Transcript

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ANZ Chief Executive Officer Nuno Matos and Chief Financial Officer Farhan Faruqui Remarks, Investor Briefing, ANZ 2030 Strategy Update

ANZ Chief Executive Officer Nuno Matos remarks

Good morning everyone and welcome. Thank you so much for joining us this morning.

Today is an important day for ANZ, our customers, our people and our stakeholders.

The purpose of today's session is to update you on ANZ's strategy for the next five years and set a very clear ambition for the future of the Bank – ANZ 2030.

This includes our immediate priorities, which are already underway, as well as our broader areas of strategic focus out to 2030.

I will then hand over to our CFO Farhan Faruqui to cover the financial section of today's presentation, before wrapping up and taking your questions.

To help set the scene for our strategy, I want to share my thoughts on the Australian banking sector and ANZ's position in the market.

Reflections on first 150 days

First, some reflections on my early days as CEO of ANZ.

It has been nearly a year since I was announced in this role and just over 5 months since I started.

In that time, I have spoken with many of you and reflected on your feedback and insights.

I also have also met thousands of our people, hundreds of our customers, many of our regulators and a range of government leaders.

I have spent time in our key markets across Australia, New Zealand, Hong Kong, India and Singapore, while carrying out an extensive strategic review across the bank.

This has helped me develop a clear view of our businesses and our position across our markets, the strengths of our franchise, as well as the opportunities and the areas for improvement to realise our untapped potential.

During this time, I announced four new members of the Executive Committee, who, combined with my existing strong leadership team, are the right people to deliver our strategy.

We have also made some important organisational changes to help simplify the bank and reached an agreement to resolve open regulatory matters.

These and other decisions have helped clear the path for the future.

External environment

To help set the scene for our strategy, I will now share some reflections on the industry.

Banking in Australia and New Zealand is highly competitive, with a 30% decline in returns across the major banks over the last decade.

The Australian market in particular is operating in a highly commoditised way, with limited differentiation among propositions, few value-added services - such as Wealth Management offerings, and an increasing level of disintermediation.

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It also has a much higher reliance on net interest income, at more than 80% of the industry's operating income compared with around 50% in the major banks in the UK and Canada. There is also a higher reliance on third-party distributors relative to many other markets.

In parallel, Australia also has some of the highest bank capital requirements in the world, which sets a higher bar to deliver returns to shareholders.

Having said that, the Australian market offers great opportunities. It is a large market with a growing population and customer base, a stable economy and strong governance.

The stronger asset quality and higher capital requirements for Australian banks supports better ratings relative to our global peers.

This allows us to be competitively positioned in terms of our customers trusting us with their payments and cash management needs.

Strengths and opportunities

Within this competitive landscape, I am absolutely convinced ANZ has the portfolio and potential to deliver better outcomes for customers and strong growth for shareholders.

With 197 years of heritage, today we serve 8 million customers in Australia Retail, 700,000 customers in Commercial, and we have 30% market share in New Zealand.

We are number 1 in New Zealand, the number 1 institutional bank in both Australia and New Zealand, and we have a global footprint across 29 markets.

We are and have a fantastic combination of two scale markets, two market-leading positions, in Institutional and New Zealand, and a well-diversified business model which includes Asia, the fastest growing economic region in the world.

Well executed, this combination is certainly more powerful than a single market or single segment concentration.

We have four divisions, and the right strategic perimeter, and we are banking the right customer segments in the right geographies.

Now two divisions have performed consistently well - Institutional and New Zealand – with solid returns and contributing to around 50% of the Group revenues.

However, to be clear, the other two divisions, Australia Retail and Commercial, have underperformed.

In these divisions, which at industry level represent around 75% of the revenue pool in Australia, we see a significant opportunity to grow, materially enhance our returns and deliver better for our customers.

In addition, our company overall has become too complex and - at times - disintermediated from our customers, and we clearly need to improve how we manage our non-financial risks.

I am fully committed to driving the changes required to significantly simplify the organisation and see all four divisions perform well and deliver material growth, in line with their potential.

