Basel III Pillar 3

Annual Remuneration Disclosures
as at 30 June 2019

CommonwealthBank

Annual remuneration disclosures as at 30 June 2019

Contents

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 (HKMA) Supervisory Policy Manual CG-5: Guideline on a Sound Remuneration System (HKMA Guidelines).

APS 330 requires all Authorised Deposit-taking Institutions (ADIs) to meet the minimum requirements for public disclosure of qualitative and quantitative information, on among other things, their remuneration practices. The remuneration disclosures required under APS 330 are separate to the requirements applicable to all listed companies under the Corporations Act 2001, which is limited to Key Management Personnel (KMP). The qualitative and quantitative disclosures in APS 330 includes all Senior Managers and Material Risk Takers of the Commonwealth Bank of Australia Group (Group) for the 2019 financial year (year ended 30 June 2019 (FY19)).

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

In FY19, the following roles have been determined to be Senior Managers and Material Risk Takers of the Group:

Roles Captured under APS 330

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Senior Managers

All Responsible Persons included in the Group's Fit and Proper Policy[(3)] and all employees captured under the HKMA Guidelines.

For the Group, this includes the following roles:

1) The Chief Executive Officer (CEO) and all Group Executives (permanent and acting);
2) Responsible Persons of the Group and the Group's regulated subsidiaries; and
3) KMP and Senior Managers who have been identified as holding a manager role for Hong Kong banking license purposes under HKMA Guidelines and in accordance with Hong Kong Banking Ordinance 72B.

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Material Risk Takers

All roles (not captured as 'Senior Manager' and 'risk and financial 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.

For the Group, this includes the following roles:

Senior Leaders whose Target Annual Variable Remuneration meets specific quantitative thresholds and whose activities, individually or collectively, may have a significant impact on the Group's balance sheet and/or the long-term financial soundness of the Group.

(1) Roles are defined in paragraph 22, APS 330. Roles captured as at 30 June 2019 or last role prior 30 June 2019 that is subject to disclosure.
(2) There were 91 Senior Managers for FY18.
(3) Exclude roles listed in Prudential Standard CPS 510, paragraph 57 (a).
(4) There were 22 Material Risk Takers for FY18. For FY19, the Group's Material Risk Taker methodology has been revised to cover additional Senior Leaders (Executive General Managers and General Managers) not otherwise covered, including Material Risk Takers within subsidiary entities across the Group.

Qualitative Disclosures

1. Remuneration Governance

Remuneration Governance Framework

The Remuneration Committee is the governing body for developing, assessing and monitoring the remuneration philosophy, framework and policies across the Group for Board approval. The responsibilities of the Remuneration Committee are outlined in its Charter and are annually reviewed and approved by the Board.

The Remuneration Committee works closely with the Board's Risk and Audit Committees, the Group Chief Risk Officer (CRO) and Executive General Manager (EGM) Internal Audit to consider risk and reputational matters when determining remuneration outcomes. These meetings provide an opportunity for the Committees to review and discuss relevant risk and audit matters, including any variable remuneration consequences for the matters raised, and provide input into the determination of variable remuneration outcomes and any in-year or malus adjustments for the CEO, Group Executives (excluding CEO ASB) and other regulated roles in the FY19 period.

Information provided to the Board Committees to support their remuneration recommendations during FY19 included Executive risk scorecards, details of material risk and reputation matters, including outcomes of internal audit reviews conducted during the financial year, and information relevant to the consideration of the quality of financial results.

Effective 1 July 2019, the Group revised the remit of the Remuneration Committee and renamed it the People & Remuneration Committee (PRC). Under the revised remit, there is extended coverage on people strategies, talent management, diversity & inclusion and organisational culture. For the purposes of this remuneration disclosure, the name and remit which applied during the disclosure period (Remuneration Committee) has been used.

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

CBA Board

The Board reviews, challenges, applies judgement and, as appropriate, approves the Remuneration Committee's recommendations.
It approves the remuneration of the CEO, Group Executives, Non-Executive Directors (NEDs) and other specified individuals and the policies and processes governing remuneration of all regulated roles.

Risk Committee

Assists the Board in the governance of the Group's risks.

