

## Transcript – NAB CEO Announcement, media call

**NAB Chair, Phil Chronican:** Is and acknowledged that Andrew's leadership with our Business and Private Bank has been exceptional through that time as well. So we're pleased with where we are and I'd just like our new CEO Andrew Irvine to make a few comments to you.

**Incoming CEO, Andrew Irvine:** Thank you, Phil, and good morning everybody. Today's a really humbling day for me. I have a lot of gratitude and excitement about today's announcement. I've been at NAB now since September of 2020 and I've enjoyed every day of it.

Ross, I've learned a tremendous amount working with you and I echo the comments you made Phil around NAB being in a really good position in terms of making this a better bank. I know I have a big responsibility to continue to make things better every day and I plan on doing just that over the next days, weeks and months as I move forward with a terrific leadership team.

**Retiring CEO, Ross McEwan:** It's a tremendous day for me. I remember telling a couple of people when I started that I wanted to ensure we had really good internal succession when my time came to move on and I'm absolutely delighted that the Board has appointed Andrew, who I've worked with for the last three years and absolutely admire.

Today is very much about Andrew. And if I had my way today's announcement would be Ross has finished at NAB dot end, but I am going to give Andrew as much support as I possibly can between now and the beginning of April. Because this bank's in great shape and I think Andrew will continue with the work of just concentrating every day on customers, our colleagues and the communities we operate in.

We've stabilised the operations and galvanised our business bank as being one of Australia's two undisputed banking franchises. I think that was a question of the start of my tenure and that's certainly not a question today.

My job has been to sharpen the focus on customers and colleagues – and we've developed a strategy and every day I've been here we've just stuck to it. I hope that that's one of the things that jumps out for people when they think about NAB. And as we progress in the next few years, you can just rely on us being a good bank.

I'm satisfied with my time at NAB and a big thank you Phil to you and to the Board for support you've given me. And the process that you've gone through in picking Andrew has been outstanding. And to Andrew and the team, all the very best – I know you'll do an amazing job.

**Host:** Thank you, Phil. Ross and Andrew. We will now take questions from people on the line.

**Journalist:** Thank you and congratulations Andrew, on your appointment, and your tenure Ross. I wondered whether or not you might just be able to take us back to the pandemic days in 2020 and just explain how your first identified Andrew working in Canada and lured him over here. And Andrew on the back of that, I was wondering if you might be able to just explain your first impressions on landing in Australia and how you approached management of the bank from the get go?

**McEwan:** A great question. I think you'll probably get a much better answer out of poor Andrew who sat in the hotel room I think about for about three times through that pandemic. So I'll get him to answer how he felt about that.

But it was the first time I've ever done a senior executive appointment with the whole process being on a Zoom screen. And we did identify Andrew early on amongst I think a really good, good field Phil and I interviewed as this was such a big appointment for us. And we identified Andrew as just having the capability and I think the future leadership capability that he would be one of the contenders for succession when I moved on. And that's proven to be absolutely right. It was made more difficult because of the way we had to do it across Zoom because often you get a much better impression when you're sitting down having a coffee or a meal with somebody to find out what they're really like. But I wasn't disappointed when Andrew turned up and he hasn't disappointed me over the last three years, he's been great for the franchise. And I'll let Andrew describe to you what he had to do because I think our first several conversations when you're in a hotel room, right?

**Irvine:** Yeah. Look in jobs like these, you do get calls and opportunities all the time. But what was unique about the NAB opportunity was frankly the opportunity to work with and learn from Ross. I had never met Ross before, but I was very aware of his body of work in Australia with CBA and then also in the UK with Royal Bank of Scotland. And he was someone who I thought would make me a better leader and a better executive and he's not disappointed. It wasn't easy, let me tell you.

I think I met Ross something like 10 weeks after having started at NAB because I was in Sydney and he of course was here in Melbourne in lockdown. But what doesn't kill you makes you stronger and I think we're all better for the experience that we had. And it's been a real privilege being on these shores for the last three years.

**Journalist: One for you Ross, why now? What's the significance about the departure this point in time?**

**McEwan:** I always knew that you'd sort of know when the time came for a true retirement. And I said to Phil, must have been mid to late last year, it felt like the right time to really kick the process off. We've been doing a lot of development work internally with our senior executives, not just by our executive leadership team, but our top 100 leaders, which I've always been firmly of the view that they run the bank.

