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# Profit Announcement

For the half year ended
31 December 2024

Commonwealth Bank of Australia

| **ASX Appendix 4D**<br>**Results for announcement to the market** [1]<br>**Report for the half year ended 31 December 2024** | **$M** | |
|---|---|---|
| Revenue from ordinary activities [2, 3] | **14,098** | **up 4%** |
| Profit/(loss) from ordinary activities after tax attributable to Equity holders | **5,134** | **up 8%** |
| Net profit/(loss) for the period attributable to Equity holders | **5,134** | **up 8%** |
| Dividends (distributions) | | |
| Interim dividend - fully franked (cents per share) | | **225** |
| Record date for determining entitlements to the dividend | | **20 February 2025** |

[1] Australian Securities Exchange (ASX) Listing Rule 4.2A.3.

[2] Information has been presented on a continuing operations basis.

[3] Represents total net operating income before operating expenses and impairment.

The release of this announcement was authorised by the Board.

Commonwealth Bank of Australia I Media Release 003/2025 I ACN 123 123 124 I Commonwealth Bank Place South, Level 1, 11 Harbour Street, Sydney, NSW 2000 I 12 February 2025.

This half year report is provided to the ASX under Rule 4.2A. Refer to Appendix 4.2 ASX Appendix 4D for disclosures required under ASX Listing Rules.

This report should be read in conjunction with the 30 June 2024 Annual Report of the Commonwealth Bank of Australia and any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

Except where otherwise stated, all figures relate to the half year ended 31 December 2024. The term “prior comparative period” refers to the half year ended 31 December 2023, while the term “prior half” refers to the half year ended 30 June 2024.

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## Important dates for shareholders

|  |  |
|---|---|
| **Half year results announcement** | **12 February 2025** |
| **Ex-dividend date** | **19 February 2025** |
| **Record date** | **20 February 2025** |
| **Interim dividend payment date** | **28 March 2025** [1] |
| **Full year results announcement** | **13 August 2025** |

## For further information contact

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[1] On or around.

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# ASX Announcement

ASX Announcement

# 1H25 Results

For the half year ended 31 December 2024[1]

## Supporting customers, investing in our franchise and delivering with consistency

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## Results overview

"It has been another challenging period for many of our customers and we have maintained our focus on proactive engagement to offer a range of support options. This has included improved access to hardship assistance, delivery of money management tools for greater visibility of finances, and tailored payment arrangements for those customers most in need.

Through supporting our customers and investing in our franchise, we have been able to deliver solid results for our shareholders, despite the weaker economic backdrop. Our consistent financial performance demonstrates our disciplined operational and strategic execution, and the bank's deep customer relationships that help us understand needs and risks and deliver superior digital experiences.

Our balance sheet settings remain strong, with surplus capital and conservative funding, provisioning and interest rate risk settings. This enables us to support our customers, while lending to productive parts of the economy to stimulate economic growth. We will continue to invest in our franchise, including to protect our communities against fraud, scams, and financial and cyber crime.

We aim to provide strength and stability through economic cycles, while maintaining the capacity to deal with macroeconomic and geopolitical uncertainties. Millions of Australians continue to benefit from our focus on strong and sustainable returns, and we have declared an interim dividend of $2.25 per share, fully franked."

**Chief Executive Officer, Matt Comyn**

## Outlook

"The Australian economy has slowed considerably, with cost of living pressures continuing to weigh on consumer demand and younger customers in particular making real sacrifices. Private sector growth is weak, immigration is starting to slow and geopolitical uncertainties remain.

However underlying inflation is now moderating towards the target range and we expect Australia will follow offshore economies with an easing cycle starting in 2025. This should provide some relief to many households and improve business confidence. The strong labour market and level of ongoing public sector infrastructure spend also provide cause for optimism on the domestic economic outlook."

**Chief Executive Officer, Matt Comyn**

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### Net profit after tax

| | |
|---|---|
| **$5,142m** | **$5,132m** |
| Statutory NPAT[2] | Cash NPAT[2] |
| ↑ 6% on 1H24 | ↑ 2% on 1H24 |
| ↑ 11% on 2H24 | ↑ 7% on 2H24 |

Net profit after tax (NPAT) was supported by volume growth in our core businesses and a lower loan impairment expense, partly offset by higher operating expenses due to continued inflationary pressures and a discretionary increase in franchise investment spend.

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### Pre-provision profit

**$7,725m**

↑ 1% on 1H24

↑ 6% on 2H24

Our pre-provision profit was up 1% reflecting operational performance across all of our frontline businesses.

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### Dividend

**$2.25**

Per share, fully franked

↑ 5% on 1H24

The interim dividend was $2.25 per share, fully franked. The dividend payout ratio is 73% of cash NPAT (~75% normalising for long run loss rates). The Dividend Reinvestment Plan (DRP) continues to be offered to shareholders and is expected to be satisfied through the on-market purchase of shares.

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**For footnotes see page iv of this ASX Announcement**

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### Net interest margin (NIM)

**2.08%**

- ↑ 2bpts on 1H24 (excl. liquids and pooled facilities[3])
- ↑ 1bpt on 2H24 (excl. liquids and pooled facilities[3])

Underlying margin remained broadly stable excluding the impact from lower liquids and lower institutional pooled facilities[3]. The effects of competitive pressure on deposits and lending pricing were offset by higher earnings on capital hedges and the replicating portfolio.

### Operating expenses

**$6,372m (45.2% cost to income)**

- ↑ 6% on 1H24
- ↑ 3% on 2H24

Operating expenses increased 6% mainly driven by higher staff expenses due to inflation and two additional working days, and additional investment to accelerate the refresh of our technology infrastructure and to further enhance our Gen AI capabilities and data infrastructure. This was partly funded by ongoing productivity initiatives. Investment spend of $1,096 million was up 11% on 1H24.

### Credit quality – loan impairment expense

**$320m (Loan loss rate[4] 7bpts)**

- ↓ 23% on 1H24
- ↓ 17% on 2H24

Loan impairment expense decreased reflecting our disciplined credit origination and underwriting practices, rising house prices, and lower expected losses within consumer finance. Consumer arrears remained broadly stable, supported by tax refunds and changes to income tax rates and thresholds. Our home lending portfolio remains well-secured and the majority of home lending customers remain in advance of scheduled repayments. Provision coverage remains strong at 1.62% of credit risk weighted assets and a ~$2.4 billion buffer relative to the losses expected under our central economic scenario.

### Funding and liquidity

**77% Deposit funding ratio**

127% LCR[5] (136% FY24)    116% NSFR[5] (116% FY24)

Deposit funding remains stable at 77% of total funding, with the majority of our funding requirements met through stable retail and business deposits, and institutional deposits. Customer deposits are considered the most stable source of funding. Long-term wholesale funding accounted for 68% of total wholesale funding and portfolio weighted average maturity of 5.1 years remains conservatively positioned. Our liquidity and funding ratios remain well above minimum regulatory requirements.

