

Start of Transcript (Abridged)

Clare Morgan: Good morning, ladies and gentlemen, my name is Clare Morgan, and I am Group Executive Australia Commercial here at ANZ, and I am 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.

Today's AGM is an in-person AGM, and shareholders and proxyholders present in the room have been given a voting card with a QR code. For those with smart phones, when the Chairman opens the poll, please scan the QR code with your device's camera. This will open an online voting page in your browser. Accept the terms and conditions, then 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.

For those without smart phones, during the course of the meeting please complete and sign the card once the Chairman has opened the poll and provide it to a Computershare representative as you leave the room. Wayne Hopkins from Computershare has been appointed returning officer, and our external audit firm, KPMG, has been appointed as scrutineer. Martin McGrath from KPMG, will also be available in the event shareholders have a question of the auditor.

As mentioned earlier, this is an in-person meeting. While it is being broadcast online, and we will allow online questions from shareholders and their representatives during the meeting, any technical issues with the broadcast or the online platform will not affect proceedings here, but we will try and resolve any issues as soon as possible. If you are having problems with your internet, the online meeting guide and FAQ document we sent to shareholders and available at [ANZ.com/AGM](https://anz.com/AGM), outline what to do.

For those in the room, should there be an emergency or disruption, where possible we would temporarily suspend proceedings and resume as soon as we can. If it is a longer term issue the Chairman will formally adjourn the meeting and look to resume at 1:00pm Brisbane time, this afternoon. 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](https://anz.com).

The Chairman will now formally open the meeting and address shareholders. Over to you, Paul.

Paul O'Sullivan: Thank you, Clare, and good morning, everybody. My name is Paul O'Sullivan, and on behalf of your Board I have the privilege of welcoming you to the 2023 Annual General Meeting of ANZ Group Holdings Limited. This is actually the first AGM we have had for the Group entity since the restructure of ANZ. There being a quorum present, I now declare the meeting open, and I also open the poll on all resolutions.

Before we begin this morning with the official part of the meeting, I would like to ask Dempsey Bloom, who is a Team Leader in our Know Your Customer area, as well as a very proud Gomerioi person, to acknowledge the Country on which we are meeting this morning. So, welcome, Dempsey.

Dempsey Bloom: Thank you very much, Paul. Good morning, everybody. [Spoken in Indigenous Language]. Hello, greetings, how are you all? My name is Dempsey Bloom. I am a Team Leader in ANZ's Know Your Customer, and these are the welcoming words of my people, the Gomerioi people from Central New South Wales. New South Wales is where I started my career at ANZ nine years ago.

Like many others, I got my start through ANZ's Indigenous traineeship program. Today, however, we meet on the lands of the Jagera and Turrbal peoples, where I currently live and work, and in that spirit of welcoming, I would like to acknowledge the Traditional Custodians of these lands, their continual connection to land and sea Country is inspiring.

For those joining us virtually, I extend my acknowledgement to the Traditional Owners of the lands which you join from geographies far and wide and on sacred grounds, we connect today to reflect on the past, present and future. To the Elders, I pay my respects, and I acknowledge any other First Nations people joining us today in the room or virtually. Thank you very much.

Paul O'Sullivan: Thank you to Dempsey. Thanks, Dempsey, that was a wonderful Acknowledgment of Country, and I would also like to acknowledge the Jagera and the Turrbal peoples as the Traditional Custodians of the lands on which we are meeting today, and on behalf of the Board, to pay our respects to Elders past and present, and extend that respect to any other Aboriginal and Torres Strait Islander people joining us either in the room or online today.

After returning post COVID to an in-person AGM for the first time last year, it is great to be here in person again this year, this time in Brisbane. It is a city where ANZ has a very long

and proud history. In fact, we have been serving the community in Brisbane since 1851 when the Union Bank, which is a predecessor to the modern ANZ – when the Union Bank opened in Queen Street, not far from where we are meeting today.

At ANZ, we are very optimistic about Queensland. It is a state that is blessed with a great mix of industries, with proximity to Asia, with a young and fast-growing population, and of course, there is terrific excitement here in Brisbane about the city's status as a world city as it prepares to host the 2032 Olympic Games.

In fact, the Board got a lot of value recently, by going out and visiting customers in Brisbane, and in Toowoomba, and in the surrounding areas. Customers like the Lockyer Valley horticulture company, Qualipac, or the agricultural machinery company, RDO Equipment, or the family-owned Homestyle Bakery in Toowoomba, and meeting some of these customers reinforced to us the dynamism and the entrepreneurship that is the hallmark of Queensland, and a great reminder of why ANZ wants to be here.

Of course, as we are well aware this morning, not all customers are doing so well, and as you would expect, as a Bank we are here to support our customers and the communities in good times and in bad, including those who have been affected by the terrible floods this week in Far North Queensland. A years' worth of rain has fallen in some areas around Cairns and it is at times like this that the true spirit of Australia's communities shines through.

I would like as Chair of the Bank to express our gratitude as a Board to our staff who working hard right now to keep our branches open and to ensure that our customers have access to the services they need. As Shayne will talk about later, the Bank is providing support packages for affected customers as they recover. These include loan payment relief, as well as waiving fees for restructuring business loans, and accessing term deposits early. We have also contributed \$100,000 to recovery efforts as part of the State Government's fundraising efforts.

Now, before turning to the business of the meeting, I would also like to note one other important topic, which is the horrific situations we are witnessing overseas in the Ukraine, in the Middle East, and in other parts of the world that are affected by conflict, and I know I speak for everyone here when I say, it has been harrowing to watch these tragic events and the loss of life 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, any 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 fact that we have really wide cultural diversity among our people and our customers. It is at the heart of our purpose and that is something that will never change.

So having said that, let me begin the formalities of the meeting with a review of 2023, including for you, our shareholders, more detail on the Bank's financial performance. ANZ produced a very strong outcome for shareholders in the past year with all four of our divisions contributing. In fact, the performance of each of our businesses illustrates the value of being the most diversified of Australia's major banks, and it also reflects the consistent strategy of your Board, of Shayne and the management team.

Australia Retail saw continued home loan growth above industry levels. 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 our 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. That is up 14% on the prior year.

Let me briefly explain our approach to the final dividend for the 2023 financial year, as it has been a question among many shareholders. The Board determined that a final dividend of \$0.81 cents per share, franked at 65% would be issued, and that compares to a fully franked dividend of \$0.74 cents at the same time last year. So, to offset the lower franking rate on the final dividend, the Board determined to add an additional one-off unfranked dividend of \$0.13 cents.

Our ability to frank our dividend is influenced by the percentage of earnings that we generate in Australia and by the tax that we pay on those earnings. So, the partial franking largely reflects our geographic diversity, and the particularly strong results we got from our New Zealand operations, and our institutional business outside of Australia. Very importantly for you, our shareholders, this final dividend contributed to more than \$5.2 billion being distributed to you, our shareholders, for the full financial year.

Now you might think we would be here this morning feeling quite happy with ourselves, but I would have to say that despite this very strong performance, we continue to face headwinds as central banks globally grapple with high inflation and many customers

struggle with cost-of-living increases, and whilst we are seeing inflationary pressures moderate in some markets, and indeed some central banks have paused their interest rate tightening, the recent rate increase by the Reserve Bank of Australia shows that uncertainty remains.

Although the RBA's figures and our own data show that in Australia households are still in reasonable shape, we know that many of our customers are feeling the financial pressure, and indeed, some may find themselves in financial difficulty over the coming year, and that is where your Bank having financial strength comes into play. We are well prepared for the current environment. We have high levels of provisions, of capital, of liquidity, and funding, all of which will allow us to help our customers should they need it.

Having talked about the progress this year on our financial performance, let me now turn to our progress against our strategy. I am going to begin with an update on ANZ Plus. ANZ recognised early that digital technology and customer expectations around digital technology are fundamentally re-shaping financial services, and 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 is another major investment, and here in Australia, ANZ Plus. What is ANZ Plus? It is a modern digital retail banking platform focused on providing services, but also enhancing the financial wellbeing of our customers, and it is underpinned by the latest cloud-based technology, and customers have responded.

In the 18 months since launching ANZ Plus, it has attracted almost \$11 billion in deposits, with over half a million customers, with more than 40% of these half a million customers being new to ANZ. In fact, ANZ Plus is the fastest growing, most contemporary, major Australian bank offering for retail savers.

Very importantly, the technology also allows us to deliver services to customers at a lower cost while getting higher satisfaction ratings. Shayne will talk in more detail about this shortly, and also about some of the new features we are bringing to ANZ Plus, including digital home loans.

Some of you will have seen the ANZ Plus team here in the lobby as you came to the meeting, and they are ready to explain its features, help you enrol, and answer any questions you may have.

Another key strategic priority for us is the completion of our acquisition of the Suncorp Bank, which we announced in July 2022. This will add significant scale to our retail and commercial businesses here in the fast-growing Queensland market, and 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 on this 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 are continuing preparations to bring the Suncorp Bank customers and people into the ANZ Group subject, of course, to these conditions being met, and I should note that we very much appreciated the Queensland Government's submission to the Tribunal in support of our acquisition.

Another important part of our strategy and a topic I'm sure will get a lot of discussion this morning, is our approach to environment, social and governance matters, often shorthanded as ESG.

In recent years, it's become clear that many Australians expect companies, especially banks, to consider the social, economic and environmental impact of the decisions that we make. To steer through these complex issues, your Board draws heavily on ANZ's purpose. Our purpose is to shape a world where people and communities thrive.

We also draw on our formalised ethical decision-making principles. In fact we set very high standards in this area and we produce a range of reports which are available to you and to a wide array of stakeholders. These include our ESG supplement and our 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 that ANZ does better when everyone in our community is stronger, and we firmly believe that addressing disadvantage among First Nations people will help both Australia and your Bank to thrive.

We have a long track record in this area, and indeed we were the first Australian Bank to develop a Reconciliation Action Plan, back 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.

So, as a result, ANZ has donated \$2.5 million to the Australians for Constitutional Indigenous Recognition, and \$25,000 to the Uluru Dialogues. Now we understand that not everyone will agree with our approach and our decision, however, we believe very strongly that we've remained true to ANZ's long track record and our values, in seeking to address the structural disadvantages that exist for Aboriginal and Torres Strait Islander people.

So, with that I wanted to turn to the Bank's actions on climate, and to begin with, the Board's perspective on the statement on climate change that has been put today's meeting by an organisation on behalf of some shareholders. Let me be clear, your Board considers that the statement is not an accurate characterisation of our actions on climate change and the environment.

Our ambition as a Bank 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 oil and gas exposure, and that is certainly not something that we shy away from. In fact, we believe 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 publicly disclose their progress, both practices which have now and since been followed by our domestic and global banking peers.

We were also the first Australian bank to join the net zero banking alliance and to commit to transition our lending portfolio to net zero financed emissions by 2050. This is in line with the Paris goals.

Our emissions targets for lending to carbon intensive industries, including power generation, large-scale commercial real estate, oil and gas, aluminium, cement and steel, these are all publicly available. This year we expanded these commitments to include 2030 pathways and targets for thermal coal and for transport.

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

We also expect that their Scope 3 emissions will be disclosed, along with reporting on their progress towards the reduction of those Scope 3 emissions. Now these are the clearly stated expectations for ongoing financial support from ANZ, and we firmly believe that as the largest institutional bank in Australia and New Zealand, we can have the most positive impact by working with our customers to reduce their emissions.

In effect, our approach is to back their plans in seeking to provide more finance for less emissions, and not to cut and run from these customers. We firmly believe it is in our shareholder's and the community's best interests for the Bank to support companies that we consider are genuinely committed to implementing their climate transition plans. Indeed if we remove financial support from these companies, it may simply push them to lenders who have less stringent or no requirements on emissions reduction.

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, about our progress with our strategy, to change and transform ANZ. Your Board believes management excelled this year, delivering record financial outcomes, improving dividends, making strong progress on our strategic initiative and creating significant value for you, our shareholders.

Ilana Atlas, our Chair of the Human Resources Committee, will talk specifically to our approach shortly, but I wanted to say that I believe we've struck a balance in compensating the management team for this very strong performance.

In terms of Board membership, your Board continues its process of renewal, to ensure that we're attracting the skills and expertise that is needed for what is a fast-changing financial services industry. I would like to begin talking about the Board makeup by acknowledging the enormous contribution of Ilana Atlas and John Macfarlane, who will be retiring from the Board at the conclusion of this AGM.

Ilana, who's to my left, has been an invaluable member of the Board since 2014, most recently as Chair of the Human Resources Committee. John, who's on my right, 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 who is standing for election at this AGM. Holly will address the meeting shortly, 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 the CEO of retail at Best & Less, and she served in a range of senior customer-facing roles as an executive at Telstra, Ford and Pacific Brands.

She's also 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 am confident she will serve shareholders well.

Finally, I'd like to also acknowledge the more than 40,000 people who come to work at ANZ every day, across 29 markets internationally. That includes roughly 1,200 Queenslanders who come to work every day. They embody our purpose and culture and they work tirelessly for ANZ customers.

I'd also like to acknowledge our customers for again trusting us with their business, and to thank you, our shareholders, for supporting us through another successful year. Your continued support is not taken for granted, and is much appreciated by your Board.

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

Shayne Elliott: Thank you, Paul, and good morning everybody. Ladies and gentlemen, I'm pleased to be here today in Brisbane to meet with you all, and I'm joined by several of my executive committee colleagues, and I'm going to ask them to stand up and introduce them.

Maile Carnegie, Group Executive for Australia retail. Elisa Clements, Group Executive Talent and Culture. Kevin Corbally, our Group Chief Risk Officer. Mark Whelan, the Group Executive Institutional. Farhan Faruqi, who is our Chief Financial Officer, seated to my right. You've already met Clare Morgan, our Group Executive Australia Commercial, who is also acting as our moderator today.

Now before I begin, I'd like to join the Chairman in acknowledging those who've been impacted by Tropical Cyclone Jasper in Far North Queensland. We do have a customer relief package in place, and while staying safe is everyone's first priority, I do encourage customers needing financial assistance, to reach out. I'd like to thank all the emergency services members, and the volunteers, who've helped hundreds of Queenslanders during this extremely difficult time.

Now we're also seeing challenges globally, and I echo the Chairman's comments about conflicts in the Middle East and elsewhere. For people with family or friends in these regions, I could only imagine that witnessing the loss of life and suffering has been incredibly hard to bear. It's distressing to see people being subject to prejudice, and we cannot allow any form of racial or religious intolerance, including antisemitism, to take hold in our society.

Now at ANZ, our purpose is to shape a work where people and communities thrive. Here in Queensland as the Chairman noted, we've a deep 170-year history, and a strong presence supporting our customers, the economy and the community. One such customer is the iconic, family-owned, Story Bridge Hotel, where we held an outstanding event for our Borad and local team.

Richard Deery, the co-owner, told me firsthand how the business steadily evolved over a century and a half to adapt to a changing market and reward the loyalty of its customers. Now what started as a backpackers stay, then a village pub, is now a tourist destination, with several bars and restaurants.

It's a great reminder that we always have plenty to learn from small businesses. They're nimble, stay close to their customers and are willing and able to innovate and change with the times. We also need to continually innovate to meet the changing preferences of our customers, and engage in a way that is most convenient for them. Whether that's in a branch, over the phone, online or through a relationship manager.

Now one example is our new business cash hub concept for small businesses, which we actually piloted here in Queensland, in Maroochydore. These are dedicated locations to help our business customers by making it faster and easier for them to carry out their banking needs. We now have nine hubs across the country.

Looking ahead, we've exciting plans to support more customers, as well as the economic growth of Queensland, which is one of the fastest growing states. Now as part of our plan to acquire Suncorp Bank, we will establish a major tech hub in Brisbane, creating 700 jobs in digital, cloud and data, while establishing strong career pathways for Queenslanders. We believe that young Queenslanders should be able to access world-class jobs, such as these, in their home state.

A year ago I described our 2022 results as one of the best sets of results we've delivered, and 2023 is undoubtedly our best ever. Pleasingly, all four of our divisions, Australia retail, commercial, institutional and New Zealand, contributed to the strong outcome. Relative to our peers, it's clear that ANZ is running the most diversified and well-balanced set of businesses.

Each of them has a strong sense of purpose, a clear strategy built on unique strengths, and generates returns sustainably above cost of capital. Our commercial bank is deposit-rich, serving 650,000 hardworking, creating and entrepreneurial small businesses right

across Australia, and we're really excited about the opportunities to grow this business further.

Meanwhile, institutional is the most international of the Australian banks, serving the world's very best companies, with returns increasingly driven by payments and currency processing.

Australian retail is the smallest of our peers, but a great business, helping Australians save for, buy and own a home. We're rapidly transforming that business to a digital first, financial wellbeing proposition, by growing our newest business, ANZ Plus.

In New Zealand, we've completed BS11, which is the single largest regulatory program in our history, and we did so ahead of our competitors, and continue to be number one at almost everything we do in New Zealand. That has allowed us to invest in better outcomes for the almost one in two Kiwis that we serve, while generating reliable returns to shareholders.

So, today I'm confident of this diversity that it's a strength. It allows us to face into more challenging environments, such as the ones that exist today. Now I was reminded of this recently when visiting Vietnam, to celebrate 30 years since ANZ became the first Western bank to set up local operations there.

Today, ANZ Vietnam is thriving, connecting trade flows throughout Asia, Australia and globally, generating opportunities for businesses, including those here in Queensland, and new sources of revenue for our shareholders.

Our diversified business helps Australian businesses, big and small, succeed on the world stage, by making trade easier and attracting much needed investment from our network of multinational customers.

This is of critical importance in Queensland, which is a key state for international trade. Now it's this global footprint that makes ANZ unique, but also adds value by developing trading opportunities for customers and creating jobs for Australians by supporting trade and investment flows in and out of our home markets.

Now while our job connecting Australia and New Zealand with global opportunity hasn't changed, the way we go about it has. Our work and the Group's revenue is increasingly driven by our payments and currency processing businesses, which are low capital and high return. These are areas where ANZ really excels.

You might be surprised to hear that at ANZ we process around 60% of all the money flowing into Australia and New Zealand, and provide services to more than 90% of the world's globally systemic banks. In fact, we facilitated an incredible \$164 trillion in payments in, out and around the markets in which we operate.

Now most of that is cross-border payments, leveraging the strength of our international network. This is only possible after many years of targeted investment, and it's really setting us apart from our peers.

As the Chairman noted, we are also seeing the benefits of our investment in ANZ Plus. Two years ago, we had the courage to offer Australians a completely new way to bank, built on the very latest technology, with the very best security and while making banking as easy as can be.

Today, ANZ Plus is a fully fledged business line within our Australian retail business. The results, in terms of customer and deposit acquisition, have significantly exceeded our expectations, with already around 550,000 Australians choosing ANZ Plus. Importantly, ANZ Plus is operating at a marginal acquisition cost 40% lower than our classic business, with the variable servicing cost 20% lower and falling further as we grow.

Just last month, we reached a major milestone when we launched the ANZ Plus Digital Home Loan. This dramatically reduces the time and cost it takes to assess, approve and settle a loan for customers. That's better for customers and better for ANZ as well.

I know that many shareholders here today will be concerned about how we're managing security and stability and the increased risk associated with cyber-crime, technology outages and scams. Many of these come across my desk and I can feel the heartbreak and very real impact these criminals are having on hardworking, everyday families. I want to assure you that we work hard every day to protect our customers as much as possible from these criminal gangs that target them with scams and frauds. That will remain a top priority.

Each month we block up to three million malicious emails and 12 million attacks against our public facing web services. Earlier this year, we ran a pilot using artificial intelligence tools to identify and close suspected mule accounts linked to fraud, scams, money laundering and other financial crimes. As a result, we've invested in this new mule detection technology and it's been utilised daily by our 450 customer protection officers.

We also introduced biometrics to identify payment anomalies and removed about 1600 fishing or fraudulent websites that were impersonating ANZ, and we've put in place

measures to stop scammers impersonating ANZ in text messages. We regularly deliver education campaigns. I recently wrote to all of our customers in Australia to warn them of the dangers of scams and how to avoid them.

A number of customers have written back, letting me know how valuable these tips can be. You may have also seen the scams booth here today and the video that we played earlier. But we recognise there is always more to do and we will continue to invest in keeping our customers as safe as possible.

The strong financial and strategic results of 2023 are not possible without the right people and the right culture. We've worked hard to develop teams with the right behaviours and the skills needed to continue our transformation. We actively invest in employee engagement. With our most recent score of 87%, we are best in class for any industry, anywhere in the world.

That may not sit on our balance sheet, but it is a real asset and part of the reason that we secured over 90% support for our recent enterprise bargaining agreement. We were also named the best finance graduate program in Australia for two years running, allowing us to attract the very best talent in the country.

We have a proven leadership team with breadth and depth of experience, capable of managing through challenging times and making tough decisions. I'm confident that we have the right people in place for continued success.

Looking ahead, our job is to ensure that your Bank has the strength and the agility to manage any external environment. The economies in Australia and New Zealand remain remarkably robust, with unemployment holding at low levels and wage growth solid. But the outlook is certainly more challenging, with interest rates and inflation expected to remain high, geopolitical risks rising and capital flows changing faster than we have seen in some time.

Our economists expect slower economic growth in Australia and New Zealand in 2024 and only modest movements in interest rates and inflation. On the bright side, our home markets will be supported by resilient household balance sheets, strong housing markets, government activity and solid business investment intentions.

But even so, pockets of weakness are already emerging and we know that this can disproportionately impact those with less secure employment or on lower incomes or renters, many of whom are younger. Our savings tools and ANZ Plus and our Saver Plus

Program, as well as our support for build to rent and other entry level housing programs, are helping, but more needs to be done.

Thankfully, for those with existing loans - even first home buyers - the number of customers experiencing financial difficulty remains modest by historic standards. That is not to diminish the stress felt by those increasingly on the edge. For each customer who is struggling, these times will be highly distressing and we know that things can change quickly.

That's why, over the last 18 months, we've proactively contacted more than 20,000 home loan customers each month to check in and ensure the ongoing suitability of their loan arrangements. These efforts are making a difference, with over 70% of customers who contact us in hardship getting back on track with their home loan within 12 months.

