

News Release

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ANZ 2023 Annual General Meeting Chairman's Address

Thank you to Dempsey for a wonderful acknowledgment of Country. I would also like to acknowledge the Jagera and the Turrbal peoples as the Traditional Custodians of the lands on which we meet today.

I pay my respects to elders past and present and extend that respect to other Aboriginal and Torres Strait Islander people joining us today.

After returning post COVID to an in-person AGM last year, it's wonderful to join you all here in person in Brisbane, a city where ANZ has a long and proud history.

Indeed, we have been serving the community here since 1851 when the Union Bank – a predecessor to the modern ANZ – opened in Queen Street...not far from where we are meeting today.

At ANZ, we are optimistic about Queensland – a state blessed with a great mix of industries, proximity to Asia and a young and fast-growing population. There is also tangible excitement about Brisbane's status as a world city as it prepares to host the 2032 Olympic Games.

In fact, the Board got a great deal out of visiting customers and staff recently in Brisbane, Toowoomba and surrounding areas.

Customers like Lockyer Valley horticulture producer Qualipac, or the agricultural machinery seller RDO Equipment and the family-owned Homestyle Bakery in Toowoomba.

Meeting some of these customers reinforced to me the amazing dynamism and entrepreneurship that exists in Queensland – and it was a great reminder of why ANZ wants to be here.

Of course, not all customers are doing so well. As you would expect, we are here to support those customers and communities in good times and in bad – including those affected by the terrible floods this week in Far North Queensland.

A years' worth of rain fell in some areas around Cairns and it's times like this the true spirit of these communities shines through.

We're especially grateful to our staff who worked hard to keep branches open and ensure customers had access to services.

The bank is providing support packages for affected customers as they recover - including loan payment relief as well as waiving fees for restructuring business loans and accessing term deposits early.

We have also contributed \$100k to recovery efforts as part of the State Government's fundraising efforts.

Before turning to the business of the meeting, I'd like to briefly note the horrific situations in Ukraine, the Middle East and other parts of the world affected by conflict. I know I speak for everyone here it has been harrowing to watch these tragic events unfold.

One of the secrets to Australia's success is that our community continually strives to achieve peaceful social cohesion among our varied communities. As a country, we do not accept violent political, racial or religious division.

And so let me be clear, ANZ condemns prejudice, discrimination and illegal violence. Hate, antisemitism and intolerance towards any religion, race or minority group have no place in our country or at ANZ – and especially today at this meeting.

One of this bank's greatest strengths is the cultural diversity of our people. It is at the heart of our purpose and that will never change.

With that, let me begin the formalities of the meeting with a review of 2023, including more detail on the bank's financial performance.

Performance & Dividend

ANZ produced a very strong outcome for our shareholders in the past year with all four divisions contributing.

In fact, the performance of each of our businesses illustrates the value of being the most diversified of Australia's major banks, while also reflecting the consistent strategy of your Board, Shayne and the management team.

Australia Retail saw continued home loan growth above industry levels, while Australia Commercial performed well in its first year as a stand-alone division. Our de-risked Institutional business significantly increased its return on equity and the New Zealand division retained its number one market position.

This produced a well-balanced result and a full-year cash profit of \$7.4 billion, up 14 per cent on the prior year.

Let me briefly explain our approach to the final dividend for the 2023 financial year.

The Board determined a final dividend of 81 cents per share, franked at 65 per cent, compared to a fully franked dividend of 74 cents last year.

To offset the lower franking rate on the final dividend, the Board determined an additional one-off unfranked dividend of 13 cents.

Our ability to frank our dividend is influenced by the percentage of earnings generated in Australia and the tax paid on those earnings.

This partial franking largely reflects our geographic diversity and the particularly strong results of our New Zealand operations and our Institutional business outside of Australia.

Importantly, this final dividend contributed to more than \$5.2 billion being distributed to you our shareholders for the full financial year.

Despite this strong performance, we continue to face headwinds as central banks grapple with high inflation and many customers struggle with cost-of-living increases.

While the inflationary pressures have moderated and some central banks have paused interest rate tightening, the recent rate increase by the Reserve Bank of Australia shows uncertainty remains.

Although RBA figures and our own data show households are still in reasonable shape, we know many of our customers are feeling the financial pressure and indeed some may find themselves in financial difficulty over the coming year.

This is where ANZ's financial strength comes into play – we are well prepared with high levels of provisions, capital, liquidity and funding which allows us to help customers in need.

ANZ Plus

Let me turn now to progress against our strategy, beginning with an update on ANZ Plus.

ANZ recognised early that digital technology and customer expectations were fundamentally re-shaping financial services so we have made some major investments in new technology including the digital backbone in our Institutional business, our core banking platform in New Zealand and in Australia, ANZ Plus.

ANZ Plus is a modern retail banking platform focussed on the financial wellbeing of our customers underpinned by the latest cloud-based technology.

And customers have responded. In only 18 months since launching, ANZ Plus has attracted almost \$11 billion in deposits and around 550,000 customers, with more than 40 per cent new to ANZ.

In fact, it's the fastest growing, most contemporary major Australian bank offering for retail savers.

Importantly, the technology allows us to deliver these improved services to customers at a lower cost. Shayne will talk in more detail shortly about new features, including digital home loans.

You may have already seen some of our ANZ Plus team here in the foyer and they are ready to explain its features and answer any questions you may have.

Suncorp Bank

Another key strategic priority for the bank is completing our acquisition of Suncorp Bank, which was announced in July 2022. This will add significant scale to our retail and commercial businesses here in the fast-growing Queensland market.

As you may be aware, ANZ filed an application with the Australian Competition Tribunal for a review of the ACCC's decision not to authorise the proposed acquisition. The Tribunal hearing took place earlier this month and we expect a decision in February 2024.

