

Friday 12 August 2022

## Banking CEOs pay up 36 per cent as banks make billions by suppressing wages

Banks and insurance companies raked in billions according to financial year end of interim results this week, with CEO pay increasing by tens of millions. This coincides with big banks advocating against increasing wages and suppressing their own workers' wages or sacking them.

Profits of the four banking and insurance companies who have reported their full year results this year (CBA, Macquarie, Suncorp and IAG) are up 28 per cent to \$15.6 billion despite revenue increasing only 8 per cent to \$80.3 billion. CEO pay for these entities is up 36 per cent to \$37.8 million and shareholder returns in the form of dividends and buybacks are up 57 per cent.

Individual company results highlight this wider profit trend:

- The Commonwealth Bank's profits are up 9 per cent to \$9.7 billion, and their CEO Matt Comyn's pay went up 35 per cent to \$6.97 million, while he argues that higher wage growth could lead to a wage price spiral
- Macquarie bank's CEO Shemara Wikramanayake's pay went up by 49 per cent to \$23.7 million.
- Suncorp's CEO Steve Johnson's pay rose 17 per cent to \$4.9 million posting a profit of \$341million
- IAG are increasing premiums - with profits of \$347 million

Big banks have made these profits while the real wages of financial sector workers have gone backwards to 2015 levels.

While raking in billion-dollar profits, the expected RBA cash rate increase to 2.6 per cent will likely be passed on entirely to borrowers but not depositors by the banks.

Currently workers' wages have the lowest share of GDP in recorded Australian history, while company profits are at their highest share - it's critical that the Albanese Government prioritises increasing workers' wages at the upcoming jobs summit.

### Quotes attributable to ACTU President Michele O'Neil:

"CBA CEO Matt Comyn is running a fear campaign against wage increases, citing a wage-price spiral that simply does not match the facts. Comyn made \$6.97 million this year while his own workers' wages are heading backwards to 2015 levels - he's not concerned about the economy; he's concerned about himself.

"In the middle of a cost-of-living crisis fuelled by falling wages, the banking sector has still managed to make billion-dollar profits and millions for their CEOs.

"Corporate greed is out of control - we're seeing billions in profits not only in banking, but also in oil, gas, civil construction, and retail. All of this is at the expense of workers falling real wages.

"Workers have the lowest share of GDP in recorded history, while company profits are at record highs. Our living standards are going backwards and it's critical that the Albanese Government prioritises workers' wage growth at the upcoming jobs summit."

### Quotes attributable to FSU National Secretary Julia Angrisano:

"It's the hard work of our members that creates these profits. The hypocrisy of CEOs who warn of the inflationary impact of wage rises that match inflation, while pocketing 36% increases to their pay is outrageous. Many of our

members are struggling with the bare essentials so watching their millionaire bosses behave this way hurts, it really does.”

**Media contact:** Peter Green 0400 764 200