This is our time to deliver, and we are excited to execute our **ANZ 2030 strategy.**

Our ambition is for ANZ to unlock our potential to win the preference of customers, shareholders and the community.

Our strategy is focused on **four strategic pillars:**

- **Number one - Customer First.** With market leading, differentiated and superior propositions, we will raise the standard of every digital and human interaction for our customers.
- **Number two - Simplicity**. To set the market standard for productivity, we will deliver organisational simplification, divest non-core assets and improve efficiency.
- **Number three - Resilience**. Leading the industry in trust, safety and risk management, we will adhere to the highest standards of non-financial risk management and strengthen end-to-end accountability across the bank.

- And as a consequence**, number four - Delivering Value.** To sustainably improve our financial performance, we will create lasting value by delivering higher returning growth and results that matter for our stakeholders.

In delivering these priorities, we are supported by our core enablers: our **culture,** our **people** and our **technology**.

Today I am laying out this in two clear phases.

The **first phase** – across 26 and 27 – it's about delivering on immediate priorities in order to get the basics right, including a substantial improvement in productivity and initial investment for growth.

In the **second** phase, beyond 2027, we will realise the benefits of these strong foundations, accelerate growth and outperform the market.

Very important, in both phases, since day one we will continuously improve our returns and deliver value.

I will now move into the first phase of our ANZ 2030 strategy, which is comprised of 5 immediate priorities which I expect to be at the forefront of your minds.

Immediate priorities under our Strategic Pillars

Embedding my new leadership team

My first immediate priority is to **embed my new leadership team** - and together we will continue to drive a cultural reset.

Having the right people, and the right culture, are key to executing our strategy.

I have announced four new leaders joining my Executive Committee, bringing significant global and local experience, complementing well the existing bench strength.

My team has the mandate to execute our strategy at pace – and to continue to promote a culture reset.

We are building a culture of clarity, decisiveness, self-awareness, execution and accountability.

A culture based on talent and performance that focuses on customers' needs, promotes healthy and sustainable ambition, external competitiveness, and a desire to outperform while ensuring compliance with no short cuts.

It's about pursuing a culture that attracts both those who seek excellence and engages all of our people.

Our culture will become the biggest selling point for attracting and retaining talent. Our people will know they are part of something special, a journey to become the best bank for customers and shareholders in Australia and New Zealand.

Integrate Suncorp Bank faster to deliver value

Our **second** immediate priority is to bring forward the integration of Suncorp Bank, to accelerate value creation for our shareholders, to benefit our customers, and to significantly reduce operational complexity.

In August 2024, we acquired Suncorp Bank, with its high-quality customer franchise of 1.1 million retail customers, of whom 40% are MFI, and more than 100,000 SME customers.

That also gave us increased exposure to Queensland, a state where we were materially underweight.

As noted at our half-year results, Suncorp Bank continues to perform well. However, to achieve the benefits of scale, we absolutely need to bring the two banks together, faster.

We will complete a safe and secure migration of Suncorp Bank to ANZ by **June 2027**. As you would expect, this work is already well underway.

On migration, Suncorp [Bank] will be moved into our existing, stable and safe system stack and ANZ branded channels and products.

They will immediately benefit from access to a wider range of products and ANZ's expanded nation-wide branch network.

When we announced the acquisition, we estimated full run-rate annualised cost synergies of $260 million.

We are now updating this estimate to the full run-rate annualised cost synergies of approximately $500 million per year by FY2029, of which the vast majority will be captured in 2028.

Throughout this journey, we will meet all our Federal and Queensland Government commitments.

Accelerate the delivery of ANZ Plus digital front-end to support our customers

I will now turn to our **third** immediate priority, which is accelerating the delivery of the ANZ Plus digital front-end to all of our retail and small business customers.

Stepping back, let me remind you what ANZ Plus was designed to do - a full re-platforming of our retail and SME business, including the front-end, channels, products and all platforms other than the core banking platform.

The need to modernise and re-platform these two businesses remains an undeniable fact.

Having undertaken a comprehensive review, I am confident that our ANZ Plus technology, architecture and platforms provide the right foundation to deliver a market-leading customer experience.