Advises the Remuneration Committee of material risk and reputation matters which may impact remuneration outcomes.

Risk and Remuneration Review Committee (RRRC)

Management committee that advises the Group CRO and reviews accountability for material risk and reputation matters which may impact remuneration outcomes.

Remuneration Committee

Members (as at 30 June 2019)
David Higgins (Chairman)
Catherine Livingstone AO
Paul O'Malley
Mary Padbury
Wendy Stops

Role

Reviews, challenges, applies judgment and, as appropriate, endorses the recommendations made by management and submits for Board approval.

It oversees the Group's remuneration framework and assists the Board to ensure the Group's remuneration strategy and structure are appropriate.

Charter

The responsibilities of the Remuneration Committee are outlined in its Charter and reviewed periodically.

Audit Committee

Assesses and advises the Remuneration Committee, of any matter relevant to financial outcomes that warrants consideration when it considers variable remuneration outcomes for Executives.

Independent Remuneration Consultant

During the 2019 financial year, the Remuneration Committee engaged external advisors to provide information to assist in making remuneration decisions.
It did not seek or receive any remuneration recommendations in the 2019 financial year.

Concurrent Remuneration, Risk, Audit and Nominations Committee meetings

The Committees meet when appropriate to consider relevant risk and audit matters in the determination of Executive remuneration outcomes.

NEDs receive fees to recognise their contribution to the work of the Board and associated Committees on which they serve. NEDs do not receive any performance-related remuneration and the Chairman does not receive separate Committee fees.

The Remuneration Committee met formally 10 times during FY19. The current fee for the Remuneration Committee Chairman is $60,000 per annum and the current fee for Remuneration Committee members is $30,000 per annum, all inclusive of superannuation.

Remuneration Framework and Policy

The Board and Remuneration Committee are responsible for the Group Remuneration Policy (Policy) 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 Remuneration Committee undertook a comprehensive review of the CEO and Group Executive remuneration framework during FY19 and determined not to make any material changes to the existing framework for the FY20 period.

Remuneration Strategy for the Group, as well as CEO and Group Executives, will be reviewed in FY20 to incorporate new guidance set by APRA and applicable offshore regulators, including in relation to ex-ante and ex-post adjustments to variable remuneration. The review aims to ensure the Group's remuneration framework continues to support its remuneration principles outlined below.

OUR REMUNERATION PRINCIPLES

Aligned with shareholder value creation	Market competitive to attract and retain high-calibre talent	Reward sustainable outperformance and discourage poor performance	Recognise the role of non-financial drivers in longer-term value creation	Simple and transparent	Reflect the Group's strategy and values

The Policy 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 Policy or local requirements is applied. The scope of the Policy covers:

- All Executives and employees on individual contracts;
- All employees covered by collective agreements; and
- All Executives and Non-Executive Directors on the Group's Board and the board 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 Policy. In order to support good governance and the relevance of the Policy in light of changing regulatory requirements and market conditions, the Policy is regularly reviewed by the Remuneration Committee (with changes approved by the Board). The Policy review and assessment includes:

- Compliance with relevant legislation or regulatory requirements;
- Compliance by the Group with the Policy; and
- The relevance of the Policy in light of changing market conditions

The most recent Policy review was undertaken during FY19 with changes effective 1 July 2019. This review included amendments to reflect legal, regulatory and policy changes across all relevant jurisdictions in which the Group operates.

A policy effectiveness review will be undertaken in FY20 and will consider alignment of the Policy and frameworks, use and application of the Policy in the business, and culture and behaviour.

Independence of Risk and Financial Control Personnel

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

Individual variable remuneration outcomes are based on both what was achieved (Key Performance Indicators (KPI) assessment) and how it was achieved (values and risk assessment 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 advises and/or reviews;
- 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 framework.

Risk scorecards are given to the Board as a key input to the overall risk assessment for the CEO and Group Executives, providing the Board with robust information to determine the appropriate consequences to be applied to Short-Term Variable Remuneration (STVR), Deferred Remuneration and Long-Term Variable Remuneration (LTVR) outcomes for risk and reputation matters. The Remuneration Committee together with the Risk and Audit Committees considers all relevant risk and audit matters in the determination of Executive remuneration outcomes.

