

Basel III Pillar 3

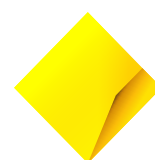
Annual Remuneration
Disclosures as at 30 June 2021



Commonwealth
Bank

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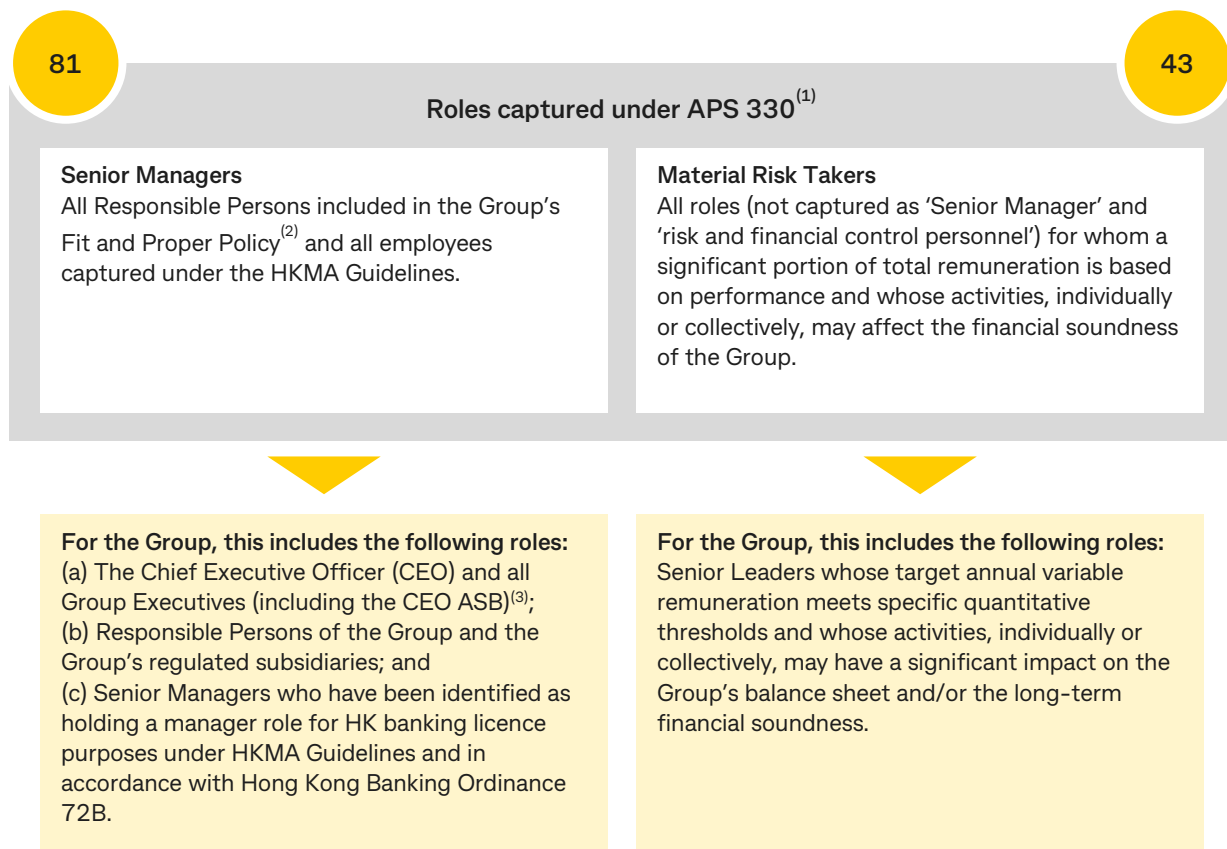
1. Introduction

This remuneration disclosure has been prepared in accordance with the Australian Prudential Regulation Authority's (APRA) Prudential Standard APS 330 Public Disclosure (APS 330) and the Hong Kong Monetary Authority Supervisory Policy Manual CG-5: 'Guideline on a Sound Remuneration System' (HKMA Guidelines).

Amongst other requirements, APS 330 requires all Authorised Deposit-taking Institutions (ADIs) to meet the minimum requirements for public disclosure of qualitative and quantitative information on their remuneration practices. The remuneration disclosures required under APS 330 are separate from the requirements applicable to all listed companies under the Corporations Act 2001, which is limited to Key Management Personnel (KMP). The qualitative and quantitative disclosure requirements in APS 330 apply to all Senior Managers and Material Risk Takers of the Commonwealth Bank of Australia Group (Group) for the 2021 financial year (year ended 30 June 2021).

In accordance with HKMA Guidelines, the remuneration arrangements of local CBA Hong Kong (HK) operations are disclosed as part of the Group Pillar III disclosure.

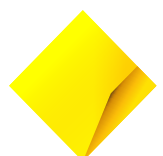
For the 2021 financial year, the following roles were determined to be Senior Managers and Material Risk Takers of the Group:



(1) Roles are defined in paragraph 22, APS 330. Roles captured as at 30 June 2021 or last role prior 30 June 2021 that is subject to disclosure. For the 2020 financial year, there were 97 Senior Managers and 48 Material Risk Takers.