However, the pace of the rollout of ANZ Plus has been too slow. This has led to structural and system duplication, brand and channel ambiguity, and created a financial burden for the group.

This was due to two major factors.

On one hand, the sequence of development was predominantly vertical – product by product – which put the customer at the end of the journey. Meaning, we would only have a viable end-to-end proposition when all products were built in our middleware and subsequently reflected in our front-end.

Second, our delivery model was inefficient. It was expensive, with complex processes, lack of prioritisation and capability gaps.

To be clear, we are fully committed to delivering ANZ Plus - but in a different sequence and through a new, much more efficient delivery model.

We are prioritising the development of the front-end of ANZ Plus and will upgrade all 8 million retail customers in Australia to this new, superior, single channel experience, by **September 2027**.

As a result, the experience for ANZ customers will be significantly modernised and improved, while also providing better security and features.

We are bringing the comprehensive and competitive ANZ Plus front-end experience to <u>all</u> of our Australian Retail and small business customers across <u>all</u> of our retail and small business products, including credit cards and home-loans, connected to <u>all</u> of our channels.

In terms of tangible outcomes for ANZ, this plan delivers a profoundly simpler and stronger Australia Retail and Commercial division. There will be one team, one brand, one single customer front-end, and one system stack - instead of almost three of everything – and much sooner than previously planned.

Once we have all of our Australia Retail and small business customers onto the single customer front-end, we will move to the next phase post-2027 - completing the re-platforming of the middleware and eliminating existing [middleware] legacy platforms with exception of our core banking system, to be very clear.

Importantly, this will be done with minimal impact to customers.

Reduce duplication to simplify our business

Our **fourth** immediate priority is to reduce duplication and simplify the organisation.

We are stopping initiatives that are not aligned with our strategy, and prioritising what will make the most difference to our customers.

Across the group, we have identified substantial opportunities to radically improve productivity through a simple organisational structure and operating model.

This is already reflected in our announcement that we will reduce 3,500 roles by September 2026, as well as a further 1,000 managed service contractors.

Around 60% of the ANZ roles are from Group Technology and Australia Retail, as we merge two teams and streamline support functions. The remaining roles come from consolidating middle-office roles across the whole organisation.

There will be very limited impact on front line roles in branches, contact centres, RMs and in customer support.

And there will be no overall impact to ANZ's non-financial risk management capability; in fact, that capability will be strengthened to ensure that ANZ meets its obligations and commitments.

We have also stopped projects and platform developments that don't serve our strategy or deliver tangible benefits for our customers.

We are already exiting non-bank activities that lack economic or strategic rationale, such as Cashrewards and 1835i.

We expect the impact of these initial productivity improvements to yield pre-tax annual gross cost savings of around $800 million in 2026.

Enhancing non-financial risk management to improve customer outcomes

Our **fifth** immediate priority – and one which is critical across everything that we do - is improving non-financial risk management.

This is a core part of our strategy and the key component of our third strategic pillar – resilience.

A significant amount of work is already underway. I outlined much of it when I spoke with you last month following our settlement with ASIC, in relation to matters within our Markets and Australia Retail businesses.

This is a business and cultural transformation that delivers a better-run bank for our customers and will be executed at pace.

In addition, the comprehensive enterprise-wide root-cause analysis that was conducted gave critical transparency to the challenges we have in managing non-financial risk.

We are making strong progress in addressing these.

I manage a weekly forum of my Executive Team to oversee progress, drive accountability, and remove roadblocks. We're driving better accountability and a culture of constructive challenge.

We have appointed the right leadership to deliver this work, including Les Vance, who is reporting to me directly to co-ordinate the change required across ANZ.

Importantly, he will lead an integrated program of work which addresses the requirements under the Court Enforceable Undertaking, while also ensuring we address the ASIC matters resolution program, and other Critical Risk Programs in an integrated and holistic way.

Last month, we delivered a comprehensive Root-Cause Remediation Plan to APRA as required by the CEU.

We expect this work to take three years with the first year dedicated to design, followed by two years to implement and embed.

