

News Release

For Release: 13 November 2023

2023 Full Year Result & Proposed Final Dividend

ANZ today announced an audited¹ Statutory Profit after tax for the full year ended 30 September 2023 of \$7,098 million, flat on the previous year.

Cash Profit² from continuing operations was \$7,405 million, up 14% when compared with the prior year.

ANZ's Common Equity Tier 1 Ratio was 13.3% and Cash Return on Equity was 10.9%. The proposed 2023 Final Dividend is 94 cents per share (cps), comprising an 81cps dividend partially franked at 65% and an additional one-off unfranked dividend of 13cps.³

GROUP FINANCIAL INFORMATION

Earnings (\$m)	FY23	FY22	Movement
Statutory Profit After Tax	7,098	7,119	0%
Cash Profit (continuing operations)	7,405	6,515	14%
Profit before Credit Impairment & Tax	10,754	8,968	20%
Earnings Per Share (cents)	247.1	228.8	8%
Return on Equity	10.9%	10.4%	54bps
Return on Average Assets	0.66%	0.63%	3bps
Net Tangible Assets per ordinary share (\$)	21.78	20.75	103 cents
Dividend per share (cents)	175	146	20%
Credit Provision Charge (\$m)	FY23	FY22	Movement
Total Provision Charge / (release)	245	(232)	large
Individual Provision Charge / (release)	93	79	18%
Collective Provision Charge / (release)	152	(311)	large
Balance Sheet (\$b)	Sep-23	Sep-22	Movement
Gross Loans and Advances (GLAs)	710.6	676.0	5%
Total Risk Weighted Assets (RWAs)	433.3	454.7	(5)%
Customer Deposits	647.1	620.4	4%
Common Equity Tier 1 Ratio (CET1)	13.3%	12.3%	105bps
Other	Sep-23	Sep-22	Movement
Full Time Equivalent staff (including discontinued)	40,342	39,381	2%

¹ The Group's Annual Report will be available on 13 November 2023 and will include a copy of KPMG's audit report dated 10 November 2023

² Cash Profit excludes non-core items included in Statutory Profit with the net after tax adjustment an increase to Statutory Profit of \$307 million

³ The proposed 2023 Final Dividend of 94 cents per share is partially franked at 56%. See details on page 3

CEO COMMENTARY⁴

ANZ Chief Executive Officer, Shayne Elliott, said: "This is a strong annual result, with record revenue⁵ and cash profit following several years of transformation, enabling us to continue to support our customers and improve their banking experience.

"We continued to strengthen our balance sheet and closed the year with provisions for potential credit losses higher than prior to the pandemic, and with more capital than ever before. This is critical as we enter a period of continued high interest rates, rising costs and geopolitical tensions.

"While our first half was stronger, the second half delivered an outstanding revenue and profit result, demonstrating the benefits of our diversified franchise."

"We carefully managed costs to partially offset the high inflation environment, while continuing to invest in initiatives that will set us up for sustainable long-term success. These investments include our Institutional payments platforms that supported \$164 trillion in transaction flows through the year, the continued migration of services to the cloud and our new retail business ANZ Plus.

"Importantly, each of our core divisions contributed positively to the result. They all have a clear strategy and a funded roadmap to deliver sustainably better outcomes for customers, in line with our purpose.

"In Australia Retail, our ongoing investment in home loan processing supported consistent turnaround times which, coupled with ongoing digitisation for deposit account opening, resulted in high-quality growth in our retail balance sheet. Investments to protect customers from scams and fraud continue. Pleasingly, we detected and prevented more than \$100 million of potential customer losses, up 38% from last year.

"Just 18 months since launching, ANZ Plus has become one of the fastest growing digital banking platforms in Australia. As of today, it has attracted more than 500,000 customers and over \$10 billion in deposits. The cost of operating ANZ Plus is materially lower than our existing retail business and we are seeing high levels of customer engagement and satisfaction. Importantly, the advanced security measures on ANZ Plus resulted in one of the lowest incidences of digital fraud in the industry.

"This month we have released our new ANZ Plus digital home loan refinance product to eligible customers, designed to make home lending faster and simpler for Australian homeowners.

"Australia Commercial is our highest returning division and delivered 11% revenue growth in the year. Lending grew to a record high of \$62 billion. Deposits also grew, showing the underlying resilience of our SME customers. We were pleased to have supported over 1,000 small businesses through our online unsecured lending platform, GoBiz, which like ANZ Plus delivers better customer outcomes at lower cost.

