to its commitments in terms of improving the environment and improving sustainability. Next question, please. We've got a question, I think, on the telephone.

Kathryn van der Merwe: That's right, the next question is on the phone from Mr Morgan Pickett, Operator, please put him through. Welcome, Mr Pickett, please proceed with your question.

Morgan Pickett: (Shareholder) Good afternoon, Chairman and the Board. My question relates to legal risk. Last year the Federal Court ordered Commonwealth Bank to give a shareholder access to confidential documents so the shareholder could check whether CommBank had complied with its own climate change policy in lending to oil and gas projects.

Just last month a UN high level expert group focused on corporate greenwashing stated, non-state actors cannot claim to be net zero while continuing to delve or invest in new fossil fuel supply, and ASICS Deputy Chair, Sarah Court, warned that ASIC is currently investigating a number of listed entities, super funds and managed funds in relation to their green credentials and their claims.

Companies are on notice that ASIC is actively monitoring the market for potential greenwashing and will take enforcement action, including court action for serious breaches. I should also mention that just this week, Federal Treasurer, Jim Chalmers, said the Australian government is focused on confronting and cracking down on greenwashing. ANZ have publicly committed to the goals of the Paris Agreement and to net zero emissions by 2050.

So is the Board concerned about potential legal action when we're still investing in new fossil fuel supply which is incompatible with those climate goals?

Paul O'Sullivan: Thank you, Morgan, for the question, and I think this goes also to Mr Vincent's point and concerns about how we operate. I want to stress, as I mentioned earlier, we will lend to projects in the energy sector where we're confident that there is a clearly defined plan to reduce carbon emissions intensity, where that's got public disclosure and where there's tight governance on it inside the organisation.

Therefore, our expectation is that our role and our influence will actually lead to a reduction in emissions over time. We've been at the forefront of doing that in Australia, we've looked to take a leadership position on it and so I do believe that – well, the Board spends a lot of time looking at it and I'm confident that we would be seen to have been sincere and honest and open in the way we've gone about that. Next question, please.

Kathryn van der Merwe: We have question on the phone from Mr Vishad Sharma, Operator, please put him through. Welcome, Mr Sharma, please ask your question.

Vishad Sharma: (Shareholder) Good afternoon. As some of you may be aware, HSBC has ruled out project finance to new or expanded oil and gas fields. According to the

International Energy Agency, this is a critical step to reach net zero emissions by 2050. ANZ's oil and gas policy on the other hand only commits the Company to [weight] financing for customers who are diversifying or reducing emissions.

Today's presentation was marked full of the first that ANZ has achieved over the years, as was Mr O'Sullivan's response to Amelia. We also heard from the Chair about how the Bank will be looking at questions of biodiversity in [unclear] which are emerging concerns. Considering how well established the links are between climate change and environmental impacts and [forceful] extraction and use. I would appreciate knowing what has prevented ANZ from being the first Australian bank in developing and announcing a revised oil and gas policy as HSBC has been able to as of this morning.

Paul O'Sullivan: Thank you, Vishad, can I just get you to repeat the very last part of your question there, what has prevented ANZ Bank from developing and releasing?

Vishad Sharma: (Shareholder) Such a revised oil and gas lending policy as HSBC has been able to.

Paul O'Sullivan: A revised oil and gas lending policy in line – okay.

Vishad Sharma: (Shareholder) Similar to the one that HSBC has announced today.

Paul O'Sullivan: You want us to replicate what HSBC announced overnight which was that they were capping lending to the oil and gas sector. Apologies, Vishad, the line is not great.

Vishad Sharma: (Shareholder) That would be a good first step, Mr Chairman, yes, I would expect that that would be good, considering the International Energy Agency's recommendations, so yes, that is the question.

Paul O'Sullivan: Thanks, Vishad, no, thank you and thanks for your patience. We've said all along that we're going to need to manage this as a transition. You've seen what happens in Europe as a result of Ukraine, when you've got to turn off power generation or sources of energy overnight.

