



CommonwealthBank

ASX Announcement

Statement by the Chairman of the Commonwealth Bank of Australia, Catherine Livingstone AO

Tuesday, 8 August 2017 (Sydney): Yesterday the Commonwealth Bank of Australia Board met to consider the bank's financial results and the remuneration for senior executives for the 2017 financial year.

In determining the final 2017 financial year outcomes for remuneration, the Board gave consideration to risk and reputation matters impacting the Group.

The remuneration outcomes will be disclosed in detail in the CBA Annual Report to be released next week. This year, the Board recognises heightened public interest in executive remuneration, particularly having regard to the civil penalty proceedings initiated last week by the Australian Transaction Reports and Analysis Centre (AUSTRAC).

Therefore, in advance of the presentation of CBA's financial results tomorrow, the Board advises that it has decided to reduce to zero the Short-Term Variable Remuneration outcomes for the CEO and Group Executives for the financial year ended 30 June 2017.

In reaching this conclusion the overriding consideration of the Board was the collective accountability of senior management for the overall reputation of the Group.

The Board also recognised that it has shared accountability and therefore has decided to reduce Non-Executive Director fees by 20 per cent in the current 2018 financial year.

The remuneration arrangements for the CEO and Group Executives are made up of both fixed and at risk short and long-term variable remuneration. The 'at risk' components are based on performance against key financial and non-financial measures. Full details of the remuneration outcomes and the Board's full consideration will be disclosed next week in the Annual Report.

Mr Narev retains the full confidence of the Board.

Catherine Livingstone AO
Chairman
Commonwealth Bank of Australia

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