

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (FOURTH REPORT)

Commonwealth Bank of Australia

CBA21QW: What steps has CBA taken to address this issue for executive staff?

Answer: The Group has made the following recent material changes to the remuneration system for senior executives:

- a) In FY19 the CEO and Group Executives performance scorecards' Shareholder Key Result Area (which contains all financial measures) was adjusted to a maximum 30 percent weighting. The adjustment to 30 percent is directionally aligned with the recommendations of both the Sedgwick Review and APRA Inquiry. For FY18, the weighting for financial measures had been 60 percent for both the CEO and Group Executives in the revenue-generating Business Units and 40% for support functions;
- b) STVR pool adjustments in FY19 have also been made, for further details see our response to CBA18QW.