(2) Exclude roles listed in Prudential Standard CPS 510, paragraph 57(a).

(3) Including those considered KMP.



2. Qualitative Disclosures

2.1 Remuneration Governance

2.1.1 Remuneration Governance Framework

The People & Remuneration Committee is the governing body for developing, monitoring and assessing remuneration strategy, policies and practices across CBA on behalf of the Board and ensures these areas are appropriate and effective. The role of the People & Remuneration Committee is to review, challenge, assess and, as appropriate, endorse the recommendations made by management for Board approval. The Board reviews, challenges, applies judgement and, as appropriate, approves the People & Remuneration Committee's recommendations.

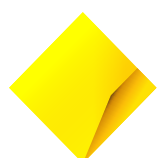
The People & Remuneration Committee met formally six (6) times during the 2021 financial year with the following members (as at 30 June 2021): Paul O'Malley (Chairman), Catherine Livingstone AO, Mary Padbury and Genevieve Bell AO.

The responsibilities of the People & Remuneration Committee are outlined in its Charter, which is reviewed annually.

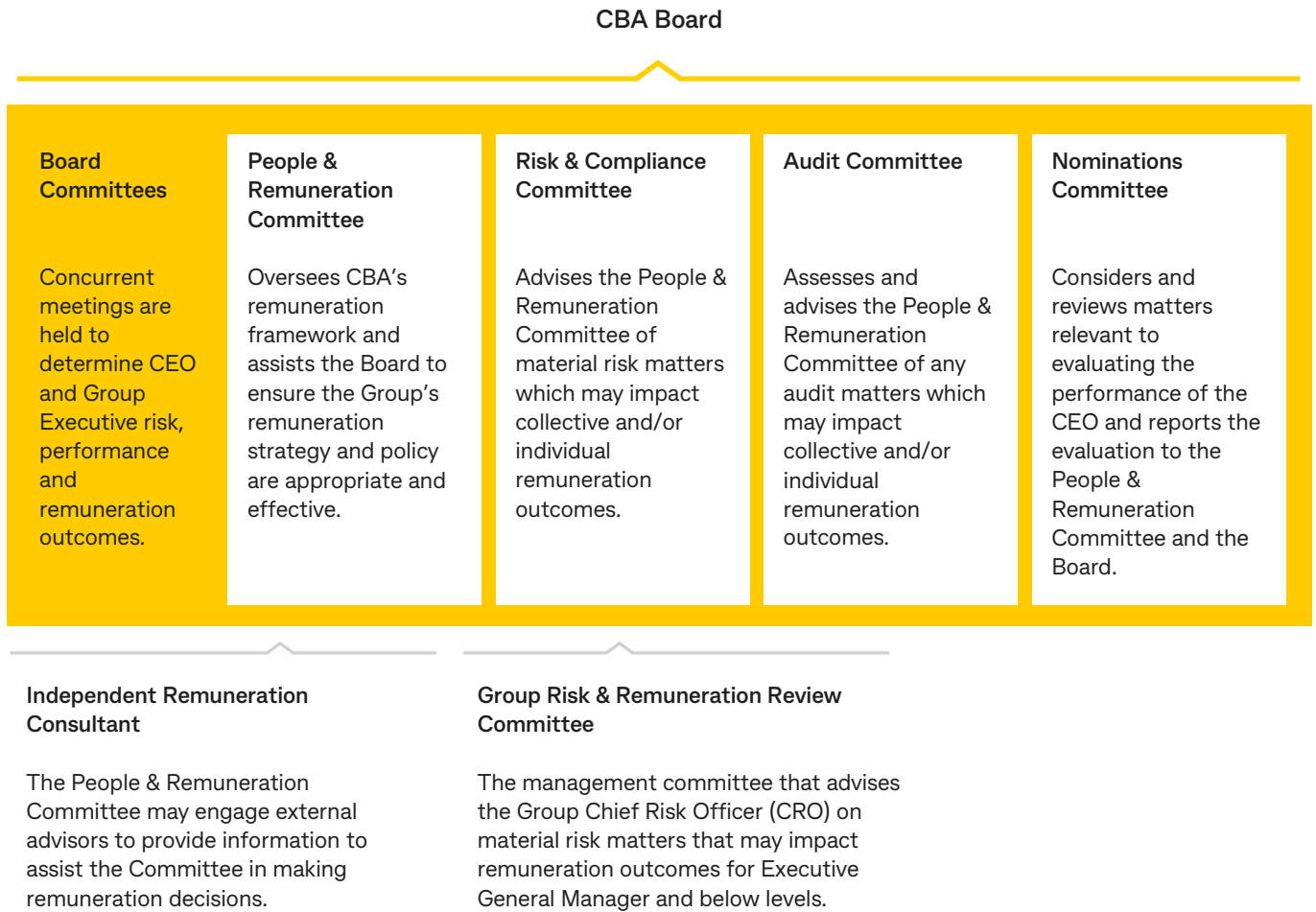
As part of the performance and risk review, and to support the determination of remuneration outcomes for the CEO and Group Executives, the People & Remuneration Committee met concurrently with the Risk & Compliance, Audit and Nominations Committees in February 2021 and June 2021. These concurrent meetings provided an opportunity for the Committees to review and discuss relevant risk, financial and audit matters that may warrant consideration in the People & Remuneration Committee's determination of remuneration outcomes, including any in-year or malus adjustments to variable remuneration for the CEO and Group Executives (including former Group Executives) and the determination of the Group-wide STVR pool.