In the coming year, we expect to be required to provide more support for our customers and our strong results mean we stand ready and able to do so. We've started the new financial year well. Despite high levels of competition and concerns around the slowing of the economy, we are confident that our strong balance sheet and our diversified business provides us with resilience and an ongoing ability to support customers.

As we approach the end of the first quarter, Group revenue is in line with the second half of the 2023 financial year. ANZ has demonstrated a proven ability over many years to manage our expenses well. While facing into ongoing inflationary pressures, we continue to execute on productivity initiatives to partially offset these headwinds.

Lending growth remains strong across our Australian retail and commercial franchises in particular. Our investment in home loan processing capability and capacity and improved broker experience are providing ongoing benefits. We want to grow our Australian home loan book profitably by continuing to offer reliable turnaround times.

In line with that, we're competitive, but not market leading on pricing. Our markets' business and institutional has had a good start, with revenues in the first quarter to date in line with the first half of the 2023 average and stronger than the second half of 2023.

The institutional division's payments and cash management business - a leader in the platform services' space - continues to effectively leverage our multi-year investment in technology. Our focus on high quality customer selection and prudent risk appetite means credit quality remains strong, with no material increase in credit costs in the quarter to date.

Today, we are seeing the benefits of being a stronger and simpler bank for shareholders and customers. In more challenging times, delivery excellence, strategic consistency and the ability to flex resources is critical. Our 2023 performance reflects all of those elements, be it strategy, capital, risk, productivity or our experienced team. We've held a steady hand and structurally, we find ourselves in the right place at the right time, off the back of years of investment and diligent execution.

Our priorities for the coming year build on that. We'll continue to run the Group prudently, using our strength to support customers through challenging times and seek opportunity from our regional network. We'll further improve productivity, using tools like generative AI, to build further capacity for investment. We'll grow the number of customers using the ANZ Plus service and deepen their engagement with ANZ. We'll continue to invest wisely in commercial, institutional and New Zealand.

Finally, we will complete the acquisition of Suncorp Bank, delivering the benefits of our superior technology and customer propositions to their 1.2 million customers. While the acquisition of Suncorp Bank would significantly increase the scale of our retail and commercial bank - helping us to compete even more effectively - if the transaction is blocked, we remain confident in the execution of our core Australian growth strategy.

We have a fortress balance sheet, we have the right portfolio and we have a proven team to ensure that we can support our customers, while delivering for our shareholders through challenging times.

Let me finish by thanking our people at ANZ for their hard work and wishing you and your families and very happy festive season and a prosperous 2024. Thank you very much.

Paul O'Sullivan: Thank you, Shayne. We now come to the formal resolutions part of the meeting. Given the small number of formal resolutions we have this year, we thought the best way to proceed was to go through the formal presentations of each resolution, and then have a single Q&A session on all of the items that are being presented.

The next presentation is in respect of the election of Holly Kramer. Holly joined the Board on 1 August this year and is retiring in accordance with the Company's constitution. Being eligible, she offers herself for election and details of her experience and profile are included in the Notice of Meeting. The Board, excluding Holly due to her own interest, recommends that the shareholders vote in favour of her election.

Holly will now say a few words in respect of her election.

Holly Kramer: Thank you, Chairman. Good morning, everyone. I'm delighted to have been appointed to the ANZ Board and I'm looking forward to the opportunity to serve the shareholders of this very iconic institution.

I understand from Shayne - who's a bit of a historian - that ANZ will soon be celebrating its 200th birthday. Over these years, the bank and its peers have formed the backbone of our economy. But banks also help us live our best lives, whether it's saving for our children's education or buying our first home or starting a new business. As an ANZ - longtime ANZ customer, this bank has helped me and my family do all those things.

Working for a Company with purpose is important to me and I see it as a privilege and responsibility. I believe I bring a wide of experiences that will enable me to make meaningful contributions to the ANZ Board. Professionally, I have had over 25 years of executive leadership experience, including time as CEO of Best & Less, which was a struggling business that we were able to return to profitability.

My experience has also included companies in a wide range of sectors including two - Telstra and Australia Post, which experienced significant disruption to their business models. Hence, I understand the strategic shifts and the dogged focus on driving productivity that are required to navigate these changes.

Another common theme across my career has been my affinity for consumer facing and retail industries, which both created and, I think, benefited from my passion and deep empathy for the customer experience.

I've now served as a full-time Board Director in both Australia and New Zealand for nearly a decade. This is a role which benefits from experience. Over these years, I've had the opportunity to chair remunerations, sustainability, audit and risk committees. These are critical governance skills that are developed through time on the job.

In my board roles, I've helped navigate through a wide range of business environments, including significant transformations and transactions and sector transitions. In all cases, my boards and I have focused on delivering value to shareholders and to stakeholders more broadly.

In a world characterised by increasing uncertainty and ever greater levels of public expectation and scrutiny, our experiences as Directors are often not only professional, but deeply personal. Navigating difficult decisions, the sometimes unintended consequences and doing so under a media spotlight can indeed leave us with scars.

However, those scars are also what makes us more resilient, more thoughtful and contribute to our ability to exercise good judgement. I would bring all of this experience to my role at ANZ and also, a commitment to try and do what's best for all shareholders. On this basis, I ask for your support in my election to the Board today. Thank you very much.

Paul O'Sullivan: Thank you, Holly. We now move to the presentation on matters concerning remuneration. Item 3 concerns the adoption of the remuneration report and Item 4 concerns the grant of restricted rights and performance rights to Shayne Elliot, which form 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 compensation are contained in the remuneration report, which is included in the Annual Report and which we are seeking shareholder adoption of today.

We're also seeking shareholders' approval to grant Shayne Elliot 66,619 restricted rights and 66,618 performance rights. 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. Details of those performance conditions are set out in the Notice of Meeting.

To give you both an overview of the remuneration report and of the proposed grant of restricted rights and performance rights to Shayne, 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. Good morning, shareholders. As the Chairman has said, there are two resolutions before you in relation to remuneration, which I will very briefly address. The first, which is Item 3 on your notice of paper, is to adopt the remuneration report for the year ended 30 September 2023. As the Chairman has outlined, we were pleased with what has been achieved this year from a strategic, financial and cultural perspective.

A particular highlight was how each of the four core business divisions contributed to the result, along with work to ensure the foundations are in place to support our long-term performance. Given this, we believe the Board has appropriately recognised our executives for delivering a performance above target for the Group in 2023.

I know there's also interest from shareholders in the performance and remuneration of our CEO. Shayne's performance across all measures was strong. In the Board's view, he performed well above target against his personal objectives. The remuneration report sets

out in detail how the Board assessed Shayne's individual contribution to the success of the business this year, in a way which positions ANZ for future growth.

He also has ultimate accountability for the Group's performance. As a result, the Board decided that Shayne's short-term variable remuneration should be 96% of maximum opportunity. This compares to 74% last year. There was no increase to the CEO's fixed remuneration in 2023.

The second remuneration resolution before you, Item 4 on your notice of paper, relates to the proposed grant of long-term variable remuneration in the form of restricted rights and performance rights to Shayne. We are seeking your approval today to allocate long-term restricted rights and performance rights to Shayne with a combined current face value of \$3.375 million.

Whether Shayne receives any value from these rights will depend on whether the performance conditions are met at the end of the four-year performance period. As set out in detail in the Notice of Meeting, the restricted rights have been subject to a pre-grant assessment by the Board, which determined that the award should be made at full value.

These, of course, remain subject to a pre vest assessment, focused on risk-based measures at the end of the four-year performance period. The performance rights are also 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 Items 4. Finally, as I'm retiring from the Board at the conclusion of this meeting, I want to thank you shareholders for your support during my time as a Director. I'd also like to thank my Board colleagues and the ANZ team, led by Shayne, for their ongoing commitment to ANZ's business, customers and employees. It has been an absolute privilege to work with you all.

With that, I'll hand back to you, Paul.

Paul O'Sullivan: Thank you, Ilana. Thanks for your terrific leadership as we managed through the complexities of the changes in remuneration regulations over the last few years. Shareholders, that concludes the formal presentations, and so we now come to the Q&A section of the AGM. As such, I'll just run briefly through the process for asking questions or making comments.

This year, we again invited shareholders to send in questions prior to the meeting. The key themes arising from those questions have been addressed in the opening statements from myself and Shayne. We'll be taking questions from both the floor of the meeting and via our AGM meeting platform online.

I'd like to begin by covering how to ask questions or make comments online. To submit a question or comment, select the Q&A icon at the top of the AGM platform app, select the topic your question relates to from the drop-down list, type your question into the text box and once finished typing, please hit the send button.

Questions and comments that are received from shareholders online will generally be read out verbatim by our moderator, Clare Morgan who you met earlier with changes made only to fix any grammatical errors. Where we receive questions or comments online that are the same or are fundamentally similar, we may read out one or a representative selection for me to address. In the case of multiple questions on the same topic that have already been responded to, I may opt to advise that those questions have been adequately answered and so as not to waste your time, to move on.

You can submit questions and comments on any item online starting from now. Online questions are limited to 2000 characters and I can assure shareholders that both myself and ANZ take our obligations relating to the proper running of the AGM very seriously and our procedures are designed to facilitate a broad range of questions and to provide the maximum number of shareholders the opportunity to ask a question. So as such, there are a few additional procedural processes I will quickly take you through.

As you know, only shareholders and their representatives can ask questions of the meeting and to give all shareholders the opportunity to participate equally, we ask that those submitting questions online try and limit their questions or comments to two per item of business and to submit each question separately. However, for those shareholders asking questions or making comments in person here in the room, please 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.

We also have sitting here in the front row on my left, on your right, the lead audit partner, Martin McGrath from our external auditors, KPMG. Martin, you might want to stand and let everyone see you're there. Thank you, Martin. Martin is available to answer any questions shareholders may have for our auditor. This being a meeting of shareholders, it's important to note that we cannot comment on specific customer matters, including our

customers' business activities or any matters subject to legal or other dispute. As such, any of that type of question or comment received either in person or online will not be answered.

For those here in person, we do have members of staff at a booth outside of the room who can assist with such matters, including our Customer Fairness Advisor, Evelyn Halls. As I'm sure you can understand and will agree with, ANZ will not allow any questions or comments that are abusive, obscene or defamatory in nature. For those here in the room, the people you can see at the microphones, they are our ANZ staff members, [Jacqui Aftermau], Michael Golinelli, [Natalie Hess] and Brendan Tong. If you'd like to ask a question, please approach one of the microphone attendants and give them your name.

So I'm going to start with some initial questions from the floor here in the room and we will rotate between questions from the floor and from the online platform. So I'm going to go to the first question which I think is at microphone number two, so...

Unidentified Company Representative: Thank you, Chairman. Our first question this morning is Steve Mabb, a shareholder from Queensland.

Steve Mabb: (Shareholder) Good morning, Paul. Steve Mabb's my name. I'm representing the Australian Shareholders' Association today. We are voting today on the behalf of 1200 shareholders, over 5.5 million shares. So thank you very much for a constructive engagement prior to the meeting, it was very respectful and helpful as always.

Our first question is really about the format of the meeting today. So really appreciate you bringing the meeting to Brisbane, that's great. However, there is obviously a lot of shareholders around the country that would also like to participate. We were just wondering why we moved away from the full hybrid meeting this year which means that if someone didn't get their form in last week, they can't fully participate in the meeting today. So just wondering if you could give us some commentary there?

Paul O'Sullivan: Yes, thank you, Steve, and let me begin by just noting the work the Australian Shareholders' Association does. Most, if not all of you, are volunteers...

Steve Mabb: (Shareholder) Yes.

Paul O'Sullivan: ...so you don't get paid for what you do. ANZ has a long association of working with you and you provide a very important voice, but also a lot of advice to retail shareholders largely. So thank you for the work you do and for volunteering your time. This is my fourth AGM, my first one was in 2020 and for 2020, I was sitting in a room in

Docklands in Melbourne with nobody around because it was COVID and we were completely online and that was not a very satisfactory experience.

We've been experimenting, as have other banks, with how to do these meetings and what's in our minds is how do we make sure we give the greatest opportunity to shareholders to ask questions and raise them and so we have been experimenting. Last year, our experience was that very few people really used the phone. If you think about it yourself, would you rather look at this online or would you rather be on the end of a phone?

So that's why we moved away from using the phone. Other than that, really, we believe that the online offers people the chance to watch what's happening, you can put in your questions online, probably the biggest difference is not being able to vote and in that sense, well, look, most of the information that would guide your voting is in the Annual Report or in the information we provide in advance of the meeting and there's only one Director up for election today.

So trying to balance all of the issues, we just thought this was the best outcome. But look, we're going to continue to survey and see what the experience is and to evolve our thinking.

Steve Mabb: (Shareholder) Got it. Next question is just around the regulatory environment. So obviously, ANZ and your large peers are subject to ever-increasing regulation. What risks are you seeing to the Bank and the business from those organisations and companies that are outside that regulatory environment at the moment?

Paul O'Sullivan: Well, I guess there's two ways to come to that. One is that in terms of financial services, there are some very clear regulations that apply to banking entities. There are other financial services, companies that are not authorised deposit institutions or ADIs and so, they are not governed by the same requirements or the same rules. That does mean that they've got a competitive advantage. Examples would be the amount of capital we've got to hold or the responsibilities that are taken on by some of our senior people.

That is one of the reasons we set up the new structure of ANZ a year ago with what we call the non-operating holding company. So your Company now consists of a bank holding company and a non-bank holding company and the non-bank holding company is to allow us to make investments in financial services, businesses or businesses that enhance the

Bank that will not be held back by some of the constraints that exist for banks. So yes, that's our attempt to even it up.

There's other regulation underway of course outside that that affects all industries. Generally speaking, we look to understand and participate in the consultation on that sort of regulation and hopefully, get a good result and so you can see right now, data privacy would be one of those topics.

Steve Mabb: (Shareholder) Sure.

Paul O'Sullivan: Hopefully, I've answered your question, Steve.

Steve Mabb: (Shareholder) Yes, thank you. I think at the conclusion of the meeting today, we will have had three Non-Executive Directors step off the Board over the last 12 months. So in the corporate governance statement, you list the Board's skills and I think there's 10 specific skills that you're looking for. What of those particular skills are you looking to cover prior to the appointment of Holly Kramer this year?

Paul O'Sullivan: Actually, taking a step back and providing context, you know, what all of you will want is to make sure that the Board has people on it who are well placed to anticipate our financial services are changing and you mentioned the differences in regulation. There are many non-bank financial services companies today and digitisation and technology are changing the world very fast. So we went back as a Board three years ago and we said well, let's ask what does the way the industry is evolving and what is our strategy say is the skills you would want for a Board for how the industry might look in five years' time?

Based on that, we started recruitment. The appointment of Jeff Smith who's over on my left here is an example of us going outside the traditional forum for Directors for that. Jeff's got a lot of experience in technology, is very active both in Australia and North America in the technology space. So that's guided us over the last few years as to who we recruit. The Board created a subcommittee of Alana and myself to perform an ongoing search and included in those skills was someone with a lot of experience with retail, digital, customers and also, if we could get at sustainability and Holly fits very much into that frame.

We announced yesterday that for our Bank HoldCo where we have a requirement to have Directors with bank-specific skills that we've appointed an additional Director, John Cincotta and I expect to be making another announcement on who will succeed JT

sometime in the new year. We are just finalising that recruitment. Hopefully, Steve, that gives you a bit of perspective.

Steve Mabb: (Shareholder) Yes, thank you and I think our final question we'd like to direct to Holly, if that's okay? So appreciate the comprehensive overview of your background and your experience both as an executive and as a director now. Wondering if you could maybe give us one or two examples of some specific things that you think you're going to bring to the Board or have already brought to the Board that are going to add value for the business and ultimately, for shareholders if that's okay?

Holly Kramer: Sure, I'm happy to speak to that. I think I tried to allude to that in my comments earlier, but I will reiterate that through all of my career, I have been in consumer-facing roles, dealing with retail and retail operations and customer issues. Whether that was through nearly a decade running consumer and marketing at Telstra or the nearly a decade on the board of Woolworths and so I think that very specific set of experiences around consumers and consumer operations is something I certainly will bring to the Board.

The other I also maybe alluded to was just simply 10 years of experience as a board director on a range of different boards, including sitting on the AMP board during the Royal Commission which as I said, I guess for me, as a new director, was a bit of a crash course in governance and crisis management and personal resilience. So I think there is quite specific skills as well as broader skills as a board director over a long period of time, thank you.

Steve Mabb: (Shareholder) Thank you.

Paul O'Sullivan: Thanks, Holly.

Steve Mabb: (Shareholder) Thank you, appreciate the answers and sorry, it was remiss of me not to mention also that we are also representing some shareholders from New Zealand today, so hopefully, that's good news for Sir John Key there. Thank you.

Paul O'Sullivan: Right, yes, I think he's smiling away, so good to hear and for those who don't know, we are the number one bank in New Zealand, so it's a very important part of our business. Okay, I'm going to move to the next question. Microphone number one. Mr Caulfield, wonderful to see you. You're a stalwart of the Bank AGMs and a regular attendee of ours. In fact, seeing you always makes me feel that the end of year is coming and that we can celebrate Christmas.

You have a tremendous ongoing energy and interest in banks, so thank you for coming along. We don't always agree, but what you say in your voice is important.

Unidentified Company Representative: (Shareholder) Thank you, Chairman. Yes, Craig Caulfield from Maroochy River has a question for you.

Craig Caulfield: (Shareholder) Good morning. Thank you, Chairman, and thank you to the Board and my best wishes to Mr Macfarlane and Ms Atlas in your retirement if it's retirement or your ongoing career. Welcome to Holly Kramer to the Board too. It's generally overall, a wonderful Bank. We've had a great history actually with ANZ. I've had 43 loans over 47 years being a customer with ANZ. I do have complaints and issues, but to put that in perspective, there is a strong solid background there.

My question; APRA applied a capital reserve penalty to ANZ back in 2019 of \$500 million. I'm not sure if that's been released or not, you could touch on that in a minute. This penalty was applied by APRA because Directors failed and still fail today to set the right tone, accountability and consequence management for poor performance and broken promises. In our family's case history which has been on foot for five years, the IDR team failed to provide documents they promised. The customer advocate made no notes in our meetings and pivoted our complaint away from key issues, including loan application fraud.

The Deputy CEO, Alexis, promised documents in a meeting and brought none. Our CEO, Shayne, promised mediation on 21 November '22 in the presence of the Company Secretary, Simon Pordage, my wife, [Moiria], daughter, Olivia, and is now twisting events and renegeing on his promise. I offered the voice recorded meeting, approved by all parties at the meeting, to you, Chair, as verification, which you have refused to listen to.

In the absence of you listening to this recording with me, Chair, and given that I have made so many letters and attempts over so many years to resolve this case genuinely and fairly, I will share this with the media, as the mental health pressures to all of our family over the years as you delay, deny, deceive, compound. As Banking Royal Commission witness Michael Hurst said, ANZ have no compassion. A year later his wife Dimity Hurst said at ANZ, nothing's changed. Chair, will you meet to listen to the recording and agree to Shayne's promised mediation without deflection? Thank you.

Paul O'Sullivan: Thank you, Craig, and you and I have been corresponding.

Craig Caulfield: (Shareholder) We have.

Paul O'Sullivan: Thank you for email of yesterday, which I've received. I'm not going to go into an individual customer issue on the floor. I think we mentioned that. (a) it would be a long meeting, but (b) I don't think it would be appropriate to set the precedent. I'm happy to catch up with you after the meeting and have a chat, and I know Simon, who's here, will do that as well.

Can I just also say that capital overlay was added to all of the big four as an outcome of the Royal Commission, and naturally – and we often agree to disagree – I wouldn't necessarily agree with some of the statements you made, but I respect your right to make them. So, hopefully we can catch up after.

Craig Caulfield: (Shareholder) Yes. The capital overlay of \$500 million – yes, it was applied to all the four big banks. You haven't answered my question, which was, has it been removed from ANZ?

Paul O'Sullivan: No, it hasn't.

Craig Caulfield: (Shareholder) No, so when you purport to make them similar between the four banks, we know that CBA's capital overlay has been returned. Look, I'm not right up to date with the others but I thought they'd been returned. But ANZ's is four years, and the typical capital overlay that is applied as a penalty by APRA lasts two years. The fact that this substantial capital penalty remains after four years and still ongoing is saying that APRA, an important regulator, is saying, you haven't cut the mustard.

Paul O'Sullivan: Well, I will let APRA speak for themselves. But it's just important to say only CBA have released the detail of the workings and my understanding is that, no, not every bank has had it lifted. But you're entitled to express an opinion on that, and I respect it.

Craig Caulfield: (Shareholder) Yes. I look forward to meeting you later. I would just like to ask will all the Directors meet later? I just want to further say, last year, I asked you that question. You said, yes. I pushed back because of experiences in previous years. You said, yes. Last year, Ilana Atlas kindly came out – yourself, you were there – fantastic. The other Directors weren't.

Paul O'Sullivan: I think you posted me on Facebook, or something, afterwards, in a group photo with you.

Craig Caulfield: (Shareholder) Yes.

Paul O'Sullivan: So, look, obviously...

Craig Caulfield: (Shareholder) But all Directors should show – every Director. It’s actually, frankly, cowardly.

Paul O’Sullivan: We’re interstate, and so clearly some of our Directors do have to travel. So, assuming we’re going to have a good orderly meeting and finish after a reasonable time, the Directors will be there. The only reason they won’t, will be if they’ve got to catch a flight but we’re all keen to get out and hear and learn what our shareholders thin...

Craig Caulfield: (Shareholder) The flight was used in 2019 and I caught an Uber to the Qantas lounge, and I stood in front of the Qantas lounge immediately to track down one Director. Of course, I wasn’t aware of the Chairman’s Club at the time, so it must have been a different lounge. But, really, you should – it’s not to do with the flight this afternoon that you’ve got. There’s one day a year you meet shareholders – just stay today.

Paul O’Sullivan: The sooner we get through the questions, Mr Caulfield, the sooner we’ll be able to come out and meet with you.

Craig Caulfield: (Shareholder) The sooner you say, yes, we’ll stay to meet shareholders...

Paul O’Sullivan: We’ll be there.

Craig Caulfield: (Shareholder) ...until everyone’s asked their questions.