### Common Equity Tier 1 (CET1) Capital ratio

**12.2%**

APRA Level 2[6]

**18.8%**

International

- ↓ 10bpts on 1H24
- ↓ 10bpts on 2H24

The Bank maintained a strong capital position with a CET1 Capital ratio of 12.2%, well above APRA's minimum regulatory requirement of 10.25%. As at 31 December 2024, the Bank has completed $300 million of the announced $1 billion on-market share buy-back. Completion of the remaining $700 million on-market share buy-back is expected to reduce the Bank's CET1 Capital ratio by ~15bpts[7]. Over the long term, we expect to operate with a post-dividend CET1 capital ratio of greater than 11.0%, except in circumstances of unexpected capital volatility.

### Shareholder return

**13.7%**

Return on equity (ROE)

- ↓ 10bpts on 1H24
- ↑ 40bpts on 2H24

**$2.25**

Dividend per share

- ↑ 10 cents on 1H24
- ↑ 5% on 1H24

The Bank's ROE increased to 13.7% due to higher profits. The interim dividend was $2.25 per share, fully franked. The lower share count from the ~$9.3 billion[8] of buy-backs completed to date has contributed an additional ~77 cents[8,9] in dividends per share since FY22.

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# Building a brighter future for all

## Supporting customers

- Focus on supporting our customers with cost of living pressures;
- Provided more than 65,000 tailored payment arrangements for customers most in need of support[10];
- More than 3 million customers using digital money management tools monthly to manage their finances[11];
- Connected our customers to ~$1.2 billion in grants, rebates and concessions through our Benefits finder tool, since inception; and
- Maintained the largest branch network in Australia, with a commitment to regional branch footprint, supporting regional jobs and communities[12].

## Protecting communities

- Invested $450 million in 1H25 to protect our customers against fraud, scams, and financial and cyber crime[13];
- NameCheck has been used more than 80 million times, preventing $650 million mistaken and scam payments[14];
- Reduced customer scam losses by more than 70% over two years[15];
- Identified and alerted customers of suspicious transactions, leveraging AI; 18k alerts sent per day, up 6x[16]; and
- Supported 10,737[17] people who have experienced financial abuse with free, confidential support through the Financial Independence Hub.

## Strengthening Australia

- Lent $21 billion[18] to businesses to help them grow and helped more than 70,000 households buy a home in 1H25;
- Paid over $11 billion in interest to Australian savers in 1H25;
- Returned $4 billion[19] to shareholders, benefitting over 13 million Australians who own our shares directly or through their superannuation holdings[20];
- We continue to progress our on-market share buy-back program[7] to reduce the number of shares on issue, which assists us to continue to deliver sustainable returns to shareholders; and
- We are one of Australia's largest corporate tax payers, paying $2 billion in Government payments[21] in 1H25.

# Footnotes

1. All information in this section is presented on a continuing operations basis and versus the prior comparative period, unless stated otherwise.
2. For an explanation of and reconciliation between statutory and cash NPAT refer to page 3 of the Profit Announcement for the half year ended 31 December 2024.
3. Reduction in Institutional pooled facilities primarily driven by the migration of facilities reported on a gross basis to a product that requires reporting on a net basis.
4. Loan impairment expense as a percentage of average GLAA annualised.
5. LCR is the quarterly average. NSFR is spot.
6. Level 2 is the consolidated banking group including banking subsidiaries such as ASB Bank and CBA Europe N.V.
7. The timing and actual number of shares purchased under the buy-back will depend on market conditions and other considerations. CBA reserves the right to vary, suspend or terminate the buy-back at any time.
8. Comprises the $6 billion off-market share buy-back completed in October 2021, the $3 billion on-market share buy-backs completed in June 2023, and $300 million of the $1 billion on-market buy-back announced in August 2023 completed as at 31 December 2024.
9. Higher dividends per share as a result of total shares bought back.
10. Payment arrangements defined at account level in 1H25.
11. Average monthly unique customers who engaged with one of our money management features in the CommBank app in 1H25. Money management features include Money Plan, Bill Sense, Category Budgets, Cash Flow View, Goal Tracker, Credit Score and Smart Savings.
12. Previous commitment to keep all regional branches open until at least the end of 2026, recently extended to mid-2027.
13. Includes expenditure on operational processes and upgrading functionalities.
14. Via Netbank and CommBank app from July 2023 to December 2024.
15. 1H25 versus 1H23.
16. Reflects the monthly average suspicious card transaction alerts to customers through two-way push notifications sent during 1H25 vs 1H24 monthly average.
17. Since inception in 2020.
18. Business Bank business lending new funding and drawdowns in 1H25.
19. Includes 2H24 dividend and 1H25 buy-back.
20. CBA returns to over 825,000 direct shareholders and indirectly to over 13 million Australians through their superannuation.
21. Includes payment of corporate tax, employee related taxes and Major Bank Levy.

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The release of this announcement was authorised by the Board.

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# Highlights

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## 2 Highlights

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# Highlights

## Group Performance Summary

| | Half Year Ended "statutory basis" | | Half Year Ended [1] "cash basis" | | | | |
|---|---|---|---|---|---|---|---|
| **Group Performance Summary** | 31 Dec 24 $M | Dec 24 vs Dec 23 % | 31 Dec 24 $M | 30 Jun 24 $M | 31 Dec 23 $M | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
| Net interest income | **11,934** | 5 | **11,934** | 11,420 | 11,404 | 5 | 5 |
| Other operating income | **2,164** | – | **2,163** | 2,105 | 2,245 | 3 | (4) |
| **Total operating income** | **14,098** | 4 | **14,097** | 13,525 | 13,649 | 4 | 3 |
| Operating expenses | **(6,372)** | 4 | **(6,372)** | (6,207) | (6,011) | 3 | 6 |
| **Operating performance** | **7,726** | 3 | **7,725** | 7,318 | 7,638 | 6 | 1 |
| Loan impairment expense | **(320)** | (23) | **(320)** | (387) | (415) | (17) | (23) |
| **Net profit before tax** | **7,406** | 5 | **7,405** | 6,931 | 7,223 | 7 | 3 |
| Corporate tax expense | **(2,264)** | 2 | **(2,273)** | (2,114) | (2,204) | 8 | 3 |
| **Net profit after tax from continuing operations** | **5,142** | 6 | **5,132** | 4,817 | 5,019 | 7 | 2 |
| Net (loss)/profit after tax from discontinued operations [2] | **(8)** | 90 | **1** | 5 | 6 | (80) | (83) |
| **Net profit after tax** | **5,134** | 8 | **5,133** | 4,822 | 5,025 | 6 | 2 |
| Loss on acquisition, disposal, closure and demerger of businesses | **n/a** | n/a | **–** | (176) | (294) | large | large |
| Hedging and IFRS volatility | **n/a** | n/a | **1** | (11) | 28 | large | (96) |
| **Net profit after tax – "statutory basis"** | **5,134** | 8 | **5,134** | 4,635 | 4,759 | 11 | 8 |
| **Cash net profit after tax, by division** | | | | | | | |
| Retail Banking Services | | | **2,712** | 2,616 | 2,649 | 4 | 2 |
| Business Banking | | | **2,002** | 1,894 | 1,896 | 6 | 6 |
| Institutional Banking and Markets | | | **585** | 519 | 605 | 13 | (3) |
| New Zealand | | | **631** | 573 | 625 | 10 | 1 |
| Corporate Centre and Other | | | **(798)** | (785) | (756) | (2) | (6) |
| **Net profit after tax from continuing operations – "cash basis"** | | | **5,132** | 4,817 | 5,019 | 7 | 2 |

[1] Comparative information has been restated to conform to presentation in the current period.