Information provided to the concurrent meetings supports determinations of collective and/or individual remuneration impacts and includes risk scorecards for the CEO and Group Executives, details of material risk matters, outcomes of internal audit reviews conducted during the year, and consideration of the quality of CBA's financial results.

During the 2021 financial year, external advisors were engaged by management to provide information to the People & Remuneration Committee to assist with making remuneration decisions. The People & Remuneration Committee did not seek or receive any remuneration recommendations from the external advisors in the 2021 financial year.

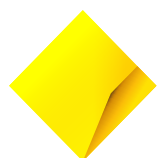


The following diagram illustrates the Group’s remuneration governance framework.



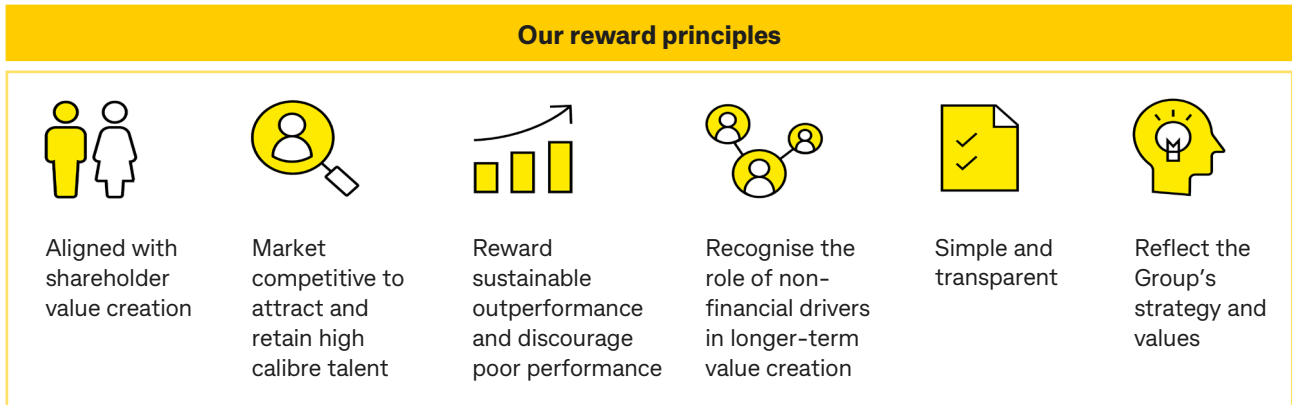
Non-Executive Directors receive fees as remuneration for their work on the Board and the associated Committees on which they serve. Non-Executive Directors do not receive any performance-related variable remuneration. The Chairman does not receive separate Committee fees.

As at 30 June 2021, the fee for the People & Remuneration Committee Chairman is \$60,000 and the fee for People & Remuneration Committee members is \$30,000 per annum, all inclusive of superannuation.



2.1.2 Remuneration Policy and Effectiveness

The Board and the People & Remuneration Committee are responsible for the Group Remuneration Policy (GRP) that sets out the Group's remuneration principles that guide the design of the Group's remuneration arrangements and relevant policies to manage remuneration within the Group's remuneration, performance and risk frameworks.



The GRP applies to all specified individuals and entities of the Group. Where offshore entities are subject to additional regulatory requirements under local regulation, the higher of either the GRP or local requirements is applied. The scope of the GRP covers:

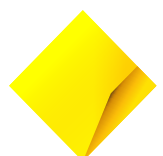
- › Employees on individual contracts;
- › Employees covered by collective agreements; and
- › The CEO, Group Executives and Non-Executive Directors on the Group's Board and the Boards of any majority owned Group subsidiaries (including offshore entities).

All remuneration arrangements within the Group are governed by the remuneration delegation framework in accordance with the GRP. In order to support good governance and the relevance of the GRP in light of changing regulatory requirements and market conditions, the People & Remuneration Committee review the GRP at least annually (with changes approved by the Board), with the most recent review being undertaken during the 2021 financial year and with changes effective 1 July 2021. The GRP review and assessment includes:

- › Alignment with the Group's purpose, culture, values and strategy;
- › Compliance with relevant legal and regulatory obligations; and
- › The relevance of the GRP in light of changing market conditions.

For example, the most recent review included minor amendments to reflect regulatory and policy changes across all relevant jurisdictions in which the Group operates. The malus and clawback principles were also revised with the addition of further criteria relevant to Reduction Events¹, supporting upcoming regulatory changes in APRA Prudential Standard CPS 511.

¹ A Reduction Event is a material event or circumstance that may give rise to the application of malus and/or clawback to variable remuneration. In determining whether circumstances give rise to a Reduction Event the Group will comply with regulatory requirements in the jurisdictions in which it operates.