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), including STVR (at risk) and LTVR (at risk).

OUR REMUNERATION FRAMEWORK AND OUTCOMES REFLECT OUR VALUES				
We do what is right	We are accountable	We are dedicated to service	We pursue excellence	We get things done

The following table outlines the Group's key remuneration components. More detail on remuneration and the link to performance is included in section 4.

	Fixed Remuneration	STVR (at risk)	LTVR (at risk)
COVERAGE	All Employees	Most employees are eligible to participate in variable remuneration arrangements applicable to their position.	CEO, Group Executives and eligible employees. (1)

STRUCTURE	Base remuneration and superannuation.	• Variable remuneration instruments in FY19 included:
		  • Cash (deferred and non-deferred);
		  • Deferred / Restricted Shares (deferred equity)(2);
		  • Rights (deferred equity);
		• Carried interest and co-investment instruments(1)
		• Cash is the only instrument that can be paid upfront and not deferred. Some of the Group's arrangements allow for variable remuneration to be deferred as cash over an appropriate deferral period.	

DESCRIPTION	• **For the CEO and Group Executives:** Reviewed annually against peer group remuneration disclosures; the primary peer group is the other three major Australian banks. • **For other employees:** Reviewed annually within parameters set by the Remuneration Committee. The remuneration review takes into account any change in the scope of the role performed by the individual, changes required to meet the principles of the Policy, internal equity and market competitiveness.	• 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 Policy and local legislation or regulations. (3) *All deferred remuneration is subject to malus adjustment.*	• For the CEO and Group Executives, LTVR is awarded in the form of Rights which vest after a four-year period, subject to the achievement of set performance hurdles, risk and reputation review and final Board approval. • For some eligible employees, LTVR in CFS GAM was generally subject to a minimum three year vesting period. (1)

(1) Applies to some eligible employees in the Colonial First State Global Asset Management (CFS GAM), that was divested by the Group during FY20 (effective 2 August 2019).

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

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

Deferral of variable remuneration

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

All Employees	Senior Leaders[1]	CEO and Group Executives[1]
All employees with an STVR award of AUD 150,000 (NZ150,000 for ASB) or greater are required to defer one-third of their STVR award into equity (as Deferred Restricted Shares / Rights[2]) (cash in New Zealand) that vests in three equal tranches over three years.[3]	Senior Leaders captures Executive General Manager (EGM) and General Manager (GM) roles. One-third of any STVR award is deferred into restricted shares / rights[1] that vest in equal tranches over one, two and three years. Deferred STVR awards are subject to Board risk and reputation review prior to vesting. Senior Leaders in CFS GAM participated in separate LTVR arrangements aligned to that business and its customers, with minimum vesting periods of three years in general.[3]	50% of the STVR award is deferred and delivered in restricted shares that vest in equal tranches after one and two years. Deferred STVR awards are subject to Board risk and reputation review prior to vesting. LTVR awards are deferred over a four-year period (as Rights) and subject to performance measures and Board risk and reputation review prior to vesting.

(1) Deferral arrangements for Accountable Persons may vary from 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 vested value is delivered as cash.

(3) Some eligible employees in CFS GAM participated in separate deferred STVR and/or LTVR arrangements, which was divested by the Group during FY20 (effective 2 August 2019).

Vesting of all deferred cash and equity-based awards is subject to the relevant Board-approved equity plan rules and is generally contingent upon:

- The employee remaining employed by the Group throughout the vesting period. Typically when an employee leaves due to retirement, ill health separation, redundancy or death ('good leavers'), all unvested deferred STVR and LTVR awards stay on foot and vest at the normal time subject to 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). If an individual resigns or is dismissed from the Group before the end of the vesting period, deferred STVR and LTVR awards are generally forfeited;
- 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;
- A review of any risk and compliance issues associated with any individual; and
- At vesting, the release of the deferred variable remuneration amount not placing undue financial hardship on the Group.