[2] The financial results of discontinued operations are excluded from the individual account lines of the Bank's performance and are reported as a single cash net profit after tax line item. Discontinued operations mainly includes Colonial First State (CFS) and associated transitional service agreements.

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# Highlights (continued)

## Non-Cash Items included in Statutory Profit

The Profit Announcement discloses the net profit after tax on both a statutory and cash basis. The statutory basis is prepared in accordance with the Corporations Act and the Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). The cash basis is used by management to present a clear view of the Bank's operating results. It is not a measure based on cash accounting or cash flows. The items excluded from cash profit, such as hedging and IFRS volatility and gains or losses on acquisition, disposal, closure, capital repatriation and demerger of businesses are calculated consistently with the prior year and prior half disclosures and do not discriminate between positive and negative adjustments. A list of items excluded from cash profit is provided in the table below.

| | Half Year Ended | | | | |
|---|---|---|---|---|---|
| **Non-Cash Items Included in Statutory Profit** | **31 Dec 24 $M** | **30 Jun 24 $M** | **31 Dec 23 $M** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| Loss on acquisition, disposal, closure and demerger of businesses | **–** | (176) | (294) | large | large |
| Hedging and IFRS volatility | **1** | (11) | 28 | large | (96) |
| **Total non-cash items (after tax)** | **1** | (187) | (266) | large | large |

## Non-cash items attributable to continuing and discontinued operations are set out below:

| | Half Year Ended | | | | |
|---|---|---|---|---|---|
| **Non-Cash Items Included in Statutory Profit** | **31 Dec 24 $M** | **30 Jun 24 $M** | **31 Dec 23 $M** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| Gain/(loss) on acquisition, disposal, closure and demerger of businesses [1] | **9** | (162) | (210) | large | large |
| Hedging and IFRS volatility | **1** | (11) | 28 | large | (96) |
| **Non-cash items (after tax) from continuing operations** | **10** | (173) | (182) | large | large |
| Loss on acquisition, disposal, closure and demerger of businesses [2] | **(9)** | (14) | (84) | 36 | 89 |
| **Non-cash items (after tax) from discontinued operations** | **(9)** | (14) | (84) | 36 | 89 |
| **Total non-cash items (after tax)** | **1** | (187) | (266) | large | large |

[1] Includes gains and losses net of transaction and separation costs associated with the disposal of Count Financial, PT Bank Commonwealth and other businesses.

[2] Includes gains and losses net of transaction and separation costs associated with the disposal of CFS and the deconsolidation of CommInsure Life.

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## Key Performance Indicators

| | Half Year Ended | | | | |
|---|---|---|---|---|---|
| **Key Performance Indicators** [1] | **31 Dec 24** | **30 Jun 24** | **31 Dec 23** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| **Group Performance from continuing operations** | | | | | |
| Statutory net profit after tax ($M) | **5,142** | 4,644 | 4,837 | 11 | 6 |
| Cash net profit after tax ($M) | **5,132** | 4,817 | 5,019 | 7 | 2 |
| Net interest margin (%) | **2.08** | 2.00 | 1.99 | 8 bpts | 9 bpts |
| Operating expenses to total operating income (%) | **45.2** | 45.9 | 44.0 | (70)bpts | 120 bpts |
| Spot number of full-time equivalent staff (FTE) | **49,682** | 48,887 | 48,930 | 2 | 2 |
| Average number of FTE | **49,307** | 49,274 | 49,216 | – | – |
| Effective corporate tax rate (%) | **30.7** | 30.5 | 30.5 | 20 bpts | 20 bpts |
| Profit after capital charge (PACC) ($M) [2] | **2,928** | 2,619 | 2,925 | 12 | – |
| Average interest earning assets ($M) [3] | **1,135,859** | 1,148,062 | 1,140,693 | (1) | – |
| Assets under management (AUM) - average ($M) | **20,280** | 19,142 | 18,625 | 6 | 9 |
| **Group Performance including discontinued operations** | | | | | |
| Statutory net profit after tax ($M) | **5,134** | 4,635 | 4,759 | 11 | 8 |
| Cash net profit after tax ($M) | **5,133** | 4,822 | 5,025 | 6 | 2 |
| Net interest margin (%) | **2.08** | 2.00 | 1.99 | 8 bpts | 9 bpts |
| Operating expenses to total operating income (%) | **45.2** | 45.9 | 44.1 | (70)bpts | 110 bpts |
| Spot number of full-time equivalent staff (FTE) | **49,682** | 48,887 | 48,930 | 2 | 2 |
| Effective corporate tax rate (%) | **30.7** | 30.5 | 30.5 | 20 bpts | 20 bpts |
| Profit after capital charge (PACC) ($M) [2] | **2,929** | 2,625 | 2,933 | 12 | – |

[1] Presented on a "cash basis" unless stated otherwise.

[2] The Bank uses PACC as a key measure of risk-adjusted profitability. It takes into account the profit achieved, the risk to capital that was taken to achieve it, and other adjustments.

[3] Average interest earning assets are net of average mortgage offset balances.

## Key Performance Indicators (continued)

| Key Performance Indicators | Half Year Ended<br>31 Dec 24 | 30 Jun 24 | 31 Dec 23 | Dec 24 vs<br>Jun 24 % | Dec 24 vs<br>Dec 23 % |
|---|---|---|---|---|---|
| **Shareholder Returns from continuing operations** | | | | | |
| Earnings Per Share (EPS) (cents) [1] | | | | | |
| Statutory basis - basic | **307.5** | 277.6 | 288.9 | 11 | 6 |
| Cash basis - basic | **306.9** | 288.0 | 299.8 | 7 | 2 |
| Return on equity (ROE) (%) [1] | | | | | |
| Statutory basis | **13.8** | 12.8 | 13.3 | 100 bpts | 50 bpts |
| Cash basis | **13.7** | 13.3 | 13.8 | 40 bpts | (10)bpts |
| **Shareholder Returns including discontinued operations** | | | | | |
| Earnings Per Share (EPS) (cents) [1] | | | | | |
| Statutory basis - basic | **307.0** | 277.1 | 284.3 | 11 | 8 |
| Cash basis - basic | **307.0** | 288.3 | 300.1 | 6 | 2 |
| Return on equity (ROE) (%) [1] | | | | | |
| Statutory basis | **13.7** | 12.8 | 13.1 | 90 bpts | 60 bpts |
| Cash basis | **13.7** | 13.3 | 13.8 | 40 bpts | (10)bpts |
| Dividends per share - fully franked (cents) | **225** | 250 | 215 | (10) | 5 |
| Dividend cover - "cash basis" (times) | **1.4** | 1.2 | 1.4 | 17 | – |
| Dividend payout ratio (%) [1] | | | | | |
| Statutory basis | **73** | 90 | 76 | (large) | (300)bpts |
| Cash basis | **73** | 87 | 72 | (large) | 100 bpts |
| **Capital including discontinued operations** | | | | | |
| Common Equity Tier 1 (APRA) (%) | **12.2** | 12.3 | 12.3 | (10)bpts | (10)bpts |
| Risk weighted assets (RWA) ($M) | **482,369** | 467,551 | 463,644 | 3 | 4 |
| Leverage Ratio (APRA) (%) | **4.9** | 5.0 | 5.0 | (10)bpts | (10)bpts |
| **Funding and Liquidity Metrics including discontinued operations** | | | | | |
| Liquidity Coverage Ratio (%) [2] | **127** | 136 | 136 | (large) | (large) |
| Weighted Average Maturity of Long-Term Debt (years) [3] | **5.1** | 5.2 | 5.2 | (0.1)years | (0.1)years |
| Customer Deposit Funding Ratio (%) [4] | **77** | 78 | 77 | (100)bpts | – |
| Net Stable Funding Ratio (%) | **116** | 116 | 121 | – | (500)bpts |
| **Credit Quality Metrics including discontinued operations** | | | | | |
| Loan impairment expense annualised as a % of average GLAAs | **0.07** | 0.08 | 0.09 | (1)bpt | (2)bpts |
| Gross non-performing exposures as a % of TCE | **0.72** | 0.70 | 0.58 | 2 bpts | 14 bpts |
| Credit risk weighted assets (RWA) ($M) | **385,117** | 370,444 | 368,735 | 4 | 4 |