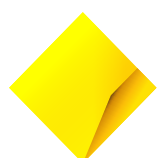
The People & Remuneration Committee determined to conduct comprehensive GRP effectiveness reviews every three years, with defined scope reviews conducted in the intervening years. A defined scope GRP effectiveness review was undertaken during the 2021 financial year, which determined that the GRP is broadly effective.

2.1.3 Independence of Risk and Financial Control Personnel

The majority of risk and financial control personnel (as defined in paragraph 57(b) of CPS 510) are employed in the centralised Group functions. The performance and remuneration outcomes of these individuals are determined by the appropriate reporting / functional line manager within these functions to maintain independence from the businesses they support.

Individual variable remuneration outcomes are based on Key Performance Indicator (KPI) assessment (i.e. 'what was achieved') and Values and Risk Assessment (i.e. 'how it was achieved') outcomes. For risk and financial control personnel:

- › KPIs must not compromise the independence of the individuals in these roles in carrying out their function;
- › Financial KPIs may be linked to the Group's performance, but not to the Business Unit performance the employee advise/review;
- › Non-financial KPIs may be linked to individual, team or Business Unit performance provided they are not related to areas where the individual performs a control function; and
- › The ratio of annual variable remuneration to fixed remuneration should be appropriate, in line with the Group's Remuneration framework, where applicable.



2.2 Remuneration Framework

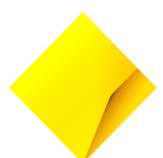
The Group's remuneration arrangements are designed to attract, retain and motivate high calibre individuals who embrace the Group's culture, values and can deliver on its strategy, in compliance with legal and regulatory requirements. The structure of remuneration arrangements for the majority of Group employees consists of the following components:

- › Fixed Remuneration (FR); and
- › Variable Remuneration (VR) (at risk), including STVR and, for the CEO and Group Executives (including the CEO ASB), long term variable remuneration (LTVR) (at risk) and long term alignment remuneration (LTAR) (at risk).

	FR	STVR (at risk)	LTAR (at risk)	LTVR (at risk)
Purpose	Provides market competitive remuneration to attract and retain high quality talent while reflecting role scope and accountabilities.	Varies remuneration outcomes in line with values and annual performance achievement, with a balanced focus on customer, leadership, strategy execution and shareholder measures. The risk modifier adjusts overall STVR for how risk was managed.	Drives collective focus on value of CBA over time, and individual focus on leadership and strategy execution.	Varies remuneration outcomes in line with longer-term performance achievement, with a focus on relative shareholder returns to support creation of sustainable long-term shareholder value.
Coverage	All employees	Most employees are eligible to participate in STVR arrangements applicable to their position.	The CEO, Group Executives and a small number of other senior employees where applicable.	
Structure	Base Remuneration and superannuation	<ul style="list-style-type: none"> • VR instruments in FY21 included: <ul style="list-style-type: none"> ○ Cash (deferred and non-deferred); ○ Deferred Shares / Restricted Share Units (deferred equity)⁽¹⁾; and ○ Performance Rights (deferred equity)⁽¹⁾ • Cash is the only instrument that can be paid upfront and not deferred. Some of the Group's arrangements allow for VR to be deferred as cash over an appropriate deferral period. 		
Description	<ul style="list-style-type: none"> • For the CEO and Group Executives: reviewed annually against relevant comparator group remuneration benchmarks; the primary comparator group is the other three major Australian banks. • For other employees: reviewed annually within parameters set by the People & Remuneration Committee. The remuneration review takes into account any change in the scope performed by the individual, changes required to meet the principles of the GRP, internal equity and market competitiveness. 	<ul style="list-style-type: none"> • Most employees are eligible to participate in STVR arrangements which recognise performance within the financial year. Performance is measured against the Group's values, risk assessment relevant to each role, and a balanced scorecard comprising financial and non-financial measures. • Senior and some other employees defer a portion of STVR awarded over an appropriate period in compliance with the GRP and local legislation or regulations⁽²⁾. 	<ul style="list-style-type: none"> • For the CEO: LTAR is awarded in the form of Restricted Share Units that vest after a four and five-year restriction period in two equal tranches. • For Group Executives: LTAR is awarded in the form of Restricted Share Units that vest after a four-year restriction period. • LTAR for the CEO and Group Executives is subject to a pre-grant assessment with downwards adjustments applied to reflect material issues. 	<ul style="list-style-type: none"> • Vesting of the LTVR will be subject to the achievement of set performance hurdles and final Board approval. • For the CEO: LTVR is awarded in the form of Performance Rights that vest after six and seven years in two equal tranches, subject to satisfaction of vesting conditions including performance conditions. • For Group Executives, LTVR is awarded in the form of Performance Rights that vest after five and six years in two equal tranches, subject to satisfaction of vesting conditions including performance conditions.
		<p><i>All deferred remuneration is subject to malus review before vesting.</i></p> <p><i>All deferred remuneration for the CEO, Group Executives and other employees required by regulatory requirements is also subject to clawback.</i></p>		

(1) For offshore jurisdictions with restrictions on equity-based awards, the deferred award is delivered as cash.

(2) Applies to Senior Leaders, individuals with significant remuneration and other regulated roles that requires their STVR to be deferred in accordance with regulatory requirements.