Paul O’Sullivan: Yes. We’ll be there. Thank you.

Craig Caulfield: (Shareholder) Thank you.

Paul O’Sullivan: Okay. Next question’s microphone number four – Mr Sanderson.

Unidentified Company Representative: Chairman, I have a question from Michael Sanderson from the Hunter Valley.

Michael Sanderson: (Shareholder) Can you hear me?

Paul O’Sullivan: Yes, thank you.

Michael Sanderson: (Shareholder) Okay. Just a couple of housekeeping things. Firstly, g’day, Board...

Paul O’Sullivan: G’day.

Michael Sanderson: (Shareholder) ...and for them funny speaking people, kia ora. I notice that the government has changed over there but I’m pleased to see Winston Peters is still running the country. Just a bit on grammar – scams. Using the word scam is

misrepresenting what's going on. It should be digital scams. A face-to-face scam does not cross jurisdictional borders.

Now banks generally – not just ANZ – are pushing people into digital and representing it simply as a scam, I think misrepresents what's going on and the risk that the digital format has for banking customers generally as opposed to the bricks and mortar model. One misleading statement that was made was, central banks are grappling with inflation, high inflation.

There is one central bank out there and you have a presence in that country – that's the Japan central bank. That isn't grappling with inflation. It has a cash rate of -0.1% and that's been the case since 2016. Never had an inflation problem. Doesn't have a housing problem. But everyone ignores Japan. I know it's only a minor economy – it's a G7 country, but I'd like to hear from the Bank. You have a banking presence there. Why are we ignoring Japan and the superior example that they give in relation to the macro economy?

Now, I've got a couple of questions here. Just bear with me. The first thing I'd like is for Mr Comyn, the CEO of CBA, to make a quick comment – just 10 seconds.

[Plays recording of Matt Comyn: (CBA, Chief Executive Officer)] The role of banks clearly is to take depositors and to lend funds. We also do create deposits in the system. We expand the money supply when we lend money.

Michael Sanderson: (Shareholder) That was short, and sweet, and to the point. Mr Comyn stated, we also do create deposits in the system, we expand the money supply when we lend money. It is my understanding that the ANZ represents these created deposits in the balance sheets as real deposits. Is this the case? If this is the case, isn't it misleading to call something the banks create from nothing a deposit? Wouldn't it be more informative and honest if these created deposits appear in the balance sheet under the heading, pseudo liabilities, with a lying title, unicorn deposits or [Clayton's] deposits?

Paul O'Sullivan: Thank you very much and thanks for the statement. We have a very long history in Japan. I might give Shayne a moment – in fact, you've just been there this year, I think – to talk briefly about it. It's a very different economy. Actually, you can pick up the question on deposits, if you wish, or I'll answer it.

Shayne Elliott: Sure. Thank you. We weren't dismissing Japan. Japan is obviously one of the world's biggest economies and we're very proud of our association with Japan. In fact, ANZ Japan celebrated our 50th anniversary there just three years ago. We've got a terrific

business there and I take your point that not all economies are the same and not all central banks are necessarily grappling with inflation in the same way. Obviously our statement was meant to be in the broad comment about the other major economies in the world. But I take your point.

In terms of deposits – look, that’s an economist sort of theoretical argument about creating deposits. That’s true to an extent, but clearly the deposits we have on our balance sheet are real. Not only are they real, they’re audited by our auditors and regulated by our regulators – not just a regulator. So, they are absolutely real and just as real as the assets we have in terms of the loans that we make to our customers. So, I don’t believe for a second that it’s misleading in any way whatsoever. Thank you.

Michael Sanderson: (Shareholder) Well, if that’s the case, surely Mr Comyn is misleading.

Shayne Elliott: Well, with respect, you took a clip from a much longer statement that Mr Comyn made, and I don’t think it’s fair to sort of editorialise speeches.

Michael Sanderson: (Shareholder) I can play the whole lot if I want. It doesn’t change the context of the clip.

Shayne Elliott: Well, that’s a matter for Mr Comyn.

Paul O’Sullivan: Yes. I mean, really, what you’re getting at there is really a form of leverage, which is how the financial system works in that banks are lending more than they necessarily are taking in at a particular time on deposits. That’s all heavily regulated by APRA and there’s a lot of requirements in terms of the amount of capital that banks have to hold so I think that’s probably more to the heart of what you’re asking about. But we assure you, it’s very, very tightly managed.

Michael Sanderson: (Shareholder) The heart of what I’m – the point I’m making is the banks aren’t revenue constrained. They’re capital constrained.

Paul O’Sullivan: Correct.

Michael Sanderson: (Shareholder) As you quite rightly say, APRA sets a capital requirement you’ve got to meet.

Paul O’Sullivan: Correct.

Michael Sanderson: (Shareholder) Based on that capital, banks – all banks – increase money supplied by creating deposits. We’ll leave it at that.

Paul O'Sullivan: Yes, and a very important point there that we should close off on that is, there's a global metric of how well capitalised the banks are – the CET metric. If you look at that, and you use the international comparisons, Australia's banks are among the best capitalised in the world, so you have one of the most well backed and funded banking systems in the world here in Australia.

Michael Sanderson: (Shareholder) Are you referring to Basel III?

Paul O'Sullivan: I'm talking about the international way of looking at the ratings. You are correct. The way we report in Australia is not the way that they report internationally so you need to adjust our numbers for that. If you do that, Australia is up there in the top percentage ranks – top 10% thereabouts of capitalisation, globally.

Michael Sanderson: (Shareholder) Okay. My second question – it's sort of related. The fundamental purpose of the RBA's overnight cash rate is to set the interest rate that banks pay each other on other banks' funds that they hold. There is some other stuff, but that's the fundamental purpose. The RBA cash rate is not just an expense. It is also an income.

In other words, when you hold somebody's cash, you pay, and when somebody's got your cash, they pay so it's not a net loss. Where in the balance sheet does the specific data relating to cash rate appear? Can the ANZ explain the linkage and how the RBA cash rate impacts on loans based on the Clayton's deposit it creates in order to balance the balance sheet?

Paul O'Sullivan: Again, we can make some general comments on capital management and on how we therefore end up with our decisions on pricing. These are fairly general – and can I dare say fairly theoretical economic concepts.

Michael Sanderson: (Shareholder) No, not theory. There's nothing theory or hypothetical.

Paul O'Sullivan: But at a very high level, when we look at our capital strategy, we're thinking about what's the capital we're generating out of the business, what are the alternative sources? Deposits is one of them. The wholesale market is another, and we have a look at what might be the requirements, where can we actually land and where can we use funds when we get them? We have a look at the macroeconomic environment, we run stress models and scenarios to see what might be the outcomes and the pressures we may face, and we – to your point – we do look at the pricing that's available on capital markets, internationally.

So, all of those factors come in in us deciding how to run the bank and what's the appropriate capital to carry and where to source it from.

Michael Sanderson: (Shareholder) Okay. Well, we'll leave it at that. I call that the fog of banking.

Paul O'Sullivan: All right. Thank you.

Michael Sanderson: (Shareholder) You're able to hide behind complexity. I've got some other questions.

Paul O'Sullivan: I want to make sure I give change to other shareholders to ask but thank you. Thank you, Mr Sanderson, for your questions. Back to microphone number two.

Unidentified Company Representative: Chairman, I have a question from [Spiro Arcoozus], a shareholder from the Sunshine Coast.

Paul O'Sullivan: Welcome, Mr Arcoozus.

Spiro Arcoozus: (Shareholder) Thank you, Mr Chairman. Thank you. Good morning, Board. Good morning, shareholders, and good morning, Institution of Shareholders watching online or in the room today with us. Mr Chairman, my question this morning is in regard to the acquisition of Suncorp.

We've seen the ACCC knock ANZ back. You've gone back a second time to try and negotiate a position. If AUSTRAC, APRA and BEAR have also been watching how you're performing, is there some cross-polarisation there that is losing points? Because, as shareholders, we would love to see the acquisition of Suncorp. We'd also love to see that ANZ fix and look after their customers with short, medium and long-term legacy problems, because your customers are your greatest marketing tool and will bring more business to your banks and your branches, both in home loans and credit cards.

I'd like to encourage all of the Board to participate in that customer service because, as shareholders, if we can achieve the Suncorp acquisition with the great work of Mr Elliott, potentially we'll see our share price go to \$35, possibly \$40. If collectively, nationally, we can encourage you to get together, find out what the problems are that ACCC has so that we can correct them and follow through, get the job done - and the bottom line is create great customer service, both for the ANZ customer and also for the Suncorp customer, which then will overflow to the shareholders. That's my first question.

Paul O'Sullivan: Thank you. Let me start by saying we, as bankers, realise that to grow the business, we've got to provide great service and ideally provide better service than

anybody else, so there is a lot of discussion and work done within the bank on how we lift those service levels. A good example is ANZ Plus which I've talked about and which is outside. Apart from the better economics there, the customer satisfaction rates we get out of ANZ Plus are in the 30s and 40s in terms of Net Promoter Score, which are very high scores for any industry. But we've done a lot of work as well in the last few years such as investing heavily in lifting service levels and also in the way we track and report to the Board as well as management on that.

Back to your comment on Suncorp, the bodies you mentioned such as ASIC and others, they all have different remits looking at different topics. The ACCC's investigation is focused on competition law and industry structure. The appeal we've now got with the Australian Competition Tribunal is on effectively points of law and the merits of applying competition law to our application.

Spiro Arcoozus: (Shareholder) How do we appease them on those points?

Paul O'Sullivan: We've just been through the hearings actually. We believe it was a very thorough and well-conducted process. Clearly the fact that as a Board we decided to appeal to the tribunal reflects the fact that we believe we have good prospects. We'll wait to hear the outcome of it in February.

Spiro Arcoozus: (Shareholder) Thank you for that, Mr Chairman. Regarding the short, medium and long-term legacy problems that - over the last five, six years that I've been either attending or watching online, we're seeing a repeat of a lot of those still coming to the AGM. If I could encourage you to resolve them, because the customers would love to edify, encourage and empower the Bank for more business for the shareholders. I think it'll just create a stronger Bank and a stronger brand. That is the conclusion of my first question.

Paul O'Sullivan: Thank you.

Spiro Arcoozus: (Shareholder) Going into the second question, Mr Chairman, it's to do with the branch closures. What's the speculation or what have you got on the agenda for the next 12 months for branch closures throughout Australia?

Paul O'Sullivan: Thank you. I'm going to invite Shayne to comment in a moment. But I think it's important to stress we like branches. They give us a much better opportunity to engage with customers. The problem is customers don't necessarily like branches. That's been changing very quickly. Shayne, did you want to talk a little bit about the statistics we've been seeing on branches?

Shayne Elliott: Yes. The reality is we'd love the branches to have more customers in them, but the reality is our customers are voting with their feet and deciding that they generally - not everybody, but they prefer to be able to do things on their mobile or in other ways. We have to respond. It's like any business. We respond to the changing needs of our customers.

Yes, the footprint has shrunk, but then it's also changed. I mentioned today one of the really exciting things we did - because one of the biggest users of branches today is actually small businesses as opposed to retail customers. We innovated and launched this business hub. You might question what is that. It's sort of like a specialist branch where small businesses can go, get cash, leave cash and do all their transactions in a place that's really designed for them. We piloted that as I mentioned in my speech in Maroochydore. It went really, really well. Customers really responded positively to that, so we're rolling that out. We've opened nine of those now across the country.

Look, the footprint will always change. It has for the last - Holly mentioned we're almost 200 years old. It's changed every year over that period of time. Sometimes it grows. Sometimes it shrinks. But the point is we have to respond to what customers want and need. What we're seeing is the actual number of transactions in a branch is down something like 50% over the last four or five years, so that's a big drop.

One of the things I'm sure you all saw here in Queensland, particularly with COVID, COVID just changed - we had to all change, right. We all had to do things differently and learn how to go about our life without going to the branch or without using cash. Guess what? A lot of that never bounced back. It never changed. Even though COVID's behind us or mostly, the reality is most of us have learnt those new ways and have responded in that way.

Look, we don't have a number, but we're continuing evaluating branches. What's working? What's not working? We have to respond just like any business.

Spiro Arcoozus: (Shareholder) Thank you, Mr Elliott. I've had a wonderful relationship with ANZ for a long time. These are questions that customers and potentially shareholders would like to know. As an example, making cash deposits in branches, there's branches that are not taking cash deposits over the counter, so that's another point that I'd like to table. Is there some way that you can reactivate that so that cash deposits can be taken in branches that are still open?

Shayne Elliott: Yes. The vast majority of our branches absolutely take cash across the counter. All of our branches will have - if they don't take cash across the counter with a teller, they'll have a machine to be able to do that. The reality is, as I mentioned, fewer and fewer and fewer people are actually coming into a branch with cash.

In fact I think the latest data from the Reserve Bank - there were two interesting points, that only 13% of transactions in the entire economy are done with cash today. That number used to be more than 50% just less than 10 years ago. Most Australians leave their home in the morning without any cash. It's just changed, so we've changed. We're using more ATMs, et cetera.

Then the only other thing I would say is - and we support this. The law's changed as well, quite rightly. Cash is risky from a money laundering, criminal perspective and so there are more restrictions on - we have to report more things to AUSTRAC and others, quite rightly. Cash is just not what it used to be.

As I say, the vast majority of our branches, the vast majority absolutely take cash and will continue to do so. It just depends on usage in those places. All I would say is, as a shareholder, we all need to be aware that while those things sound nice - oh, we should just be able to take cash in every single branch - there's a big cost associated with it. That means we have to have safes and security and inventory of cash and all those things and Armaguard coming and going. That imposes quite a bit of cost and so we're always trying to get the balance right. That'll continue to be the case. Thank you.

Spiro Arcoozus: (Shareholder) Thank you, Mr Elliott. Just the last part to this question, would you...

Paul O'Sullivan: I think that's a very clever way of getting four questions in...

Spiro Arcoozus: (Shareholder) Well, it's all related to the same, Mr Chairman. Would it be a consideration to allow or to do a deal with Australia Post, if there are branches closing, that there is still customer service for an ANZ customer to be able to go to an Australia Post to do business at an Australia Post branch?

Shayne Elliott: Yes. Maybe I should just spend a minute on it, because I think it's a very, very fair question.

Spiro Arcoozus: (Shareholder) Thank you.

Shayne Elliott: We would love to do a deal with Australia Post and we tried our best. Our position - and they'll have a different position. Our position is that the way that they've

structured the commercial contract - what they've said is all the big four banks have to pay the same fixed amount. I can't remember the amount, but it's something like \$25 million a year. We have to pay \$20 million or whatever it is, \$20 million a year, and then we have to pay - every time a customer uses their service, we have to pay whatever the number is, a few dollars.

I don't have a problem with user pays. The problem is the initial fixed fee. While it's nice to sit and talk about the big four, the reality is CBA is twice our size. I don't think it's fair that we have to pay the same as CBA who are twice as big as us. We said, hey, our bank actually is closer in size to Bendigo Bank. Why can't we have a fee that's closer in size to that?

Spiro Arcoozus: (Shareholder) That's fair, definitely.

Shayne Elliott: Aussie Post said no. That's the debate we're having. I met the new head of Aussie Post just recently. We still remain open. We're absolutely willing. We think there is a place for Aussie Post, but we've got to do it on commercial terms that protect the interests of our shareholders as well. Those discussions are ongoing.

In fact, interestingly, if we're successful or maybe I should say when we're successful with the Suncorp Bank acquisition, Suncorp does have a relationship with Aussie Post. That'll be an obvious trigger, because we'll be a little bit bigger then, right. That'll be another obvious trigger for us to go back to the table with Aussie Post. We've said that. We remain openminded and hopeful that we are able to negotiate something like that, because I think it's a good service. Yes.

Spiro Arcoozus: (Shareholder) Just to that end, with Australia Post, would it be possible that - CBA, NAB, Westpac - that the four of you could get together - they would listen to you that, yes, ANZ's marginally smaller - with the government to negotiate a better deal which is in proportion? I think that's a fair point.

Paul O'Sullivan: Let us take that as a very good suggestion. Then thank you, Mr Arcoozus. I think the topics you were raising are very relevant.

Spiro Arcoozus: (Shareholder) Thank you, Mr Chairman. Sorry to take too long. But before I go, Sir John [unclear] and kia ora. Lovely to see you. Thank you. Thank you, Mr Chairman.

Paul O'Sullivan: Thank you. Thank you. Let's go online now. We have a number of questions that are being submitted online, so we're going to go for the first question online.

Clare Morgan: Chairman, two shareholders have asked questions regarding timing of the meeting. The first question is from [Steve Hodkin]. Why is the AGM held so close to Christmas and not earlier in the month? It must make it difficult for shareholders to attend with holidays and other plans. Also is there a reason that dividends are paid so late in the month? Shareholders rely on dividends for cash flow. Paying so late and close to Christmas makes things difficult. Please let shareholders know the reasons why. Please consider holding the AGM and paying the dividend earlier.

The second question is from Stephen Mayne. Under the ANZ constitution, external nominations for the Board must be lodged at least 45 business days before the AGM. With a rushed pre-Christmas AGM on December 21, the latest nomination date this year was October 19. However, ANZ didn't release its full-year results until November 13, the same day it released the Notice of Meeting for the AGM. Could we please return to having an AGM in late January or February in future so that Board nominations close after you've told shareholders about your performance for the year? Why the rush?

Paul O'Sullivan: Thanks, Clare. Thanks for both those questions. There's a tremendous amount of work goes into the AGM. As you can imagine, there's a large number of our team working to make sure this goes effectively. Believe me, they do not want to have an AGM this close to Christmas.

The reasons for it really come from the fact that there's a regulatory requirement for a certain notice period after we've put out our financial results. That then leads to the timing at which we can hold the AGM. This year, there was an additional buffer added because of our new Group structure that I spoke about earlier. We just wanted to make sure we had sufficient time to get all of the results properly tabulated in the new structure. That then led to the knock-on effect of this being slightly later. We are hoping next year to pull it back to a slightly earlier date. That's the explanation as to why it is where it is.

In terms of the question about Director nominations, we are happy to take a Director nomination in its own right. I assume it's not the expectation that people want to see the results and that therefore they want to be a Director so that they can raise issues. A shareholder can ask questions in a meeting like this any time. You don't need to be a Director to do that.

If you want to participate in being a Director, I presume it would be for a range of reasons beyond simply looking at the results. It would be believing as a Director, you can make a contribution to ANZ. That you believe your experience and your knowledge is something that will enhance the strategy and direction of the Company. That you can enhance our governance.

So I would have thought it's not purely something that's triggered by looking at our results in their own right. Having said that, we'll work on a nomination if that's what the questioner wants to ask.

Okay, going to move - are we going to go to another question online, Clare?

Clare Morgan: Chairman, two shareholders have asked questions regarding hybrid meetings. Question 1 from [Steven Hart] is why are shareholders attending online not being allowed to vote? ANZ had the technology to allow online voting during previous AGMs so why have you taken this option away?

Question 2 is from [Linda Newland]. Her question is I am following up on the question as to why shareholders are not able to vote online this year. Clearly it benefits ANZ but it cuts shareholders off from their rights to participate. Could this be revised for next year?

Paul O'Sullivan: Thanks. Look, the reality is a very, very tiny number of votes get cast during the meeting. And so there are constraints in terms of how we operate and what we can do. And my understanding as well is that the nature of the way we hold an online meeting combined with the in-person meeting, constrains us from actually being able to allow voting online.

And that's to do with the rules and the way these things are set up. There is significant opportunity after the results and after we put out the Annual Report to put votes in. They close off two days prior to the meeting if you're not coming in-person. And of course, you have an opportunity if you come in-person to vote.

So look, as I said earlier, we're continually looking at this, surveying, and asking shareholders what works well and what doesn't? And trying to balance this so that we get the right mix of participation and create enough opportunity for people to ask questions at meetings.

Okay, onto the next question. Have we got anyone at the microphones in the room? No? If not, I'll go back online. Claire?

Clare Morgan: Chairman, I have a question from Mr [Ashley Burke]. The question is given that the Voice campaign was one of the most deeply divisive and politically partisan debates in recent Australian history, why did you see fit to donate around \$2 million to this failed campaign without shareholder approval in the full knowledge that a clear majority were opposed to it?

Paul O'Sullivan: Yes, thanks, Mr Burke, and I did talk about this in my speech. But it's important to say we have a long history of working on reconciliation with First Nations and addressing the structural disadvantage that that community faces.

We're not politicians. We're not seeking to be popular or to get support for our position. We're making decisions that we think are in the best long-term interests of the business. And addressing those structural disadvantages is in the best long-term interest of the community and of ANZ as a business.

I talked through the process we went through. We actually had a very structured and methodological process for evaluating the options open to us. That was done by management. It then came to the Board. At the Board, we also apply a decision-making framework that we call our ethical decision-making framework and principles.

And on the basis of who we are and what we believe is important, we came to the view quite clearly, that ANZ should make a contribution to the campaign for Constitutional recognition. The nation made its decision and we respect that. But we also feel we were true to our values and our long-term activity in this space by making the contribution.

I've got another question anywhere in the room? Yes. Got one here at microphone number 2.

Unidentified Company Representative: Sorry, we're a bit out of sync here. I would like to invite [Guy Ferguson] to ask his question, Chairman.

Paul O'Sullivan: Thank you and apologies, I didn't see the light. There's a light under four which we'll go to after this.

Guy Ferguson: (Shareholder) Thanks, Chairman, Board. Guy Ferguson. The 2023 climate related financial disclosures lists about eight ESG bonds and sustainability linked lending - loans that you participated in in 2023. But when it comes to fossil fuels et cetera, you don't state any details of who you deal with, citing confidentiality as a concern.

You did say in the opening speech about transparency on those things, that you're still tied in with fossils. But I guess what's the reason for being so vocal about your ESG and sustainability work while holding back on fossil fuel?

Paul O'Sullivan: Thank you and quite often, and I don't have specific knowledge of the instances that you're referring to but if a client asks for confidentiality, we will respect it. Nonetheless, our disclosures our industry leading in that sense.

In fact, I have in front of me just an example. I know you can't see it but this is our climate related disclosures report and in there, sector by sector, we're actually disclosing the emissions that come from what we finance in those sectors, including the one you mentioned.