I want to stress that I am ultimately accountable for making sure we get this right.

Medium-long term strategic priorities

These immediate priorities in our first phase will ensure we get the basics right, while delivering significant cost benefit.

This positions us well for the second phase of our strategy, attacking the market with confidence and resetting the bank for growth and outperformance.

I will now address the strategic pillars that underpin the ANZ 2030 strategy, with an emphasis on Customer First.

Customer First

Allow me to be direct.

It is quite fashionable to claim, as the CEO of any organisation, that you are “customer-focused” or “customer-centric”.

But stating this, versus truly living and delivering on it, are two very different things.

Despite our good intentions, we have not consistently lived up to the expectations of our customers across all of our businesses, in particular in Australia Retail and Commercial.

The most important strategic shift I want to underline today is how we are going to get back to growth by relentlessly focusing on customers across every segment and business of ANZ.

This is not about a headline on a slide, but rather a mindset we are going to drive throughout the organisation, that will strengthen loyalty and retention of those who bank with us, while attracting much more new customers.

We are focused on a set of initiatives which will make a real difference to our customers and will drive growth and revenue outperformance over time.

As you may expect, the level of strategic change in Australia Retail and Commercial is more significant, while in Institutional and New Zealand we are focused on extending and acceleration and optimisation of our solid competitive position.

I will now run through some of these key strategic initiatives, by division, starting with **Australia Retail**.

In this business, our deposit gathering franchise has not been strong, and we have lost share in MFI.

We have not put the same level of energy and focus on our own proprietary channels as we have for brokers. We have underinvested in physical proprietary channels and not delivered on time in our digital channels.

This will change.

First, in order to attract high quality deposits and accelerate our customer base growth, we will design differentiated propositions to customer segments, including the mass affluent segment and people relocating to Australia segment.

The mass affluent segment is a near $1.7 trillion dollar source of investable deposits and wealth, which offers a high-quality, growing source of bank deposits. We already have more than 200,000 customers with the right profile for this segment.

And for people relocating to Australia, by far the largest source of ‘new to banking’ customers in Australia, we have an undeniable advantage in being the only major international Australian banking brand in most of the relevant migrant corridors, particularly Asia and New Zealand.

In parallel, we will reinvigorate our transactional banking and credit card capabilities, regaining market share in these portfolios as we improve the quality of our propositions.

Second, a retail bank like ANZ needs multiple and strong customer acquisition channels.

Without compromising our great broker relationships, we will materially invest in and train our own mortgage sales force, aiming to increase the performance and the number of lenders in our branches by up to 50% over the next five years. This is already underway.

In addition, we are uplifting capacity in our home loan assessment teams and making process improvements to remove friction, whilst also investing in automation.

Third, we will continue to invest in our branches by improving our bankers’ tools to support the work of our front-line employees. As we speak, we are also re-platforming our contact centre experience, and as I mentioned we are developing our single customer front-end to provide a leading digital experience.

We will have the propositions, products, and channel experience to win customers and grow our Retail franchise.

I want to mention here that we are also aware of our commitment to support the communities in which we operate.

By improving our customer propositions, we also seek to support the inclusion and economic self-determination of First Nations peoples across Australia, through our first nations strategy. We also have our Maori economic development strategy in New Zealand.

Turning to our **Australia Commercial** business.

This is an attractive segment of the market. It is highly competitive, and we have materially underinvested in recent years. Today, our banker workforce is not matched in scale to meet our ambition, and our product platforms and processes do not meet customer expectations.

In order to address these issues:

First, we will increase our bankers materially – starting now - by close to 50%. We will also boost capability and productivity by giving these bankers much better tools and systems and increasing the strength of our proprietary origination muscle.

To support this, we will develop talent from within the bank, through a Commercial Bankers Academy.

Second, we will deliver Transactive Global, our best-in-class Institutional platform, to the middle-market segment. We will deliver the [ANZ] Plus front-end to our small business customers by the end of 2027, three years earlier than was estimated.