2.2.1 Deferral of variable remuneration

The table below provides a summary of the main deferral arrangements applicable to different roles across the Group. Employees in more senior roles (that have the potential to receive higher VR) have a greater portion of their VR deferred.

All Employees	<ul style="list-style-type: none"> For all employees with a STVR award of AUD 150,000 (NZD 150,000 for ASB) or greater, one-third of their STVR is deferred into equity (as Restricted Shares / Rights⁽²⁾) that vests in three equal tranches over one, two and three years. Deferred STVR awards are subject to a malus review prior to vesting.
Senior Leaders⁽¹⁾	<ul style="list-style-type: none"> Senior Leaders includes Executive General Manager (EGM) and General Manager (GM) roles. Deferral of one-third of any STVR award into Restricted Shares / Rights⁽²⁾ that vest in equal tranches over one, two and three years. Deferred STVR awards are subject to a malus review prior to vesting.
CEO and Group Executives⁽¹⁾	<ul style="list-style-type: none"> Deferral of 50% of any STVR award into Restricted Shares that vest in equal tranches after one and two years. Deferred STVR awards are subject to Board risk and reputation review, and malus and clawback provisions. For the CEO, the LTAR award is subject to a four and five-year restriction period, to vest in two equal tranches. The LTVR award is subject to a further two and three-year holding period after the end of the four-year performance period (i.e. vesting after six and seven years, in two equal tranches). For Group Executives, the LTAR award is subject to a four-year restriction period. The LTVR award is subject to a further one and two-year holding period after the end of the four-year performance period (i.e. vesting after five and six years, in two equal tranches).

(1) Deferral arrangements for Accountable Persons may vary from that stated where necessary for the Group to ensure compliance with its remuneration obligations under the Banking Act 1959 (Cth).

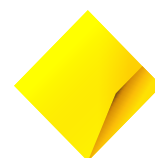
(2) For offshore jurisdictions with restrictions on equity-based awards, the deferred award is delivered as cash.

Vesting of equity-based awards are subject to the relevant Board-approved equity plan rules, or terms and conditions in the case of deferred cash, and are generally contingent upon:

- › An individual remaining employed by the Group during the vesting period except in certain circumstances. If an individual resigns or is dismissed from the Group before the end of the vesting period, deferred STVR, LTAR and LTVR awards are generally forfeited. If an individual leaves the Group for other reasons (such as retirement, ill health separation, redundancy, mutual separation or death) unvested deferred STVR, LTAR and LTVR awards will stay on-foot and vest at the normal time. In such cases vesting is subject to, in the case of deferred STVR, the remaining vesting conditions (other than continuity of service), or, in the case of LTVR awards, with performance measured at the end of the relevant performance period (unless otherwise determined by the Board)²;
- › Realisation of original expected performance outcomes, in the case of deferred STVR;
- › The performance hurdles being met, in the case of LTVR for the CEO and Group Executives; and
- › A review of any risk and compliance issues associated with any individual.

The Group's approach to VR deferral supports the Group's risk management framework. The Board retains its discretion to exercise malus or clawback powers, in certain circumstances, where it is determined that a Reduction Event has occurred.

² For the 2021 financial year LTVR award, Executives who are dismissed during the holding period will lapse all performance rights subject to the holding period. Where an Executive ceases for any other reason during the holding period the performance rights subject to the holding period will remain on-foot with dates unchanged.



2.3 Linking Remuneration to Performance

VR is directly linked to both short-term and long-term performance goals.

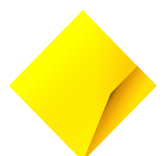
2.3.1 2021 financial year STVR performance measures

STVR awards for most employees are discretionary and informed by performance outcomes that include the Group's values, risk expectations and a balanced scorecard to assess short-term Group, Business Unit and individual performance against specific KPIs. Individual performance outcomes for Values and KPIs inform the payment range available for STVR recommendations. The Risk assessment outcome informs whether an STVR reduction is required. Not fully meeting expectations for Values, Risk or KPIs has an impact on the STVR outcome, including the reduction of any STVR award to zero.

Non-financial measures have a material weighting in balanced scorecards for all employees including the CEO and Group Executives. Scorecard weightings cover financial/shareholder and non-financial measures linked to Group and Business Unit targets, and vary by role.

The Group guidance informing KPI development across the Group for the 2021 financial year includes four strategic categories: Shareholders, Customers, Leadership, and Business and Strategic Initiatives. The 'Shareholders' category (which contains any financial KPIs) has a maximum weighting of 30% for all employees in the Group.

Risk is an important factor in accounting for short-term performance. The Group uses Profit after Capital Charge (PACC), a risk-adjusted measure, as a key measure of financial performance. PACC takes into account the profit achieved, and also reflects the risk to capital that was taken to achieve it. Moreover, in managing risk, all employees are required to comply with the Group and relevant Business Unit Risk Appetite Statements and role-related policies and procedures which contribute to a positive risk culture.