We do believe that the pathway we need to take will be to substitute higher sources of energy, higher sources of carbon emission energy with lower sources and that may require some reinvestment. It may require someone to invest additionally in existing infrastructure or indeed in expanding new infrastructure, but we would only do it where we're confident it's part of a plan to reduce emissions over time. Now, that's a different policy than the one HSBC has taken but we think ours is a responsibility policy.

Globally, the estimate is that the world is going to have to spend $125 trillion managing the investment that's required to transition the global economy to a lower-carbon future. I think a responsible bank like us should be willing to lend to companies that are looking to make that transition but only on [unclear] that they are reducing emissions intensity. I hope, Vishad that answers your question, and it's why we're different to HSBC.

We've got another question on the phone, please.

Kathryn van der Merwe: Yes. The question comes from Paul Stephenson. Operator, please put him through. Welcome, Mr Stephenson. Please proceed with your question.

Paul Stephenson: (Shareholder) Hi. It's Paul Stephenson here again from Central Queensland. As mentioned earlier, I'm part of a group from the communities of Baralaba and Woorabinda Aboriginal Community impacted by the proposed Baralaba South coalmine. ANZ currently has a $250 million loan to the proponent AMCI to facilitate its coal expansion activities in the Central Queensland region.

As well as the Baralaba South coalmine, AMCI proposes to build the 19 million tonne per annum thermal coal project called the South Galilee coalmine. Echoing again our concerns around potential human rights impacts, impacts on our critical drinking water supplies, country and so on, we would like to invite ANZ to meet with our community members and representatives from Traditional Owners for the region. I suppose that's my first question: would you please meet with us to discuss our concerns about this project?

The follow-up questions were around asking for ANZ to commit to engaging with their client here to ensure the withdrawal of this particular project and to review funding arrangements for AMCI and other clients where these conflict with the ESG commitments made by ANZ, particularly under the United Nations Principles for Responsible Investment whom we've previously engaged with very closely on this issue.

Paul O'Sullivan: Thanks, Paul. Thank you for your question and also for your patience and for taking the time to come back again and thank you. It's an important question. Let me start by saying that whenever we feel there is a risk associated with a project, be it environmental, be it reputational, maybe a negative impact on land rights or on a community, we have a specific set of extra screening that we apply. It requires a higher level of review within the Bank. Included in that is wanting to be satisfied that there has been adequate community consultation that has been taken note of by the party that we may choose to lend to.

I can't comment specifically on the customer. As I said at the beginning of the meeting, I don't think I should. It is not appropriate here to be commenting on specific customers and activities but that is a process we would go through. We would not proceed with a customer who did not meet those requirement.

In terms of your request to meet, I'm going to suggest you send us that request and I'll look at it on its merits.

Paul Stephenson: (Shareholder) Thank you. I suppose to make that more general in terms of reviewing lending to companies more generally that don't align with your ESG commitments, maybe that's a way of addressing that without making it project-specific.

Just to go to the point around adequate community consultation, we've had more than 97% opposition to this proposed coalmine, as reported internationally and Reuters, Bloomberg, ABC News and elsewhere, and we've also had opposition to the mine from our state and federal members of parliament for the region, our mayor, deputy mayor, and the mayor of Woorabinda Aboriginal Community. I think the community consultation on this one has been well and truly undertaken comprehensively by our local community group and the results have been very clear.

Paul O'Sullivan: Okay. Thank you for that input and we'll make sure that feedback also goes to our institutional banking team so that they're aware of that feedback. So, thank you.

We've now got another question on the phone.

Kathryn van der Merwe: That's right. The question is from Mr Bruce Robertson. Operator, please put him through. Welcome, Mr Robertson. Please ask your question.

Bruce Robertson: (Shareholder) Thank you, and thank you, Chairman. The ANZ Banking Corporation is taking on far more risk than historically tolerated in lending to Woodside and the associated global investment partners investment in Pluto 2 LNG project. Historically, banks mitigated risk in LNG projects by lending to projects that were structured as a consortium with many substantial counterparties. Banks also lowered risk by insisting on 20-year LNG offtake agreements that matched their financing terms.