These investments will allow us to capture customers who are heavy users of payments, cash management, and FX the most profitable segment of the wholesale market. We will be the leading transactional bank for all business segments in Australia, as we currently are for Institutional.

The **third** initiative I will focus on is in **Private Banking.**

This business serves 17,500 customers and is growing fast, with a focus on generating value through capital light, fee-driven services.

We have a strong foothold in family offices, and highly experienced private bankers with an average tenure of around 12 years. This financial year we have grown investment funds by 20%, commercial lending by 17% and mortgages by 11%.

We will be increasing the size of our relationship manager workforce, improving the quality of our offering and leveraging the work we are doing in Australia Retail with the mass affluent segment.

I'll now turn to Institutional and New Zealand. I would like to reiterate that these are both market-leading business, and our goal with both is to ensure we invest appropriately so they can maintain and grow their strong positions.

Institutional, over the last decade, has transformed its customer relationships, geographic footprint, digital capabilities and financial performance. Our starting position is strong.

We have developed a capital-light business model, having reduced our customer base from 27,000 to 6,000, with a clear focus on Transaction Banking and Markets flow products. It is delivering consistent returns above the cost of capital while maintaining a low credit risk profile.

The three most significant actions we'll be pursuing to protect and grow this leading franchise are:

First, leveraging our leading platforms and unique footprint to drive targeted customer acquisition.

This includes, specifically, financial institutions and corporates with links to our home markets in Australia and New Zealand, and multinationals operating intra-Asia.

Our regional footprint is valuable, providing significant opportunities to participate in economic growth within the Asia Pacific region.

We will continue to be the bank that connects Australian and New Zealand companies to the rest of the world, and vice versa.

Of course, growth will be targeted - with the right customers in the right markets.

Second, continuing to invest in our Transaction Banking and Markets platforms.

We are focussed on extending our leading position in Payments and Cash Management and markets flow products in Australia and New Zealand, and we will broaden out these capabilities across our international network.

Third, very important, strengthening our capital management muscle to optimise returns.

We recently created a capital management structure within Institutional which will build and enhance our capabilities in originate-to-distribute and balance sheet recycling.

We are shaping an Institutional business that is increasingly resilient to the credit cycle, financial market conditions and interest rates.

In **New Zealand**, we operate the country's biggest bank and serve one in two Kiwis while delivering stable, resilient growth, efficiency and shareholder returns.

We are now about mid-way through re-platforming much of the business – including in this case core banking – in train since 2022. This is being delivered on time, on budget, and will be substantially completed by 2028.

We are creating the momentum to accelerate growth in New Zealand, and e are doing this by:

First, bringing the customer experience in line with our leadership position in the market, by redesigning the customer journey to resolve pain points.

Second, delivering bespoke propositions to customer segments, including to affluent and small business banking customers.

Third, investing significantly in giving our business RMs the right tools to outperform in target segments.

This work might be furthered by the Reserve Bank of New Zealand's recently announced review of its 2019 capital requirements.

As you can see, across our four divisions, all of the initiatives I've shared are focused on delivering for our customers by meeting their needs and driving growth and outperformance.

Simplicity

I will now talk about our next two pillars briefly, **Simplicity and Resilience.**

Our Simplicity pillar focuses on our continued productivity program.

We need to concentrate on meeting core banking needs, and on doing work with the highest level of efficiency.

To be clear, we will avoid distractions.

We have already taken the first steps to simplify our organisational structure, and will be reducing the direct reports to the Executive Committee by 20%.

We are implementing aligned structures across the enterprise and consistency in role definition, bringing clarity of expectations and improved oversight.

We have created Cost Management Units and given a clear mandate and accountability to our senior leaders to manage enterprise-wide cost reductions.

This is driving a cultural shift in the organisation, which is necessary to successfully achieve a step change in cost management discipline.

Beyond these organisational simplification efforts, we have identified significant opportunities to be managed through a formal program across four areas.

These are, first one, process improvements through automation and AI, external spend optimisation, organisational change and an investment portfolio review.

For example, in our global capability centres in Bengaluru and in Manila, we will capture a new wave of productivity by running the team in a horizontal manner, improving efficiency and scalability.