The key 2021 financial year STVR scorecard performance measures for the CEO are outlined below:

Performance Category and measures		Weighting
Financial	Shareholder	
	<ul style="list-style-type: none"> › Group Cash Net Profit After Tax › Group Underlying PACC 	30%
Non-financial	Customer	
	<ul style="list-style-type: none"> › Net Promoter Score outcomes for consumer, business and IB&M customers › Complaints remediation 	10%
	Leadership	
	<ul style="list-style-type: none"> › Group Leadership measure results (focus on talent and capability) 	10%
	Strategy Execution	
	<ul style="list-style-type: none"> › Progress on and quality of sustainable implementation and embedding of the APRA Remediation Action Program › Progress on delivery of Group Strategic Priorities 	50%
STVR Modifiers Performance outcomes determined through assessment of the balanced scorecard are subject to the following assessments: <ul style="list-style-type: none"> › Risk and reputation: the Board has the discretion to adjust CEO STVR outcomes downwards including to zero where appropriate. › Values: the Board has the discretion to adjust CEO STVR outcomes upwards or downwards including to zero where appropriate. 		

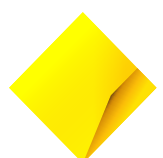
2.3.2 2021 financial year LTAR pre-grant assessment outcomes

The 2021 financial year LTAR award was granted at 100% of the award value. The CEO 2021 financial year LTAR award is subject to a four and five-year restriction period ending 30 June 2024 and 30 June 2025 respectively. For Group Executives, the 2021 financial year LTAR award is subject to a four-year restriction period ending 30 June 2024.

The following table outlines the pre-grant assessment.

Pre-grant assessment	Outcome
Forward-looking financial considerations	Met
Threshold level individual non-financial performance	Met
Board discretion to adjust grant value downwards	No adjustment required
Pre-grant assessment outcome	100%

Prior to vesting, LTAR awards are also subject to Board risk and reputation review, and should any issues be identified, the award may be reduced, including to zero. The Board has discretion to determine that some or all of the award will lapse in certain circumstances (malus). The Board also has discretion to



require the recovery (i.e. clawback) of vested LTAR awards for serious and material matters as determined by the Board.

2.3.3 2021 financial year LTVR performance measures

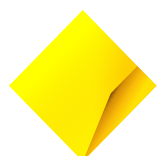
The CEO and Group Executives are eligible to receive LTVR awards in the form of Performance Rights – each right entitles the participant to receive one CBA share (or cash equivalent at the Board’s discretion), subject to meeting performance hurdles and vesting conditions.

The 2021 financial year LTVR award will be assessed entirely on relative Total Shareholder Return (TSR), measured against two equally-weighted comparator groups, over four years from 1 July 2020 to 30 June 2024:

- › **ASX general peer group** – 20 largest ASX companies by market capitalisation at the beginning of the performance period, excluding resources companies and CBA.
- › **Financial services peer group** – eight most comparable financial services companies listed on the ASX at the beginning of the performance period.

Performance Rights that remain on foot after performance testing will be subject to a further holding period. For the CEO, 50% will be held for two years and 50% held for three years (to 30 June 2026 and 30 June 2027, respectively). For Group Executives, 50% will be held for one year and 50% held for two years (to 30 June 2025 and 30 June 2026, respectively).

Prior to vesting, LTVR awards are also subject to Board risk and reputation review, and should any issues be identified, the award may be reduced, including to zero. The Board has discretion to determine that some or all of the award will lapse in certain circumstances (malus). The Board also has discretion to require the recovery (i.e. clawback) of vested LTVR awards for serious and material matters as determined by the Board.



2.4 Risk Management and Remuneration Consequences

The Group promotes disciplined, transparent and effective management of risk in delivering and measuring short-term and long-term performance by linking conduct, risk and compliance outcomes to VR outcomes. The risk assessment in performance process holds employees accountable for managing risks in accordance with the Group's Risk Management Approach and Risk Appetite. Outcomes from the risk assessment in performance process are used to adjust short-term and long-term VR outcomes for good and poor risk behaviours and outcomes, and in the case of STVR, act as a modifier.

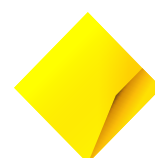
The Group's Risk Management Approach sets out Board and Executive Leadership Team's expectations regarding how all employees should behave to identify, measure, monitor and act upon risks. Risk behaviours are guided by the Group's values. The Group Risk Appetite Statement articulates the type and degree of risk the Board is prepared to accept and the maximum level of risk that the Group must operate within to deliver long-term value to customers, communities, shareholders and employees. All Group employees are required to adhere to the Group Risk Appetite Statement, as well as to their Business Unit's Risk Appetite Statement.

Enhancements to the Group's risk assessment in performance process and remuneration framework through guidance, procedures and governance continue to be a priority for the Board, including reinforcing the Board's expectations for managing risks in support of a positive risk culture.