If we are successful at the Tribunal, the acquisition will then need the approval of the Federal Treasurer and the passage of legislation through the Queensland Parliament.

We continue preparations to bring Suncorp Bank customers and people into the ANZ Group, subject of course to these conditions being met and much appreciated the Queensland Government's submission to the Tribunal in support of our acquisition.

ESG

Another important part of our strategy is approach to Environment, Social and Governance matters, or as many people call it, ESG.

In recent years it's become clear many Australians expect companies, including banks, to consider the social, economic and environmental impacts of the decisions we make.

To steer through these complex issues, your Board draws heavily on ANZ's purpose: to shape a world where people and communities thrive and also on our formalised ethical decision-making principles.

In fact, we set high standards in this area and produce a range of reports for a wide array of stakeholders, including our ESG Supplement and Climate-related Financial Disclosures.

One area of particular interest this year has been our support for reconciliation.

As a major Australian bank, we strongly believe ANZ does better when everyone in our community is stronger. And we firmly believe addressing disadvantage among First Nations peoples will help both Australia and your bank thrive.

We have a long track record in this area and we were the first Australian bank to develop a Reconciliation Action Plan in 2007.

So, after careful consideration from both the management team and the Board, we decided that providing financial support for constitutional recognition was consistent with both our purpose and our long-held support for reconciliation.

As a result, ANZ donated \$2.5 million to Australians for Constitutional Indigenous Recognition and \$250,000 to the Uluru Dialogues.

We understand not everyone will agree with our approach, however we firmly believe we remained true to ANZ's long track record and our values in seeking to address the structural disadvantage for Aboriginal and Torres Strait Islander peoples.

Climate

Let me now turn to the bank's actions on climate change.

I would like to begin by giving the Board's perspective on the statement on climate change being put to today's meeting by an organisation, on behalf of some shareholders.

Let me be clear, your Board considers the statement is not an accurate characterization of our actions on climate change and the environment.

Our ambition is to be the leading Australia and New Zealand bank in supporting customers to transition to net zero emissions by 2050.

We've been transparent that ANZ has a relatively large oil and gas exposures and that is certainly not something we shy away from. In fact, it makes our role in the energy transition all the more important.

We were the first Australian bank to formally engage with 100 of our largest emitting business customers on their transition plans and to disclose their progress – both since followed by our domestic and global peers.

We were also the first Australian bank to join the Net-Zero Banking Alliance and commit to transition our lending portfolio to net zero financed emissions by 2050. This in line with Paris goals.

Our emissions targets for lending to carbon-intensive industries - including power generation, large scale commercial real estate, oil & gas, aluminium, cement and steel - are publicly available.

This year we expanded these commitments to include 2030 pathways and targets for thermal coal and transport.

We have high expectations of our largest emitting business customers, especially in the energy sector. This means by the end of our bank year 2025, our energy customers' transition plans will need to be Paris-aligned, public and specific.

We also expect their Scope 3 emissions to be disclosed along with reporting on their progress towards their reduction. These are the clearly stated expectations for ongoing financial support from ANZ.

We believe we can have the most positive impact by working with our customers to reduce their emissions. Our approach is to back their plans in seeking to provide more finance for less emissions, not to cut and run from these customers.

We firmly believe it is in our shareholders' and the community's best interests for the bank to support companies that we consider are genuinely committed to implementing their climate transition plans.

If we remove financial support from these companies, it may push them to lenders who have less stringent or no requirements on emissions reduction.

Resolutions

Let me close with some brief comments on the resolutions being put to today's meeting. I've spoken to you today about our results and about progress with our strategy to transform ANZ.

Your Board believes management excelled this year, delivering record financial outcomes, improving dividends, making strong progress on our strategic initiatives and creating significant value for you, our shareholders.

Ilana Atlas, Chair of the Human Resources Committee, will talk specifically to our approach shortly. However, I believe we have struck a balance in compensating the management team for this strong performance.

In terms of Board membership, your Board continues its process of renewal to ensure we attract the skills and expertise needed for the fast-changing financial services industry.

Firstly, I'd like to acknowledge the enormous contributions of Ilana Atlas and John Macfarlane who will be retiring from the Board at the conclusion of this AGM.

Ilana has been an invaluable member of the board since 2014, most recently as Chair of the Human Resources Committee. John has also provided outstanding service during his nine years as a Non-Executive Director, particularly his role chairing the Risk Committee.

As a board we will miss their insight, experience, professionalism and wise counsel and we wish them well with their future endeavours.

I'm also pleased to formally welcome Holly Kramer, who joined the Board in August and is standing for election.

Holly will address the meeting shortly and she brings a strong focus on people, customers and culture, as well as extensive experience in retail and digital channels.

As an executive, Holly was CEO of retailer Best & Less and served in a range of senior customer-facing roles at Telstra, Ford and Pacific Brands.

She has served as a director on a range of major listed and unlisted boards in Australia and New Zealand, including AMP, Woolworths and Fonterra, and I believe she will serve shareholders well.

Conclusion

Finally, I would also like to acknowledge the more than 40,000 people who come to work at ANZ each day across 29 markets internationally – including roughly 1,200 here in Queensland.

They embody our purpose and culture and work tirelessly for our customers.

I'd also like to acknowledge our customers for again trusting us with their business. And we also thank you, our shareholders, for supporting us through another successful year. Your continued support is much appreciated by the Board.

And with that, I will now ask our Chief Executive Officer Shayne Elliott to address the meeting.

For media enquiries contact:

Elizabeth Rudall
(Acting) Head of Media Relations
Tel: +61 403 130 207

Amanda Schultz
Public and Media Relations Manager
Tel: + 61 401 532 325

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