We are also re-engineering and automating lending submissions and manual processes, and using AI to improve, among other things, quality control and complaints analytics.

In addition, we are embedding a far more disciplined approach to our external spend – including strengthening procurement practices and significantly reducing the number of vendors.

In technology, we are challenging our vendor partners to work much more effectively with us to avoid and remove unnecessary expenditure on technology.

This program of initiatives is designed to deliver sustained and expanding productivity throughout the full plan until 2030, giving us the flexibility to reinvest in growth initiatives.

Resilience

The next pillar is Resilience.

Resilience has been a cornerstone of ANZ's strength, resilience, for almost 200 years and is our third strategic pillar.

We are strong in capital, liquidity and in our credit quality.

We have a resilient capital position, and we are highly rated - one of the only 11 comparable banks globally rated in the double-A band by all three agencies – with a well-diversified and high-quality portfolio.

The work we have undertaken over a number of years to reshape our lending book continues to drive good risk outcomes, which we firmly believe are structural in nature.

We have a higher proportion of investment grade exposures than any of our domestic peers – at around 83% of wholesale exposures are investment grade. We have also delivered peer-leading provision charges.

Throughout our plan we are also driving better returns, improving organic capital generation and further strengthening our resilience.

In addition, our NFR program as I said is ensuring we have a better run bank.

I will now hand over to Farhan, who will speak further about our fourth pillar – delivering value – which I am sure will attract a lot of attention.

ANZ Chief Financial Officer Farhan Faruqui remarks

Good morning.

Today I will discuss how we are **delivering value** from the ANZ 2030 strategy that has just been outlined by Nuno, and how we will measure our progress over the next five years.

In particular around the latter, I have connected with many of you and received feedback on the quality and consistency of our disclosures. We have heard your concerns.

So, going forward:

- **Number one:** we will report at each result a consistent set of metrics which are foundational for the performance of the bank and outcomes for our customers, and which align to the strategic pillars Nuno has spoken to and I will talk about these in a minute

- **Number two**, we will move to providing trading updates at the end of each quarter, starting from Q126, in line with our peers.

- **And number three,** we will ensure that we include consistent disclosures, including the drivers of performance, such as NIM, at our half and full-year results.

These disclosures will show that the plan we are announcing today drives stronger returns for our shareholders.

As Nuno indicated, the **first phase** of our plan is about getting the basics right and delivering value through a material improvement in productivity, while we execute the Suncorp Bank integration and move to a single customer front-end.

In that respect, on **Suncorp Bank,** Nuno outlined $500 million per annum in expected synergies.

With clarity on the timing and plan for the migration of Suncorp Bank customers, we now have greater confidence on the increased synergy benefits. This is as a result of rolling off the transitional service agreement, consolidating head-office functions, brand consolidation and reduced project spend etc.

To give further context, the $500 million number represents around 50%-55% of Suncorp Bank's cost base, which is in line with ranges you would see in global benchmarks for similar transactions, when well executed.

At the same time, while we are delivering greater synergies, we expect higher restructuring charges which will lead to a 10% increase in integration costs, to around $750 million in aggregate.

Our **productivity** program of initiatives, including role reductions and exit of non-core businesses, both of which we just talked about and announced last month, are expected to deliver gross cost savings of approximately $800 million in FY26.

Our productivity focus will continue in subsequent years, of course, and we will report progress at our results.

As we progress, we will be able to redirect more resources and investment into our strategic priorities, to drive revenue benefits into the **second phase** of the plan.

This includes capital-light revenue from targeting specific cohorts of customers, increasing the effectiveness of our customer facing staff, and scaling our technology and capabilities to improve customer experience.

To support these immediate and broader strategic priorities, we will remain within an investment envelope of approximately $1.5 billion annually.

Throughout this plan, we will also take a highly disciplined approach to investment spend as we move through our phases of strategy, driving more value per dollar of spend.

This will flow from a combination of better prioritisation and improved technology productivity.

Capital

Moving to capital and dividends.

As we execute on our strategic pillars, we will be taking end-of-year specific items that impact capital, two thirds of those have already been announced: i.e. the restructuring charges and the ASIC settlement.