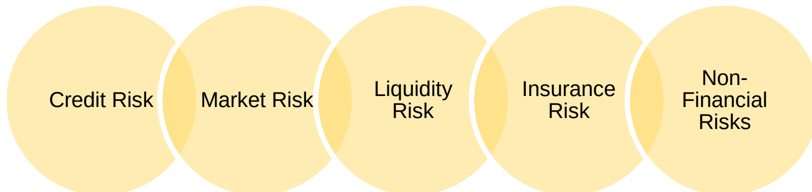
The Group's approach to variable remuneration deferral supports the Group's risk management framework. The Board retains discretion to lapse and/or reduce deferred variable remuneration, in certain circumstances, where it is determined that a malus event has occurred and the vesting of some or all of an individual's unvested deferred awards is not justifiable or supportable.

3. Performance and Risk Management

The Group manages the risk of variable remuneration leading to inappropriate risk-taking through a variety of mechanisms, including the application of the Risk Assessment which acts as a modifier and adjusts short-term variable remuneration outcomes for poor risk behaviours and outcomes. The Risk Assessment process holds employees accountable for managing risks in accordance with the Group's Risk Management Approach and Risk Appetite

The Group Risk Appetite Statement is the means by which the Board seeks to establish a culture of disciplined management of risks to enable the Group to deliver long-term value to customers, communities, shareholders and employees. Through the Group's Risk Appetite Statement, the Board directs management on its risk management activities in the context of the Group's business strategy, by articulating Risk Appetite and Risk Indicators. All Group employees are required to adhere to the Group Risk Appetite Statement, as well as to their Business Unit's Risk Appetite Statement.

OUR REMUNERATION PRACTICES ARE MANAGED WITHIN THE GROUP RISK APPETITE FRAMEWORK



Individual STVR outcomes are based on both what was achieved (KPI assessment) and how it was achieved (values and risk assessment of behaviours and outcomes). The outcomes of the risk assessment process may result in STVR being reduced, including to zero.

Risk management is incorporated in the Group's remuneration framework by:

- 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 risk factors.
- Ensuring that all employees have a risk assessment included in their individual performance review (which can impact variable remuneration outcomes).
- Using Executive risk scorecards to support the risk assessment process for the CEO, Group Executives, EGMs and General Managers (GMs).
- The mandatory deferral of a portion of the variable remuneration of the CEO, Group Executives, EGMs, GMs (or equivalent roles in each case), Accountable Persons, other regulated roles and individuals with significant variable remuneration outcomes. This deferred remuneration may be subject to malus adjustments as determined by the Board or its authorised delegate (such as the Remuneration Committee).
- Oversight of risk matters and code of conduct non-compliance through the establishment of the Group and Business Unit RRRCs which are responsible for reviewing accountability and consequences for risk matters across the Group and Business Unit respectively and act as an advisory body on all material and cross-business unit risk matters and all risk matters for EGMs.
- For the CEO, and Group Executives, the Board Remuneration Committee considers the impact of risk matters on remuneration outcomes based on recommendations by the Board's Risk Committee, supported by the Group CRO,.

In FY19, the Group has introduced a number of improvements to risk assessment processes including STVR adjustments. These include the following changes:

1. The introduction of a positive risk category within the risk assessment process, to promote and recognise exceptional risk behaviours and outcomes. This supports a positive culture of managing risk. A rating of 'exceptionally managed' risk recognises positive risk behaviours and provides additional reward.
2. The extension of the existing Executive risk scorecard used to assess risk behaviours and outcomes in more detail to include GMs.
3. Changes to the discretionary STVR pool funding approach, incorporating an assessment of financial and non-financial risks in addition to risk-adjusted financial measures. This ensures relevant risks are considered in determining the discretionary STVR pool, and reinforces collective accountability.
4. Changes to the Group CRO remuneration mix and KPI weightings (financial/shareholder measure to 10% weighting) so that they now differ from other Group Executives, and the removal of linkages to Group financial outcomes.
5. The enhancement of risk assessment governance processes, including Board approval of risk assessment guidance and processes, and the transparent communication to all employees of good and poor risk assessments.

4. Linking Remuneration to Performance

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

FY19 STVR Performance measures

STVR awards for most employees are discretionary and assessed against the Group's values, risk assessment and a balanced scorecard to assess both short-term Group, Business Unit and individual performance against specific KPIs. Partially or not meeting values and risk expectations has an impact on the STVR outcome, including the reduction of any STVR award to zero.

