

# ASX Announcement

## Matt Comyn appointed CEO of the Commonwealth Bank

**Monday, 29 January 2018 (Sydney):** Matt Comyn will be the new Chief Executive Officer of the Commonwealth Bank of Australia (CBA), effective 9 April 2018, replacing Ian Narev, who announced in August that he would retire before the end of this financial year, after more than six years in the role<sup>1</sup>.

The Chairman of CBA, Catherine Livingstone, said a thorough global and local search for the role identified an exceptional field of candidates. Following a rigorous interview process, the Board concluded that Mr Comyn, 42, has the best mix of attributes and values needed to lead the Commonwealth Bank.

“The Board is delighted that Matt Comyn has accepted the offer to lead the Commonwealth Bank. We believe he was the outstanding candidate, best placed to lead the bank at an important time in its history,” Ms Livingstone said.

“The Board’s main priorities in selecting the new CEO were to identify the candidate who will maintain the momentum in the business, and address the regulatory and reputational challenges and recognise evolving community expectations. The candidate also needs to transform the business and adapt the organisational capability and culture to suit the rapidly evolving competitive and technology-centric environment.

“Matt has gained respect across the banking sector both in Australia and globally. His track record is one of delivering very strong business performance, as well as a range of innovative, sustainable business improvements that have strengthened customer outcomes. These have included initiatives reflecting our vision of enhancing financial wellbeing, and consistently industry-leading customer satisfaction ratings for the retail bank.

“His mandate is to continue to make the necessary changes to ensure CBA remains a leading bank with an unwavering focus on its customers and delivering outcomes for shareholders, while achieving the highest operational standards, unequivocally fulfilling our regulatory obligations.

“Our people remain core to the success of CBA, and a fundamental priority will be to energise the culture and elevate employee pride and confidence.

“Matt’s appointment will enable a smooth transition to new leadership, as CBA responds to the current regulatory processes and legal proceedings, accelerating the related changes and improvements already underway.”

Ms Livingstone noted that the Board sincerely thanks Ian Narev for his leadership of the Bank over the past six years.

“Under Ian’s leadership, CBA has become a more inclusive and innovative organisation, and an employer of choice for gender and social diversity. It has also achieved and sustained industry-leading customer satisfaction ratings, through continued investment in its people and its technology advantage,” Ms Livingstone said.

“CBA’s total shareholder return during Ian’s time as CEO is over 120%, significantly ahead of the other major banks and the ASX 200 average for the same period.

“Ian’s focus on delivery of our long term strategy has served the organisation well, particularly as market conditions continued to change.”

Retiring Chief Executive Officer Ian Narev said it has been a great honour for him to lead the Commonwealth Bank, during a period of great change.

<sup>1</sup> Ian Narev will retire from the Managing Director and Chief Executive Officer role effective 8 April, 2018.

"I am delighted that Matt will lead CBA. He is a respected and trusted executive whom I know will give his all as CEO for the bank's customers, people and shareholders," Mr Narev said.

"Matt's values run deep. He is a person of integrity and openness, and has a passion for CBA's vision. I know he will enhance the best aspects of CBA, while making the changes needed to address the challenges which lie ahead. I am very committed to working with him to achieve a smooth transition in the leadership of the business."

Incoming Chief Executive Officer Matt Comyn said it is a great privilege to be selected to lead the Commonwealth Bank.

"CBA is both a significant Australian institution and a world class bank, with a proud history that has delivered great outcomes for its customers, shareholders and people for decades, and is well positioned to build on that success for many years to come," Mr Comyn said.

"I am excited by the opportunity to lead the organisation into this next phase of change and transformation. In terms of outcomes, I believe we can achieve the right balance in meeting the expectations of customers, shareholders and the community, with a sharp focus on our core purpose.

"We can empower our customers to achieve financial wellbeing, and through this broaden and deepen the contribution we make to Australia's economy. By virtue of the position CBA holds in the community we need to equally demonstrate the highest levels of integrity and operational standards to earn stronger levels of trust within the community and regulators.

"The last six months in particular have been very challenging and I am committed to working with the Board, the executive team and our wonderful people to rebuild trust in the Commonwealth Bank together.

"It is important that we maintain the momentum underway, upgrading and strengthening our governance, accountability and risk management, while delivering strong financial performance. We are in a period of significant technology and competitive change, and I look forward to ensuring we remain at the forefront of technology, innovation and a great customer experience."

-ENDS-

ATTACHED: CEO bio and contract details

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## ATTACHMENT

### Matt Comyn

Matt Comyn has nearly 20 years' experience in banking across business, institutional, retail and wealth management. He joined the Commonwealth Bank Group in 1999 where he has held a number of senior leadership roles. In 2012 he was appointed Group Executive Retail Banking Services, which now accounts for half of the Group's profit and also leads the development of digital products and services on behalf of the Group.

During his time in retail banking Matt has transformed traditional banking services, growing the number of active digital users to over six million customers, including more than four million Australians who log into the CommBank mobile app every day.

Over the same period customer satisfaction increased to its highest levels, achieving number one for the first time in January 2013, and sustaining this achievement for 51 of the 60 months since. Matt also established a systematic program to improve customer outcomes, which has seen significant changes made to products, terms and conditions, fees and the way we engage our customers.