And it just felt like the right time and, for myself, I've done several very large gigs and it just felt like the time to do something different. From a personal perspective I've got an amazing wife who has followed me for probably 25 years in different countries and we'd like to spend some time with our own grandchildren, or I'd like to, I think going forward, do a couple of board roles. But it just felt like the right time.

And I also thought that the organisation was ready. I thought the organisation had done a great job of rebuilding its own mojo, but in a very humble way. It had got itself back concentrating on our colleagues and our customers, which is what we've always talked about, and you get a feel for it's time. I'd like to spend a bit more time doing other things both in Australia and in New Zealand.

**Journalist: Are you going to be based here or across the Tasman?**

We've really enjoyed enjoy Melbourne, so we want to do a bit of both and we've got the luxury of being able to do so. Spend time in New Zealand and in Australia. Phil probably knows this that when I took on the job, I said, 'well, at least I'll be able to spend every probably sixth or eighth weekend across in New Zealand and then COVID came and that squashed it for two years. So I would like to

spend a lot more time with family in New Zealand and in Australia. So it'll be between both countries, which is fantastic. I keep saying you couldn't ask two better countries in the world – these are the two.

**Journalist:** Thanks very much and congratulations Andrew, and to you Ross too. I wonder Phil or Andrew can you give me some sense of what the first six months of this new tenure is going to hold. And more broadly, are you happy with the shape of the business and the portfolio mix you've got where you're putting the resources in?

**Chronican:** I'll make a few opening comments and pass on to Andrew to make his observations. Ross is leaving this company in pretty good shape. I think look back over the past four or five years, we've done most of the remediation work that we had to coming out of those Royal Commission years and also building the business to have some momentum. And that was one of the things that I asked Ross to make sure we focused on is that we not lose momentum while we repaired the organisation.

We've got a good leadership group. It's a tough economic environment, margins are under pressure, it's very competitive. So Andrew has his work cut out to make sure that we keep that momentum going and obviously we want to keep most of the initiatives that Ross has got going in train. But I would say that the real challenge now is rather than looking backwards, how do we make sure this organisation looks forward and becomes a better bank, does some of the investments in technology that we know will be needed and remain relevant to our customers, be they in New Zealand or our institutional business and retail, or in our core business bank. Andrew, you will take the reins up on the 2nd of April, so were do you think you're going to be focused.

**Irvine:** Thanks Phil. My immediate focus is going to be listening. I want to spend a lot of going across the country and visiting other markets as well, listening to our customers and to our colleagues on how we're going, what's working, what things continue to need my focus. What I would say is I've been on the leadership team for the last 3 1/2 years. I've been part of the decision making that's got the bank to where it is under Ross' leadership and I don't think that you should expect to see major pivots here in terms of what we plan on doing going forward.

**Journalist:** **Ross, someone described you this morning as one of the last of the old school bankers given you had experience in Australia and the UK under very challenging circumstances. How would you describe yourself as a banker who's gone through the last several decades with the challenges of banking? And what does a new leader of banks now need – how has it changed? What's the banking leader of today – how are they different to perhaps your days earlier in your career?**

**McEwan:** We probably need longer than the half an hour to have a good chat about that one. But one of the things that I noticed when I came back, and Phil and I spent quite a bit of time talking about this, was we just needed to get back to some of the basics of banking. Needed to concentrate back on our customers. That's the reason we're here. We deliver through our colleagues, and I think it came back to the industry just needed to concentrate on what was good for its customers would be good for the bank. And that's what I focused on. Every morning I wake up and I go through what's in my e-mail box. At the end of the day making sure that whatever customers have written in either congratulating or complaining explaining is looked after. I think it's just we needed to take banking back to looking after customers. Lots of work still to be done.

What has changed is the delivery mechanism. And 25 years ago it was all about branch networks and contact centres. The mobile phone hadn't been devised at that point for doing your banking. It's the delivery mechanisms that have now changed and the use of technology and the things around

cyberattacks and scams that are being our customers are being hit with – that's what's changed. But I fundamentally do not believe that banking has changed for hundreds of years. It's how you go about. And I've worked with Andrew for the last three years. He's been very focused on customers and how we deliver to customers. And he does a sensational job in that area. So I think it's more around how things are delivered nowadays as opposed to banking being changed too much. And leadership it's all about our people and getting the most out of them and making sure that they're enjoying their day. Banking in the old days was all about cash, actually, it was all about cheques. Phil, we would remember that. Cheques are nearly gone. Cash is in a massive decline, creating issues of course and it's so digital today. So I think it's the mechanism as opposed to what we should concentrate on.