And we think that level of transparency and disclosure, which was a first in Australia, demonstrates our commitment. Let me take your question on notice and understand why there may be reasons why there may be reasons why we don't disclose individuals. I assume it may be a request for confidentiality.

Shayne Elliot: Just to be clear, we don't disclose individuals for sustainability loans either. We do disclose - you're right, we disclose - we talk about the number of transactions we've done. But we do disclose the total exposure we have in oil and gas and fossil fuels and all of those things.

And importantly, in the disclosures, we talk about our emissions pathways and how we're going against those things. So I understand your question and we will go and look about how we - we're trying to always improve transparency but I don't want people to walk away thinking we differentiate. We don't. We don't talk about customers for obvious reasons, whether they're fossil fuel companies or renewable companies, it's the same.

Guy Ferguson: (Shareholder) Okay and just to finish, it's not an APRA requirement but do you have any internal procedures or processes for your fossil fuel clients to look at when you're extending more funds to them that they're spending on transitioning away rather than expanding fossil fuel work?

Paul O'Sullivan: Yes, but there's - I mean we talk about this in terms of our top emitters program. So before, we would fund - anyone in any of the top 100 customers that we talk about or in any high-risk sector, they go through an escalated process. And what we want to understand is, although we may be funding a particular activity, is the overall trajectory of this Company to reduce its emissions over time and will our lending allow us to make sure that our lending reduces in terms of its emissions intensity?

We have set a goal of aligning with the Paris agreement targets. So we want our lending to align with a two-degree maximum increase, and ideally, aspirationally, only 1.5 degrees. And that's what we're disclosing in this book.

So yes, we do go through that with each company and we want to be satisfied before we finance a company that we are going to be able to meet our commitments on reducing emissions over time.

Guy Ferguson: (Shareholder) Thank you.

Paul O'Sullivan: Thank you. Now apologies, I'm causing confusion because we've no light working on number 1. So over to microphone number 1.

Unidentified Company Representative: Thank you, Chairman. I have a question from [Lesley Hughs] from Brisbane.

Lesley Hughs: (Shareholder) Thank you, Chair. This year, ANZ's big four competitors, CommBank and Westpac, ruled out providing project finance for both new and expanded oil and gas fields. For its part, NAB has also ruled out project finance for greenfield oil and gas extraction projects since 2021.

CommBank also committed to not directly financing pipelines that service new oil and gas fields, while Westpac ruled out not only pipelines but also L&G facilities that service new gas fields.

ANZ's competitors are increasingly ruling out finance to expansionary coal, oil, and gas projects and infrastructure projects that are critical to unlocking them. ANZ is not doing this and is a clear laggard in this space. It's now the end of 2023 and this Bank still hasn't ruled providing direct finance for new oil and gas fields.

We know from the International Energy Agency and the Intergovernmental Panel on Climate Change that new coal, oil, and gas projects are incompatible with incompatible with 1.5 C. Even the Net Zero Banking Alliance, of which ANZ is a member, has categorically stated that it does not support the financing of fossil fuel expansion.

In 2023, with global warming estimated to exceed 1.5 C by 2027, why is ANZ still giving itself the option to finance new and expanded fossil fuel projects unless it intends to do so?

Paul O'Sullivan: Thank you, Miss Hughs, for your question. And this really builds on the response I made on the last question. We look at a wide variety of scenarios and publications, including there's a net zero Australia study published this year, and what it

shows is that if we're going to get off coal in particular in Australia, we're going to need to rely on gas as a firming fuel for some of our energy transition.

And in general, if we look globally, finding ways to move from a high carbon emitting economy today to the goals we have under the Paris agreement, relies transitioning of traditional fossil fuels, particularly coal, and moving to renewables over time.

But we can't get there in one step. We need to migrate towards it. And that requires, in some cases, bringing on additional supplies of things like gas in order to back out heavier emitting fuels like coal.

So at the Bank, what we've said is, back to the earlier point as well, if we are confident that the customer we are dealing with is genuine in their plans to reduce emissions over time, which means they've got to have specific targets.

They've got to be publicly disclosable, they've got to have proper governance, and we've got to be satisfied with the way that they're undertaking the task, if the customer is meeting those requirements, because globally, there may be a need for some of these additional fuels, we will fund it.

If it doesn't meet those requirements, we won't. And as I said earlier, I think a responsible lender like us who is making these requirements of the companies is far better than letting them go to sources of finance who don't care about it and who may not put those requirements on them.

Lesley Hughs: (Shareholder) My second question. Does ANZ accept that it cannot both be committed to a 1.5 C goal and - of the Paris agreement - and also directly finance new and expanded coal, oil, and gas projects?

Paul O'Sullivan: This is the proof that we believe we will be a positive force in reducing emissions in the world and in helping us achieve the goals of the Paris agreement. We are publicly committing ourselves to lend in a way that is consistent with the agreement.

These public disclosures we're making will cover 75% of our lending by the end of next year. That's ahead of what I understand any other bank in Australia is doing in terms of disclosure. So we think we are a force for positive change and for good.

Lesley Hughs: (Shareholder) Thank you.

Paul O'Sullivan: Thank you. Okay, next question we've got is microphone number 3.

Unidentified Company Representative: Chairman, I have a question from [Helen Beasley] from Brisbane.

Helen Beasley: (Shareholder) Thank you, Chair. At last year's AGM, you said that we do not accept it is in our shareholders' or the community's best interest that we abandon support and services for leading companies genuinely committed to effective climate transition plans.

And I think you reiterated that in your speech today. But this year, ANZ has seemingly spelled out what it considers to be genuine commitment to transitioning away from fossil fuels. Apparently, ANZ does not consider Paris aligned Scope 3 emissions reduction targets to be necessary part of an effective transition plan. Despite the fact that these emissions typically account for 90% of upstream fossil fuel companies total emissions.

If we only require Paris aligned target that cover 10% of our client's emissions, how are we possibly going to determine if they're genuinely committed to the transition?

Paul O'Sullivan: Thank you. And as I pointed out in the speech earlier, we do require disclosure of Scope 3 emissions from our energy sector customers and we do also ask that they demonstrate to us clearly how they plan to reduce those over time.

So that's a correction from some of the statements that I know have been made publicly about our requirements in recent days.

Helen Beasley: (Shareholder) My second question, does the ANZ Board think it is in the best interest of shareholders to not have a requirement for fossil fuel companies to have Paris aligned emission reduction targets from the burning of their coal, oil and gas?

Paul O'Sullivan: Can you ask that question again, please? I didn't quite catch the beginning of it.

Helen Beasley: (Shareholder) Sorry. Does the ANZ Board think it is in the best interests of shareholders to not have a requirement for fossil fuel companies to have Paris aligned emissions reduction targets from the burning of their coal, oil and gas?

Paul O'Sullivan: Well I think, if anything, we're demonstrating that we do care because that's precisely what we're requiring and asking customers to do in these disclosures. So, if you get a copy of our - and it is publicly available - our climate related financial disclosures, it goes through the sectors that we see as the largest carbon emitting sectors, such as thermal coal.

On that, what we're disclosing is the trajectory that is required if we are to reduce the emissions we finance in order to achieve the Paris goals and what we're actually achieving, and we're reporting that annually. So, we actually do believe it is essential that our

customers have those targets and that we are, in fact, going so far as to disclose how we're performing against them.

Helen Beasley: (Shareholder) But you're still going to fund expansion of gas and coal?

Paul O'Sullivan: As I mentioned earlier, I believe - well let's be clear, we have said that we are reducing thermal coal and we are not funding to new thermal coal expansion. Indeed, we've reduced the percentage of our thermal coal lending by about 85% from 2015. Today, it's less than 1% of our lending in terms of our lending balance.

We have made some specific comments about thermal coal, but in terms of the other fossil fuels and the discussion I just had earlier on, we do believe that for a just and orderly transition, which means that those on lower incomes don't find themselves unable to afford energy so that there's not widespread disruption of businesses, we think that that transition will require a planned movement which will require some additional investment in areas like gas. Provided customers meet our requirements in terms of their commitments to reduce emissions, we will participate in financing that.

Helen Beasley: (Shareholder) Okay. So, just a statement that you do have shareholders that think expanding gas is burning the planet and will lead to disorder and chaos for the planet and for your customers?

Paul O'Sullivan: I respect that view and I respect your right to express it, so thank you. Okay. Next one let's go to microphone number four.

Unidentified Company Representative: Thank you. Chairman, I have a question from Serena Joyner from the Blue Mountains.

Serena Joyner: (Shareholder) Thank you, Chair. Good morning, Board. I'm the CEO of Bushfire Survivors for Climate Action and I represent people who have lost everything to climate fuelled bushfires. Yes, Australia has always had bushfires, but climate change is making them more likely, more frequent and more extreme. We have members who, in spite of doing everything possible to protect their homes, watch them be destroyed in unprecedented fire conditions - conditions fuelled by the kind of projects that ANZ is still financing.

I have a personal stake in this. My husband is a volunteer firefighter and where once my children and I were very proud of him, now we are also scared for his life. I also live in the Blue Mountains. We have a lovely home. We've lived there for 25 years. I'm also scared

about the time that will come one day when we can no longer insure our home and when we can no longer live there.

Over the past 23 years, ANZ has provided four mortgages to my husband and I to help us buy and own our own home. I'm here today to find out if ANZ wants to be a Bank that helps Australians own homes, or the Bank that fuels the climate disasters that are costing Australians their homes.

Last month, one of our shareholders filed a claim in the Federal Court over concerns that our Bank is not properly managing the twin risks of climate change and biodiversity loss. Australia has more climate change litigation per capita than any other nation in the world, an indication of a body of citizens that are extremely concerned about the future of our climate and the actions of those in positions of power.

Among the big four, ANZ has been the largest financier of fossil fuels and fossil fuel expansion since the Paris Agreement, and this has been enabled by ANZ having the least amount of restrictions on financing new and expanded fossil fuel projects. What does ANZ intend to do to reduce the legal and regulatory risks that it is currently facing, a result of its failure so far to manage climate risk?

Paul O'Sullivan: Thank you, Ms Joyner, for your question. Can I start by saying you live in a very beautiful part of our country, and can I thank you and your family, especially your son, for your volunteerism, including your presence here today in asking these questions. That also goes to the earlier speakers. It's important on this really critical topic that we hear the variety of opinions and voices and that we're willing to have a constructive dialogue on that.

We share your concerns around climate. I mean, that's precisely why we have the policies we put in place. We were the first bank in Australia to sign up to the Net Zero Banking Alliance. We've been the first to make these sort of disclosures. We set a target of providing \$50 billion in funding for renewables and sustainability initiatives, which we exceeded - that was our target of 2025, we exceeded it last year. We've added another target of \$100 billion for sustainability initiatives and renewables.

We share your view that to protect the planet we need to make a rapid and well managed transition away from fossil fuels, but as I've said earlier, we believe responsible lenders like us who can exert pressure on companies and hold them to account are better at providing that finance than simply walking away. The reality is that the planet needs the

transition fuels, and those companies are going to get finance from somewhere so it's better they get it from a responsible lender like us.

Serena Joyner: (Blue Mountains, CEO) With the greatest of respect, that has been referred to as the drug dealer's defence. The problem is, every expansion of fossil fuel projects makes our homes less safe, our communities less safe and, increasingly, we're going to be seeing communities - we already have in this country - communities that are considering having to actually leave their homes, their towns where they can no longer live. That's the reality for Australia.

We're on the front line of climate change, along with our Pacific neighbours. So, keep that in mind. Every finance project that is approved by ANZ makes me and my community and others around Australia less safe and more likely to lose our homes to climate fuelled disasters.

Paul O'Sullivan: Thank you. Thank you for your comments and we can agree to disagree because of course I would say that everything we're financing is resulting in a more responsible investor who's having to justify how they're going to reduce their emissions. But let's agree to disagree and thank you for your statement.

Okay. We're going to go back online for some questions. So, Clare, back to you.

Clare Morgan: Chairman, I have a question from Mrs [Janine Sotin]. The question is, when will the management of the balance sheet and the assets that balance sheet is invested into see the share price at \$30 and above instead of in the mid \$20s?

Paul O'Sullivan: Well, thank you for the question and I think we would all love to see it get better. Clearly, I'm not allowed to and nor should I make representations on the future share price. What I can say is that your Board is focused on, first of all, making sure that the Bank is match fit for the way financial services are evolving, and we're investing heavily in technologies that allow us to do that and you can see some of the early results of that.

Secondly, we are managing the cost base so that, again, we make sure we're taking advantage of automation and all the best in terms of data and analytics. The third thing we're doing is we're making sure that where there are growth opportunities such as in the area of sustainability finance, that we're very proactive and looking for those opportunities. The share market will ultimately decide what our price is but your Board and Management are focused on creating shareholder value within the Company.

Let's go on to the next question please, Clare.

Clare Morgan: Chairman, I have a question from [Rita Mazalewski]. To summarise her preamble, Ms Mazalewski refers to page 71 of the Annual Report regarding employee relations cases involving alleged breaches of our Code of Conduct, covering breaches such as compliance, procedural email systems misuse, fraud, theft and conflict of interest. She notes there were 100 terminations, 314 warnings and 87 employees leaving ANZ as a result of breaches.

Her question is, given data breaches tie in with risk measures for executive remuneration, has ANZ Group reported any data breaches of customer personal or confidential information to the Office of the Australian Information Commission in the last 12 months, and were affected customers notified as required? Are these incidents reported in the Annual Report?

Paul O'Sullivan: Okay. Right, there's a lot in that. Let me start by just saying we do disclose in our Annual Report in some detail the number of items that are drawn to our attention and we have a formal process internally for any, what I consider to be, breaches of behaviour. It's on page 70 and 71 of the Annual Report as you say, under the topic of Consequence Management.

Our cases, typically, out of 40,000 staff we run at about 1,300 annually - it's been pretty similar each year. When we investigate these, we find that there's roughly about 500 usually actually have some findings and, to your point, there was 100 dismissals. It's a relatively small percentage out of 40,000 employees but let me say we don't consider that acceptable and, nonetheless, we continue to work hard to reduce it.

In terms of data breaches, there is always going to be some challenge for any organisation that we have to deal with a number of third parties. For example, just like the Federal Government, we had some exposure to the HWL Ebsworth breach which happened earlier this year.

So yes, we do report any breaches to the OAIC. We have a small number of individual situations this year where a customer identity was taken and used in a fraudulent way at our branches, and we've reported those. Wherever we're aware of a breach, we do automatically contact the customer and make sure that the necessary steps are being taken to protect that customer's identity and their banking.

Over to you for the next question please, Clare.

Clare Morgan: I have a question from Mrs Moira Caulfield. As a shareholder I am very concerned about how Australians are getting scammed of their money so easily. In October at the CBA AGM, I asked a question about how CBA are protecting customers from being scammed. The CEO, Matt Comyn, said they have developed software technology called NameCheck. This technology of matching account names has substantially reduced CBA customers from scams. Mr Comyn said CBA made this software available to all banks in Australia. Did ANZ introduce this NameCheck technology to protect their customers back in October? Thank you.

Paul O'Sullivan: Thank you. Thank you, Mrs Caulfield, for your question. I'll let Shayne add a little bit of commentary in a moment, because I know he's been very active in writing to customers and making people aware of what's necessary to protect against scams. I think what he'll also talk about, the fact is that NameCheck is important - it's actually available today at ANZ inside our app, but it's not actually the panacea that's going to fix all of the issues with scams.

I'll just briefly mention the work we're doing beyond this specific question, which is to say we're doing a lot of work on technology to detect and pick up scams early. We've deployed 170 new algorithms in the last 12 months to help us identify suspicious transactions and behaviours. We are blocking payments to what we consider to be high risk platforms like cryptocurrency exchanges.

We've deliberately slowed payments transfers to some higher risk locations, that's so that people have a chance to spot or to identify that there could be a problem, and we are working with the industry and with the telecoms industry on ways in which we can identify scammers quickly and block them.

But Shayne, in terms of the specifics on the MID, did you want to talk to that?

Shayne Elliott: The specifics are we will be introducing something similar to that when we do the NameCheck, we'll be doing that over the coming year. But to the Chairman's point, while it's a good thing and it will help some, the sad reality is that 70% of scams at least would not benefit from that because these are people who are willing sending money into an investment scam or a romance scam and confirming that the name is right actually doesn't prevent that. But nonetheless, we are investing in similar technology and we'll be rolling that out soon.

Paul O'Sullivan: Okay, one more question online.

Clare Morgan: Chairman, I have a question from Steven Hart. Approximately how much has ANZ spent on the proposed takeover of Suncorp Bank, such as legal, accounting fees and executive time?

Paul O'Sullivan: Thank you. It's a chance for you to hear from Farhan Faruqui who is our Chief Financial Officer. Farhan, would you like to answer that?

Farhan Faruqui: Yes, Chair, absolutely and thank you Steven for the question. As you know, we have been working towards preparing for what would be the day one separation of Suncorp, assuming we got the approval from the Tribunal in February. That work requires a fair amount of time in terms of preparing for technology transfer as well as transition of some of the services that won't be provided by the Suncorp Group any longer post a completion of that transaction.

So there's a fair amount of work that is being done around technology and particularly around building systems and platforms to accommodate the business services that would transition to ANZ and of course there's a team that has been stood up to work with external parties as well as with Suncorp Group in terms of preparing for that.

So that cost for the entire year, which includes legal, technology, advisers and consultants, et cetera, is about \$100 million in FY23 and is very much in line with the overall integration cost that we had indicated at the time of the acquisition, which was circa \$680 million and we had said that a lot of that would be spent in the first three to five years.

Paul O'Sullivan: Thank you, Farhan. Okay, back into the room, we've got a question on microphone number one.

Unidentified Company Representative: Thank you Chairman, I have a question from Kyle Robertson from Melbourne.

Kyle Robertson: (Advocate) Thank you, Chair. I have a question for Mr Shayne Elliott. Now I'm going to preface this by saying I acknowledge in your earlier speech you said that you couldn't answer questions about specific customers or ongoing legal matters, however due to the subject matter I'm about to ask the question of, that is unavoidable and I hope that you endeavour as much as you can, Mr Elliott, to answer the question properly.

Our understanding is that in April of this year ANZ received a human rights grievance from Tiwi Islands and Larrakia Traditional Owners over its alleged involvement in a loan connected to Santos's Barossa project. Now as of today, we understand that ANZ is also the only one of the big four Australian banks to not formally acknowledge the human rights

grievance or formally accept it, to not acknowledge the relationship with Santos as it requires permission from Santos to accept the human rights grievance.

Now we also understand that ANZ had not yet responded to the requests of the complainants, including a senior leader, Elder and Traditional Owner of the Tiwi Islands to engage in a dialogue on Country regarding the human rights complaint. Now this is the first human rights grievance that ANZ has received since it established its grievance mechanism framework. That framework was established in November 2021 following the incidents with a loan to a Cambodian sugar plantation company that allegedly displaced hundreds of families.

So given that ANZ had not yet acknowledged the human rights impacts of the Barossa project or hasn't yet formally accepted the complaint, my question is whether you, Mr Elliot, will agree to meet the claimants for a dialogue on Country. The reason I ask this question is because last week Tiwi Traditional Owners travelled thousands of kilometres to meet with Westpac and requested the same of Mr Peter King. He did agree after the meeting to meet with them for a dialogue on Country. Now I'm not asking you to acknowledge any relationship or any involvement in the loan, I am just asking if you will agree, like Mr King, to agree to meet the claimants for a dialogue on Country.

Paul O'Sullivan: Kyle, thank you for the question. I'll just preface by saying that we won't be discussing individual customers, as you said. Kyle, it's good to see you by the way, thank you for making the trip to come here. I also want to reassure you that the Board takes a very active interest in how these grievances are raised and we're well aware of the issues you're talking about.

Shayne, did you want to respond specifically?

Shayne Elliott: Yes, I'm very happy to answer the question. The simple answer is yes and after we did see the request at another Bank, we actually reached out proactively to the representatives of the Tiwi Islands and offered that I would make a trip early in the new year, whenever practical, every happy to go and listen to their perspectives on the proposed transaction, but just more broadly. So yes, the answer's yes.

Kyle Robertson: (Advocate) Thank you Mr Elliott and thanks for answering the question.

Shayne Elliott: Thank you.

Paul O'Sullivan: Thank you, thanks Kyle. Okay the next is microphone number two.

Unidentified Company Representative: Chairman, I have a question from [Alf Peter de Martini], a shareholder from Wishart.

Paul O'Sullivan: Welcome, Mr de Martini.

Alf Peter de Martini: (Shareholder) Good morning. Why is it ANZ policy not to award any franking credits to shareholders who have reinvestment dividend? Now Commonwealth Bank, Westpac, NAB and even Suncorp all do that. Are you going to continue with that or are you going to change it?

Paul O'Sullivan: We might take that on notice, if we may, yes and have a look at it.

Shayne Elliott: I don't understand, that's a really good question. I think what we'll do, I'll speak to our accounting experts just to understand the nature, I'm very happy to talk to you outside. Certainly it's not our intention to anything different or unreasonable. As you know, we have a slightly different franking position to our peer group because our business is more international, but I'm not sure – I'm not aware that we have a deliberate policy around that, but let me find out what the reason is and I'm very happy to engage with you outside.

Paul O'Sullivan: We have two different schemes, we have the dividend reinvestment plan and we have the bonus option plan, so again, it would be good to get an understanding as to which of those it is. Also it's interesting that we may be departing from the practice from others, so let us talk outside and we'll have more information on that.

Shayne Elliott: Thank you.

Paul O'Sullivan: Thank you. Thank you for the question. Microphone number four.

Unidentified Company Representative: Thank you, Chairman. I have a question from Brendan Donohue who is from South Brisbane.

Brendan Donohue: (Advocate) Good morning Chair and good morning Board. I'm Brendan Donohue, I'm a disability advocate and I have two questions. The first question is I currently have banking and insurance with Suncorp Bank. We've heard a lot today around technology and making technology easier. I have a blindness disability and one of the challenges I have every day is accessing technology. Technology for me needs to be accessible through screen reading access software. This is software that reads the screen and enables me to have full access and have a human right to be able to access the internet and services.

What assurance can ANZ Bank give me as a disability banker that I will not lose services and that your platforms throughout this transition will be accessible for me and other people with disability? Nothing about us without us.