[1] For definitions refer to Appendix 4.6.

[2] Quarterly average.

[3] Represents the weighted average maturity (WAM) of outstanding long-term wholesale debt with a residual maturity greater than 12 months including drawdowns of the RBA Term Funding Facility (TFF) and the RBNZ term lending facilities.

[4] Customer deposit includes central bank and interbank deposits previously classified as short-term wholesale funding. Comparative information has been restated to conform to presentation in the current period.

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# Highlights (continued)

## Key Performance Indicators (continued)

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| **Key Performance Indicators [2]** | **31 Dec 24** | **30 Jun 24** | **31 Dec 23** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| **Retail Banking Services** | | | | | |
| Cash net profit after tax ($M) | **2,712** | 2,616 | 2,649 | 4 | 2 |
| Net interest margin (%) | **2.49** | 2.50 | 2.55 | (1)bpt | (6)bpts |
| Average interest earning assets ($M) [3] | **453,324** | 441,976 | 437,850 | 3 | 4 |
| Operating expenses to total operating income (%) | **39.5** | 39.1 | 37.9 | 40 bpts | 160 bpts |
| Risk weighted assets ($M) | **176,633** | 175,908 | 174,104 | – | 1 |
| **Business Banking** | | | | | |
| Cash net profit after tax ($M) | **2,002** | 1,894 | 1,896 | 6 | 6 |
| Net interest margin (%) | **3.36** | 3.37 | 3.41 | (1)bpt | (5)bpts |
| Average interest earning assets ($M) [3] | **233,614** | 224,126 | 217,993 | 4 | 7 |
| Operating expenses to total operating income (%) | **31.9** | 31.7 | 31.5 | 20 bpts | 40 bpts |
| Risk weighted assets ($M) | **147,041** | 143,541 | 138,776 | 2 | 6 |
| **Institutional Banking and Markets** | | | | | |
| Cash net profit after tax ($M) | **585** | 519 | 605 | 13 | (3) |
| Net interest margin (%) | **0.93** | 0.87 | 0.84 | 6 bpts | 9 bpts |
| Average interest earning assets ($M) | **166,027** | 171,748 | 170,901 | (3) | (3) |
| Operating expenses to total operating income (%) | **41.9** | 44.0 | 41.0 | (210)bpts | 90 bpts |
| Risk weighted assets ($M) | **80,279** | 72,901 | 73,977 | 10 | 9 |
| **New Zealand** | | | | | |
| Cash net profit after tax (A$M) | **631** | 573 | 625 | 10 | 1 |
| Net interest margin (ASB) (%) [4] | **2.30** | 2.24 | 2.21 | 6 bpts | 9 bpts |
| Average interest earning assets (ASB) (NZ$M) [4] | **127,398** | 124,873 | 126,081 | 2 | 1 |
| Operating expenses to total operating income (ASB) (%) [4] | **40.7** | 39.9 | 39.3 | 80 bpts | 140 bpts |
| Risk weighted assets - APRA basis (A$M) [5] | **58,305** | 59,702 | 59,926 | (2) | (3) |
| Risk weighted assets - RBNZ basis (NZ$M) [6] | **73,761** | 71,415 | 70,673 | 3 | 4 |
| AUM - average (ASB) (NZ$M) [4] | **22,234** | 20,733 | 20,150 | 7 | 10 |

[1] Comparative information has been restated to conform to presentation in the current period.
[2] Presented on a “cash basis”.
[3] Net of average mortgage offset balances.
[4] Key financial metrics represent ASB only and are calculated in New Zealand dollar terms.
[5] Risk weighted assets (A$M) calculated in accordance with APRA requirements.
[6] Risk weighted assets (NZ$M) calculated in accordance with RBNZ requirements.

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# Highlights (continued)