In 2017 Matt established CBA's new approach to Financial Wellbeing, focused on giving customers more visibility and control over their finances through innovative digital tools. At the same time, Matt and his team have developed support programs to help our most vulnerable customers through financial hardship, including ensuring that victims of domestic violence can access emergency funds.

Leading more than 14,000 people in retail banking has been a key priority and employee engagement levels have improved from an already high level. He has been an active leader in the Group's diversity initiatives, including being the inaugural Executive sponsor of Unity, the Group's award-winning LGBTI program, and doubling the proportion of women in leadership roles in the Retail Bank (General Manager and above) to around 40 per cent.

He has delivered strong profit growth for shareholders, with NPAT in retail banking increasing 60 per cent since 2012.

At Commonwealth Bank, Matt has gained a broad experience across financial services, including in institutional banking with various roles in product management, equities and trading operations. He has also played a key role in building CommSee, CBA's industry-leading customer relationship system used across all customer-facing and operations teams in the retail and business bank.

Between 2006 and 2010, Matt was Managing Director of CBA's biggest digital business, CommSec, overseeing a significant modernisation of its technology platform and growing market share and profitability. In 2009, Matt was also asked to lead CBA's response to the Storm Financial Planning issue, working closely with then CEO Ralph Norris, to identify where the Bank's failures had occurred and to ensure customers were compensated fairly.

In 2010, Matt left the Group for a short time to become CEO of Morgan Stanley's wealth business in Australia. He returned to lead local business banking, looking after the Bank's more than 500,000 small business customers.

Matt is a Director of Unicef Australia.

Matt holds an Executive MBA from Sydney University, a Master's degree in Commerce, majoring in finance, and a Bachelor's degree in Aviation, both from the University of New South Wales. He has also completed the General Management Program at Harvard Business School.

He is married with three children and lives in Sydney.

## ATTACHMENT

### Summary of the Main Terms and Conditions of the Executive Service Agreement between the Commonwealth Bank of Australia and Matt Comyn

A summary of the material terms and conditions of the employment agreement entered into with Matt Comyn are:

#### 1. Appointment

The appointment is to the position of Managing Director and Chief Executive Officer on 9 April 2018.

#### 2. Term

The appointment is ongoing with no fixed term. The termination provisions are set out below.

#### 3. Duties

The duties of Matt Comyn are those expected of the CEO, reporting to and taking direction from the Board.

#### 4. Remuneration

There are three components of Matt Comyn's remuneration:

##### **(a) Fixed Remuneration**

Mr Comyn will receive an annual fixed remuneration of \$2,200,000 (inclusive of cash salary, superannuation and salary sacrificed items) which will be reviewed annually.

##### **(b) Short Term Variable Remuneration (STVR)**

Mr Comyn will be eligible to annually participate in an STVR Plan. The initial annual STVR target is \$2,200,000 (100% of fixed remuneration), and for the current year will be pro-rated for the period from 9 April 2018 to 30 June 2018. The target STVR will be reviewed annually by the Board.

Half of any STVR will be paid in cash following the end of the performance year and, subject to any necessary regulatory and shareholder approvals, the remaining 50% of the STVR will be deferred for two years into equity (50% of deferred STVR award vests after one year and remaining 50% vests after two years).

##### **(c) Long Term Variable Remuneration (LTVR)**

At the discretion of the Board and subject to any necessary regulatory and shareholder approvals, Mr Comyn will be eligible to annually participate in the LTVR Plan. The Group's current LTVR Plan is described in the 2017 Annual Report and the 2017 Notice of Meeting.

The LTVR award to be made during the FY19 year is an allocation of reward rights with a total maximum face value of \$3,960,000 (180% of fixed remuneration). Vesting of this award will be subject to satisfaction of relevant key performance indicators, as determined by the Bank's Board. The FY19 award is subject to shareholder approval at the 2018 Annual General Meeting.

The amount and terms of subsequent grants will be determined by the Board in its discretion and will be subject to any necessary regulatory and shareholder approvals.

## **5. Termination Provisions**

Both Matt Comyn and the Bank may provide notice of termination by providing 12 months' notice. On termination of employment following notice by Mr Comyn or the Bank, the Bank will pay all Fixed Remuneration and any statutory entitlements owing, and any STVR or LTVR not vested may be paid or retained at the discretion of the Board.

There are provisions for immediate termination for certain prescribed events, including misconduct and breaches of regulatory or compliance requirements. In such circumstances accrued Fixed Remuneration and statutory entitlements would be payable.

In certain instances of serious prolonged ill-health, the Bank may provide 12 months' notice to terminate the agreement. As in the event of death, the Bank will pay all Fixed Remuneration and any statutory entitlements at the date of termination or death, and any STVR or LTVR not vested may be paid or remain on foot at the discretion of the Board.

There is also a provision allowing Mr Comyn to terminate the agreement if a material change to his status occurs, in which case termination payments will be made as if the Bank had terminated his employment.

## **6. Restrictive Covenant**

Mr Comyn is restrained during employment and for up to 12 months after termination from competing with the Bank and soliciting customers, employees, directors or managers of the Bank.

## **7. Other provisions**

The agreement also contains general provisions including provisions regarding confidential information, intellectual property and moral rights.