Shayne Elliott: Happy for me to take that? Well thank you very much for the question and comments. I'm happy to give you that assurance. I know that at ANZ and I take the point that you're a customer of a Suncorp Bank, which is a good bank, at ANZ and our own services, we take accessibility very, very serious. We have an entire team to ensure that our services are as accessible as possible for everybody, but I will absolutely – I'm very happy to make sure and give you that assurance that through the transition such services, there will be no dimin-, there will be no loss of that service. I can't get that word out. There will be no loss of such service to you or anybody else and we'll make sure.

If there are thing that Suncorp Bank is doing that we can learn from, that's a great opportunity for us to do better. So thanks for the question.

Brendan Donohue: Thank you and my second question goes to the climate. We've heard a lot of climate-related comments today, but I have heard numbers like 2050. In 2050 I will be nearly 70 years old. It is disappointing that ANZ still continues to fund fossil fuels and does not allow the ruling out of such financing. In the latest floods, I was affected. As a blind person, as I've already said, going through a natural disaster is hideous. The changing level of information when the water is rising through these nature disasters which were ever increasing and will continue to put our lives at risk continue this. Remember this when you are continuing to fund this.

As our streets get hotter, you do not enable the use of people who are blind to walk around with their canes and dog guides. Once it reaches 40 degrees, guide dogs cannot go outside because their paws get hurt by the ground because it is so hot. So think about the livelihoods and the risks that ANZ continue to deny by funding fossil fuels.

Paul O'Sullivan: Thank you, Mr Donohue and thank you for making the journey to be with us today and for making sure that the voice of the disability community is heard. Just to clarify, we do set the pathway targets I've been talking about and referring to, to 2030. So we're not waiting till 2050 to be accountable for what we do. We are working to 2030 and look, we've got disagreements on how we get there, but we're trying to get the same place as you and Kyle and others are, which is we're trying to reduce emissions, we're trying to get there consistent with the targets set by the Paris Agreement and we believe that what

we're doing will help Australia get there faster. But thank you, we acknowledge your comments and appreciate you making the effort to be here.

Brendan Donohue: (Advocate) The last comment I will say it it's been really exciting to be here and it's been eye opening to me to see how these board meetings work. I think the more people with disability you can get into boardrooms, the more decisions and diversity your organisations can be.

Paul O'Sullivan: Thank you and a great way to make sure we are looking after our customers with disability is indeed to reflect it internally. In our last survey, roughly just over 4% of our own staff have registered as having a disability. We're working with the disability advocacy organisations to equip our managers to be better at recruiting and working with people who have got some form of disability. Last year we recruited just under 200 people who said they had a disability. So I completely endorse your comment. We need to find ways in which all Australians can be represented and participate in organisations like ANZ right up to the Board. So thank you.

Next is a question at microphone two.

Unidentified Company Representative: Thanks Chairman. I've got a question from [Kirsty O'Connell], a shareholder from the Hunter Valley.

Kirsty O'Connell: (Shareholder) Good morning. I've travelled here from Newcastle today actually as a shareholder, as a proxy, as an ANZ Business Banking customer and also as a fifth-generation member of the Upper Hunter community. I won't ask you to confirm because I know you can't, but my understanding is that within my community ANZ currently banks Glencore, banks BHP and as recently as last year, was banking New Hope Coal. I wanted to add a local, very personal perspective to some of the comments from today.

So in just over 20 years I've watched as my community has been transformed from an almost exclusively agricultural community to really being the epicentre of thermal coal production in Australia. You can't quite appreciate the scale of what this looks like, sounds like, smells like, tastes like, until you're there.

We have actually got more 150 million tonnes total approved capacity. Glencore and BHP, just as random examples, have approximately 80 million tonnes. That's eight Adanis of approved extraction within my community.

CSIRO has concluded that we have a 12-gigalitre shortfall of water in the Hunter River, which is our primary water source due entirely to mining-related groundwater damage. The New South Wales Government's own air quality monitoring network reports that we are frequently double, sometimes triple, and on occasion up to four times the maximum limit for PM10 pollution. That's an incredible amount of dust and for an asthmatic like me it becomes a very personal issue. It's a problem for people like me when we get a cold, when I've had COVID, things like that.

The fact though is that clients like BHP, and particularly Glencore, are not satisfied with the current amount of production that they have and they are actively, despite more than 10,000 objections from my community, actively pursuing additional projects and not only new projects, I'll make this distinction, but we are actually being modified to death. In fact, one of their mines, Wambo is up to mod 17. So, saying no to new coal is great but modifications need to be included in that.

Now, I frequently have people tell me that the economic benefits outweigh all of the other considerations but the fact is that we actually have a \$1 billion wine and tourism industry and a \$5 billion horse industry that are fighting off encroachment from coalmines. My question - sorry, I can see you would just like me to just get to the point.

My question is if you won't completely rule out working with thermal coal companies, and if I take you on face value and you would very much like to be that responsible banker, to put pressure on them, will you come to the Hunter Valley to see firsthand what it is we are dealing with and to understand the way we're behaving?

And related to that, would you come and meet with myself, a delegation of my community, and the local native title claimant who Glencore chose to vilify in advertising in our local newspaper because he had the temerity to object to one of their expansion proposals last year. We would love to meet you and show you what we're dealing with.

Paul O'Sullivan: Let me just start by - and by the way, thank you for making the journey.

Kirsty O'Connell: (Shareholder) It's a pleasure.

Paul O'Sullivan: Thank you also for speaking up on behalf of your community. Look, as I said, we're not saying okay to new thermal coal. It's reduced 85% since 2015 in terms of the lending we do. It's less than 0.1% today of our lending and we'll be completely out of all direct lending to thermal coal within the next few years. That's a clear statement of withdrawal by us.

I'm happy to hear representations from the community. Naturally, if I say yes to every invitation, I can spend the whole year travelling around, but what I'd be more than happy to do is if you wanted to make some representations to me to have those either in written form, or indeed I can maybe arrange a teleconference or a tele-meeting if that's okay.

Kirsty O'Connell: (Shareholder) I'm pleased to do both. I can speak to you after the meeting if you'd like.

Paul O'Sullivan: Great. Okay, thank you, and thank you for your passion. Okay, next one we've got is a question on - any in the room? No. Okay, we might go back to - oh, we've got one here. Microphone number one.

Unidentified Company Representative: Thank you, Chairman. I have a question from [Christopher Barron] from Melbourne.

Christopher Barron: (Shareholder) Good morning, Mr Chairman and the Board. My name is Chris Barron. I am an ANZ employee and Finance Sector Union worker and I'm here today to raise a question on behalf of all my colleagues. But before I continue, I would like to acknowledge the follow-through and commitment from the Chair, the Board, the CEO from the last AGM to return to the bargaining table and work with the FSU towards a new enterprise agreement.

Throughout our bargaining process, my colleagues, members of the union, were pleased to see Management listen to concerns around pay and conditions at ANZ. The agreement brings a dated document into the modern day with agreement on pay increases, leave entitlements, work conditions expected in a modern enterprise. While we believe that there is more work to be done, the final proposal was supported by the majority of staff and that's something that we can be proud of.

However, over the same period, throughout 2023, we've seen accelerated change across the Bank. An ongoing branch closure program continues to close more and more branches each year and branch staff are left wondering where they belong, especially those in Queensland and in regional areas. In central sites, role changes are made to support work around our ageing technology rather than allowing bankers to be supported by technology in delivering for customers. This is happening at the same time as expansion of offshore roles. The combination of these factors has left many of my colleagues anxious about their future with ANZ and their livelihoods.

A question for the Board, would you in the Board commit to the staff there'll be no significant job losses during 2024, providing certainty over job security given the stellar result this financial year?

Paul O'Sullivan: Thank you. Thank you for your question and we should note - and I thank also the FSU for your collaboration - there was a 91% yes vote, which is an amazingly positive result, so clearly great work on all sides.

The role of the Board, and the fiduciary responsibility of a Director, the legal responsibility of a Director, is to act in the best interests of the business. For an employee, I believe it's totally aligned. You would want your Board and your Management to be thinking how can we make sure this business is the healthiest and the best place to work in the long term. Regretfully, that does sometimes mean that when there's so much change going on around us that we have to change roles, we need different skills than the mix we have today, if we simply stayed still we wouldn't be looking after the business or our employees.

So, there is change. Shayne may want to add to this in a moment but we actually have quite a lot of discussion at the Board around this topic. We understand that there's a lot of work goes on, for example when a branch closes, on redeploying staff, on reskilling staff where appropriate, and that we have a fairly high success rate. But what we can't commit to is that there won't be any change. Clearly, to be responsive we need to keep changing. Shayne, anything you would like to add?

Shayne Elliott: Not really. I think that's right. Thank you for the comments. The reality is we live in a changing world and we need to be able to respond and our people need to be able to respond as well. The reality is - just to reassure the broader audience and the group - the total number of people at ANZ, and it's disclosed in there and we do it on a fulltime equivalent basis, is pretty much the same this year as it was the year before and the year before. There's about 40,000 people who work at ANZ. About half of those live in Australia and that number hasn't really changed much.

There is undoubtedly though within the Group, as you mentioned, there's change. There's going to be less people working in a branch, there's going to be more people working in technology, et cetera. Our job is to make sure that we give our people the best opportunities to be trained, develop, learn, adapt, and have those opportunities. I think we do a pretty good job on that but I don't know what the world is going to look like in a year's time.

We have to respond to the reality of the environment; we have to grow where we can grow. Sometimes we have to shrink because services aren't wanted anymore. The commitment we can make is that we will continue to invest in the best development opportunities we can for the people who are impacted and be as transparent and open as we can be through any process like that. I totally understand the point that that can be stressful for those that are impacted but thank you.

Paul O'Sullivan: Thank you.

Christopher Barron: (Shareholder) Perfect. Well, that leads beautifully into the follow-on question. Will you commit to working with the Finance Sector Union on a skills investment and training program so current employees are future-ready with the skills they need, rather than redundancies?

Shayne Elliott: I think we have a pretty good relationship with the FSU. With all due respect to the FSU, I think we have an even better relationship with our people, and the reality is that's why we have an 87% engagement score. I sort of flicked over that in our speech but I'm proud of it so I'd like to just share a little bit more with our shareholders. That means that 87% of our people, here in Australia and right across, and it's pretty uniform, actually - are really, really highly engaged with the Bank.

Now, you might think what does that mean? That number is the best in class for any industry - not just banks - anywhere in the world. That means our people are with us. That doesn't mean that life's perfect and I accept that and I totally get that there's going to be change and not everybody's comfortable with that, but our people believe in what we're doing and they believe in the purpose and they believe in the strategy and they want to be part of it.

Our commitment is to be as transparent as we can be about the change and bring as many people along as possible. Very happy to have dialogues with the FSU, which we do in a very open, I think, way and we'll continue to do so.

Christopher Barron: (Shareholder) Perfect.

Paul O'Sullivan: Thank you.

Christopher Barron: (Shareholder) Second question there. I work for ANZ in a central site in Melbourne. I actually grew up in Townsville in North Queensland so no stranger to fires, floods, cyclones, unfortunately. My mum was a Suncorp staff member for many, many

years so growing up I knew how important it was that local branches are to the community.

Now I work in a retail distribution within the broker network, helping brokers and customers meet their goals with ANZ, whether it's their first home, their next home or building investment, building their future through investment. Proud of the work that I do to help customers achieve these goals, which is part of our purpose as a Bank. It's expressly stated in our values; it's something that we're all very proud of and something particularly the retail broker distribution is very excited about leading into the future.

However, fellow staff and I are deeply dismayed to learn that ANZ is the biggest financier of fossil fuels and fossil fuel expansion since the Paris Agreement. Our Bank says - this is internal comms - the most important role we can play in the transition to net zero is to support our customers through reduced emissions, but it doesn't seem like our actions are matching this commitment to the level that we would expect.

Undoubtedly, ANZ has a huge role to play in financing the energy transition away from fossil fuels. If our coal, oil, and gas clients need financial support diversifying to clean renewable energy then ANZ should absolutely be backing them to do so. The reality is so many of our clients are not transitioning away from fossil fuels or are indeed expanding these activities. I question whether we are helping our fossil fuel clients reduce their emissions when some of them haven't yet made commitments to walk away from new and expanded coal, oil, and gas projects they propose to build.

While we lend to or arrange finance for companies developing new and expanded fossil fuels, they continue to reach final investment decisions on projects that are completely incompatible with a 1.5C world. I'm worried that we're not helping our customers transitioning but enabling them to expand by not properly assessing the climate risks involved in financing certain companies.

The climate crisis is urgent and the Bank should be acting like it is by refusing to finance companies with no intention of transitioning away from fossil fuels. We urgently need to transition away from fossil fuels to clean, renewable energy and the Bank needs to draw a line in the sand and show genuine climate leadership.

ANZ employees were not consulted about this latest climate policy and we haven't been given a chance to have an input on what the Bank's fossil fuel lending policy would look like. I ask that the ANZ commits to involving workers when developing its climate policies

in the future. Will you commit to consulting, listening to, and engaging with staff when it comes to fossil fuel lending?

Paul O'Sullivan: Thank you, and can I just clarify a few things? One is, as I pointed out, we are committed to financing of energy customers being consistent with a reduction in emissions over time. Secondly, oil and gas represent less than 0.5% of our lending today. We've reduced about 30% since 2020. We'll have reduced about 40% by 2030 - sorry, by 2025. There's actually quite active work by the Bank to be responsible in this space. We always listen to staff and I think we'll continue to engage. Shayne.

Shayne Elliott: Sure. I don't think it's appropriate that we consult with staff on every single - we have loads of policies and things that we have to do and make decisions every day, but as you know, as a member of staff, me and my team are pretty transparent and available. We have all sorts of big calls where staff can ask questions, put their thoughts up and we take all of that very seriously. In the broad I think we are listening to our staff.

I just want to say, to reinforce what the Chairman is saying, we are totally committed to net zero. All we're talking about here is that there's a disagreement about the path and the way to get there. That's what we're debating and that's a healthy debate. We are absolutely committed to net zero, and it absolutely influences the decisions that we make every single day, who we bank, what we bank, where we will lend, where we will not lend, who we'll deal with, how we behave. It impacts all of those things every single day.

It may be not the most important thing that we're doing; it's certainly one of the most important things that we're doing as a Company, and I can assure you that my team and I spend a huge amount of time working this through to make sure that what we're doing is responsible and balanced and meeting the needs of all of the stakeholders, including local communities, but also making sure that we are enabling a just transition towards net zero as quickly as we can.

Paul O'Sullivan: Thank you. Thank you very much for your questions.

Christopher Barron: (Shareholder) I appreciate it. Thank you, Shayne. Thank you, Chair. Thank you, Board. I thank the ANZ staff inside the room and out in the foyer for their work today and the facilities staff as well. Thank you.

Paul O'Sullivan: Thank you. Now, there's quite a few questions coming in online so I'm going to go online. Clare, over to you.

Clare Morgan: Chairman, I have a question from [Shane Moore]. I think it was mentioned by Shayne Elliott that ANZ is considering adopting generative AI within the business. What benefits are envisaged to arise from this adoption and what types of actions will it enable?

Paul O'Sullivan: Right. Well, Shayne showed last night how he can use it to write his speeches, which wasn't particularly successful, I might add. Do you want to talk a bit more and expand a bit more on it?

Shayne Elliott: Yes, happy to. I think banks, not just ANZ - but I think ANZ in particular actually does this pretty well - we've always been really good at adopting new technology and figuring out how it can improve the lives of our customers or our staff. You think about the great advances we've all seen with mobile banking, being able to bank on one of these, or some of the work that we do.

A lot of the stuff that we already use AI a lot today, you don't see, it's sitting in the back. So when customers are applying for a home loan or a credit card, a lot the work in the background is being done by these algorithms and machine learning and artificial intelligence to deciding is this person - can they afford the loan that they've applied for. We already use it a lot. Generative AI is just the new version of it, it sounds pretty exciting when you look at it and some of the things that you can do.

We've got a little team; we've set up a little centre of excellence in our tech team to help educate us about how to use this tool responsibly. We're not doing anything significant with generative AI as of this point and we are - just last week, actually, we've just authorised a little bunch of experiments where we're going to try and see, in a safe way, what is the potential of this, but it will always be with the goal of improving the customer experience.

For example, there's some potential for when somebody is having an issue with their banking relationship or something's gone wrong or they want to understand a transaction, it may be that generative AI could get you an answer that's better and faster to customers. We're looking; it's still at that experimental stage.

The good news, the other thing that ANZ has going for it, because of our institutional Bank, and we really do bank some of the world's best companies, we've got partnerships with people like Microsoft and Google at the most senior level. These are the companies that are really leading this revolution and generative AI and we're already working with them to learn.

So, early days, lots of opportunity. There's nothing specific yet and we'll work through it over the coming year I think, and maybe next year's AGM we'll have some more things to talk about in terms of how we think it can really improve the Bank.

Paul O'Sullivan: Thanks, Shayne. Clare, next question please.

Clare Morgan: I have a question from Rita Mazalewski. To summarise her preamble, Mrs Mazalewski refers to page 31 of the Annual Report regarding financial crime risk, conduct risk, compliance, and operational risk frameworks. Performance measures for short-term and long-term remuneration contain risk measures and conditions of restricted rights, are awarded subject to pre-grant assessment and performance conditions tested at the end of four-year performance periods as outlined on page 197 of the Annual Report.

Page 58 of the Annual Report states overall there were many positive achievements in 2023, and in the Board's view, the CEO deserves an overall assessment outcome of well above target. In 2018, the ABC reported Shayne Elliott saying it is completely unacceptable that we have caused financial harm and emotional stress to our customers. As CEO since 2016, I'm ultimately accountable for this, and in the past, ANZ has not focused sufficiently on formally holding executives to account for failures that harm customers.

Her questions are how can the Board justify continuing to significantly reward Mr Elliott since 2018, especially on the cusp of him leaving the Bank when the Bank's serious failings continue with many legacy cases remaining unaddressed with Mr Elliott and the Bank blatantly refusing to engage with, meet, or address its aggrieved customers' serious complaints?

With appropriate evidence, will the Board consider clawback under Board discretion, policy, or applicable law with recovery of variable remuneration, including that which has already vested or been paid? As Mr Elliott has denied to meet with me as recently as December 2022, I request a meeting with the Chairman Mr Paul O'Sullivan and Board members regarding the Bank's ongoing cover-up of its wrongdoing in my serious matter. Thank you.

Paul O'Sullivan: Thanks, Rita. As I stated at the beginning, we're not going to discuss individual customer issues in the meeting. Just going back to try and answer that question if I can comprehensively. I think the Board has shown that it is willing to exercise negative discretion on numerous occasions. You saw that around the Royal Commission. You saw that last year, I think it was, when we looked at changes due to the performance in the home loan market, so the Board will do it where appropriate. We do go through a very

deliberated and structured process in deciding on remuneration awards and we do have the scope to clawback if we wish to.

We certainly - there is no cover-up at ANZ. If anything today hopefully shows you we are willing to be open and accountable for our actions. My understanding is that Shayne has not refused to meet but regardless, what I would also say is look, I know your issues have been raised with our customer relations team. I will certainly ask them for a further briefing after the meeting, but beyond that I don't think I'm in a position to make any comments. Okay, we'll move on to the next question please.

Clare Morgan: Chairman, I have a question from Mr [Sean Hamilton]. In the current environment of diversity and changing social dynamics, what is the Board's view of the ANZ New Zealand to our Māori strategy Tākiri-ā-Rangi?

Paul O'Sullivan: Thank you. Let me start by saying that apart from it being the right thing to do to have an organisation where people are treated equally regardless of background or race or ethnicity, it's also good business, because if you want to understand your market, you need to look like your market, and if you want to get diversity of ideas, you need people from different backgrounds.

So we're very committed to diversity at ANZ. The Board had the privilege of traveling to New Zealand last year and spending time with the New Zealand team. I personally had a chance to get a briefing on the Te Ao Māori strategy.

I have to say, two things came away for me. One was that there was a lot of learnings for us as Australians in how much more advanced New Zealand in general is and ANZ New Zealand are great example of this in building a very constructive approach to engaging with the Indigenous community. The second thing that I took away was just how successful so many of these initiatives have been.

I met some very impressive people who are working for ANZ who came from Māori backgrounds. Was there anything, Shayne, you're on the New Zealand Board, anything you'd like to add?

Shayne Elliott: Only that I can assure shareholders this is a really important strategy and we've had multiple briefings on it obviously at the Board that Sir John chairs. So it's an absolutely a commercial enterprise and it involves the entirety of ANZ right from retail customers all the way through to small and medium sized businesses. It's something we're really hoping to learn from and to some extent, and acknowledging it's a different environment, replicate some of those learnings here in Australia.

Paul O'Sullivan: Good, thanks, Shayne. I would just remind everyone that is we're going to make sure that we give as many people as possible a chance to ask a question so bear with us, we have a lot of online questions. So back to you, Clare.

Clare Morgan: I have a question from [Ms Lee Ow]. What impact has the move to the non-operating holding company had on how the company operates?

Paul O'Sullivan: I think it's early days. What we have done is we've moved investments in non-banking entities into the non-bank holding company structure that ensures that they have a lot more flexibility in terms of how they operate day to day on matters like remuneration, which is governed in the Bank by the APRA regulator under CPS 511. So that we've in some ways given more flexibility to them.

We've also, I believe, enhanced our governance because part of our new structure is whilst we have a group entity over both the bank and the non-bank holding companies, within the bank holding company we've added an extra director at APRA's request and that bank only director is there to ensure that the prudential security of the Bank and the best interests of the Bank are always heard and called out.

At our meetings we give specific airtime to that bank only director who's someone who goes out of his way to make sure that we're hearing a bank perspective. I think it's early days, as I say, I think as we see the industry evolve we'll probably have more insights and learnings but so far we've found it to be a very appropriate structure because it allows us to focus very clearly on the differences between the bank and the non-bank.

Shayne, is there anything you would add to that?

Shayne Elliott: No. Well covered.

Paul O'Sullivan: Thank you. Okay, on to microphone number two.

Unidentified Company Representative: Thanks, Chairman. I have a question from [Paul Fanning] a shareholder from Melbourne.

