



<b>Company</b>	ANZ Banking Group
<b>Code</b>	ANZ
<b>Meeting</b>	AGM
<b>Date</b>	Wednesday 16 December 2020
<b>Venue</b>	Virtual using Lumi system
<b>Monitor</b>	John Whittington, assisted by Peter Rae and Geoff Bowd

<b>Number attendees at meeting</b>	242 share- and proxyholders plus 639 visitors
<b>Number of holdings represented by ASA</b>	1055
<b>Value of proxies</b>	\$114m
<b>Number of shares represented by ASA</b>	4.9m (equivalent to 14th largest holder in Top 20 list)
<b>Market capitalisation</b>	\$65.2bn
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes with Chair Paul O'Sullivan, GGM Investor Relations Jill Campbell, GGM Corporate Affairs Gerard Brown, and GGM Remuneration Margot Dargan

### **An Efficient but Rather Soulless AGM following a Difficult but Solid Year**

ANZ's AGM followed a year where results would have been approximately flat if they hadn't set aside approx. \$1.7bn in provisions for Covid losses (for more details on the year's performance, refer to our [Voting Intentions document](#)). After a Welcome to Country the meeting started very well with Chair and CEO saying all the right things in their addresses (links to [Chair's address – video and text](#) and [CEO's address – video and text](#)).

After that we got to the formal part of the meeting and shareholder questions where a combination of the virtual format, the way the questions were presented, and perhaps the quality of the opening addresses, meant the meeting became rather soulless.

Questions were asked by the deputy CEO in a clear and unemotional voice so much of the interaction and emotion of a normal AGM was lost. We expect all questions at virtual AGM to identify the questioner and read questions verbatim and, as much as we can tell, this was done. Where multiple questions were received on a similar topic, those behind the scenes grouped them together and only read out questions from two shareholders which, whilst an efficient way of

proceeding, did feel very contrived. It would be interesting to see how those that missed out felt. The Chair answered most questions but did pass onto the CEO and CFO when appropriate.

The ASA asked about:

- Next year's AGM – *planned to be a physical meeting in Adelaide, not expecting it to be a hybrid meeting,*
- If 100% franking is coming back – *can't predict the future but do have a surplus and very conscious franking credits are worth more to shareholders than to the company,*
- ANZ's seemingly poor net promoter scores – *disappointed by the aggregate scores, improving is a top priority, experiential/episodic scores in key areas are getting better, and*
- Their cash flow statement where they have adopted an approach in recent years which no longer can be compared with its domestic peers – *cash flow statement is less important than other measures.*

Other questions asked covered topics such as (many re-asking what had already been well covered in the earlier presentations or questions) • responsible lending • climate targets • on-market share buy backs • Santos and other frackers • litigation funding • gas/oil policy • cashless debit cards • concerns about possible bias at the Australian Financial Complaints Authority due to funding and background of staff • renewables • securitisation • repossession etc following Covid defaults • next year's meeting format • financial statements • internal dispute resolution • staff pay vs executives given staff stresses during year • views on property market • provisions • follow up actions from Royal Commission • best method of government support for customers • customer forums • a branch closure • money laundering • level of escalated complaints • whether the company is following its model litigant policy • if shareholders are paying the legal costs of those involved in the cartel case • do social programmes benefit the company?

All were answered confidently and competently by the Chair, CEO, and/or CFO although some questions more about government policy than bank operations. Perhaps the handling of questions could be best summed up as thoroughly competent but uninspiring.

The items for voting at the meeting were all relatively uncontroversial with votes on all items strongly (96%+) supported except for the final item. The two directors standing for re-election both gave pre-recorded video presentations so the ASA asked both about risk lessons from Covid (solidly answered by both, albeit with no video) as otherwise we wouldn't have heard from them live. Remuneration and the grant of performance rights to the CEO were introduced with a pre-recorded video from the Chair of the Remuneration Committee and generated few questions (the ASA called for higher weighting on financial metrics, longer deferral periods, and earlier disclosure of the number of rights being granted to the CEO).

This led to the final item – one of the many shareholder sponsored resolutions we have seen recently which aims to change the constitution to allow shareholder advisory resolutions. This was soundly defeated (only 8% support) with only one shareholder (the proposer) speaking on its behalf.