**Journalist: Phil, would you have any thoughts on that as well? You've been in banking for a long time?**

**Chronican:** If Ross was one of the last, that must make me the last. I think one of the things that here at NAB in particular we focus on is relationship banking. A significant part of our business is that middle market business bank. And, as Ross said, the delivery mechanism is different. We don't have a lot of panelled offices anymore and we don't have cheques and cash (as much). But understanding our customers needs, understanding the pressures they're under. Putting bankers in front of them who can assist them in identifying what it is we can do to help them. That's the essence of what we're about and that's as true in business bank, actually it's true in personal banking as well and of course in the corporate end.

So the way you deliver it is very different. But getting the organisation to actually work back from what is the customers needs, how are we best positioned to deliver that and what are we doing to make sure that we remain relevant to our customers because over the longer run, that's the only sure way we have to thrive. So, I would say it's the relationships.

**Journalist: Congratulations Andrew. I was just wondering when you arrived you expressed some surprise about the level of business lending that was secured by property. I was wondering how successful you think you've been in shifting that? And also what you think is the mood and what are the main concerns of your business customers now?**

**Irvine:** Thank you for the question. I do recall feeling that when I did get here. We're working really hard as a bank on obviously continuing to lend against property, but also using data. We believe very strongly in the power of data. And I think you've seen us deliver capabilities in both personal business, as well as in the business bank where we can leverage data to help our customers safely and soundly. And we're doing a lot more of that than we were three years ago, which is encouraging. And I think you'll see us continue to improve our capabilities in that area.

Your second question was what are we seeing in terms of the economy and the market today? Comment there would be clearly as we enter 2024, it's a more difficult economic period than it has been in the last two or three years. And we know that there are customers out there, both on the personal and the business side that are struggling. And our approach there is to anyone who's doing it tough, please reach out to us or to any bank, frankly, because the earlier that we are aware of the problems, the better that we can help you. And that's something that we believe in. But the other thing I caution us to do is to not talk the economy down. We're still really optimistic about Australia. There are lots of companies out there that are looking to grow, employment levels are still exceptionally strong and while interest rates have increased, most customers, both on the personal and the business side, have been able to work through that. So we've just got to maintain a little bit

of optimism. Australia and for that matter New Zealand are still among the very best places in the world to live and work.

**Journalist: Hey, guys. Congrats everyone on today. First one Phil, I was just wondering what the plan is to sort of make sure there isn't any risk of other executives who were potentially in the race to see leaving after Andrew's appointment. And then the second one for Andrew. I'm wondering what's the long-term vision for NAB for him. And what do you want to change about the bank and what you want to develop in the bank?**

**Chronican:** Thanks. Obviously we're very proud of the leadership team that Ross has developed over the last four or so years. Not everyone who started the journey with Ross has been able to stay and we've had other – over the past year I think we've had a couple of retirements and one executive had to leave because of some family issues. So change is inevitable, but we're very keen that we have some stability through this period and we're hopeful that the overwhelming majority of the executives who have been here with Ross will remain with us.

That won't be a permanent feature because change is inherent in what we do. But we've got a good team, we've got depth. One of the nice things about this organisation is that as we did have some change in the last year, we were twice able to bring forward people within the organisation, give them the bigger roles. And if we do have turnover, all I can say is that our observation over recent months has been that there's a lot of very good people at the next level down in this organisation as well. So yes, we would like to keep the bulk of the people that are in the team, but if there are changes to be made then we're confident there's some good talent already in the organisation.

**Irvine:** Thank you. I think as I said my first day on the job is going to be 2nd of April and over the next couple of months and post that my goal is to listen to our colleagues and work with them to devise the next phase of the transformation and evolution of our bank. As I said at the outset, I don't expect any major pivots or changes. The bank is doing well and we're going to keep staying the course. You can count on the fact that we're going to continue to try and look after our strong position in the Business and Private Bank. It's a business that's core to who we are as a company and a business we're really proud of. And we're going to continue to be very competitive there. But we're also continuing to look at building our personal franchise as well. I don't think you should expect to see anything more than just more of the same.