Why is ANZ lending to Woodside, a company that owns 100% of the very last Scarborough project and has short-term, less than 10-year LNG offtake contracts? What has led to this fundamental reassessment of risk by the Bank given that major LNG customers such as Japan have firm commitments to lower LNG usage in their power systems by 50% by 2030. Do the provisions in our Bank's accounts take account of the far higher risks our Bank is facing? That is why I asked this question in item 1 of the meeting. It is an item about the account and the provision. Thank you.

Paul O'Sullivan: Thank you, Bruce. If I can assure that we are very alive to the risks associated with climate change. That's precisely why we have the policies that we do. We think there a number of risks associated with it. There's obviously transition risk which is the requirement to invest in order to meet regulation or community expectations; there's actual physical risk which is the risk of flooding or severe weather events or any other impact that climate change may have.

On top of that then there's also the issue of community risk and we need to carry the community and to keep the community aligned and supportive of our policies. So, we're very aware of this. I will say that we do see that there is a critical role to be played for certain energies in the transition to a lower-carbon future and that would be guiding us in general on our policies.

I can't comment specifically on a customer, it wouldn't be appropriate to do that in public, but it's possibly important for you to understand our position, which is we do think we're being responsible and we do evaluate the risk associated with lending to energy companies. In fact, it's a very high area of focus for us.

Okay. We've got one more question on the phone and then we're going to come back into the room. Next question, please. No, we haven't got one on the phone, or have we? No, we haven't, we're back in the room. Okay, back to microphone number one.

Unidentified Company Representative Thank you, Chairman. We now have a question from Jonathan Moylan.

Jonathan Moylan: (Shareholder) Thank you, Chair and to the CEO for your presentations, they were very interesting. My question is around nature-related risk and it's been brought up before, and perhaps you could tie into your answers some answers to what was raised previously.

I won't reiterate the points about the UN High-Level Expert Group commitment last week or the UN Secretary-General's comments in relation to it, which you would be aware of, but they did also point to the fact that for financial institutions to have credible net zero commitments for them to be accepted, to avoid regulatory risk around them, that financial institutions also should avoid financial credit to deforestation, phase that out by 2025. Australia is now a global deforestation hotspot, the only developed country in the world, that is; over 630,000 hectares of land cleared in 2018-2019 in Queensland alone, mostly for pastoral expansion.

In light of this global standard, does the Bank perceive there's a potential risk to its reputation or regulatory risk if it doesn't cease lending? In relation to this, has the Bank conducted an assessment of its dependencies and impacts on nature, and if so, when is that likely to be released from a continuous disclosure point of view? Thanks.

Paul O'Sullivan: Thanks, Jon. Thanks for the actually very important points. Can I just make the general point that if you look at our purpose, it's to improve the financial wellbeing of our customers. It's actually counterproductive for us to lend to things which are bad for the community. As a bank, that would be a very short-term way to think because if the community doesn't thrive and do well, the Bank is going to be in trouble. It's important to us to have these policies. We're not looking to be purely altruistic; it is actually good banking and good risk management to take account of these sorts of issues.

We are, as I mentioned earlier, we're in the early stages. In fact, I think globally the world is in the early stages of developing the protocols around biodiversity in the same way that we've seen them developed around climate change and carbon. We are actively involved in that process and we're looking indeed to develop our policies and our processes and our reporting around those. I can't give you a firm commitment on when we'll actually disclose targets or whatever else, all I can say is you've seen our track record on carbon and we do see ourselves as needing to take a position in this area too.

Jonathan Moylan: (Shareholder) If I could just ask a follow-up, which is probably more directly related to this question, and probably part of the reason why there has been concern, including from many shareholders, about the climate change policy. It's really around transparency, around what ANZ considers a good transition policy.

Given that there is that level of consistency and consensus between the United Nations High-Level Expert Group, the IEA and others around the fact that while we're not going to pull out support from fossil fuels overnight, there can be no new coal, oil, or gas projects if we are to remain aligned with 1.5 degrees.