2.4.1 Risk assessment in performance

The Group's performance and remuneration frameworks support and promote the mitigation of risks by holding individuals accountable for managing risks relating to their role and complying with the Group's Code of Conduct. These frameworks also support collective accountability for managing risks, and incorporates risk management through:

- Ensuring consideration is given to whether a risk adjustment should be made to the Group discretionary STVR pool funding having regard to a range of financial and non-financial current and future risk factors.
- Ensuring that all employees have a risk assessment included in their individual performance review (which can impact VR outcomes). Since the 2019 financial year, STVR outcomes have been reduced by a minimum of 10% for a 'partially met' risk assessment rating and 100% for a 'not met' risk assessment rating.
- Developing Group-wide risk assessment guidance, which is continually enhanced to help employees and people leaders consistently assess risk behaviours and outcomes, determine the appropriate level of STVR adjustments for not fully meeting risk expectations, and document the reasons for their assessment.
- Using Executive risk scorecards to support the risk assessment process for the CEO, Group Executives, EGMs and GMs.
- Deferring a mandatory portion of the VR for CEO, Group Executives, EGMs, GMs, Accountable Persons, other regulated roles and individuals with significant VR outcomes. This deferred remuneration may be subject to malus adjustments as determined by the Board or its authorised delegate (such as the People & Remuneration Committee).
- The Group Risk & Remuneration Review Committee (RRRC) overseeing the application of variable remuneration reductions for risk matters for EGMs and all deferred award adjustments, and the operation of Business Unit RRRCs, which review variable remuneration reductions for material risk matters for GMs and below.



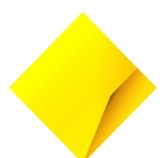
For the CEO and Group Executives, the Board considers the impact of risk matters on remuneration outcomes based on risk scorecards and information relating to material risk, financial and audit matters reported to the Concurrent Committee. The People & Remuneration Committee, together with the Risk & Compliance, Audit and Nominations Committees, consider this information when determining Executive remuneration outcomes (including for former Group Executives), including the application of reductions to in-year STVR, deferred remuneration, and LTAR and LTVR outcomes for risk and reputation matters.

2.4.2 Risk culture

The VR and consequence management frameworks are designed to reinforce behaviours supporting the disciplined management of risks as aligned to our target risk culture. The maturity of our risk culture continues to be assessed via the annual Board Risk Culture Assessment. The process, design and application of variable remuneration and consequences are an important influence on risk. The Recognition Award, first introduced in 2019, continues to recognise and reward employees rated 'exceptionally managed' for exemplary risk behaviours and outcomes.

2.4.3 Malus and clawback

Guidance and enhanced procedures to support the application of malus (the ability to reduce, postpone and/or lapse granted VR), have been implemented across the Group during the 2021 financial year. To the extent in-year STVR and deferred awards are insufficient to satisfy remuneration consequences determined by the Board, clawback (the recover of VR that has been paid or vested) can be applied in respect of the CEO, Group Executives and other employees required by regulatory requirements (and any other roles as the Board determines from time to time), from the 2021 financial year.



3. Quantitative Disclosures

The following tables have been prepared in accordance with the quantitative requirements outlined in APS 330 and values are expressed in Australian Dollars (AUD):

- Table (a) provides a breakdown of the value of fixed and variable remuneration for Senior Managers and Material Risk Takers for year ended 30 June 2021.
- Table (b) provides a summary of deferred cash and equity-based remuneration, including the total amount of outstanding awards, awards that have vested during 2021 financial year and any reductions due to ex-post explicit and implicit adjustments.

(a) Total Value of Remuneration Awards

	Senior Managers ⁽¹⁾ (\$'000)		Material Risk Takers ⁽¹⁾ (\$'000)	
	FY21	FY20	FY21	FY20
Fixed Remuneration				
Cash-based (non-deferred) ⁽²⁾	38,625	33,355	18,499	17,883
Other (non-deferred) ⁽³⁾	3,378	3,096	2,207	1,941
Variable Remuneration				
Cash-based (non-deferred) ⁽⁴⁾	18,531	18,114	15,101	12,807
Cash-based (deferred)	2,825	4,765	1,391	2,457
Shares and share-linked instruments (deferred) ⁽⁵⁾	35,098	45,925	7,026	7,752
Other ⁽⁶⁾	24	19	-	2

(1) 116 Senior Managers and Material Risk Takers received a variable remuneration award in relation to FY21. The Group does not provide guaranteed bonuses and consequently none were offered during FY21 to Senior Managers or Material Risk Takers. 24 retention and sign-on awards were made to Senior Managers and Material Risk Takers who joined the Group during FY21 (a total of \$5,135,686). 7 termination payments were made to Senior Managers and Material Risk Takers (a total of \$2,347,423) during FY21.

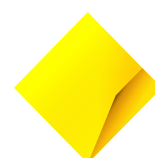
(2) Includes base remuneration, superannuation contributions / pension payments and role allowances (where applicable). FY20 values have been restated following a review of the Group's disclosure methodology.

(3) Includes annual leave and long service leave taken during the year.

(4) Value represents the cash portion of the STVR awards and any other cash payments (such as sign-on awards or retention awards). For the CEO and Group Executives, this value includes 50% of their total FY21 STVR award, with the remaining 50% deferred. For Accountable Persons, deferred remuneration requirements under the Banking Act were met, including for former Group Executives where applicable. For most other Senior Managers and Material Risk Takers, this value represents two-thirds of their total FY21 STVR award.

(5) Includes deferred STVR, LTAR and LTVR received as equity, and any other equity-based awards where applicable.