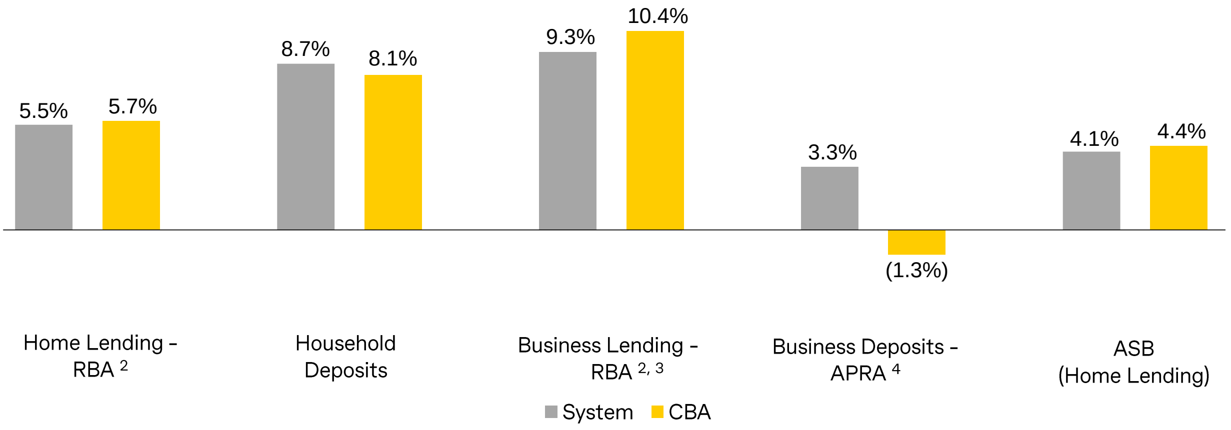
## Market Share

| | As at [1] | | | | |
|---|---|---|---|---|---|
| **Market Share** | **31 Dec 24 %** | **30 Jun 24 %** | **31 Dec 23 %** | **Dec 24 vs Jun 24** | **Dec 24 vs Dec 23** |
| Home loans - RBA [2] | **24.6** | 24.5 | 24.6 | 10 bpts | – |
| Home loans - APRA [3] | **25.4** | 25.2 | 25.2 | 20 bpts | 20 bpts |
| Credit cards - APRA [3] | **27.7** | 27.4 | 29.0 | 30 bpts | (130)bpts |
| Other household lending - APRA [3] [4] | **22.9** | 22.3 | 22.0 | 60 bpts | 90 bpts |
| Household deposits - APRA [3] | **26.5** | 26.5 | 26.6 | – | (10)bpts |
| Business lending - RBA [2] | **17.2** | 17.0 | 17.0 | 20 bpts | 20 bpts |
| Business lending - APRA [3] [5] | **18.7** | 18.4 | 18.3 | 30 bpts | 40 bpts |
| Business deposits - APRA [3] [5] | **21.8** | 22.4 | 22.8 | (60)bpts | (100)bpts |
| Equities trading [6] | **3.3** | 3.3 | 3.3 | – | – |
| NZ home loans | **21.1** | 20.9 | 21.0 | 20 bpts | 10 bpts |
| NZ customer deposits | **18.6** | 18.7 | 18.6 | (10)bpts | – |
| NZ business and rural lending | **17.2** | 17.1 | 17.1 | 10 bpts | 10 bpts |

1 Comparatives have been updated to reflect market restatements.
2 System source: RBA Lending and Credit Aggregates.
3 System source: APRA's Monthly Authorised Deposit-taking Institutions Statistics (MADIS) publication.
4 Other Household Lending market share includes personal loans, margin loans and other forms of lending to individuals.
5 Represents business lending to and business deposits by non-financial businesses under APRA definitions.
6 Represents CommSec traded value as a percentage of total Australian Equities markets, on a 12 month rolling average basis.

CBA growth against System [1]

Balance growth - 12 months to December 2024



1 System and CBA Source: RBA/APRA/RBNZ.
2 System source: RBA Lending and Credit Aggregates.
3 CBA Domestic Business lending growth (including Institutional Lending but excludes Cash Management Pooling Facilities).
4 System and CBA Source: APRA Deposits by non-financial businesses.

## Credit Ratings

| Credit Ratings | Long-term | Short-term | Outlook |
|---|---|---|---|
| Fitch Ratings | AA- | F1+ | Stable |
| Moody's Investors Service | Aa2 | P-1 | Stable |
| S&P Global Ratings | AA- | A-1+ | Stable |

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# Group Performance Analysis

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# Contents

## 3 Group Performance Analysis

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# Group Performance Analysis

## Financial Performance and Business Review

### Comments are versus prior comparative period unless stated otherwise (continuing operations basis [1]).

**The Bank's statutory net profit after tax (NPAT) from continuing operations for the half year ended 31 December 2024 increased $305 million or 6% on the prior comparative period to $5,142 million. The Bank's statutory NPAT (including discontinued operations) increased $375 million or 8% on the prior comparative period to $5,134 million.**

**Cash net profit after tax ("cash NPAT" or "cash profit") from continuing operations increased $113 million or 2% on the prior comparative period to $5,132 million. The result was driven by a 3% increase in operating income, a 6% increase in operating expenses, and a $95 million decrease in loan impairment expense.**

Operating income increased 3% on the prior comparative period. Key movements included:

- Net Interest Income (NII) increased 5%, primarily driven by a 9 basis point increase in Net Interest Margin (NIM), partly offset by a $5 billion decrease in Average Interest Earning Assets (AIEA). Excluding the impact of liquid assets and institutional pooled facilities [2] which have a broadly neutral impact on NII, growth was driven by a 4% increase in AIEA and a 2 basis point increase in NIM. The increase in NIM was primarily driven by higher earnings on capital and replicating portfolio hedges, and higher consumer finance margins, partly offset by the impact on lending and deposit margins from increased competition and unfavourable deposit mix. The increase in AIEA was mainly due to growth in home and business loans, partly offset by lower credit card balances, and lower reverse sale and repurchase agreements.
- Other operating income decreased 4% with lower income from Treasury and Markets activities including asset sales, trading income and unfavourable derivative valuation adjustments, as well as lower earnings from minority investments net of impairments, partly offset by higher volume driven commissions and lending fee income, higher equities income from higher volumes and two additional trading days, increase in institutional fees reflecting higher client activity, and higher Structured Asset Finance revenue.

Operating expenses [3] increased 6%, mainly driven by higher staff expenses due to inflation and two additional working days, and additional technology spend to support investment in AI capabilities and infrastructure modernisation, partly offset by productivity initiatives.

Loan impairment expense (LIE) decreased $95 million, primarily driven by lower consumer collective provisions reflecting rising house prices. Home loan 90+ day arrears were 0.66%, an increase of 1 basis point on the prior half, supported by seasonal tax refunds and changes to tax rates and thresholds. Credit cards and Personal loans arrears were 0.68% and 1.32%, a decrease of 6 basis points and 18 basis points respectively on the prior half, supported by seasonal tax refunds and changes to tax rates and thresholds. Total provisions to CRWA is 1.62%, down 4 basis points on the prior half, reflecting higher credit risk weighted assets, partly offset by higher provisions.

CET1 was 12.2% as at 31 December 2024, compared to 12.3% at 30 June 2024, well above APRA's regulatory requirements. The movement was driven by the payment of the 2024 final dividend and higher total RWAs, partly offset by capital generated from earnings.

Earnings per share ("cash basis") increased 2% on the prior comparative period to 306.9 cents per share, primarily driven by an increase in cash profit.

Return on equity ("cash basis") decreased 10 basis points to 13.7% due to the impact of higher net assets.

The interim dividend determined was $2.25 per share, which is equivalent to 73% of the Bank's cash profit.

Balance sheet strength and resilience is a key priority for the Bank. The Bank has managed key balance sheet risks in a sustainable and conservative manner, and has made strategic decisions to ensure strength in capital, funding and liquidity. In particular, the Bank has:

- Fulfilled a significant proportion of its funding requirements with customer deposits, accounting for 77% of total funding at 31 December 2024 (flat from 77% at 31 December 2023);
- Issued new long-term wholesale funding of $17 billion, bringing the portfolio Weighted Average Maturity (WAM [4]) to 5.1 years (down from 5.2 years at 31 December 2023);
- Maintained its strong funding position, with long-term wholesale funding accounting for 68% of total wholesale funding (down 6% from 74% at 31 December 2023); and
- Appropriately managed the level of liquid assets and customer deposit growth to maintain our strong funding and liquidity positions, as illustrated by the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) being well above the regulatory minimum.

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[1] The financial results of discontinued operations are excluded from the individual account lines of the Bank's performance and are reported as a single cash net profit after tax line item. Discontinued operations mainly includes transitional service agreement activities for divested entities such as CFS.

[2] Institutional pooled facilities are presented on a gross basis which increases AIEA without a corresponding increase in NII.

[3] Reflecting underlying performance within operating expenses, excluding the impact of $89 million of restructuring provision in the prior half.

