

News Release

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Transcript: bluenotes interview with ANZ Wealth Group Executive Alexis George and Andrew Cornell

The following is a transcript of a video interview with ANZ Wealth Group Executive Alexis George discussing an update on the sale of ANZ's Wealth business which was released today.

The interview was conducted by Andrew Cornell Managing Editor of bluenotes, ANZ's digital publication for news, opinion and insight and can be viewed at www.bluenotes.anz.com

Andrew Cornell Morning Alexis, thanks very much for joining us again on bluenotes. ANZ's just announced a transaction with IOOF for part of the Wealth business. Now when the review was actually first announced the talk was the whole Wealth business or perhaps even a listing of the whole Wealth business. Why part of the business?

Alexis George As you've quite rightly said, the original intention was to look for a buyer of the whole business. I think as we've gone through this process it's become clear that it's actually better for the customers and for the shareholder that we separate the superannuation and insurance businesses and look for alternative outcomes for both of those. And today we announced IOOF; big player in super; big player in advice and it is the best outcome for our customers and shareholders in that space.

Andrew Cornell So this business is essentially, as you say, the planners and superannuation going to IOOF so I suppose the two questions are; why IOOF in this space; and then what happens with the rest of the business? How long has that process got to go?

Alexis George Yes I think you'll remember when we started this process Shayne saying that we wanted to have a partner that was absolutely dedicated to investing in the businesses and to thinking about digital and data because we are going to have a long term relationship. Now if we talk about the P&I or the superannuation businesses and the ADGs that is exactly what IOOF is. They are a big player in advice, they are a big player in super and absolutely committed to the Australian market. With the acquisition of our businesses they'll be one of the top three players in advice and very big in super. So it clearly sets out a strategy for them longer term.

Now we come to the insurance business. We've still got customers out there that we need to serve. But we really found out that during the process of this it's better if we separate the businesses. It gives us a much cleaner look at what we do in insurance. Now, ANZ is still committed to the strategy of not manufacturing insurance. So we need to look for alternatives for insurance. It may take some time. I just want to be clear about that.

Andrew Cornell I understand that it could be complicated and you don't want to commit to a timeframe, would it be fair to say that now that you've done this transaction the remainder of the sale is perhaps a neater package? Is that what you were implying?

- Alexis George** Absolutely, look separating the super business from the insurance business will take some time but once that happens it means we've got a clear life insurance business and that gives us much more opportunities than we've got today.
- Andrew Cornell** It is quite a complicated time in that space. There's a lot of transactions going ahead, proposed or speculated about. Does that change your thinking?
- Alexis George** I don't think it changes the thinking from ANZ. We've been very clear that we want to offer wealth solutions to customers. That has not changed, we want to offer wealth solutions to our customers. But we're not the best owner or the best manufacture of super and insurance. So that's where we are going. The market place is clearly changing. We've seen lots of deals announced you see rumours about others coming into the space so I think it is going to be a different space but it doesn't change our strategy.
- Andrew Cornell** And with this transaction today, some planners will actually stay with ANZ. Why are they different?
- Alexis George** That's an important clarification. So, our aligned dealer groups being M3, RI and FSP will move as part of the acquisition to IOOF. And as I said IOOF are very committed to financial advice. Given that we are going to separate superannuation and insurance though, it makes sense for us to keep the ANZ Financial Planners and Wealth Connect and we need to engage them in the broader bank network to make sure we can offer those solutions. So, there is a difference, you are right, from where we started out but given the separation it doesn't make sense for ANZ Financial Planning or Wealth Connect to move.
- Andrew Cornell** What should customers expect to see as this process plays out?
- Alexis George** Well, I mean, I'm absolutely committed to making sure the customers are protected from all the work we will need to do to effect this. It's not business as usual. I'm not that naïve but we've absolutely got to make sure that our customers are protected and that we continue to service them on a daily basis. And that we focus on our business. We are still a very big player in super, and a very big player in insurance and a very big player in advice. And we have responsibilities to maintain those businesses throughout this period.
- Andrew Cornell** Well good luck with that process Lex, we'll keep our eyes on how it all happens as I'm sure the market will. So thanks very much for your time with bluenotes.
- Alexis George** It is my pleasure Andrew.

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