Paul Fanning: (Shareholder) Thank you, Paul, and thank you, Shayne. I haven't been to an ANZ AGM For a few years. Broadly two questions but I'm going to bunch them and I'm going to put the first one through the Chair probably to Ilana Atlas. In regard to the metrics for the performance rights for Shayne's long-term incentive, we'd like to get an understanding of what constitutes the bank's CAGR TSR, the composition of, and also what constitutes the bank's COC, cost of capital? Is that question for you, Ilana or is that...

Paul O'Sullivan: For Ilana. Well, actually I think we disclose these in the Remuneration Report, I was trying to find the page.

Paul Fanning: (Shareholder) Well, I've gone through it quite meticulously but really it's a minefield. It's a minefield to navigate.

Paul O'Sullivan: It's complex and we share it your view, can I say, Mr Fanning. As you know, how we structure this is heavily governed by CPS 511 which is a requirement from APRA. So we do our best to try and make it as easy to follow and look at as possible.

Paul Fanning: (Shareholder) Because obviously, Paul, obviously the bank has a – what things are made up of the COC and also of the CAGR. We would like to know what those ingredients are.

Paul O'Sullivan: So we do list somewhere in our disclosures the list of comparative companies that are included in the TSR – sorry, in the relative shareholder return and they typically are major banks and they include one international overseas bank as well as banks here in Australia.

In terms of the cost of capital, what we have disclosed historically, what that rate was, we have made a change this year to say that moving forward, because it tends to get frozen in time and as we've seen recently interest rates have moved quite fast, so we're now moving to a dynamic cost of capital. So we will actually track how interest rates the cost of capital moves over time. Ilana, is there anything we should add to that?

Ilana Atlas: No, the compound annual growth rate is - the target is set as an increment or a premium above the cost of capital. We've set out in the Notice of Meeting what the cost - what the compound annual growth rate is, the target is and Farhan's going to help me here, it's 9.75% as the target compound annual growth rate for the four-year performance period against which we assess the absolute total shareholder return.

So there's a target and then there's a maximum and a threshold and it's set out in the Notice of Meeting. That's assessed on the basis of a premium above what we call the cost of capital which is disclosed also.

Paul Fanning: (Shareholder) Ilana, there seem to be a bit of a disconnect as to what was in the Notice of Meeting and that was in this. I've gone through this Annual Report quite considerably. Now, going right back to financials and it probably relates to either the address from Paul or Shayne. Look, the franking of dividends, I understand that the franking pool is somewhat limited and probably will be in the not foreseeable future.

So do we see only part franking going forward in the next couple of accounting periods? Because I've looked in the back tables here, really it's very hard to see what balance is in the franking account.

Paul O'Sullivan: So page 107, Mr Fanning, you can see the current balance. To your point, indeed, we don't have much headroom, it's temporarily negative. We're confident that as we travel through this year we'll again be generating profits in Australia that will allow us to have a positive balance. But to your point, because our business is quite diverse and we also get a lot of earnings from international and from New Zealand, it does mean that it looks like we'll be challenged on fully franking certainly in the next round.

As a Board, we recognise the value of this franking to our Australian shareholders and so it is always our goal to maximise the use of franking whenever it's available.

Paul Fanning: (Shareholder) So things are going to be tight in the next couple of accounting periods, probably?

Paul O'Sullivan: Well, I don't want to be specific in that sense but, yes, I think you can expect that certainly in the short term, given what we've disclosed, it's unlikely we're going to be in a position to do 100% franking in the short term.

Paul Fanning: (Shareholder) Paul, the final part that...

Paul O'Sullivan: I might just let Farhan add something there.

Farhan Faruqi: Mr Fanning I can just add also add also that franking credits basically held by us have no value. Our job is to make sure we pass them on to our shareholders like yourselves because that's where the value is. So we will always continue to maximise the amount of franking that we can do. But as the Chair said, the actual percentage of franking is going to be continued to be a function of our Australia sourced earnings and the tax that we pay on it.

Our goal is to of course maximise that but also to maximise the return on equity we generate for our shareholders.

Paul Fanning: (Shareholder) Okay, now, just a final little bit there, pages 38 to 40 of the Annual Report, I'm not sure who I'll target for this one but clearly to me the institutional bank has carried the result for FY23 and 2.963 billion, which by all of the other divisions has clearly been a great winner and that's probably, Farhan, through the share, probably has - partially answers why the franking credit pool was fairly low.

My question to the Chair is on NIM, net interest margin, why is the NIM for institutional only 0.89 and yet the Group is 1.7? Some of the competitor banks are actually be probably more like 1.9, 2.0. Can we work on that and can we perhaps get something that'll be better? Because I think the institutional bank NIM is probably pulling back the whole NIM.

Paul O'Sullivan: Well to put it in context another very important metric is the return on equity and that's a way of demonstrating whether we're creating value or not and what's happened globally is that the ROEs for banks globally have been shrinking over time and in Australia we've reflected that. One of our challenges, which goes back to about 2015, 2016 is that the institutional bank was actually generating returns below the cost of capital.

So what we've been able to do and full marks to Shayne and to Mark Whelan who heads the division, actually this year the ROE coming out of the institutional division is in the teens and is a very positive result. But Shayne, do you want to comment?

Shayne Elliott: Yes, no, thanks, Paul and nice to see you again. It's an astute question. The reality is that institutional, unlike other parts of the bank, isn't - some of it's driven by margins but what's so great about our institutional bank is that because of our strong rating and because of our international network we generate a huge amount of deposits where people want safety and they want to benefit from our regional network.

These deposits are coming from the world's best companies. So we get all this liquidity and then what we do with a lot of it because we can't use that to fund our home loan book in Australia for all sorts of prudent reasons, good reasons, we just generate - we go and put that money on deposit with like the US Fed, with the central bank. So extraordinary low risk and you make tiny little margins which means the NIM ends up being a lot lower but it's really, really high return because it's very, very safe business.

So that's the reason, that's the biggest reason, why those margin - if you take all that out and you just look at the kind of lending business within institutional, the sort of more traditional lending to whoever it might be, those margins on a risk adjusted basis are actually really quite healthy and quite high. So it's a good question but it's - NIM is a bit unusual when you look at institutional, it doesn't really lend itself so well to that analysis.

Paul O'Sullivan: So Mr Fanning, you've got everybody energised here. The CFO would like to add something.

Paul Fanning: (Shareholder) One final thing, can I put a performance target to Shayne for next four months...

Shayne Elliott: Can we just, might just Farhan make one quick comment or his response.

Farhan Faruqui: Mr Fanning because if you look at the footnote on page 40, under the table on page 40 of the Annual Report.

Paul Fanning: (Shareholder) There isn't - hang on, yes there is.

Farhan Faruqui: The one that speaks to that interest margin, so the discussion that Shayne just had about the activity that we undertake offshore with our deposits and placements, as well as activities that we undertake in markets which have a NIM impact but have a revenue offset which is booked under other operating income, all basically distort the number.

But if you back out the activity we do in our markets business, the institutional LIM is actually above 2% on the underlying business outside of market. So it is important to look at it together rather than separately.

Paul Fanning: (Shareholder) I'll just wrap this now, Paul, are you happy as the Chair of the Bank that the Group NIM is sitting at 1.7? Could it or should it be, say, 1.9 or 2.0?

Paul O'Sullivan: You can ask the management, a good Chairman is never happy, always wanting more.

Paul Fanning: (Shareholder) Can that be a performance metric, Shayne, going forward?

Paul O'Sullivan: I look at NIM. I talk about NIM pretty - Shayne and I talk regularly, we talk NIM all the time. It's a goal but you also got to balance it, right, you got to - it's also about thinking about the quality of your credit pool. So you can earn higher margins in some cases but you're taking on higher risk customers. So for us it's always a question of getting that balance.

One of the things that I would give, important for you as a shareholder here is, we've actually reduced the customer base in the institutional bank over the last eight, nine years because we're going for better credit quality customers and a greater, better pool of customers. As a result we've actually improved the profitability and the performance of that division as you highlighted today.

So it isn't purely about chasing NIM. It's about balancing that with the credit quality of the customers you're taking on.

Paul Fanning: (Shareholder) Okay, thank you. Sorry for the [run of] questions.

Paul O'Sullivan: I've heard about you, Mr Fanning, so great to see you in person. I've heard about you by reputation and you've lived up to it today.

Paul Fanning: (Shareholder) Okay, thank you very much, thank you.

Paul O'Sullivan: You certainly understand the Bank. Thank you. Okay, on to microphone number three.

Unidentified Company Representative: Chairman, I have a question from [Ken Ryan] from Brisbane.

Ken Ryan: (Shareholder) Thank you, Mr Chairman. It's been a long wait to ask my little question but it's been worthwhile, I think. First of all, a couple of commendations. I'm 82 years of age. I've been an ANZ shareholder for over 30 years and an ANZ customer for more than 30 years. You're a pretty good Bank. I've seen all the ups and downs. A couple of commendations, I think your 2023 result was pretty good.

I like that little extra dividend you've added on, the extra \$0.13 is good. I like the way you supported the referendum which I think was excellent. But like all Boards and all big companies, even the big churches, sometimes we have little blind spots and they're little things that we don't see. We see the big trees but we don't see those little things. We don't see the little person maybe 80, 90 years of age, who's got a particular account.

You've made a big issue today about your ANZ Plus Account, it's been a great success. Whenever I go into the ANZ Bank I see the advertisements about it. It's been very successful and I commend you for that. But you have to be able to do all the digital online transactions to handle it. If you're 80 to 85, 90 maybe you can't. Way back in the early 1990s I opened an account called V2 Plus, ANZ V2 Plus.

Your ANZ Plus plays a very good interest rate, I think it's about 4.65% or something like that. On my little V2 Plus it used to pay a good interest rate, now, I get the very lowest that you can possibly pay, 0.01%. If I keep \$5,000 there which I'm required to do, I earn \$0.50 every quarter. Now at Christmas time, can you do a little bit better than that for old people like me? Okay, thank you.

Paul O'Sullivan: Mr Ryan, thank you for making the trip here and thank you for your question. Deposit rates is a complex topic but, Shayne, do you want to talk a little bit about there are a variety of products not just on Plus but also in the classic bank?

Shayne Elliott: Yes and thank you for the comments. Happy to talk to you and have somebody talk to outside to find the very best product for you. You're right, V2 Plus is still

out there but there's a whole range of different deposit products, I'm happy to set you up with somebody to find how you get the very best rate that you can for your needs.

Ken Ryan: (Shareholder) Thank you.

Paul O'Sullivan: So Mr Ryan, you can now go home and say that you've actually been looked after as a customer and served by the Chief Executive of ANZ. No mean feat. Okay, we're going to go to microphone number four.

Unidentified Company Representative: Thank you, Chairman. I have a question from [Jan McNichol] from Brisbane.

Jan McNichol: (Shareholder) Thanks, Mr Chair. This is really - my question is for Mr Shayne Elliott. Last month, when asked about ANZ's financing of companies expanding fossil fuels, you stated that it is easy to run away from a problem which is what many of our peers do and say all these are things that we are not going to do, that's fine but we are more interested in the things we are going to do which is help emitters reduce their emissions.

I'm curious to know how ANZ is helping emitters reduce their emissions. I have a whole lot of facts and figures here about your customers, Woodside and Santos and their massive gas expansion plans and I'm very concerned about what this is going to do to the planet. Gas is not a transition fuel, it's just as dirty as coal. If we don't get out of fossil fuels by the end of this decade we're all cooked.

So, in recent months according to financial sources, ANZ participated in a \$1.3 million bond to Santos which in 2024 plans to make a final investment decision on a massive new gas project Papua New LNG, estimated to cost \$18 billion. Given that these companies which, Woodside as well, spend the majority of their growth capital on oil and gas expansion projects, how is ANZ actually helping its emitters reduce their emissions?

Paul O'Sullivan: Thank you, Ms McNichol for your question and, look, part of my duties as a Chair of this meeting and it's a legal requirement is to make sure I provide ample time for everyone to have their questions answered. This is a variation, a question I've now answered several times, so I'm not going to rehash it but I absolutely respect your position and I hear your view. Thank you.

Jan McNichol: (Shareholder) Thank you. A second question, how much concern does ANZ have that its fossil fuel clients are actually using its money to finance their expansion plans rather than transition their businesses away from fossil fuels?

Paul O'Sullivan: Thank you. Any funding we provide in any form is subject to the same checks that we want to be comfortable the customer has a publicly reportable plan to bring down emissions over time and so it meets the same level of scrutiny. Again, I know I'm repeating what I said earlier, but I hear the concern and I want to assure you we do address it.

Okay, are we now moving to back to microphone number one.

Unidentified Company Representative: Thank you, Chair. Have a question from Craig Caulfield.

Craig Caulfield: (Shareholder) Thank you, Chair. A background to this is we're all aware of 13 interest rate rises and during COVID savings built up. But since then we're just starting to use some of our savings up. I understand there's going to be 5% of the people with home loans that won't be able to afford their loan soon.

In 2018, UBS revealed \$500 billion of the \$2 trillion loan market were liar loans. UBS identified back then in 2018, ANZ was the worst offender with 45% of loans classified as liar loans. I say ANZ being under pressure to regain lost market share, along with their agents, brokers were complicit.

That's likely why ANZ refused to have our loan application file forensically tested, that we requested years ago. But on a wider scale, on 26 April '22, so more recently, Ayesha de Kretser reported in the *Financial Review* that UBS updated the figures on liar loans, and ANZ were still identified as having more liar loans than any other bank.

So, whether you dispute the figures or the amounts, there's still a relative thing here. More worryingly, customers said their ANZ bankers told them to do it. ANZ has said auditor, KPMG, don't audit individual loan applications, just the systems, the structures that are above the applications.

At the CBA AGMs, I asked a question to the CEO, Matt Comyn, and I said why don't you individually interrogate loan application files for just 100 loans? He said, oh Mr Caulfield, we do that individually, granularly on more than 100 loans, rest assured. Will ANZ confirm right now to adopt granular auditing of just one tenth of 1% of your loans to look for these fraudulent situations? Will you agree to have [Scott's] loan application file forensically tested by an agreed professional?

Paul O'Sullivan: Can I just start by saying there are very clear obligations for us as a lender in how we lend and in the standards that we follow. You won't be surprised to hear

that we don't agree with the characterisation that's been put in the report that you referred to. We're very clear around assessment.

I think there's also evidence, that first report is 2018, here we are today and our 90 days past due and our home loan default rates are actually tracking below where they were before 2019, which to some extent doesn't seem to support the claims that are made in that particular publication. Shayne, did you want to add anything?

Shayne Elliott: Not really, other than we do do that, we do forensically sample home loan applications. That would be prudent and sensible, and we've done that for many years and will continue to do so, thanks.

Craig Caulfield: (Shareholder) Okay, well last year you did say that you found an extra 2,500 home loans that fit that category.

Shayne Elliott: Which category?

Craig Caulfield: (Shareholder) That you found through artificial intelligence, that you wouldn't have otherwise found. So, they're out there, they're happening.

Shayne Elliott: I don't recall saying any such thing.

Craig Caulfield: (Shareholder) Well I asked the question at the AGM in Adelaide.

Shayne Elliott: We'll go and have a look, but I don't recall suggesting...

Paul O'Sullivan: More generally, what incentive would we ever have to allow people to rort the system? Because it's going to come back on you pretty fast. If I recall, the average term of a home loan in Australia today before someone refinances is about three to four years. So, these things are going to pop up fairly quickly if you're not getting your house in order.

Craig Caulfield: (Shareholder) I think liar loans is like one term and it's a basket of different things. It's sometimes the broker, sometimes the bank, sometimes the customer that fudges figures et cetera.

Shayne Elliott: I understand your point, and obviously we would be deeply concerned if people were misleading, lying, falsifying documents, of course there would be concern. That's why we have the processes we have in place to test and look at the applications, either using algorithms or individuals to see if something is not sensible or not prudent et cetera.

But I think what the Chairman's trying to say here, Craig, is that at the end of the day, the facts speak for themselves. The actual number of people who are struggling with their home loan is at extraordinary low levels. Now it's still difficult for those people, I accept that, but it's about 0.6% of all the home loans we have where people are struggling.

It doesn't mean they're going to lose their home or default, they're just struggling. That number, despite the allegations that you put, is lower than the average in the industry. So, it shows you that actually ANZ is performing very well when it comes to our credit processes and our standards. Of course it's something that we spend huge amounts of time and people and money and effort and technology, looking at. Because quite rightly as you point out, it's one of the biggest risks that we take.

We have \$300 billion of home loans, of course we passionately care that they're given responsibly to the right people who can afford to continue to pay without undue pressure on their household budgets.

Craig Caulfield: (Shareholder) I'm looking to the future here that we're just taking care of customers. Whatever the numbers are, we're heading into an area where savings have been depleted and interest rates are higher. ANZ economists have predicted that unemployment next year will be greater, the following year will be greater again.

Shayne Elliott: We understand.

Craig Caulfield: (Shareholder) There's going to be a small portion but a significant portion. So, when I know, Shayne, that you've said there is no mortgage cliff, but on an individual basis in a family, for a person there's a cliff once you can't face that. It mightn't be a cliff the way the media has portrayed it, but we've got to take care of - we the Board, the staff, the shareholders, have got to take care of every customer that gets into a difficult situation.

I know that what we've been through, we weren't looked after. We wrote letters to the Bank saying can we change the terms of the loan to get an extension of the term of the loan, a lower rate or something. We received letters that...

Paul O'Sullivan: Craig, I think we'll talk outside, because I don't want to get into individual complaints.

Craig Caulfield: (Shareholder) We've got letters back from the Bank saying we haven't heard from you, and we're going to put you in repossession and default. You repossessed

our property and we've got multiple letters, registered mail, we're trying to do something. You had silos.

Paul O'Sullivan: So, I don't think this is the forum for individual issues, but your general point is a good one.

Craig Caulfield: (Shareholder) Well I do want to protect the people in the future.

Paul O'Sullivan: So, one of the things we're also doing is investing very heavily in predictive technology, to try and spot customers...

Craig Caulfield: (Shareholder) Yes, that's good.

Paul O'Sullivan: ...who might be under pressure early. That's actually proven to be quite a success for us this year in improving the repayment rates and picking up defaults. I've got to keep moving because I know there's a lot of people who wanted to ask questions online, who are waiting, so thank you, Craig. We're going to go back to questions online, back to you, Clare.

Clare Morgan: Chairman, I have a question from [Ronald Guy]. Are you going to read out some of the questions that were sent in before 14 December?

Paul O'Sullivan: Thank you, what we've done is we've picked up the key themes in those questions and addressed them in my speech and in Shayne's speech, and I think they were pretty representative actually of the sort of issues that you're hearing today as well. Okay, next question please, Clare.

Clare Morgan: Chairman, I have a question from [Bruce Bennett and McCarco Satto]. If government policy were to change, would the Bank be willing to loan to companies wanting to develop nuclear power in Australia, as a contribution to the energy transition?

Paul O'Sullivan: I think it's a hypothetical. I think we'd have to look at it on its merits at the time. I think as a responsible Board, you wouldn't want us to be being specific about things when we haven't got the detail or the information. Next question please.

Clare Morgan: I have a question from Stephen Mayne. ANZ borrowed \$20 billion from the Reserve Bank through its term finance facility on a three-year deal at a fixed rate of 0.1%, which is repayable on June 30, 2024. Is it our intention to wait until the end of June to repay that facility, given that a \$20 billion loan at the current official RBA rate of 4.35% would cost \$870 million a year in interest?

We will only pay \$60 million in total interest over the three-year term of the loan. Whilst at some levels this is a massive government subsidy, does the CEO agree that it effectively

offsets the supertax regime that was imposed on Australia's five biggest banks, by the Morrison Government? How much is that supertax currently costing ANZ's shareholders? Given the federal budget is in rude health, should that supertax be abolished?

Paul O'Sullivan: Right, so the question's actually about the super tax as opposed to about the TFF.

Shayne Elliott: Yes, I think from memory and Farhan will correct me, I think the number is about \$400 million or thereabouts, the tax, the levy, the bank levy is about \$400 million. Yes, of course we'd love the government to take it away. I think the prospects of that are pretty low.

In terms of your question about the TFF, we were the smallest of the major banks' user of that facility. It has a purpose, it was designed to get the economy through COVID, and I think it did a good job but it's coming to an end. We don't want to be sitting on the very last day having to refinance \$20 billion, so we are progressively replacing the funding of that.

There's still a little bit outstanding and we're doing what you would hope you would think is a - we've taken a prudent approach; we're getting ready and we're shifting our funding. The time for that facility has passed and ANZ's actually in a really good position because of our diversified funding, we've got lots of other ways to generate that money. So, we're doing it, we're taking a prudent approach.

Paul O'Sullivan: Indeed, your Board has policies on how we make sure we're managing the time to maturity for debt and how we make sure we're not exposed in that sense. Okay, next question please.

Clare Morgan: I have a question from Rita Mazalewski. Mrs Mazalewski's context can be summarised as follows. On page 26 of the Annual Report under cybersecurity risk, it says, as a Bank, we handle a considerable amount of personal and confidential information about our customers, across multiple geographies in which we operate.

And cybersecurity threats continue to evolve, becoming more sophisticated and increasing in volume, and our approach draws on multiple layers of security testing and intelligence, seeking to ensure sustainable security practice to protect information and assets.

Also, on page 31 of the Annual Report, regarding technology risk and description, the report says, this risk includes technology assets and services delivered or managed by

third parties and external events and how information held by the Group needs to be protected from inappropriate modification, loss, disclosure and unavailability.

Her question is, isn't it true the Bank or the Group cannot protect its customer's personal and confidential information 100%, particularly through its third-party relationships?

Paul O'Sullivan: Thank you for the question, Rita. I'll give a high-level overview as to how the Board looks at this topic, and Shayne if you want to add anything on the detail. But let me just step back and say particularly given the last 24 months, cyber security and data protection are absolutely top of mind for your Board, as you would expect.

We spend quite a bit of time on this. Jane Halton has been chairing the Digital Banking and Technology Committee, which goes in detail and in-depth into looking at our protections and our overall stance and strategy. We operate our own cybersecurity operation centre. We have a cybersecurity chief, who's typically come from government.

We have all the usual things you'd expect to see in a large company around application patching, segmentation of systems, ongoing real time monitoring, attempting ourselves to see if we can break the system. That includes looking at third parties and looking at the data that we're actually sharing with third parties.