Non-financial measures have a substantial weighting in balanced scorecards for all employees including the CEO and Group Executives. In FY19, the maximum weighting on financial/shareholder measures was 40% for all employees in the Group. For the CEO and Group Executives (excluding the Group CRO with 10% weighting to support independence), the weighting for financial/shareholder measures was reduced to 30% to support a more balanced performance focus. Scorecard weightings cover financial/shareholder and non-financial measures linked to Group and Business Unit targets, and vary by role.

For FY20, the Group has revised the weightings on performance measures with a balanced scorecard approach across four strategic categories: Customers, People, Shareholders, and Business and Strategic Initiatives. The 'Shareholders' category (which contains the financial KPIs) is reduced to a maximum weighting of 30% for all employees in the Group, and the 'Customer' category has increased to a minimum weighting of 25% (a 10% weighting for CEO and Group Executives) to reinforce better risk and customer outcomes.

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 provide exemplary leadership of a strong risk culture.

The key FY19 performance measures for the CEO is outlined below:

	Performance Category	Weighting	Measures
FINANCIAL	**Financial/shareholder**	30%	• Group Cash Net Profit After Tax • Group risk adjusted profit (Profit After Capital Charge)
NON-FINANCIAL	**Customer**	10%	• Net Promoter Score outcomes for consumer and business customers (six-month rolling) • Complaints remediation
NON-FINANCIAL	**Strategy**	50%	• Progress on and quality of implementation of the APRA Remediation Action Program • Progress on delivery of Group Strategic Priorities (including shared priority dashboard)
NON-FINANCIAL	**People**	10%	• Group people measure results (culture, talent, diversity, safety and well-being).
STVR Modifiers			In addition to performance against a balanced scorecard, the CEO and Group Executives are assessed on how they demonstrate exemplary leadership of: • **Values:** the Board has the discretion to adjust Executive STVR outcomes upwards or downwards including to zero where appropriate • **Risk and reputation:** the Board has the discretion to adjust Executive STVR outcomes downwards including to zero where appropriate.

FY19 LTVR performance measures

The CEO and Group Executives are eligible to receive LTVR awards in the form of Rights – each reward right entitles the participant to receive one CBA share (or cash equivalent), subject to meeting performance hurdles. The performance measures for FY19 LTVR awards are:

- Total Shareholder Return (TSR, relative) (75% weighting of total award);
- Trust and Reputation (relative, 12.5% weighting of total award); and
- Employee Engagement (absolute, 12.5% weighting of total award).

A positive TSR gateway is applied to the non-financial performance measures (trust and reputation, employee engagement), such that no vesting on these measures occurs unless the change in shareholder value is positive.

Senior Leaders in CFS GAM (now divested from the Group effective 2 August 2019) participated in bespoke LTVR arrangements aligned to that business and its customers' outcomes.

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 FY19.
- **Table (b)** provides a summary of deferred cash and equity-based remuneration, including the total amount of outstanding awards, awards that have vested during FY19 and any reductions due to ex-post explicit and implicit adjustments.

(a) Total Value of Remuneration Awards

	Senior Managers ($'000)[1]		Material Risk Takers ($'000)[1]	
	FY19	**FY18**	**FY19**	**FY18**
Fixed Remuneration				
Cash-based (non-deferred)[2]	**35,730**	34,150	**17,269**	9,052
Other (non-deferred)[3]	**2,288**	620	**730**	176
Variable Remuneration				
Cash-based (non-deferred)[4]	**15,167**	12,546	**9,437**	5,991
Cash-based (deferred)	**5,364**	3,692	**2,044**	-
Shares and share-linked instruments (deferred)[5]	**21,188**	17,602	**4,755**	3,327
Other [6]	**-**	142	**-**	-

(1) One-hundred and twelve Senior Managers and Material Risk Takers received a variable remuneration award during FY19. The Group does not provide guaranteed bonuses and consequently none were offered during FY19 to Senior Managers or Material Risk Takers. Eight sign-on awards were made to Senior Managers and Material Risk Takers (a total of $11,468,709) who joined the Group during FY19. Seven termination payments were made to Senior Managers and Material Risk Takers (a total of $2,074,011) during FY19.