[4] The portfolio WAM excluding the RBNZ Term Lending Facilities as at 31 December 2024 was 5.1 years. In prior periods this metric included RBA TFF drawdowns (excluding RBA TFF and RBNZ Term Lending Facility: 30 June 2024: 5.2 years, 31 December 2023: 5.3 years).

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## Financial Performance and Business Review (continued)

In order to present a transparent view of the business' performance, operating performance is shown both on an underlying and headline basis.

| Group Performance Summary | Half Year Ended ("cash basis")<br>31 Dec 24 $M | 30 Jun 24 $M | 31 Dec 23 $M | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
|---|---|---|---|---|---|
| **Total operating income** | **14,097** | 13,525 | 13,649 | 4 | 3 |
| **Underlying operating expenses** | **(6,372)** | (6,118) | (6,011) | 4 | 6 |
| *Restructuring and one-off item* [1] | **–** | (89) | – | (large) | – |
| **Total operating expenses** | **(6,372)** | (6,207) | (6,011) | 3 | 6 |
| **Underlying operating performance** | **7,725** | 7,407 | 7,638 | 4 | 1 |
| **Operating performance** | **7,725** | 7,318 | 7,638 | 6 | 1 |
| Loan impairment expense | **(320)** | (387) | (415) | (17) | (23) |
| **Net profit before tax** | **7,405** | 6,931 | 7,223 | 7 | 3 |
| Corporate tax expense | **(2,273)** | (2,114) | (2,204) | 8 | 3 |
| **Net profit after tax from continuing operations ("cash basis")** | **5,132** | 4,817 | 5,019 | 7 | 2 |
| Non-cash items - continuing operations [2] | **10** | (173) | (182) | large | large |
| **Net profit after tax from continuing operations ("statutory basis")** | **5,142** | 4,644 | 4,837 | 11 | 6 |
| Net profit after tax from discontinued operations ("cash basis") | **1** | 5 | 6 | (80) | (83) |
| Non-cash items - discontinued operations [2] | **(9)** | (14) | (84) | 36 | 89 |
| **Net profit after tax ("statutory basis")** | **5,134** | 4,635 | 4,759 | 11 | 8 |

[1] Relates to restructuring provision of $89 million in the prior half.

[2] Refer to page 3 for further information.

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## Net Interest Income (continuing operations basis)

| | Half Year Ended | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24 $M | 30 Jun 24 $M | 31 Dec 23 $M | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
| **Net interest income - "cash basis"** | **11,934** | 11,420 | 11,404 | 5 | 5 |
| **Average interest earning assets** | | | | | |
| Home loans [1] | **590,609** | 576,947 | 573,706 | 2 | 3 |
| Consumer finance | **16,657** | 17,182 | 17,061 | (3) | (2) |
| Business and corporate loans | **264,323** | 261,105 | 259,482 | 1 | 2 |
| Total average lending interest earning assets | **871,589** | 855,234 | 850,249 | 2 | 3 |
| Non-lending interest earning assets (excl. liquid assets) | **95,835** | 93,309 | 91,618 | 3 | 5 |
| **Total average interest earning assets (excl. liquid assets)** | **967,424** | 948,543 | 941,867 | 2 | 3 |
| Liquid assets [2] | **168,435** | 199,519 | 198,826 | (16) | (15) |
| **Total average interest earning assets** | **1,135,859** | 1,148,062 | 1,140,693 | (1) | – |
| Net interest margin (%) | **2.08** | 2.00 | 1.99 | 8 bpts | 9 bpts |

[1] Net of average mortgage offset balances of $81,358 million (half year ended 30 June 2024: $76,359 million; half year ended 31 December 2023: $73,120 million). While these balances are required to be grossed up under accounting standards, they are netted down for the calculation of customer interest payments and the Group's net interest margin.

[2] Average non-lending interest earning assets held by the Group for liquidity purposes and included in LCR liquid assets.

### Half Year Ended December 2024 versus December 2023

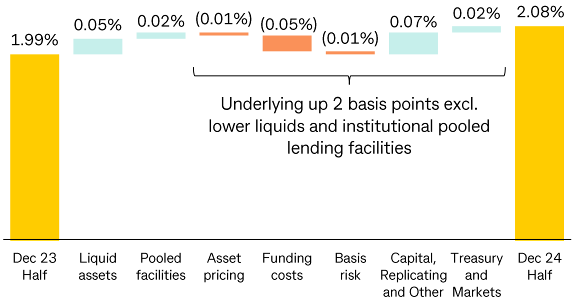
Net interest income was $11,934 million, an increase of $530 million or 5% on the prior comparative period. The result was driven by a 9 basis point increase in net interest margin to 2.08%, partly offset by a $5 billion decrease in average interest earning assets to $1,136 billion. Excluding the impact of lower liquid assets in the current half, average interest earning assets increased by $26 billion or 3%.

### Average Interest Earning Assets

Average interest earning assets decreased $5 billion on the prior comparative period.

- Home loan average balances increased $17 billion or 3% on the prior comparative period to $591 billion. Proprietary mix for CBA and Unloan branded home loans decreased slightly from 67% to 66% of new business flows;
- Consumer finance average balances decreased 2% on the prior half to $17 billion with lower credit card balances partly offset by growth in personal loans from higher new business volumes;
- Business and corporate loan average balances increased $5 billion or 2% on the prior comparative period to $264 billion. Excluding pooled facilities [1], increase of $17 billion or 7% driven by growth in Business Banking lending across a number of industries;
- Non-lending interest earning asset (excl. liquids) average balances increased $4 billion or 5% on the prior comparative period to $96 billion, primarily driven by higher trading assets mainly in the fixed income portfolio, partly offset by lower reverse sale and repurchase agreements in Institutional Banking and Markets; and
- Liquid asset average balances decreased $30 billion or 15% on the prior comparative period to $168 billion following repayment of the RBA Term Funding Facility.

**NIM movement since December 2023**



### Net Interest Margin

The Bank's net interest margin increased 9 basis points on the prior comparative period to 2.08%. Excluding a 5 basis point increase in margin from a reduction in lower yielding liquid assets and a 2 basis point increase from institutional pooled facilities [1] which have broadly neutral impacts on net interest income, net interest margin increased by 2 basis points. The key drivers of the movement were:

**Asset pricing:** Decreased margin by 1 basis point driven by home lending pricing reflecting the impact of increased competition (down 2 basis points), partly offset by higher consumer finance margins reflecting an increase in the proportion of interest earning credit card balances (up 1 basis point).

**Funding costs:** Decreased margin by 5 basis points driven by increased deposit price competition.

[1] Favourable asset mix from average pooled lending facilities balances decreasing by $12 billion on the prior comparative period (up 2 basis points), primarily driven by the migration of institutional pooled lending facilities from a product reported on a gross basis to a net presentation.

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## Net Interest Income (continued)

**Basis risk:** Basis risk arises from the spread between the 3 month bank bill swap rate and the 3 month overnight index swap rate. The Bank's margin decreased 1 basis point reflecting an increase in the average spread.

**Capital, Replicating and Other:** Increased margin by 7 basis points driven by higher earnings on capital hedges (up 5 basis points) and the net impact of the replicating portfolio due to changes in portfolio volume and rate (up 2 basis points).