The Board has wanted to satisfy itself and has been through extensive discussion with management to make sure that we have the right policies and protections in place.

Shayne?

Shayne Elliott: Thank you. So, in limited circumstances we do share customer data with a third party, but that's in order to provide the service that our customers want. So, for example, if you're taking out a home loan, we need to get that property valued, we need to share some data with the property valuer, so we do it then.

Or in certain circumstances where the customer gives us permission to share their data. So, it's only in limited circumstances. When we do have that third party, we hold them to the same standard we hold ourselves. So, we have agreements about sharing the data, what they can use it for, what they can do or not do with it, and then we test that. So, we hold them and we do regular testings to go in and say are they applying the same sorts of standards?

This is an area of increased investment and scrutiny, and I know the Board and management take it very seriously.

Paul O'Sullivan: Thanks, Shayne. Okay, back to the room, microphone number two.

Unidentified Company Representative: Thanks, Chairman. I've got a question from [Graeme Whiteman] from Brisbane, sorry, from New Zealand.

Graeme Whiteman: (Shareholder) Good afternoon sir. Why did ANZ, with the full knowledge that an affidavit was false, untrue and incorrect, instruct and force a senior ANZ manager to lie in court? That sir is perjury, a serious criminal offence. Your ward also condoned insider trading. Insider trading based on material non-public information is illegal.

Mr Chairman, how and why does you and your Board condone the breaching of a mutually signed legal agreement? Not just once, but on at least three occasions. Mr Chairman, how and why is it you and your Board condoned multiple lies, [unclear] and fraudulent misrepresentation, a breach of fiduciary duties, financial manipulation and bullying by an ANZ Company?

Sir, you agreed illegal, criminal and unethical behaviour have not only ruined my life but have also lost my family and I at least \$150 million.

Paul O'Sullivan: Okay, so let me start by saying I'm not familiar with the specifics. If it's an individual customer issue, then as I said, this is not the forum for us to address that. Needless to say, the Board does not endorse anybody breaking the law or giving false evidence, those are not our values as a Bank and that's not the way that we want to do business.

But if you've got a specific complaint or issues, Evelyn Hall, who's our Customer Fairness Officer, is actually with us here, and I'd be happy to arrange for you to chat to her.

Graeme Whiteman: (Shareholder) I would like to do that. I can't take you to court because as I mentioned, your senior manager lied in court and I'm not prepared to take you to court.

Paul O'Sullivan: You'll understand that I obviously will always want to protect our people as well, so I'm actually going to refute that and not let it stand, but nonetheless we've given you a chance to air your grievance.

Graeme Whiteman: (Shareholder) Thank you.

Paul O'Sullivan: Thank you. We've back to microphone number three.

Unidentified Company Representative: Chairman, I have a question from [Paul Herman] from Brisbane.

Paul Herman: (Shareholder) Good morning, if it's still morning, to the Board and to the shareholders and to the CEO. I also want to bring up the topic of liar loans. My name's Paul Herman, as said, I represent people who have had difficulties with ANZ, so I've got a support group which is called ANZ Unhappy Customers.

I want to just ask about the fact that UBS did a survey where they found that 55% of the loans by ANZ Bank were liar loans. The industry - actually I'll just show you a chart of that. So, this has the industry at 36% and ANZ Bank right out in front, so that's in the last survey in 2021.

So, also want to make the point that since 2015 with the UBS surveys, ANZ was 34% in 2015. Now in 2021, the last survey, the liar loan rate was 55%. So, last time I was here was in 2019 and I broached this topic, Mr Elliott blamed brokers and customers, however as Craig pointed out, UBS found that 81% of ANZ customers with liar loans said that ANZ employees told them to lie. So, I'm just - I think that that's really concerning.

In my case, I had my documents fraudulently altered by a bank employee and my income was inflated by 625% without my knowledge, after I gave over the application forms. There was a story about this also with Elizabeth Di Nardo, who, sorry, Elisabetta, who had her income inflated as well.

It's just very distressing and it interrupts the lives of people who have been impacted by fraud or the situation with liar loans. If 55% of the loans are liar loans, I'm really concerned that first home owners may be encouraged to falsify their documents by ANZ staff.

So, my question is, well one thing is would you be prepared, Shayne Elliott, Mr Elliott, to speak with Elisabetta? I've got some other questions as well, so today...

Paul O'Sullivan: Can I pick up on that? This is very similar to Mr Caulfield's question earlier on. Just to reiterate, you won't be surprised by my saying that we don't agree with the characterisation in that survey and we certainly reject the notion that employees have been instructed to do anything untoward.

I'm very sorry to hear about the experience that you've outlined. Clearly you've had a very negative experience yourself and the people who you are here representing, and that's certainly not something that in any way I would ever want to see happen. But nonetheless, I want to be really clear, at ANZ we scrutinise applications carefully, we have no incentive to make a bad loan. It creates the sort of disharmony and the unhappiness that we want to make sure we can avoid.

I can't comment on specific cases clearly, but I just want to be really clear, we are not about wanting to make loans to people who are not in a position to repay them.

Paul Herman: (Shareholder) You would have thought so, but UBS keeps coming up with these surveys and keeps finding the same information. So, I'm just really concerned that the liar loans are escalating at ANZ Bank and I'd like to ask what steps have you taken to make sure that, well to investigate I guess the findings that UBS is finding? How come they're making these findings and I don't understand why, I mean I brought this up in 2019, don't understand why it's still a big issue again in 2021, five years after the Royal Commission.

Paul O'Sullivan: So as we mentioned earlier, if the allegations were correct, you would expect that would start to show up in our loss rates and in our 90 days past due rates. As both Shayne and I have mentioned, they're actually at levels that are below the pre-COVID averages. So judge it on the results and on the outcomes.

Paul Herman: (Shareholder) That may change this year. If we have a recession, if we enter a recession, a lot of people are really doing it tough and that's in the media a lot now. So once they've used up their buffers, once they've used up their credit cards, people are going to get into trouble. As Craig was saying, perhaps 5% people are going to be struggling. We've had good economic times, we've had a very strong property market, so these – it may become more evident if we enter a recession.

The other question I've got is for John Macfarlane, is what's happening here with risk assessment?

Paul O'Sullivan: Okay, well on that note actually, it's very relevant. I would remind you of course that we're required to assess, when we're looking at lending for home loans people's ability to repay 3% above the rate at which is initially on the market when they're coming in for the loan.

Paul Herman: (Shareholder) Is that the reason that there's a motivation for liar loans? I mean I...

Paul O'Sullivan: Well I'm rejecting the assertion that there is a practice of liar loans and as I say, the fact that we've got performance in our loan book, which is better than our peers, the fact that we're at levels that are below pre-COVID in terms of delayed payments, all that indicates that clearly we've got some strong processes in place and the numbers we've got don't match some of the items that are being alleged in the survey. I don't know if there's anything else to add to that. I think we've been over this ground already, Mr

Herman. I'm not sure I'm adding a lot of value to you or to the meeting by continuing to prosecute it.

Okay, thank you. We'll move to the next question please, which is back to the room, we've got microphone number four.

Unidentified Company Representative: Thank you, Chairman, I have a question from Michael Sanderson from the Hunter Valley.

Michael Sanderson: (Shareholder) Hello again. I'm mindful of the time, so I've just got some quickfire stuff, no preamble that relates to human rights.

Paul O'Sullivan: This feels like a test.

Michael Sanderson: (Shareholder) It's a test.

Paul O'Sullivan: All right, let's have your quickfire questions.

Michael Sanderson: (Shareholder) I hope the test is in the question. The Senate inquiry into regional bank closures, it was revealed that the ANZ had been taken to the Human Rights Commission over its use of power of attorney documents as a workaround when elderly customers can't navigate the Bank's call centre system or access a branch, but are fully able to make banking decisions otherwise. One of the conditions of the settlement was that a conversation be had at Board level about the treatment of elderly customers. Has this occurred? If it has, what was the outcome? If it hasn't happened yet, when will it be addressed?

Paul O'Sullivan: Thank you for the question. Yes, we've actually had a couple of sessions on what we call vulnerable customers and wanting to understand how well equipped is the Bank for dealing with people who are in situations where they could be under pressure. It may be age, but it may also be other situations such as domestic violence and other things. So the Board has been through that. We've seen some new practices put in place and we're also continuing to stay focused on it and ask for the team to come back to us on a regular basis.

Michael Sanderson: (Shareholder) Thanks for that. Next one relates to ANZ Plus. Mr Elliott, you're on the record of saying that ANZ Plus is a new bank, separate to the physical branch network. You've also said its purpose is to reduce operating cost and that savings will increase as more people sign up. This app is being aggressively pushed on customers and those who sign up are being offered higher interest rates than those who use face-to-face or online banking.

Given that you now have a greater understanding of the barriers to adopting technology and the numbers involved, is there a variance in interest rate discrimination against those who are unable, can't afford or are simply unwilling to change to this banking app? Is the ANZ's plan to eventually replace branch network with ANZ Plus?

Shayne Elliott: No, that's not the plan. Our plan is to respond to customers' needs as they change and what we're finding is that there's an increasing part of the population who don't want to go to a branch, they want to be able to deal and do whatever they can as much as possible for themselves on their phone. So we've gone out and invested in a service to meet that need and the good news is it's going really well.

Unsurprisingly, you would expect that different services have different prices, no different than some of you may have flown here today full service, some may have come on a low-cost airline, that's just the way things are. What we're doing is we're saying that the ANZ Plus platform, because it's built on really contemporary technology and it's just fundamentally lower cost to run, we can share some of that benefit with our customers by being able to play them a slightly higher rate.

So we've just got to continue to respond to the various needs, but we're not on a mission to replace the branches with ANZ Plus, we're on a mission to make sure that we have the services that people want and need.

Michael Sanderson: (Shareholder) Thanks for that. Seeing I've been frugal, can I slip another one in?

Paul O'Sullivan: Sure, go for it.

Michael Sanderson: (Shareholder) It's probably relevant to the last comment, bit of tongue in cheek here. There's a rumour going around that the ANZ can't decide whether to employ Border Collies or Blue Heelers in their branches in order to herd their customers seeking face-to-face services at branches over to ATMs. It's generated by a news item I can refer to if you want. It has been revealed to the Senate committee investigating branch closures that ATM transactions are not recorded as a branch visit. Does ANZ Bank record all visits to the branch, including non-transactional visits? If not, why not? If so, where can one find a comprehensive list of these interactions?

Shayne Elliott: We do record the visits to branches because we want to make sure that we know what our customers are doing, so if people are using the branches more, we know we've got to put on more staff. If they're not using it, we know we need to change, we do that. It's not something we're going to publicly disclose. I certainly don't want our

competitors knowing what's happening in our branch but obviously we use it and the team have pretty sophisticated tools that they look at to really understand what's changing in terms of usage, traffic, et cetera.

The ATM thing, look we have a concierge service and what we're saying is some people just want to get some money out and we're saying, hey just be aware there's probably an easier way to do it with the ATM rather than wait in line at a teller. We have people online to show people how to use those tools. That's all we're doing now.

No, we don't count the ATMs as a branch visit. You can understand that because not all the ATMs – it comes down, I don't know the local branch you might use, some of the ATMs are in the branch, some are just outside the branch, some are around the corner, but we know how many people are using ATMs and we know how many people are walking through the doors into an official ANZ branch and we know what they do when they get there.

Michael Sanderson: (Shareholder) Do you record things like people coming in to get an account balance?

Shayne Elliott: Yes.

Michael Sanderson: (Shareholder) Or to open an account?

Shayne Elliott: Absolutely.

Michael Sanderson: (Shareholder) Where is that data available? Is that readily available?

Shayne Elliott: No, that's competitively sensitive. That's available for Maile and her team and we have a whole group of people who analyse that to understand what's changing in terms of people's behaviours because that's how we then are able to respond to know whether we need to put on different services, more services, change the hours we're open, whatever it might be. But that's competitively sensitive.

Paul O'Sullivan: I'm going to keep us moving because I want to make sure everyone gets the chance to ask a question. I think I've just given you three there.

Michael Sanderson: (Shareholder) Yes, no, that's cool, I'm happy with that and thank you for your time.

Shayne Elliott: Thank you.

Unidentified Company Representative: Mr Chairman, we have a question from [George Baumber] from Brisbane.

George Baumber: (Shareholder) Mr Chairman, George Baumber. I did write to you personally with regard to your support of the Voice campaign. I didn't have the courtesy of a reply and objected strongly as a shareholder you donating my money to a political assignment. I didn't think that was correct.

Moving on from that point, I notice that you gave \$2.5 million I think they said today to that, but you gave \$100,000 to the flood victims up North Queensland, \$100,000 will be tax deductible and it's a very small proportion in relation to the amount of money that you've donated to the Voice. I think the money that you put to the Voice would have been better off training staff, you had a very nice gentlemen of Aboriginal descent, Dempsey, who addressed the meeting at the start and this is the education these people need to progress, not put in political donations into that.

The other point that I wanted to make was with regard to your taking over of Suncorp. I'm a shareholder in Suncorp as well as ANZ and I'm a customer at Suncorp and the branch that I go to always has at least two tellers working full time and at least six people lined up to get service. These are the clients that Suncorp have and you talk about the technology and how the technology has changed to suit customers, but is it the customers that have had to change to suit the technology that you've brought in?

I'm not interested in going online, using a phone, that's where all these things can be hacked. Any of my banking, I go to the Bank, I do it, it's all taken care of, that's what I want. I don't want any of this technology. I believe the technology that you have brought in has forced customers to change what they want and not go into the branch because of the technology that you've got, the technology hasn't come because of what customers want.

The other thing that I wanted to mention was these people that want to talk about climate change here today, the population is what is increasing the climate change. If everybody under 35 agreed today not to have children for the next 20 years, we wouldn't have a pollution problem, we wouldn't have all this dispute about coal mining, et cetera, going on. Thank you.

Paul O'Sullivan: Thank you, Mr Baumber. Can I just pick up a couple of points. One is the way I run my office is that everyone gets a response, so I don't know why you haven't and I will check it after this meeting. I have had other letters on the same topic and I have been responding or indeed some of the team have responded with a more fulsome reply on my behalf.

In terms of the branches, you're a great example of the dilemma we face because although the wider population is dramatically reducing its use of branches, there are still customers like you for whom it is a lifeline and very, very important. That's the challenge we face. How do we navigate that big change in the demographics?

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

Shayne Elliott: I think you've covered it, thank you.

Paul O'Sullivan: We hear your feedback and it is indeed a huge challenge for us. Okay, next I'm going to go back to online.

Clare Morgan: I have a question from Stephen Mayne. Stephen has two questions. It is always helpful for investors to have access to some exit perspectives from retiring independent directors. In their final contributions at ANZ, could Ilana Atlas and John Macfarlane please comment on what they regard as the best decisions ANZ made during their time on the Board and do they have any regrets? The second...

Paul O'Sullivan: Okay, yes, go ahead, the second question, please Clare while you're at it, that way we can get them both done.

Clare Morgan: The second question is could the CEO summarise his past long-term incentive grants as to whether they have vested or lapsed? Also, has he ever sold any ordinary shares in the Company or bought any on-market without relying on an incentive scheme to build his equity position in the Company? Please don't say look it up in the Annual Report and through ASX announcement. It's complicated and the CEO could factually summarise the situation in 60 seconds. The Westpac CEO, Peter King, answered this question last week saying that none of his long-term incentives have vested for eight years. What has been Shayne's lived experience?

Paul O'Sullivan: Okay, well we'll go first of all to Ilana, if you'd like to answer Stephen's question.

Ilana Atlas: Yes, thank you, Chairman. I'll be brief. In relation to my nine-year term, I think the two biggest events that have occurred and required, I suppose, most diligence and judgment from the Board unsurprisingly would be in the first case the Royal Commission where I think the Bank learnt a lot about customers and trust. What's interesting about COVID was that it gave us as a Board an opportunity to really show our employees, customers and the community how we can effectively deal with extremely

challenging situations. I think Shayne and his team were exemplary in the way they dealt with that together and in partnership with the Board.

The other comment I'd make is in relation to the promotion of women in the organisation. I'm very proud that at this point we have three women leading very significant businesses at ANZ and I think that's testament to diversity in this organisation.

Paul O'Sullivan: Thanks, Ilana. JT.

John Macfarlane: Thank you, Chairman, and thank you, Stephen for the question. Look, I think it's always difficult when you're trying to summarise nine-and-a-half years, but first of all I'd fully endorse Ilana's comment. I think the most challenging exercise we had through my time on the Board was the Royal Commission and the learnings from the Royal Commission.

I have to say that with Shayne's ascension to the CEO, that has proved very pivotal because he has been such a culture driver and he has facilitated, along with his executive committee, the appropriate changes in culture and in the way the Bank operates that I think have led from the learnings that we took out of the Royal Commission.

I think the second thing, Stephen, that I would say is that the market and banking and the economy continues to change very, very rapidly. The Bank has stepped up its investment in technology and I think that that's been very, very critical to us being able to deliver for customers and will be even more critical for us to be able to deliver for customers in the future.

I think the third thing that I feel pride in is that together with the executive team we have worked to deliver a much better-balanced Bank. As Shayne said in his opening comments, today we have a very good retail bank here in Australia, we have a very good and growing commercial bank, we have a world-class institutional bank and we have a very, very strong business in New Zealand. So, I feel some pride that as I leave the Board that today we have a stool with four legs and I think that I do feel significant pride in that.

Paul O'Sullivan: Okay. Thank you. Thanks, JT. I know Stephen didn't want us to point to the disclosure but we do provide detail in the Notice of Meeting about Shayne's partial vesting of only three of the four CEO grants. Shayne, did you want to answer the question?

Shayne Elliott: Yes. Over the long term, Stephen, actually - and just accepting that the nature of my remuneration has changed over periods of time, the vast majority of the

long-term performance rights have not vested. I don't have the specific number but I can get that back to you. In terms of me selling stock, I've never sold a share in ANZ since the time I joined in 2009. I've kept every single share that's ever been allocated to me, and no, I have not bought any further shares on market but as you can imagine, I'm a very committed shareholder, as I think is appropriate for the CEO.

Paul O'Sullivan: Thanks, Shayne. Okay, we'll go to another question online. Clare.

Clare Morgan: I have a question from [Ye Wen]. ANZ has operations in Hong Kong and China. Given the very recent adverse economic and investment environment there, what is ANZ's strategy and responses to address the challenges and to prepare for the worst scenario?

Paul O'Sullivan: Thank you, and if I've got my facts correct, I think we've been in Hong Kong since about 1970 and China since about 1986. It's important to talk about what we do there. Most of our customers are Australian and New Zealand companies looking to export and trade with China, or indeed multinationals who are operating in those markets. We think we perform a very important role in facilitating that trade.

I think as we mentioned earlier, we're the largest institutional bank or the bank that helps large companies trade, we do it with the largest of those in Australia and New Zealand. We are not only in Hong Kong and China but in any part of the world, we look very carefully at the economic and geopolitical environment. We actually have a dedicated area that looks at geopolitical issues and of course, our economic team regularly are providing the Board and Management with profiles of what's going on in the global economy and in markets that are important to us such as China and indeed, Hong Kong, which these days is part of China.

We've had extensive discussions at Board on all the aspects that go from how those markets are performing, as to what our contingency plans are in the event that there's a major change in the economy or in the political environment. Needless to say, I'm not going to say much more beyond that because these are best kept confidential, but it is a topic we spend quite a bit of time on. On to the next question please, Clare.

Clare Morgan: I have a question from [Michael Van Elst]. Why did the notification email of the AGM and instruction regarding proxy voting not disclose that voting at the AGM online would not be available?

Paul O'Sullivan: Okay. I understand that it does on the bottom right of page 4 in the Notice of Meeting actually provide some of that information, but I might just clarify that I've got

that correct. Yes, I'm looking at the Company Secretary. He's nodding to say that we did. Okay, on to the next question please, Clare.

Clare Morgan: I have a question from Ronald Guy. Regional trade unions, human rights groups, and the Norwegian Government Pension Fund have just removed Israel company Delek Group from their portfolio because of drilling in the non-self-governing country Western Sahara, which they consider unethical. In regard to ESG, how proactive is ANZ with making sure ANZ does not add to problems such as this? Procurement has been an area that the EU has tightened rules on. Is ANZ on top of the everchanging rules around ESG and modern-day slavery?

Paul O'Sullivan: Thank you, and there's really two questions in there. The first one is how are we making sure we don't fund and add to activities going on in markets where it is clearly unethical. Actually, what we have is a protocol that says where we think there's a high-risk area, or a high sensitivity around things like human rights, or environmental issues, then it goes through an escalated procedure within our institutional bank where it requires extra scrutiny, extra information, and more senior sign-off. I would be confident that we would not be in a position of doing that in those markets.

In terms of your second question, which remind me, Clare, was relating to the modern slavery. Yes, we obviously produce quite a lot of information on modern slavery. It's an evolving area. We've done a lot of work on staff training in this space. We have also used third parties to help us vet our supply chains, and internally in the Bank as well in terms of our customers and financing we've been developing technology and algorithms to help us spot if there's any risk of some of our funds or some of our services being used to in any way facilitate forced labour or exploitation of people.

I'll go on to - back to I think microphone number four.

Unidentified Company Representative: Thank you, Chairman. I have a question from Nishtha Aggarwal from Brisbane.

Nishtha Aggarwal: (Shareholder) Hi, everyone. Nishtha Aggarwal from public interest thinktank Climate Energy Finance. I'd like to congratulate ANZ on establishing a nation-leading \$100 billion sustainable finance pledge this year on top of the \$47 billion achieved under the last pledge up to the first half of this year and noting that's funding and facilitation.

Last year however, that \$100 billion pledge that you introduced last year was positioned originally as transition finance for ANZ's high-emitting customers. The *Australian Financial*

Review highlighted how this would boost funding to well-capitalised oil and gas companies in Australia. This year there was a clear rebrand, positioning the \$100 billion as environmental and social outcomes. Why was the scope of your \$100 billion pledge widened this year?

Paul O'Sullivan: Well, actually to encourage the investment in the sort of things I think you're referring to, to make sure that if it's got something which is going to help sustainability in a wider sense that we're doing it, and not simply to focus on looking at, say for example, the energy industry or financing to customers like that. Anything to add to that, Shayne?