Recently, ANZ has increased from $50 billion to $100 billion its sustainable finance fund. There's emerging taxonomies around that. It's not clear. Most people in the community would consider that a good transition policy would not involve new coal, oil, and gas projects. What is the clarity around what a good transition policy looks like? Is that something that the Bank will define and would that rule out new coal, oil, or gas projects?

Paul O'Sullivan: Thank you for the question. We have a commitment as a member of the Net Zero Banking Alliance to demonstrate how at least 74% or 75% of our lending book is on a pathway to reduce emissions intensity in line with the Paris Agreement. What you will see over time is that our lending policies will move very strongly towards companies that have strong emissions reductions plans and that we are financing less emissions with more dollars. That's the direction, and you'll see that publicly reported over the next 12 to 24 months. I think that's an important distinction.

I would say on the scenarios, the IEA scenario is an important scenario, we do include it in our assessments, but there are other scenarios. I don't want to repeat too much but as I've said, we do believe we need an orderly transition. As you've seen in Europe, and indeed you're seeing to some extent here, when there is precipitative reduction in energy supply, that drives prices up. The people who lose out most are those on lower or fixed incomes who can't adjust, and we think that's very inequitable.

On top of that, employment in sectors where energy is a significant part of the input price, that employment is at risk. We're looking to support a just, orderly, and well-managed transition. I know we have different positions but we can agree to differ. We do think that provided the company we're lending to has a responsible, publicly disclosable plan that is accountable then we should finance them provided they will be reducing emissions.

In our ESG supplement which we published, it's a significant report, that we also did a session on two, three weeks ago, we actually reported within that for our top 100 carbon emitters how many of them have well-developed or advanced plans and how many are still improving. Out of the 100, I think the number is 62 are well developed or advanced at the moment and we're working on getting it all to 100.

Let me also say if we think a customer is not going to go there, we will actually pull away. We did do that, somewhat controversially, with the Port of Newcastle about 18 months ago where we didn't feel that they were wanting to align with our lending practices and so we made a decision not to finance anymore. I know we agree to differ but when I say we're trying to get to the same point, we actually believe we have a duty as a bank, as a leading institutional bank to work constructively towards a sensible, managed transition in our markets.

Jonathan Moylan: (Shareholder) Just to disabuse an understanding of the policy, one understanding of the policy is that you can now - and have been recently, and there's been evidence that ANZ has in the last few years - invest in projects and companies up to 25 that are planning significant fossil fuel expansions well beyond 2050, and Woodside has been raised as an example.

I'm not expecting you to comment on specific customers, but to significantly provide capital that would allow them to engage in a significant, very long-term fossil fuel expansion and then reduce your exposure over time so that on paper ANZ's emissions, absolute emissions, financed emissions, or emissions intensity might have reduced, but that it's facilitated fossil fuel expansion that will carry on for a very long time.

Paul O'Sullivan: Theoretically, any customer would have to demonstrate to us that the emissions that they've got over time align with the reductions required for the Paris Agreement. I'm not going to talk about a specific customer, as you said, but we are very serious and very disciplined about our lending practices. Okay. Thank you for that.

We now have another question on the phone, and then after that - look, I'm getting a bit repetitive and I suspect I may be getting to the stage where I'm frustrating you all. So, unless there's questions of a different nature I'm going to propose that we move on because at this stage we've done 12 questions, I think, on that topic. Let's go to the question on the phone.

Female: Chairman, this is actually the final question on the phone or online. It's from Edwina Lloyd. Operator, please put her through. Ms Lloyd, please proceed with your question.

Edwina Lloyd: (Shareholder) Thank you very much. Thank you, Chair, for allowing me to ask this very important question and I'm sorry that you're getting a bit frustrated with the number of people that are asking questions related to this particular resolution. But for me here in Lismore, climate change and climate collapse and subsequent economic collapse is high on the radar for us here and indeed I would think that the Chair would appreciate that and allow more people to ask questions on this.

