



<b>Company</b>	<b>Commonwealth Bank of Australia</b>
<b>Code</b>	<b>CBA</b>
<b>Meeting</b>	<b>AGM</b>
<b>Date</b>	<b>16 October 2019</b>
<b>Venue</b>	<b>Darling Harbour Theatre ICC Sydney</b>
<b>Monitor</b>	<b>Sonja Davie assisted by Julieanne Mills</b>

<b>Number attendees at meeting</b>	486 shareholders, 18 proxy holders and a total attendance of 639
<b>Number of holdings represented by ASA</b>	2,176
<b>Value of proxies</b>	\$462.2m
<b>Number of shares represented by ASA</b>	5.777m (just below the 7th largest holder)
<b>Market capitalisation</b>	\$141.65b
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with chair Catherine Livingstone

## **A better bank embracing cultural change**

There was a joyful and positive welcome from the numerous CBA staff as we arrived at the security screenings in the ICC for the AGM.

Catherine Livingstone’s address focused on the progress that has been made towards a new “simpler better bank”. Despite a subdued economy the bank had a strong operating result and a strong capital position. She highlighted the improvements to governance, accountability and risk management; and the importance of integrity in restoring trust; and the measures they have taken towards this, which included: remediation, removing and reducing fees, alerts, renewal of the leadership team and a more customer focused culture. The board now has better oversight of risks including non-financial risks. It has reduced exposure to wealth management with divestments of Sovereign and Colonial First State Global Asset Management (CFS GAM). Improvements to remuneration frameworks saw more collective accountability and transparency, and a \$100m reduction in remuneration over the course of 2017-18. The commitment to ESG saw embedded sustainability and transparent disclosures ensuring sustainable returns over the long term.

Matt Comyn focused on the CBA as a “bank for all Australians”. He highlighted the bank’s purpose of financial well-being for customers, community and shareholders. He emphasised his commitment to listening to his customers and implementing changes, simplifying the bank but not

at the expense of the customer. A \$5 billion investment in technology is designed to keep ahead of the competition and improve customer service. CBA's commitment to communities continues by supporting drought affected farmers, the financial education of students, and customers suffering from domestic violence and abuse, particularly financial abuse.

Matt Comyn expressed some concern around global growth uncertainty and lower interest rates, however he said there was an abundance of housing credit, which had grown 30% faster than market growth with \$92 billion in CBA home loans issued last year. Lending is up 4%, with deposits growing by 9%, and maintenance of the dividend at \$4.31.

Catherine Livingstone and Matt Comyn welcomed the recently announced ACCC probe into mortgage pricing, saying that "it was a good opportunity to put forward some facts" and that the bank arrived at their decisions "based on weighing the interests of borrowers, deposit holders and shareholders".

Asked about the rationale behind the sale of assets, Ms Livingstone defended the Board's decision, saying they had taken a considered and measured approach. Where the CBA could add value, it had invested, and where it was seen to benefit from a sale to a natural owner, it was sold. She gave examples of the CFS GAM sale for \$4.2 billion with a \$1.5 billion profit to CBA and the life insurance sale to AIA - a bigger and better insurer.

The CBA AGM was a drawn out four-hour-long event, with questions dominated by former Bankwest customers' comments and complaints, mostly related to the CBA takeover of Bankwest ten years ago. The Chair and CEO patiently answered questions from protesters and defended the bank's actions, reiterating the significant changes that the bank has gone through in the last year. Community "forums" are scheduled around the country to provide an opportunity for further feedback. One group in particular, [Bank Warriors](#), which provides legal support to aggrieved customers, asked at least ten long-winded questions between them. As in previous AGMs, this led to many other shareholders leaving the meeting.

The number of shareholders at the meeting was down compared to previous Sydney meetings. This may have been partly due to the earlier than usual 9.30am start but there were also no controversial items on the agenda this year.

ASA raised a question around the Net Interest Margin (NIM), which has declined (along with measures such as the Return on Equity), and was told that the bank is doing its best to maintain profitability and balance the NIM on home loans with depositor rates and shareholder returns.

The results of the meeting saw all resolutions carried. The re-election of Shirish Apte with 95% approval, and Mary Padbury with 98% approval; and the elections of Genevieve Bell and Paul O'Malley with 99% approval. Clearly the Board's choice of new directors was supported. Item 3, the Remuneration Report, received 92% approval. Item 4, the grant of securities to Matt Comyn, saw 94% vote in favour. The new constitution received 99% approval.

Directors were available after the meeting to talk to shareholders and the ASA had an opportunity to talk to Ms Livingstone, Melanie Kirk (Investor Relations) and the CFO Alan Docherty.

The Chair and CEO address along with a webcast of the meeting can be found at <https://www.commbank.com.au/about-us/investors/annual-general-meetings.html>