Shayne Elliott: Only that there was no intention to - the intention was to clarify the needs. That funding is for sustainable finance, it's not transition finance. This is for, in a simple sense, things like wind farms, that would be the most obvious, or solar, et cetera. So, renewable finance, those things. That is what it's about and all we tried to do is just clarify, because there had been some questions from various stakeholders around the clarity of it. That's all.

Paul O'Sullivan: That's a very important point, yes.

Nishtha Aggarwal: (Shareholder) I think the definitions underneath sustainable finance of green finance and transition finance are set to become more clear at the end of next year.

Shayne Elliott: Yes.

Nishtha Aggarwal: (Shareholder) In the meantime, however, related to your oil and gas portfolio, you've highlighted today ANZ's position on backing in finance for new gas production, inconsistent with the IEA. Just for context on that one, it's greenwashed to say you're acting in accordance with the Paris Agreement and the International Energy Agency 1.5-degree pathways whilst omitting export emissions from the equation.

Australia is the world's third largest fossil fuel exporter and a petrostate second only to Russia and Saudi, and ANZ's exposure to export emissions is likely to be globally significant. Now, just to say no one is saying that ANZ needs to stop financing fossil fuels today, that is not what's being put forward here, but doubling down, as you mentioned, on distributed clean, anti-inflationary, firmed renewable energy is the game.

Just considering your oil and gas portfolio and the due diligence measures that you've cited several times today, absolutely really applaud that. I noticed the new escalation process and the progress that ANZ is making there. I would like to ask a specific question related

to that. Does ANZ consider carbon capture and storage as a credible transition activity for its upstream energy portfolio?

Paul O'Sullivan: I think it's a - well, I was going to say it's very early stage actually to see how that industry is evolving, and from what I understand so far, there are lots of challenges both in an engineering sense but also in an economic sense around that. I think it's still an area where we're evaluating and looking at it and I don't think we have a firm position on it today. I want to make sure we give everyone a chance to ask questions.

Nishtha Aggarwal: (Shareholder) Yes. No, absolutely. You've given people plenty of chance so I'll just follow that up and just say the International Energy Agency this year modelled it would take more than the entire world's electricity demand to power those technologies. So, being a key player in the development of Australia's sustainable finance taxonomy, can you assure us that ANZ will stand behind the latest science and best practice standards when it comes to things like carbon capture and storage and avoided emissions calculations.

Paul O'Sullivan: I think our track records speaks for - thank you for your question and also for your volunteering on this issue, and absolutely, I think our track record speaks for ourselves. We have been science-based in the way that we approach this topic. I hear your message. Thank you. Microphone number two.

Unidentified Company Representative: Thanks, Chairman. We have a question from Spiro Arcoozus from the Sunshine Coast.

Paul O'Sullivan: Welcome back, Mr Arcoozus.

Spiro Arcoozus: (Shareholder) Thank you, Mr Chairman. Much appreciated, to the Board and yourself. This point that I'm bringing up is specifically to help ANZ and the backend. I have a colleague, a friend, who received a message in a scam saying it was Amazon. My friend, Mr [Simon Poole], he responded because they had all his details plus his debit card number. Mr Poole, believing it's Amazon and a Melbourne number, proceeded to engage. After that phone call, Mr Poole decided something must be wrong so immediately went to ANZ Buderim on the Sunshine Coast to speak with the manager, speak with somebody to help to cancel any debits from that card. He spoke with...

Paul O'Sullivan: We're not going to get into the...

Spiro Arcoozus: (Shareholder) I'll be very brief, Mr Chairman. This is to help you and your backend.

Paul O'Sullivan: Thank you.

Spiro Arcoozus: (Shareholder) There were three transactions, \$980, \$975, and \$970 that he asked to put a stop, and he was put in touch with the fraud squad, the scam squad, and Falcon and three days or four days later those three payments were paid. From the time of the investigation and everything, from start to finish, of 19 January, by the time the money came back it was 20 June.

So, to help you with your backend, if you could follow that up and potentially to stop any other type of similar frauds to continue like that. That was the reason I'm just sharing, not as a complaint but more so to help the Board at ANZ.

Paul O'Sullivan: Thank you for the suggestion. Okay, thank you.

Spiro Arcoozus: (Shareholder) Now, the last question.

Paul O'Sullivan: I'm going to encourage you to be brief because I've given you more airtime than many at this meeting.

Spiro Arcoozus: (Shareholder) Okay. Standby, Mr Chairman. Fasten your seatbelt. The idea is about good governance. Now, KPMG have been part of your team since 1968 to now 2023. That's 55 years. Now, I don't think that this is good governance enough to have arm's-length investigations and audits from one company for so long. Would you consider to retender for the audits in the future so that you have a little bit more arm's-length and there's not so much internal communication with ANZ and the auditor, that it's so friendly that there might be some areas that might be grey?

Paul O'Sullivan: It's a fair point in terms of the importance of having some distance and a controlled environment with the auditor. There's a big challenge here; we're not a very large market and really there's only two other firms who have the resources in country and the scale to service us. You're quite correct, KPMG have been with us a long time.

Spiro Arcoozus: (Shareholder) Chairman, 55 years is a long time.

Paul O'Sullivan: Indeed. The challenge we've got is that the two other firms currently service our competitor rival banks and our concern would be if we switched too quickly and too easily, we could end up with the B team or the leftovers from what they do.

Spiro Arcoozus: (Shareholder) All right. Understood.

Paul O'Sullivan: So, it's a bit of a challenge. What we do do is we work hard to maintain some degree of independence. We change out the quality partner, the quality assurance partner on a regular basis. The last change was 2020, and we do change the signing

partner on a regular basis. In fact, Martin is here today, he's on his last day as signing partner for KPMG and thank you, Martin for your hard work for us.

He's going to be replaced effective from tomorrow by a new signing partner, and that's a regular practice we have of rotation, so that there's a new set of eyes at least. I know I won't be sparing Martin's blushes when I say I would love to retender it but there are some practical limits on whether it will be a good exercise.

Spiro Arcoozus: (Shareholder) And no offence, Martin, no offence. It was just a clear timeframe of 55 years that I thought it was worthwhile asking the question.

Paul O'Sullivan: It's a great question.

Spiro Arcoozus: (Shareholder) Thank you, Mr Chairman.

Paul O'Sullivan: I should say KPMG do do a very, very good job, and as a Board, because our reputations are riding on this, we are very fastidious about how they operate, and the Board certainly feels they do a top-quality job. We actually formally evaluate their performance each year at the Audit Committee. So, thank you.

Spiro Arcoozus: (Shareholder) Thank you, Mr Chairman. Thank you, Mr Elliott. Thank you.

Paul O'Sullivan: Okay. Next question, back to microphone number four.

Unidentified Company Representative: Chairman, I have a question from [Ian Porteous] from Brisbane.

Ian Porteous: (Shareholder) Good afternoon. My name is Ian Porteous. I'm a very minor shareholder. Now, I respectfully request that Board members utilise all their energy into running Bank business without concerning themselves about how shareholders vote or worrying about Australia's infinitesimal contribution of CO2 to the world's atmosphere.

Now, I'm not a scientist and I remain mainly on encyclopaedia Google for my information. Now, CO2 is an essential gas. Plants cannot live without it, nor can humans breathe without it. CO2 makes up 0.04 of the earth's atmosphere and that is 400 parts in a million. Human activity accounts for 3% of this 0.04% and that equals 12 parts in a million. Australia contributes about 1.3% of this human activity, and that is approximately 0.15 of one part in a million. In other words, that's one part in six million.

Now, to counter this one part in six million, Australia is already on track to totally wreck our economy and devastate a good portion of eastern Australia with these gathering lines and anchors for the wind turbines. Sun and wind are free, but the party ends there. The cost of harvesting and transmitting to the grid is astronomical, upwards of \$500,000 per

year subsidy for each turbine, 500 cubic metres of concrete - in other words, 1,200 to 1,500 tonnes for the base.

If you want pollution, go and live next door to a cement works. Then there is the sand and gravel to be quarried. Steel, there's 60 tonnes of reinforcement steel goes into the base, around about 300 tonnes for the tower, four tonnes of copper. Now, smelt all that lot without using any of this demon coal.

Paul O'Sullivan: Mr Porteous, can I encourage you to get to your question?

Ian Porteous: (Shareholder) I've asked it. I said may the Board requestfully [sic - respectfully] stop being sidetracked by such things.

Paul O'Sullivan: Thank you. Thank you for it, and look, I think we will have to agree to disagree. We've been quite clear in our position on this, and apart from the science-based arguments, clearly as a Bank, a responsible Board would be aware that the economy is making a transition. Government policies here and overseas are pushing that transition and so it is responsible for us to take account of that in the decisions we make. Thank you.

Okay. Next question is microphone number one. Mr Herman, welcome back.

Unidentified Company Representative: Thank you, Chairman. Paul Herman with a question.

Paul Herman: (Shareholder) Thank you. Look, I'm a very keen environmentalist and I'm really concerned about what's happening to the environment. What I was concerned about is that you have a customer such as Glencore. Glencore has been active in trying to stop action on climate change, lobbying the government and also distributing fake news, denying climate change. I was just quite shocked. I don't know, just...

Paul O'Sullivan: (Shareholder) So, Mr Herman, is there a question there, or more of a statement?

Paul Herman: (Shareholder) So, do you vet customers, big corporations like that on their record?

Paul O'Sullivan: Well I think as we've disclosed, our Top 100 program is absolutely all about being confident in the plans that our customers have. I'm not going to talk about individual customers, but that's absolutely our approach and we're very selective about who we bank. I'm conscious I'm starting to travel, retravel over ground that's already been covered and prosecuted, but I hear your feedback and your comment.

Paul O'Sullivan: (Shareholder) I guess I'm sorry about Elisabetta before, she obviously was quite upset, I had no idea that she was going to do that. I am quite shocked that there

seems to have been a change of tact on the question of liar loans and that it's now denial. Where before it was shifting the blame. I'm concerned about that, I'm concerned about the banking industry.

Paul O'Sullivan: I hear your concern and we've answered a couple of questions on the UBS study, so thank you. I think we've got six more questions online and we really do, to Mr Caulfield's point, want to get outside and mix with shareholders. So, I'm going to go to the online questions, and then if there's anybody else has a question in the room, can you please flag it now to our moderators? That way we can make sure we have an efficient end to the meeting. So, let's go online, back to you, Clare.

Clare Morgan: Chairman, I have a question from Stephen Mayne. Our Chair is also the long-term chair of Optus, yet when the recent media and political storm broke out over the Optus outage, it was the Optus CEO, Kelly Bayer Rosmarin who copped all the heat, with the chair barely mentioned, even though he was a former Optus CEO himself.

In light of this lack of scrutiny and recent problems at Optus, does Paul O'Sullivan believe that he remains a suitable Chair for ANZ? Why did he get to keep his job at Optus when the CEO was forced out? Was this issue discussed inside the ANZ boardroom?

Paul O'Sullivan: Thanks Steven, and yes I absolutely did discuss it with my colleagues. But let me take a step back. I joined Optus when it was so small, back in the '90s, that the CEO knew everyone's first name and would regularly tour around.

I worked there for quite a while, in fact I was a CEO at Optus until 2012, which is just about a decade ago. I know, because I have many friends still there, I know that I speak for everyone there that that's a company whose ability to compete against much larger entities was based on offering better service and better value to customers, that we are devastated at the experience that we've given to customers and indeed the concerns that have been raised.

So, I apologise unreservedly to anybody who was affected by the outage. I think it's important to be clear about my role. I am the chair of the parent entity that holds the assets in Australia for Optus. Optus is 100% owned by Singapore Telecommunications and as such it's effectively like a multinational, a subsidiary of a multinational.

So, there are clearly obligations that go with being chair of a local entity, but most of the day-to-day involvement with governance actually goes through Singtel in Singapore. So, the group CEO is the person that the Optus CEO reports to, and the equivalent of the

Board that you see here and the committees we've talked about today, are Singlet boards and Singtel Board committees, and I'm not a director of that entity.

So, there's a clear difference, a way of short handing that, maybe not doing justice, is that I'm not really in the day-to-day chain of command at Optus, but clearly I have responsibilities that I don't resile from. So, that's one of the reasons why I think the media coverage did not focus as much on me, but don't get me wrong, I'm not absolving myself of involvement with Optus, and in fact I'm proud of my involvement.

I think having a strong competitor who's willing to give people a choice against a big, powerful incumbent, I think that's a very important role for Australia. Not only on price and service, but on technology. With that, we'll move onto the next question please.

Clare Morgan: I have a question from Moira Caulfield. How many legacy cases do you have on foot at this present time? As a shareholder and concerned customer, surely these legacy cases can be reduced quickly. Thank you.

Paul O'Sullivan: Thank you, and I presume you're referring there to customer complaints or disputes, and absolutely we do track these at the Board level, we get an aged report as to what's going on with customer complaints and resolutions, and indeed we've invested in the last couple of years in upgrading the software system that allows us to track complaints that originated at a branch or with a contact centre, all the way through.

So, there's significant effort goes into understanding the nature of these complaints, remedying the root cause and ensuring that where possible we get a rapid response. Sadly there are two issues that challenge that. One is sometimes they can be very complex, so it takes time to get to the bottom of it. Secondly, sometimes the customer doesn't agree with the view that we've reached, in that case it goes through a more formal process with AFCA. Next question please.

Clare Morgan: I have a question from [Kara Tyman]. Kara has two questions. How is ANZ supporting staff during the transitional stage of raising children? I have searched the website and Google for a parental leave policy, however none is available. Please comment.

How is ANZ tracking and providing access to parental leave, flexible working et cetera, to male members of staff? Socially, it continues to be hard for men to access these benefits. How is ANZ addressing this?

Paul O'Sullivan: So, we do give primary caregivers up to 12 weeks paid leave, and in fact from 1 May that increases to 20 weeks. We don't differentiate between same sex couples or heterosexual couples, but yes, so I think that's the thrust of the question. Anything to add to that, Shayne? Okay, all right, thank you. Next question please.

Clare Morgan: I have a question from [Car Tan and Beng Saw]. It is reported that ANZ is once again planning to expand overseas, potentially via acquisitions. Is this true? If so, what is the rationale?

Paul O'Sullivan: Let me answer that more generally, which is to say we've been quite clear and explicit in our comments on what our strategy is. There is a significant international presence already in the bank, but if the question's going to the heart of are we now going back to the strategy of the early or mid-2000s where we were on an Asian expansion strategy, no, we have not chosen to change the strategy in that sense. I presume that's what was behind the question. Okay, next question please.

Clare Morgan: I have a question from Stephen Mayne. Did any of the five main proxy advisers recommend a vote against any of today's resolutions? If so, what reasons did they give and will you disclose the proxy votes now, before the debate finishes, so shareholders can ask questions about the reasons?

Paul O'Sullivan: The proxy advisers provide a service, and so I don't think it's appropriate for me to be specific about who said what, because that's their business and the service they provide to their customers. What I will say more generally is the proxies are all recommended in line with the Board this year.

We typically do show the votes that we received before the meeting before we close the vote and after the Q&A here at the AGM. So, we'll be doing that shortly. Next question please.

Clare Morgan: I have a question from Mr [T Eo]. The first question is regarding interest rates. Seeing that the money market rates have come down quite significantly in recent days, for example two-year government bond yields now 3.75% versus around 4.3% a month ago, this means that part of the bank's cost of funding has come down.

If so, will the bank review interest rates on all loan products, including the variable loans? Please note, if the bank can pass on a small portion of the NIM improvement, it would be helpful to the bank's loan mortgage customers. The second question is with respect to Suncorp. Part one, if this does not go ahead, what will the Bank do with the extra capital?

Part two, if this does go ahead, to what extent will it improve the Bank's franking credits level?

Paul O'Sullivan: Thank you for the questions. Let me unpack it a little bit. We're constantly looking at our pricing and there's a balancing act there between making sure we're competitive, but thinking about the sources of capital generation, how much we have to pay for that, and also what rates we have to lend at. So, it's under constant review, but the ultimate thing that should reassure you is a competitive market, and we need to make sure we stay there.

On terms of Suncorp, if it doesn't go ahead we have said publicly we will return the extra capital. Yes, there is a significant uplift in franking credits that will come if we succeed with the acquisition. Next question please.

Clare Morgan: I have a question from Ronald Guy. In recent years, many big business and ASX50 companies have taken public stances on issues like climate change and social justice, such as the 2017 marriage equality vote. Will ANZ join the growing voice for a ceasefire to be held in Gaza and stop the weaponizing of food, water and medicine to all people everywhere?

Paul O'Sullivan: Thank you, look there is an expectation that particularly in our home markets that we are always conscious of our presence and of the impact we have. As I mentioned earlier on, we actually have a framework inside that the Board uses and that senior management uses to decide where is it appropriate for us to make a comment on an issue publicly and where is it not?

So, obviously we'd apply the framework to an issue like this. At this stage we don't believe it's appropriate for us to be taking a stance on that issue. Next question please.

Clare Morgan: Chairman, this is the last question. From [Nicola Shay], what about capital growth? Under Mr Elliott, the share price has dropped from \$27 when he took over, to about \$25 now. The purpose of investment is capital growth, this is particularly important in a high inflation environment, and should be your main priority. How are you going to deliver?

Paul O'Sullivan: Thank you, and we as a Board always think about how can we create shareholder value, and obviously the share price is one aspect of that, the dividend is another. It's important to note that our total shareholder return over the last 12 months has been 20%, and the three-year rate I got is about 76%.

So, given that, we do believe we have been working hard to create value, but obviously the challenges in the industry mean we've got to stay even more nimble and be even more proactive in finding ways in which we can grow the Bank and create value for customers.

There are many factors that impact the share price over and beyond what we might do day-to-day, some such as regulatory changes in the external environment and others will have an impact. But be assured, your Board and management are absolutely focused on ways in which we can find new sources of value that we can create for shareholders. Next question please.

Clare Morgan: Chairman, I do have one more question, from Mr and Mrs Walker. I have heard employees are being asked to attend the office more often. ANZ has operated effectively with the current working conditions. In light of climate change, why would ANZ waste Company resources and those of employees by requiring them to attend more often? Thank you.

Paul O'Sullivan: You picked a really topical issue. Shayne, would you like to comment briefly on that?

Shayne Elliott: Sure, what we've asked our staff to do, and again accepting that we have lots of people doing lots of different things, that we think it's appropriate they spend at least half of their time in any given month in the office. The reason we do that is what we're doing in terms of servicing our customers largely requires teamwork. We think the best way for people to work together is when they're physically together.

So, it doesn't have to be every day, it doesn't have to be five days a week, but we think it should be at least half of the time. Actually our people agree, and what we've been really pleased to see is that our people have been returning to office and getting that balance right. So, we accept flexible working, we accept the benefits of that, but we also want our people working closely together to deliver better outcomes. We think that's good for them, better for our customers as well.

Paul O'Sullivan: Thanks, Shayne. So, we've been going for just over 4.25 hours. So, can I thank you all for your patience and your commitment. I was going to say there's no more questions, and I think in fairness I gave a lot of time to you. Okay I'll allow it if it's a very quick question, because then I wanted to close the questions and move onto...

Unidentified Participant: It's very quick and a positive close. Over the next 12 months, 24 months, do you think that it's quite possible, whether it's the acquisition or other areas of

business, that you believe that the share price could come up to \$30, \$35, \$40 over the next 12, 24 months? What do you think? Give me a wholehearted response.

Paul O'Sullivan: You'll be crowdfunding for my legal appeal if I answer that question.

Unidentified Participant: Happy to do that, Mr Chairman, happy to do that.

Paul O'Sullivan: All right, thank you. I obviously can't comment on that, that would be giving financial advice.

Unidentified Participant: Okay, thank you for trying anyway, thank you for trying.

Paul O'Sullivan: Okay, there are no more questions. So, can I thank you all for your patience? I think it's fair to say that we've given shareholders a reasonable opportunity to ask questions and indeed to make comments. Electronic voting for those in the room will close in one minute, and for those of you in the room who have hard copy voting cards on you, can you please complete and sign them and give them to a Computershare representative before you leave today? I'm going to close the poll in one minute.

Yes, so I'll now take - I'm actually about to do that, I'll now take the opportunity to remind shareholders of the resolutions being put to the meeting. I'm going to show on screen the proxies received in advance of the meeting. There being no further questions, this concludes the formal business of the meeting. Very shortly, we'll just give it a few seconds for everyone.

Just Christine who chairs our Audit Committee, has just reminded me that we should also note that part of today's agenda was indeed to put the Annual Report and the annual accounts in front of the meeting. I know you've had an opportunity to see those and to comment on those through the meeting.

Now I'm just giving a chance for all the votes and questions to be taken around.

Craig Caulfield: (Shareholder) [Inaudible] add another question?

Paul O'Sullivan: If it's on the financial results I'll take it, but if it's otherwise, I think we've given ample time. Do you want to go to the microphone, Craig?

Craig Caulfield: (Shareholder) It would be on people's minds that at some stage Shayne will be stepping down, whenever that happens is fine, and I've heard names in the media et cetera and I think it's just a topical conversation. I would like to put out there Mark Wheelan as the next CEO, because I've watched - I'm not sure why you're laughing, but I've...

Paul O'Sullivan: Because he's sitting right here and looking very, very pained.

Craig Caulfield: (Shareholder) I know he's sitting there, it doesn't matter, he doesn't know me. But I've watched for five years and for five years he's progressively reduced the costs, even customer numbers coming down, he said right we're going to deal with customers and we're going to take care of them and if it doesn't work well they're not going to stay with ANZ.

Paul O'Sullivan: Thank you, Craig. I'm going to take that as a statement, but thank you very much for the input. Okay, I'm now going to formally close the poll on voting. The results of the resolutions will be tallied, reviewed, and announced to the ASX as soon as possible.

On behalf of my fellow Directors, I thank you all for attending this AGM and for your ongoing interest as shareholders of ANZ. Subject to the receipt of signed, hardcopy voting cards and finalisation of the poll results, I now formally declare the AGM closed. I wish you all the best for the holiday season. Shayne, myself and the Board will look forward to seeing you outside and sharing some refreshments with you. Thank you.

End of Transcript