**Journalist: Thank you. Congratulations Andrew. Congratulations Ross. Just a question to Ross and probably for Andrew as well. We've talked a lot about opportunities and looking back, but kind of looking forward, what do you see as the biggest threats for NAB?**

**McEwan:** Well, I think we've set ourselves on a very good path with each of our businesses. We've been very clear about where we're investing money, which parts of the market we're really interested in. I think probably that, from my perspective, losing focus is a threat for a bank and we've got really good focus. We've developed that well over the last four plus years. We've been somewhat dogmatic about staying in the swim lanes that we've chosen and it's worked well for us. Andrew's been here with us. He understands that strategy. It's his as of the second of April and I think the success for us is staying focused. But that's I think the danger for banks, they start doing things outside those swim lanes and they find they're not as successful as they should have been. I still think that is the big one: focus. We work here on the big fives. That's all we do - five things and every part of the business has their five and they stick with it and that's been highly successful. But I think it's in their own hands.

**Irvine:** The word focus is one that resonates extremely. The other word I might use, David, is relevant. I think in any business you need to stay relevant to your customers and stay close to your customers. I think we've done a much better job of that over the last three years and we plan on continuing to do that. As long as you're relevant and making a difference to people's lives you'll be part of their economic well-being as well. So that's what we at NAB are doing. In terms of things that may worry you or keep you up at night, I think fraud and scams and protecting Australians is something that we're keen to work on and do more - it's the plague of our time and also, you know, frankly on cyber as well. These are areas as a bank that we continue to work really hard to protect Australia. We know we're in the business of trust. So that's really, really important.

**Journalist:** **Good morning guys. Just one for Andrew. You touched on this, Andrew, but can I just ask it more directly - what do you see as the biggest opportunity in Australian banking in 2024 and looking forward? And then Ross if I can just get you to look back on the last four years a little bit more and maybe perhaps you address the one or two biggest changes that you can see in Australian banking over that time?**

**Irvine:** In terms of the opportunities in Australian banking, it's just waking up every day trying to be better than the day before. There are not many big mood shots all the time in this. It's about doing the basics really well. If there's one thing that Ross has instilled in all of us it's keep it simple, do the basics, look after your people and look after your customers. They're the tenants of the bank that we've been working to build and we are very much focused on continuing to do that better each and every day.

**McEwan:** Thanks, Adam. Look over the last four years, I think I touched on this with some of the other questions was just getting the bank focusing on the areas we knew we could be really good at with our customers and I think that has been the challenge of the last four years and I think that we've done that successfully in the last four years. We've divested ourselves and businesses that we just didn't see ourselves going forward as the rightful owners so that we could concentrate on the core of the bank. Probably the biggest defining moment for the last decade or so has probably been the sentiment coming out of the Royal Commission. It did define for a lot of banks the future of just focusing again back on customers, it did have that impact. It's had some other impacts, but I'm sure we can chat about it some other time. But I think it did have that impact of just getting banks back focused. And that's for me been probably the rally cry that has just been this focus on the core and focus on the customers, focus on our colleagues to do a great job. We've got 38,000 people who turn up every day to do a great job. We should never forget that. And you know I take massive pride in leading those people. It's a humbling event every day to think that you've got 38,000 people relying upon you and the organisation. You should never forget it. That's been great for four and a bit years. And the organisation, as I described earlier to some of the team was, it has got its mojo back, but in a very humble way. And that was the objective - to get the business back focused.

**Journalist:** **Hi, good morning and congratulations on today. Ross, I just have a bit of a clarification. A lot of analysts and investors would put you as the most popular CEO in banking in Australia at the moment. Many of them have taken comfort in the fact that you have accepted the chair of the Banking Association for the next two years as comfort as you would be around. Could you just give us a little more guidance on when you made that decision and whether you took that knowing that you might not be there? And whether you intend to continue lobbying on behalf banks for the next two years? So what happens to that role? Thank you.**

**McEwan:** Yeah, thank you. Look, the the role of chair of the ABA was, I'd love to think it was allocated to me as the individual person versus it actually being allocated to the major banks and it

rotates around the banks on the two year basis. Andrew will take that on and Anna Bligh, who I have huge regard for as the CEO of the ABA, we chatted about that and she's very happy for Andrew to pick up that role for NAB's time. There is what I've described as a machinery behind the ABA within inside NAB that makes sure that the CEO is able to do that job and the CEO job of looking after the bank and I think we've got that in place now. I think we can certainly play our part of chairing that for the next two years. It's just Andrew and not me.

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