(2) This includes base remuneration, superannuation contributions / pension payments, cash role allowances and grant of CBA shares through the Employee Share Acquisition Plan. FY18 has been reinstated to capture employer superannuation contributions and / pension payments.

(3) This includes net annual leave and long service leave accruals. FY18 has been reinstated to capture net annual leave and long service leave accruals.

(4) This value represents the cash portion of the STVR awards made in relation to performance over FY19. For the CEO and Group Executives this represents 50% of their total FY19 STVR award. For Accountable Persons, deferred remuneration requirements under the Banking Act were met for former Executives. For most other Senior Managers and Material Risk Takers this represents two-thirds of their total FY19 STVR award.

(5) For all deferred equity awards, this includes the FY19 accounting expenses of previous deferred STVR awards, LTVR awards and amounts relating to equity sign-on and other equity-based arrangements. For deferred STVR awards, this includes the FY19 expense for deferred STVR awards. For deferred LTVR, this includes the FY19 expenses for Rights awarded in prior financial years and FY19.

(6) This includes interest accrued in relation to FY16 CEO and Group Executive deferred STVR awards. There is no longer any interest accrued for these deferred STVR awards for FY19.

(b) Deferred Remuneration

	Senior Managers ($'000)		Material Risk Takers ($'000)	
	FY19	**FY18**	**FY19**	**FY18**
Outstanding Remuneration[1]				
Cash-based awards	**9,345**	11,318	**427**	105
Shares and share-linked instruments	**81,180**	58,010	**11,644**	7,561
Total Outstanding Remuneration (deferred)	**90,526**	69,328	**12,071**	7,666
Total amount of deferred remuneration vested[2]	**16,211**	23,663	**5,205**	2,760
Total amount of reductions due to explicit adjustments[3]	**(4,661)**	(26,102)	**-**	(784)
Total amount of reductions due to implicit adjustments[4]	**(2,894)**	(8,052)	**(1,262)**	(1,043)

(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 2019. For all 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 2019.

(2) The value of deferred cash and equity awards that vested during FY19. This includes the value of the awards that vested, and any interest and/or dividends accrued during the vesting period. 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) This includes any reductions to awards that vested during FY19 due to revaluation of awards, downward adjustments to awards and award forfeitures. The value of the lapsed award is calculated using the VWACP of the Group's ordinary shares over the five trading days preceding the transaction date

(4) This includes any reductions to the value of the total outstanding awards due to downward 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 2018 and 30 June 2019, respectively for the beginning and end values.

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.
CEO ASB	Chief Executive Officer of ASB Bank Ltd.
Deferred Rights / Restricted Shares	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 Executive General Manager and General Manager arrangements, other deferred STVR awards, sign-on awards and retention awards.
Executives	Collective term referring to individuals in the following Executive groups: CEO, Group Executives, CEO ASB and Other Executives.
Group Executive	All permanent Executives excluding the Group CEO, CEO ASB and Other Executives.
Individuals with Significant Variable Remuneration	EGMs, GMs (or equivalent) and any employees within the Group whose Annual Variable Remuneration is equal to or greater than AUD150,000 per annum (NZD150,000 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 Variable Remuneration (LTVR)	A variable remuneration arrangement which grants instruments to participating employees that may vest over a period of four years subject to any performance hurdles and risk assessment.
Non-Executive Directors (NEDs)	KMP who are not Executives.
Other Executives	Includes Michael Venter (Chief Executive Officer Wealth Management) and all Acting Group Executives. Excludes the CEO, Group Executives and CEO ASB.
Senior Leaders	Employees who have senior Executive authority and responsibility within the Group, including employees who hold a position at Executive General Manager or General Manager level (or equivalent) within the Group.
Rights	Rights to ordinary shares in CBA.
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	Remuneration that is conditional on the achievement of objectives within a defined period (or otherwise). May include, but is not limited to: • STVR and LTVR; • Sign-on awards; • Retention awards; • Any other performance-based remuneration; and • Any other remuneration of an AP determine by APRA under the Banking Act to be variable remuneration.