

Bank Australia Limited

CPS 511 Remuneration Disclosure

For the financial year ended 30 June 2025

Published in accordance with APRA Prudential Standard CPS 511 Remuneration

Published: December 2025

Introduction

Pursuant to its obligations under Australian Prudential Regulation Authority ('APRA') Prudential Standard CPS 511 Remuneration, Bank Australia Limited ('Bank Australia') makes the following remuneration disclosures.

For the 2024-2025 financial year, and at 30 June 2025, Bank Australia was classified as a non-significant financial institution (or 'non-SFI') for the purposes of CPS511.

This document has been prepared by Bank Australia in accordance with the remuneration disclosure obligations for non-SFI's under CPS511.



Qualitative Disclosures



Governance of the remuneration framework

Main bodies overseeing remuneration.

The Board of Bank Australia ('Board') has delegated the Governance and Remuneration Committee ('Committee') to fulfil the responsibilities of a Board Remuneration Committee as required by APRA Prudential Standard CPS510. During the financial year ended 30 June 2025, the Board met 10 times and the Committee met 3 times.

The purpose of the Committee is to assist and advise the Board how to fulfil its responsibilities in relation to corporate governance matters, including remuneration and ensure continued focus on Bank Australia's commitment to its people as its greatest asset.

As at 30 June 2025, the Committee comprised five non-executive Directors and the Managing Director. The Managing Director was not present at any discussions pertaining to their own remuneration.

The Committee undertakes to review, report and recommend to the Board the remuneration of key management personnel of Bank Australia. Key management personnel have authority and responsibility for planning, directing and controlling the activities of Bank Australia and at 30 June 2025 comprised the Managing Director and the following Executive Managers:

- Deputy Chief Executive Officer
- Chief Customer Officer
- Chief Corporate Services Officer
- Chief Financial Officer
- Chief Risk Officer
- Chief Technology Officer

There are no other positions (employees and directly retained contractors) who were considered material risk takers and whose activities, individually or collectively, affected the financial soundness of Bank Australia.



Board oversight of the remuneration framework.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of Bank Australia. Key management personnel comprise the non-executive Directors, the Managing Director and Executive Managers of Bank Australia.

Remuneration levels for key management personnel of Bank Australia are competitively set to attract and retain appropriately qualified and experienced Directors and Executives.

The Committee oversees Bank Australia's remuneration framework by:

- Conducting a review of the Remuneration Policy ('Policy'), which is approved by the Board, at least every three years including an assessment of the Policy's effectiveness and compliance with APRA Prudential Standards CPS510 and CPS511. The Policy was last reviewed in October 2024 and no material changes were made to the Policy;
- Providing an annual recommendation to the Board for its approval regarding the remuneration and performance of the Managing Director;
- Providing an annual recommendation to the Board for its approval regarding the remuneration and performance of direct reports to the Managing Director (Executive Managers) and other persons whose activities may, in the Committee's opinion, affect the financial soundness of Bank Australia and any other person specified by APRA; and
- Providing an annual recommendation to the Board for approval by members at the Annual General Meeting as to the total annual remuneration to be paid to non-executive Directors.

Role of external consultants.

The Committee obtains independent advice from external consultants on remuneration packages given trends in comparable companies.



Design and Structure of the remuneration framework

Remuneration framework alignment with Bank Australia's business plan, strategic objectives, and Risk Management Framework.

The objective of Bank Australia's remuneration framework is to ensure compliance with corporate governance requirements whilst attracting and retaining capable, motivated Directors and Executive Managers with the strategic vision to drive and sustain responsible profitable growth, maintain stability and financial soundness and support the Risk Management Framework.

No variable remuneration.

The Remuneration Policy states that key management personnel will not receive any performance-based salary components, including short term variable pay incentives or performance-based bonuses. As such, no variable remuneration components were negotiated or paid during the 2024-2025 financial year for key management personnel.

Description of processes for adjusting variable remuneration.

Not applicable as Bank Australia does not pay any variable remuneration and was considered a non-SFI for the 2024-2025 financial year.



Bank Australia's remuneration framework promotes effective management of financial and non-financial risks, sustainable performance, long-term soundness, and supports prevention and mitigation of conduct risk.

Bank Australia is committed to ensuring it determines the conditions of employment for its staff consistently and equitably, and that staff are paid according to the work value of the functional positions they are required to perform. To ensure equity and justice in pay, the Mercer International Position Evaluations (IPE) system is applied to Executive Manager positions reporting to the Managing Director to measure the work value of all positions in a consistent manner and establish a fixed relationship between the outcome of the work value measurement and remuneration. The Mercer Cullen Egan Dell (CED) system is applied to all other Bank Australia staff.

Executive Managers responsible for risk and/or financial control do not have variable components of remuneration based on performance. Bank Australia has developed a remuneration framework of salary ranges within a grade structure. Based on the position evaluation and individual competence and experience, employees are paid a fixed total remuneration.

The Remuneration Policy and the Governance and Remuneration Committee form part of the Risk Management Framework of Bank Australia. Compliance and risk management objectives and accountabilities are incorporated in all position descriptions with requisite responsibilities and are considered as part of regular performance appraisals. In determining remuneration recommendations to the Board, the Governance and Remuneration Committee will consider outcomes of conduct risk events identified at other Board Committees. The Committee will seek to align the objective of attracting and retaining capable and motivated Directors and Executive Managers with the practice of prudent risk taking and the consideration and impact of business risks and the ongoing financial viability of Bank Australia.

Bank Australia has established a framework to assess individual performance via annual performance evaluations designed to support the professional development of employees, and to deploy that capability to best meet Bank Australia's business needs.

Bank Australia is a responsible and values-based organisation that aims to ensure that staff conduct is aligned with its values. Bank Australia's Staff Code of Conduct defines expected staff behaviours. Bank Australia's Consequence Management Governing Policy and Performance Management Policy provide an overarching framework that outlines the multiple ways Bank Australia identifies and responds to inappropriate activities, conduct risk events and behaviours by staff. Bank Australia has robust, transparent and consistent internal processes and practices for managing the consequences of non-compliance with its policies, along with ensuring that Bank Australia manages its legal and compliance obligations. Potential disciplinary actions taken by Bank Australia may include, but are not limited to, a file note or written warning, demotion, dismissal, and downgrading or disqualification from the annual remuneration review process.



Quantitative Disclosures

Not applicable as Bank Australia was a non-SFI



Remuneration Outcomes

Table 2: Remuneration Outcomes for the Financial Year.

Not required as Bank Australia was considered a non-SFI for the 2024-2025 financial year.



Special Payments

Table 3: Special Payments.

Not applicable as Bank Australia was considered a non-SFI for the 2024-2025 financial year and did not make any special payments.



Deferred and Adjusted Variable Remuneration

Table 4: Deferred and Adjusted Variable Remuneration.

Not applicable as Bank Australia was considered a non-SFI for the 2024-2025 financial year and did not pay, defer or adjust any variable remuneration.

