

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

INQUIRY INTO THE IMPLICATIONS OF COMMON OWNERSHIP AND CAPITAL CONCENTRATION IN AUSTRALIA

ANZ

ANZ01QON: **Dr LEIGH:** What is the voting rate among your shareholders?

Mr Elliott: The total votes voted at an AGM is normally about half. In terms of the number of shareholders, it's quite small. What you tend to find is the largest shareholders will tend to vote, but not all, and retail shareholders tend not to. It does depend on the issue of the day and how strongly people feel about the issue, so it can move around a bit, but about half of the shares get voted at an AGM, I would suspect.

Dr LEIGH: It would be useful if you could break that down for us, between institutional investor voting rates and retail investor voting rates. Are you able to do that for us?

Mr Elliott: Yes, no problem at all.

Answer: Approximately 29% of ANZ's institutional shareholders voted at ANZ's 2020 AGM.

Approximately 1.1% of ANZ's retail shareholders voted at ANZ's 2020 AGM. For the purpose of answering this question, ANZ has taken institutional shareholders to be those who hold more than or equal to 500,000 shares, and retail shareholders to be those who hold less than 500,000 shares.

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ANZ02QON: **Mr FALINSKI:** So, on your share register, how much of the voting capital or how much of the share capital do the members/shareholders—because, despite being in favour of open and transparent governance, ACSI refused to answer this question yesterday. How many of their 'members', let's call them, do the 34 members own of the share registry of ANZ?

Mr Elliott: I honestly don't know.

Mr FALINSKI: Can you take that on notice?

Mr Elliott: I imagine we can, yes.

Answer: Members of ACSI own approximately 10% of ANZ's issued capital. We understand this to be consistent with ACSI's average percentage ownership of each ASX200 company.

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ANZ

- ANZ03QW:** At your last AGM please outline the breakdown of share ownership as a percentage between:
- a. Retail shareholders
 - b. Superannuation funds
 - c. Nominee trusts, excluding super funds
 - d. Other institutional shareholders, excluding nominee trusts and super funds
 - e. Any other class of shareholder not listed above

Answer: ANZ does not record its share ownership using these categories. However, we can offer the following observations on each of the categories:

- a.** Retail shareholders: Retail shareholders own approximately 40% of ANZ's total issued shares.
- b.** Superannuation funds: ANZ does not record whether ownership is held via a superannuation fund or other legal entity.
- c.** Nominee trusts, excluding super funds: Based on our 2020 annual report, our top 20 registered shareholders own approximately 57% of ANZ's issued capital, of which 97% (approximately 55% of ANZ's issued share capital) is held through nominee entities.
- d.** Other institutional shareholders, excluding nominee trusts and super funds: Institutional shareholders own approximately 60% of ANZ's issued share capital. Many of these are recorded on ANZ's share register through nominee entities referred to in 'c.' above.
- e.** N/A.

For the purpose of answering this question, ANZ has taken institutional shareholders to be those who hold more than or equal to 500,000 shares, and retail shareholders to be those who hold less than 500,000 shares.

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ANZ04QW: Please outline the breakdown of share ownership as a percentage between:

- a. Domestic shareholders
- b. International shareholders

Answer:

- a. Approximately 75% of ANZ's issued capital is owned by domestic shareholders.
- b. Approximately 25% of ANZ's issued capital owned by international shareholders.

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ANZ05QW: At your last AGM, what percentage of shareholders exercised their vote?

Answer: Approximately 1.41 billion shares were voted at ANZ's 2020 AGM, representing approximately 50% of ANZ's issued capital.

Approximately 1.1% of shareholders exercised their vote.

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ANZ

ANZ06QW: At your last AGM, please break down by retail shareholders, superannuation funds, nominee trusts (excluding super funds) and other institutional shareholders (excluding nominee trusts and super funds), and any other classification of shareholder, the percentage of shareholders that:

- a. Voted
- b. Proxied to the Chair
- c. Proxied to the management
- d. Proxied to another party
- e. Any other option

Answer: As stated in our response to ANZ03QW, ANZ does not record its share ownership using these categories.

At ANZ's 2020 AGM, of ANZ's retail shareholders, approximately:

- a. 1.1% voted;
- b. 0.8% (or 73% of those who voted) proxied to the Chair as directed proxies (ie. directed the Chair how to vote);

0.09% (or 8.6% of those who voted) proxied to the Chair as discretionary proxies (ie. left the decision as to how to vote open to the Chair);
- c. 0% proxied to the management;
- d. 0.18% (or 16.5% of those who voted) proxied to another party;
- e. 0.02% (or 1.8% of those who voted) voted not by proxy.

Of ANZ's institutional shareholders, approximately:

- a. 29% voted;
- b. 29% (or 100% of those who voted) proxied to the Chair as directed proxies;

0% proxied to the Chair as discretionary proxies;

- c. 0% proxied to the management;
- d. 0% proxied to another party;
- e. 0% voted not by proxy.

For the purpose of answering this question, ANZ has taken institutional shareholders to be those who hold more than or equal to 500,000 shares, and retail shareholders to be those who hold less than 500,000 shares.

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ANZ07QW: On what geographic basis (ie suburb, local government area, other geographic area) do you report data to APRA, and what data sets?

Answer: ANZ reports data to APRA in accordance with APRA reporting standards, which can be found at <https://www.apra.gov.au/industries/1/standards>. These standards mostly require data to be provided on a portfolio basis for the domestic and international activity of the group. Some standards, however, require some data to be provided on a specific geographic basis.

Examples of data that ANZ is required to report to APRA on a geographic basis is listed below, categorised by those geographic bases.

State and territory

- ARF 730.0 Statement of Financial Performance – wages and salaries
- ARF 720.1 Loans and Finance Leases – total housing loans and finance leases
- ARF 741.0 Business Finance – new borrower-accepted commitments for fixed-term business loans to resident non-related parties for construction finance and finance for the purchase of property
- ARF 743.0 Housing Finance – new borrower-accepted commitments for housing loans by purpose (for all housing loans and for resident first home buyer loans)
- ARF 750.0 DAWR Agricultural Lending – agricultural activity and distress
- ARF 796.0 Points of Presence – locational data of face-to-face service channels by latitude and longitude co-ordinates, ATMs by latitude and longitude co-ordinates, and EFTPOS terminals

Local government area

- Loan deferral data is provided in 'Detailed request – Business'.

Country/Overseas

- ARF 731.1 International Banking Statistics - Location data – claims and liabilities by country of exposure
- ARF 731.3A International Banking Statistics - Immediate and Ultimate Risk Exposures - Domestic Entity – claims and liabilities on an immediate borrower basis, risk transfer, claims on an ultimate risk basis, derivative contracts, guarantees and credit commitments by country of exposure
- ARF 722 Derivatives – derivative values for non-resident, clearing house and central counterparties by counterparty country

- ARF 221 Large Exposures – large exposures for government related entities by counterparty country
- ARF 325.0 International Operations requires the provision of a balance sheet for each international location in which ANZ operates
- ARF 230.0 Commercial Property – commercial property exposures split between Australia and overseas
- ARF 223.0 Residential Mortgage Lending – residential mortgages secured in Australia and overseas
- ARF 220.0 Impaired Facilities – impaired and past due facility portfolio details, provisions and provision movements in Australia and overseas

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ANZ08QW: On what geographic basis (ie suburb, local government area, other geographic area) do you report data to APRA on debt-to-income ratios?

Answer: ANZ reports debt-to-income ratios to APRA on a total portfolio basis for Australia. It does not report on any other geographic basis (i.e. suburb, local government area, other geographic area).