"Our Institutional Division produced record financial results, reflecting the benefits of long-term investment and transformation. For the first time, all three of its core businesses, Transaction Banking, Corporate Finance and Markets, generated more than \$2 billion each in revenue.

⁴ All commentary is presented on a Cash Profit continuing basis with growth rates compared with the full year ended 30 September 2022 unless otherwise stated

⁵ Revenue up 13% to \$20.9 billion

“Transaction Banking recorded its highest ever annual revenue, servicing some of the world’s largest companies and financial institutions.

“The strength of our New Zealand Division was once again evident as we maintained our leading market position in home loans, retail deposits, business banking, agriculture and funds management. ANZ New Zealand delivered consistent financial results while helping customers navigate a difficult environment due to continued inflation, high interest rates and extreme weather events.

“Overall, this is a strong result reflecting the benefits of our consistent strategy and a well-diversified portfolio of businesses,” Mr Elliott said.

CREDIT QUALITY

The total credit provision result for the full year on a cash continuing basis was a net charge of \$245 million comprising:

- a collective provision (CP) charge of \$152 million
- an individually assessed provision (IP) charge of \$93 million

There was a small release of \$11 million in CP in the second half, which combined with an IP charge of \$123 million resulted in a second half net credit impairment charge of \$112 million.

CP overlays for increased risks associated with rising inflation, higher interest rates as well as increased geopolitical tensions have been largely retained. As a result, our CP balance at 30 September 2023 was \$4,032 million.

DIVIDEND & CAPITAL

ANZ Banking Group’s capital position remains strong, with a Common Equity Tier 1 Ratio of 13.3%, an increase of 16 basis points since March 2023. This includes capital being held for the proposed acquisition of Suncorp Bank.

The proposed 2023 Final Dividend is 94cps, partially franked at 56%. This comprises an 81cps dividend partially franked at 65%, and an additional one-off unfranked dividend of 13cps.

The level of franking reflects the geographically diverse nature of our business, as well as the timing of the proposed Suncorp Bank transaction. The Board recognised that lower franking may not have been anticipated by some shareholders. In recognition of this, and given our strong performance, the Board agreed that the one-off unfranked dividend was appropriate.

SUNCORP BANK

In July 2022, we announced plans to acquire Suncorp Bank to add scale to our Retail and Commercial businesses and enable ANZ to more effectively compete in the Australian market. In August this year, the Australian Competition and Consumer Commission (ACCC) announced its decision not to grant authorisation.

ANZ has filed an application with the Australian Competition Tribunal for review of the ACCC’s decision, and a decision is expected in February 2024. If ANZ’s application is successful, completion would then remain subject to approval from the Federal Treasurer and the passage of legislative amendments by the Queensland Parliament. We continue preparations to integrate Suncorp Bank into ANZ Group, subject to these conditions being met.

FURTHER COMMENTS

Mr Elliott said: "Looking ahead, we will continue to manage costs to create capacity for further investment in ANZ Plus, growing our Commercial business and enhancing our sustainability, currency and payments platforms.

"The external environment is likely to remain challenging. The full impact of higher interest rates is expected to continue to impact economic activity as well as household and business budgets.

"Despite these challenges, we expect the economy will be supported by strong household savings, resilient housing markets, low unemployment, solid business investment intentions and strong migration in Australia and New Zealand.

"Our customers have so far proven resilient, with a relatively low level of delinquencies despite the current interest rate tightening cycle. That said, we know circumstances can change quickly.

"We will continue to focus on supporting customers through what will likely be another year of cost-of-living pressures. We encourage customers experiencing financial difficulty to contact us, and we will continue to proactively reach out and check in with customers who may be struggling.

"Our strong balance sheet means ANZ is well placed to assist those in need, and we stand ready to do so," Mr Elliott said.

Interviews with relevant executives, including Shayne Elliott, can be found at bluenotes.anz.com.

For media enquiries contact:

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

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

For analyst enquiries contact:

Jill Campbell
Group General Manager,
Investor Relations
Tel: +61 412 047 448

Cameron Davis
Executive Manager, Investor Relations
Tel: +61 421 613 819

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ANZ Group Holdings Limited
9/833 Collins Street Docklands Victoria 3008 Australia
ABN 16 659 510 791

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