In addition, we are reviewing other large and notable items to be included in our FY25 results that do not impact our capital. These predominantly relate to potential adjustments to the carrying value of our Asian investments. These are being finalised and will be disclosed as part of normal year-end process so we will not be addressing these further today.

In order to maintain a resilient balance sheet including taking into account these items, and to further strengthen our capital position, we will be implementing the following capital management actions:

First, we will cease the remaining approximately $800 million of the share buy-back. This will allow us to return surplus capital of approximately $1 billion from our Non-Operating Holding Company back to the Bank.

Second, we expect to apply a 1.5% discount on the next two Dividend Reinvestment Plans, which we also expect will not be neutralised.

Regarding the dividend, the Board recognises the importance of consistency and stability that our shareholders expect.

Our Final 2025 Dividend is subject to determination by the Board and will be announced with the release of our full year audited results.

However, the Board is confident in the strategy and with the capital actions just announced, expects the final dividend to remain unchanged from the first half. The franking rate for that dividend is also expected to be maintained.

The plan we have presented today gives us confidence in the organic capital generating capacity of the bank.

This, and the capital actions I have just announced, ensure our balance sheet and capital position are strengthened, enabling us to deliver on our priorities while supporting our customers and delivering value to our shareholders.

To be clear: this also includes the impact of the acceleration of the integration of Suncorp Bank as presented today.

Scorecard

In terms of our scorecard, we are committed to transparently reporting progress against our Strategic Pillars, and as I said we will improve consistency in our disclosures.

Accordingly, we have established a set of key metrics, aligned with our Strategic Pillars, including our primary targets.

Under **customer first**, we will focus on NPS and relationship strength indicators, and on the key measure of MFI growth.

In **simplicity**, we will report progress on our gross cost savings of $800 million in FY26 and on delivering Suncorp Bank synergies. We will also report our cost-to-income ratio for the group.

For **resilience**, we will report progress against our NFR remediation plan and common equity tier 1 capital ratio.

And in **delivering value**, we will report on our Return On Tangible Equity and revenue to risk weighted assets.

These will be included in our regular disclosures, with updates provided at each results announcement.

Targets

In addition to these clear metrics, we are today committing to a set of critical targets that will deliver value for our shareholders.

These are:

- Increase Return on Tangible Equity (ROTE) from 10.3% as reported for FY24 towards 12% by FY28 and towards 13% by FY30.
- Achieve a cost-to-income ratio in the mid-40s% by FY28 and sustained through to FY30 within that range. That will include the impact of
  - Estimated gross cost savings of $800 million to be delivered in FY26.
  - As well as the impact of the estimated Suncorp Bank synergies of $500 million with full run-rate synergies as Nuno outlined realised in FY29.

I am confident that our ANZ 2030 strategy will allow us to deliver on these targets, and deliver value to you, our shareholders.

Thank you very much and with that, I'll hand back to Nuno.

ANZ Chief Executive Officer Nuno Matos final remarks

Thanks Farhan.

We are acutely aware that delivery and execution are central to our ability to meet and exceed the expectations of our shareholders, customers and colleagues.

This starts with leadership and how we role model.

We have a refreshed leadership team with the right capabilities, and will continue to invest in attracting and developing high performing talent.

And we are committed to transparency around the reporting of clear measures which we are accountable for - as discussed by Farhan.

So, to summarise, we will be delivering our strategy in two clear phases.

In the **first phase**, we will get back to basics and deliver material productivity, through the execution of our immediate priorities while initiating the necessary investments for future growth.

As we transition into our **second phase**, we will see an acceleration in revenue growth, with all four divisions performing strongly as a result of: our differentiated propositions, proprietary origination and channel upgrades, reduced disintermediation, and extended leadership in transactional banking and markets flow products.

The Group will be positioned to deliver to our full potential.

With a clear strategy, strong leadership, and disciplined execution, we are well-placed to deliver meaningful value for our shareholders.

With that, I'll now hand back to Kylie to manage the Q&A session. Thank you.

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