Paul O'Sullivan: If I can be clear, Edwina, on that, I didn't say I was getting frustrated. I said I suspect I am frustrating all of you listening to me because I am getting a bit repetitive. I am very happy to take the questions and indeed we've made the effort to open the line to you again because I know you called earlier and I wanted to make sure we did get a chance to give you airtime.

Edwina Lloyd: (Shareholder) Yes because I wasn't allowed to ask it last time. I just wanted to let you know what happened to me on 28 February this year. At about 1am I was rescued off the roof of my partner's home in Lismore with my eight-year-old son. No one predicted the extremity of the flood and so at midnight when the water started to come inside the top floor of our house, we escaped to the loft and a neighbour in his tinnie rescued us and took us to shore and then onto a makeshift evacuation centre.

Four weeks later, we were hit with another catastrophic flood, and it's been 10 months since and thousands in my community still remain in unsafe and temporary housing as we face an uncertain future with more extreme weather events on the way and a government that refuses to listen to the science and take the urgent action needed to do our bit as a first world country to mitigate against the impacts that will flow from fossil fuel operations that currently exist.

The science is unequivocal. Unless we stop burning fossil fuels, we can expect climate chaos and consequential economic collapse. The IPCC reports and the International Energy Agency and the UN High-Level Expert Group on Net-Zero Emissions Commitments of Non-State Entities has stated unequivocally that financial institutions making net zero commitments cannot provide finance to companies involved in fossil fuel expansion. Yet here we are, and earlier this year our Bank joined a $1.2 billion syndicated loan facility for Woodside to build the Scarborough gas project whose lifetime emissions will represent triple that of Australia's total annual domestic emissions, triple.

The project has been forensically analysed by eminent scientists, including Adjunct Professor Bill Hare as the Director of Climate Analytics, and he's a physicist and climate scientist, and it is the most polluting development proposed in Australia. The research shows that the project would release in excess of 1.6 billion tonnes of carbon pollution which is equal to 15 coal-fired power stations every year. That worries me greatly, sitting in Lismore at 1.2 degrees of warming and seeing our community completely torn apart by the catastrophic, fossil-fuelled floods that we've seen earlier this year.

Professor Hare, who has analysed the Woodside project and is someone of great eminence in the scientific community, has also been involved in the development of the Kyoto Protocol and the Paris Agreement, and he said it's clear from our own work that in pollution terms the Scarborough LNG development is one of the biggest fossil fuel developments being considered in Australia.

Paul O'Sullivan: Edwina, can I just very briefly say in the interests of everybody, is it possible for you to get to the question?

Edwina Lloyd: (Shareholder) Yes, I'm nearly there. The resulting direct annual emissions will compromise Australia's emissions reduction goals while the global emissions from the project mean that it cannot be made consistent with global goals established under the Paris Agreement. So, my question is: in light of the IPCC report, the International Energy Agency, and the UN High-Level Expert Group, those leading expert scientists have said unequivocally that this means no new investments or financing of fossil fuel operations to meet this target. Chair, there are no caveats to this expert position.

Woodside has not been selected to be exempt and the expert position is not - it’s okay to finance or invest in these operations if the company has an offset plan or if the company is using carbon capture technology as is the case with Woodside’s project.

The expert opinion and recommendation doesn’t recommend that the ANZ can consider - they’re exempt, they can consider the plans of companies like Woodside who are expanding or opening new fossil fuel operations before making a decision on financing.

The expert scientific opinion and recommendation isn’t singling the ANZ out and saying, but for you guys, you can give your existing oil and gas customers four more years until 2025 to satisfy the Bank about their transition plans.

The opinion is to keep our commitment to the Paris Agreement, our Bank should not be considering finance of any company expanding or building new fossil fuel projects.

Paul O’Sullivan: Thanks, Edwina…

Edwina Lloyd: (Shareholder) It’s black and white [unclear]…

Paul O’Sullivan: Can I ask you, in fairness to everybody who…

Edwina Lloyd: (Shareholder) My question is, why…

Paul O'Sullivan: …is here, can you get to the exact question, thanks?

Edwina Lloyd: (Shareholder) Yes.