**Treasury and Markets:** Increased margin by 2 basis points due to higher risk management income in Treasury.

### Half Year Ended December 2024 versus June 2024

Net interest income increased $514 million or 5% on the prior half. The result was driven by an 8 basis point increase in net interest margin and the benefit of two additional calendar days in the current half, partly offset by a $12 billion or 1% decrease in average interest earning assets. Excluding the impact of lower liquid assets in the current half, average interest earning assets increased by $19 billion or 2%.

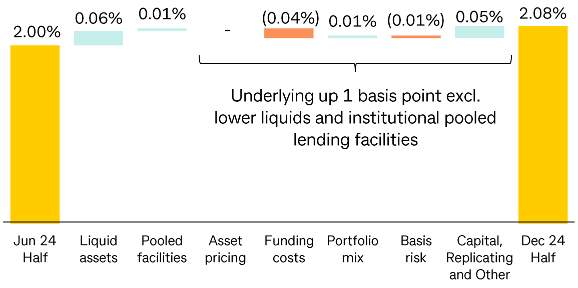
### Average Interest Earning Assets

Average interest earning assets decreased $12 billion or 1% on the prior half.

- Home loan average balances increased $14 billion or 2% on the prior half. Proprietary mix for CBA and Unloan branded home loans increased slightly from 65% to 66% of new business flows;
- Consumer finance average balances decreased by $1 billion or 3% on the prior half, driven by lower credit card balances, partly offset by growth in personal loans from higher new business volumes;
- Business and corporate loan average balances increased $3 billion or 1% on the prior half. Excluding pooled facilities [1], increase of $11 billion or 4% driven by growth in Business Banking lending across a number of industries;
- Non-lending interest earning asset (excl. liquids) average balances increased $3 billion or 3% on the prior half, primarily driven by higher trading assets mainly in the fixed income portfolio, partly offset by lower reverse sale and repurchase agreements in Institutional Banking and Markets; and
- Liquid asset average balances decreased $31 billion or 16% on the prior half following repayment of the RBA Term Funding Facility.

For further details on the balance sheet movements refer to the 'Group Assets and Liabilities' on page 20.

**NIM movement since June 2024**



### Net Interest Margin

The Bank's net interest margin increased 8 basis points on the prior half. Excluding a 6 basis point increase in margin from a reduction in lower yielding liquid assets and a 1 basis point increase from institutional pooled facilities [1] which have broadly neutral impacts on net interest income, net interest margin increased by 1 basis point. The key drivers of the movement were:

**Asset pricing:** Flat with higher consumer finance margins reflecting an increase in the proportion of interest earning credit card balances (up 1 basis point), offset by home lending pricing reflecting the impact of increased competition (down 1 basis point).

**Funding costs:** Decreased margin by 4 basis points driven by increased deposit price competition.

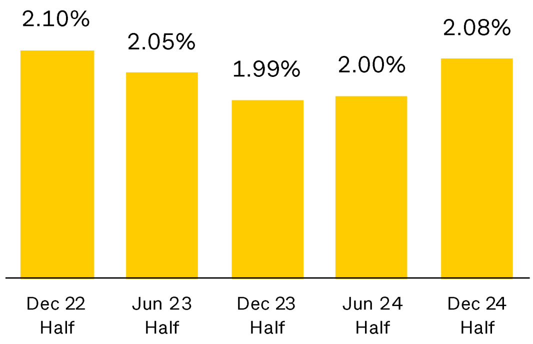
**Portfolio mix:** Increased margin by 1 basis point driven by favourable deposit mix impacts.

**Basis risk:** Basis risk arises from the spread between the 3 month bank bill swap rate and the 3 month overnight index swap rate. The Bank's margin decreased 1 basis point reflecting an increase in the average spread.

**Capital, Replicating and Other:** Increased margin by 5 basis points driven by higher earnings on capital hedges (up 3 basis points) and the net impact of the replicating portfolio due to changes in portfolio volume and rate (up 2 basis points).

**Treasury and Markets:** Flat.

**NIM (Half Year Ended)**



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[1] Favourable asset mix from average pooled lending facilities balances decreasing by $8 billion on the prior half (up 1 basis point), primarily driven by the migration of institutional pooled lending facilities from a product reported on a gross basis to a net presentation.

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## Other Operating Income (continuing operations basis)

| | Half Year Ended [1] [2] | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24 $M | 30 Jun 24 $M | 31 Dec 23 $M | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
| Commissions | **1,085** | 1,069 | 1,047 | 1 | 4 |
| Lending fees | **449** | 417 | 404 | 8 | 11 |
| Trading income | **519** | 538 | 639 | (4) | (19) |
| Funds management income | **60** | 56 | 55 | 7 | 9 |
| Other income | **50** | 25 | 100 | large | (50) |
| **Other operating income** | **2,163** | 2,105 | 2,245 | 3 | (4) |

[1] Comparative information has been restated to conform to presentation in the current period.

[2] Presented on a “cash basis”.

### Half Year Ended December 2024 versus December 2023

**Other operating income** was $2,163 million, a decrease of $82 million or 4% on the prior comparative period.

**Commissions** increased by $38 million or 4% to $1,085 million, mainly due to higher volume driven foreign exchange and cards income, higher equities income from higher volumes and two additional trading days, and an increase in institutional fees reflecting increased client activity, partly offset by lower merchants revenue due to an increase in scheme costs.

**Lending fees** increased by $45 million or 11% to $449 million, mainly due to higher volume driven retail and business lending fees.

**Trading income** decreased by $120 million or 19% to $519 million, mainly driven by lower Treasury income from risk positioning and liquid asset sales, lower trading income and unfavourable derivative valuation adjustments, partly offset by increased sales volumes.

**Funds management income** increased by $5 million or 9% to $60 million, from higher average volumes and favourable market performance in New Zealand.

**Other income** decreased by $50 million to $50 million, mainly driven by impacts from minority investments, partly offset by higher Structured Asset Finance revenue mainly from the aircraft lease portfolio.

### Half Year Ended December 2024 versus June 2024

**Other operating income** increased by $58 million or 3% on the prior half.

**Commissions** increased by $16 million or 1%, mainly due to higher volume driven foreign exchange, cards and deposit income, higher institutional fees from increased client activity and higher equities income from higher volumes.

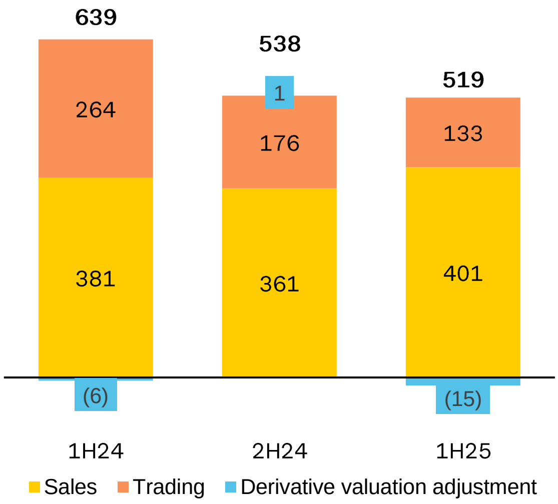
**Lending fees** increased by $32 million or 8%, mainly due to higher volume driven retail, business and institutional lending fees.