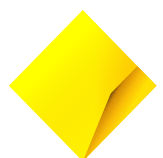
(6) This includes interest on deferred cash, and the grant of CBA shares through the Employee Share Acquisition Plan where applicable.



(b) Deferred Remuneration

	Senior Managers (\$'000)		Material Risk Takers (\$'000)	
	FY21	FY20	FY21	FY20
Outstanding Remuneration⁽¹⁾				
Cash-based awards	2,691	3,718	858	1,976
Shares and share-linked instruments	131,710	79,577	14,569	10,638
Total Outstanding Remuneration (deferred)	134,402	83,295	15,427	12,614
Total amount of deferred remuneration vested⁽²⁾	18,451	15,872	4,784	9,436
Total amount of reductions due to explicit adjustments⁽³⁾	(474)	(6,692)	-	(658)
Total amount of reductions due to implicit adjustments^{(4),(5)}	40,495	(15,844)	4,479	(2,118)

- (1) All deferred remuneration is exposed to ex-post explicit and/or implicit adjustments. This includes the sum of all outstanding deferred cash and equity awards as at 30 June 2021. For all LTAR and LTVR awards and equity-based deferred STVR awards, this includes the total face value calculated using the Volume Weighted Average Closing Price (VWACP) of the Group's ordinary shares over the five trading days preceding 30 June 2021.
- (2) Value of deferred cash and equity awards that vested during FY21. The value of the vested award is calculated using the VWACP of the Group's ordinary shares over the five trading days preceding the transaction date.
- (3) Includes any reductions to awards that vested during FY21 due to revaluation of awards, downward adjustments to awards and award forfeitures. The value of the lapsed awards are calculated using the VWACP of the Group's ordinary shares over the five trading days preceding the transaction date.
- (4) For FY21, this includes any increases to the value of the total outstanding awards due to upward movements in CBA share price during the year. The reduction in value is calculated using the VWACP of the Group's ordinary shares over the five trading days preceding 30 June 2020 and 30 June 2021, respectively for the beginning and end values. For FY21, the value of total outstanding awards was increased by \$40.49M for Senior Managers and \$4.47M for Material Risk Takers due to upwards movements in CBA share price during the year.



4. Key Terms

For the purposes of this remuneration disclosure, and to assist readers, key terms and abbreviations used in this remuneration disclosure as they apply to the Group have the meanings set out below.

Term	Definition
Accountable Persons	Has the meaning given in the Banking Act 1959 (Cth).
Board	The Board of Directors of the Commonwealth Bank of Australia.
CEO	Managing Director and Chief Executive Officer.
Group Executive	Senior direct reports to the CEO, including the CEO ASB.
Individuals with Significant Variable Remuneration (SVR)	EGMs, GMs (or equivalent) and any employees within the Group whose Annual Variable Remuneration is equal to or greater than AUD 150,000 per annum (NZD 150,000 in New Zealand).
Key Management Personnel (KMP)	Persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity.
Key Performance Indicators (KPIs)	Quantitative and qualitative measures, agreed at the start of the performance year to communicate expected performance outcomes at the Group, Business Unit and / or team and individual level.
Long-Term Alignment Remuneration (LTAR)	Remuneration subject to a pre-grant assessment and vests subject to vesting conditions after a period of four and five years for the CEO, and four years for Group Executives.
Long-Term Variable Remuneration (LTVR)	Variable remuneration subject to performance measures over four years. From FY21, LTVR awards that remain on-foot following satisfaction of performance measures may vest following a risk and compliance review after a holding period of two and three years for the CEO and one and two years for Group Executives.
Material Risk Taker (MRT)	All roles (not captured as 'Senior Manager' and 'risk and financial control personnel') for whom a significant portion of total remuneration is based on performance and whose activities, individually or collectively, may affect the financial soundness of the Group.
Performance Rights	Rights to ordinary shares in CBA granted under the LTVR award and subject to performance hurdles.
Restricted Shares / Rights	Rights to ordinary shares or restricted shares in CBA granted under the Group Rights Plan or Employee Equity Plan subject to forfeiture on resignation. These may be granted in respect of deferred STVR awarded under EGM and GM arrangements, other deferred STVR awards, sign-on awards and retention awards.
Restricted Share Units	Rights to ordinary shares in CBA granted under the LTAR and subject to vesting conditions.
Senior Leaders	Employees who have senior executive authority and responsibility within the Group, including employees who hold a position at EGM or GM level (or equivalent) within the Group.
Senior Manager (SM)	All Responsible Persons included in the Group's Fit and Proper Policy and all employees captured under the HKMA Guidelines.
Short-Term Variable Remuneration (STVR)	Variable remuneration paid subject to KPI, Values and Risk performance over one financial year.
Total Shareholder Return (TSR)	TSR measures a company's share price movement, dividend yield and any return of capital over a specific period.
Variable Remuneration (VR)	Remuneration that is conditional on the achievement of objectives within a defined period (or otherwise). May include, but is not limited to: <ul style="list-style-type: none"> › STVR, LTAR and LTVR; › Sign-on awards; › Retention awards; › Any other performance-based remuneration; and › Any other remuneration of an Accountable Person determine by APRA under the Banking Act to be variable remuneration.