Paul O'Sullivan: Because what you've said is helpful but I do think we'd like to make sure we get to the question.

Edwina Lloyd: (Shareholder) Yes, thank you, Chair and it's very important that you have all of the context of the question so that you can answer it with the clarity that it deserves.

Why are we ignoring the expert opinions and recommendations of the IPCC report, the International Energy Agency, the UN High-Level Expert Group on net zero emission commitments and what scientific evidence says that the target can be met by the opening and expansion of new fossil fuel operations?

Paul O'Sullivan: Thank you. Thanks, Edwina and look, thanks for your patience. Can I also say, I'm sorry to hear about what happened. That's actually a very distressing experience.

I know - I think most of us in Australia, just looking at the pictures on TV and listening to the interviews of people in Lismore who've been through the flood, it's quite shocking and I think it has moved all of us and I think we all are asking the question as to what is Government going to do about it and what does it mean for those who are now exposed to future flood risk?

Look, having said that, let me go on to your question. I think it's fair to say we're certainly not ignoring the science. In fact, I think of all the Banks globally, we're probably demonstrating that we're embracing more and more the need to deal with climate change and to amend our policies and our disclosures in line with that.

The scenarios you mentioned, the reports you mentioned, they are all input to us. We do take them into account. There are other sources of information that we take into account and they are what have informed us on our policy which is that we do believe there will be a need to invest in some energy infrastructure in order to make the transition from the heavy dependence we have today to the world we want to live in tomorrow.

You know, nearly 60% of Australia's electricity generation is from coal. So how are we going to get off that? How are we going to get off that in a sustainable way? So that's why we have the policy we have. We are a leading bank in terms of the disclosures we give on emissions intensity paths.

We have publicly committed to reducing those paths over time and to publishing the results and I've been quite explicit about the lending policy and the requirements we have and the escalations within the Bank if we're lending to any energy company.

So I hope I've given a fairly fulsome set of responses on that question and happy to move on if there are any other questions in the room. I don't think we've got any other questions online?

Well look, we have disclosed a lot of information in our [EESG] supplement. If you'd like a copy, you can access it online. That includes a lot of disclosure about our top 100 emitters and the work we're doing to work with them. We may disagree on things but can I say, I absolutely respect Market Forces and all the others involved who give their time.

I know your advocacy is well intended and you're looking to influence organisations like us. We do hear you, we do listen to you and we are keen to demonstrate to you that our intent is pure. If there are no further questions then on item 5, let's show details of the proxies received before the meeting.

Ladies and gentlemen, item 5 is the last of the resolutions that are not contingent. As such and as the voting on items 2 to 5 has been open since very early on in the meeting, I will close the electronic voting on items 2 to 5 and the ability to submit questions in approximately two minutes. While we wait for the results, we will play a short video.

[Video played]

Paul O'Sullivan: The electronic voting on items 2 to 5 has now closed, as is the ability to submit questions online. The results will shortly appear on the screens behind me and subject to a final check by Computershare and KPMG, they will be released to the ASX later today.

The results show each resolution having been passed with the exception of item 5, which has clearly not received the necessary support from shareholders. As such, it has not passed and item 6 will not be put to the meeting. A poll on it will not be held. But in addition, in the interests of transparency, I will now show the proxies received in advanced of the meeting in respect of item 6.

This concludes the formal business of the meeting. On behalf of my fellow Directors, I thank you all for attending this AGM and for your ongoing interest as shareholders of ANZ. I now declare this AGM closed subject to the review and finalisation of the poll.

For shareholders attending the scheme meeting, please remain seated or stay connected online. We're just going to have a two minute break while we [shuffle] a few things here on the podium and then we're going to go straight into the meeting.

I can confirm we've only a small number of questions on the scheme in advance of that meeting and we look forward to meeting with you outside as I committed earlier, we look forward to meeting you outside as soon as the scheme meeting concludes when refreshments will be served.

For those of you not staying for the scheme meeting, I wish you all the best and thank you for your attendance today. So we'll resume again in a couple of minutes.

End of Transcript