**Trading income** decreased by $19 million or 4%, mainly driven by lower Treasury income from risk positioning and liquid asset sales, and unfavourable derivative valuation adjustments, partly offset by higher sales volumes in Markets.

**Funds management income** increased by $4 million or 7% from higher average volumes and favourable market performance in New Zealand.

**Other income** increased by $25 million, mainly driven by higher operating lease revenue in the Structured Asset Finance portfolio and impacts from minority investments.

Trading Income ($M) [1]



[1] Comparative information has been restated to conform to presentation in the current period.

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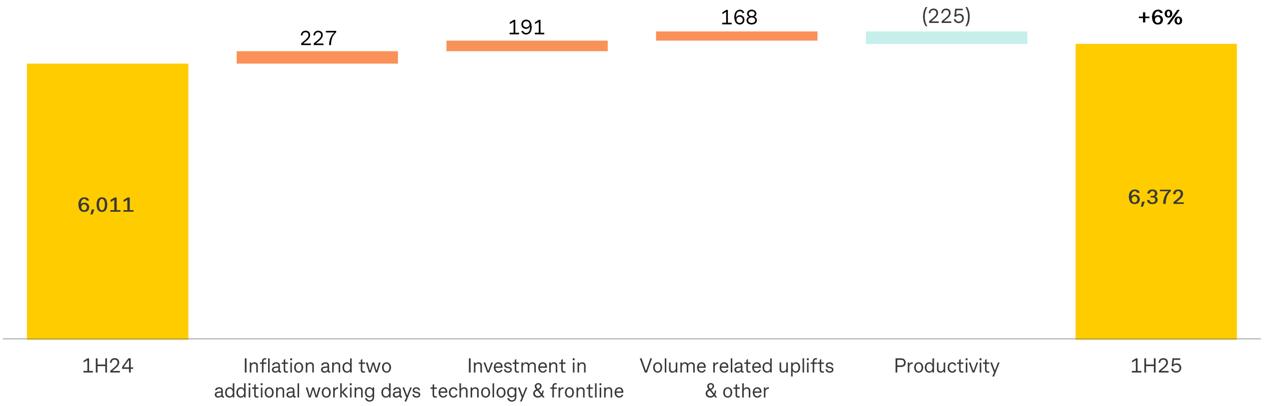
# Group Performance Analysis (continued)

## Operating Expenses (continuing operations basis)

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24 $M | 30 Jun 24 $M | 31 Dec 23 $M | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
| Staff expenses | **3,970** | 3,729 | 3,719 | 6 | 7 |
| Occupancy and equipment expenses | **460** | 494 | 501 | (7) | (8) |
| Information technology services expenses | **1,187** | 1,119 | 1,106 | 6 | 7 |
| Other expenses | **755** | 776 | 685 | (3) | 10 |
| **Underlying operating expenses** | **6,372** | 6,118 | 6,011 | 4 | 6 |
| *Restructuring and one-off item [2]* | **–** | 89 | – | (large) | – |
| **Total operating expenses** | **6,372** | 6,207 | 6,011 | 3 | 6 |
| Underlying operating expenses to underlying operating income (%) | **45.2** | 45.2 | 44.0 | – | 120 bpts |
| Operating expenses to total operating income (%) | **45.2** | 45.9 | 44.0 | (70)bpts | 120 bpts |
| Average number of full-time equivalent staff (FTE) | **49,307** | 49,274 | 49,216 | – | – |
| Spot number of full-time equivalent staff (FTE) | **49,682** | 48,887 | 48,930 | 2 | 2 |

[1] Presented on a "cash basis".
[2] Relates to restructuring provision of $89m in the prior half.

### Underlying Operating Expenses



### Half Year Ended December 2024 versus December 2023

**Underlying operating expenses** were $6,372 million, an increase of $361 million or 6% on the prior comparative period.

**Staff expenses** increased by $251 million or 7% to $3,970 million, mainly driven by wage inflation, increased full-time equivalent staff (FTE) due to insourcing, investment in frontline resources and two additional working days, partly offset by productivity initiatives and higher capitalisation. The average number of FTE increased by 91 from 49,216 to 49,307.

**Occupancy and equipment expenses** decreased by $41 million or 8% to $460 million, primarily driven by exits from commercial premises.

**Information technology services expenses** increased by $81 million or 7% to $1,187 million, primarily due to increased software licensing and cloud computing volumes, investment in AI capabilities and infrastructure modernisation, partly offset by productivity initiatives including reduction in the use of third party service providers.

**Other expenses** increased by $70 million or 10% to $755 million, primarily driven by higher remediation costs and legal and professional fees, partly offset by productivity initiatives.

**Underlying operating expenses to underlying operating income ratio** increased 120 basis points from 44.0% to 45.2%.

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## Operating Expenses (continued)

### Half Year Ended December 2024 versus June 2024

**Underlying operating expenses** increased $254 million or 4% on the prior half.

**Staff expenses** increased by $241 million or 6%, mainly driven by wage inflation, increased FTE due to insourcing, and two additional working days, partly offset by seasonally higher leave usage and higher capitalisation. The average number of FTE increased by 33 on the prior half.

**Occupancy and equipment expenses** decreased by $34 million or 7%, primarily driven by exits from commercial premises.

**Information technology services expenses** increased by $68 million or 6%, primarily due to investment in AI capabilities and infrastructure modernisation, and increased software licensing and cloud computing volumes, partly offset by reduction in the use of third party service providers.

**Other expenses** decreased by $21 million or 3%, primarily driven by timing of marketing spend and lower professional fees.

**Underlying operating expenses to underlying operating income ratio** remained flat at 45.2%.

## Investment Spend (continuing operations basis)

| | Half Year Ended | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24 $M | 30 Jun 24 $M | 31 Dec 23 $M | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
| Expensed investment spend [1] | **546** | 503 | 492 | 9 | 11 |
| Capitalised investment spend [2] | **550** | 519 | 496 | 6 | 11 |
| **Investment spend** | **1,096** | 1,022 | 988 | 7 | 11 |
| **Comprising:** | | | | | |
| Productivity and growth | **489** | 472 | 454 | 4 | 8 |
| Risk and compliance | **333** | 316 | 302 | 5 | 10 |
| Infrastructure and branch refurbishment | **274** | 234 | 232 | 17 | 18 |
| **Investment spend** | **1,096** | 1,022 | 988 | 7 | 11 |

[1] Included within the operating expenses disclosure on page 15.

[2] Includes capitalised software and other investment spend primarily related to branch refurbishments and the development of the corporate and supporting offices.

### Half Year Ended December 2024 versus December 2023

The Bank has continued to invest in our purpose of building a brighter future for all with $1,096 million of investment spend incurred in the half year ended 31 December 2024, an increase of $108 million or 11% on the prior comparative period. This is mainly driven by an increase of $42 million in infrastructure and branch refurbishment spend, an increase of $35 million in productivity and growth initiatives and an increase of $31 million in risk and compliance spend.

In the current half, productivity and growth initiatives accounted for 45% of investment spend, a decrease of 1% from 46% in the prior comparative period. The Bank is continuing its focus on strengthening capabilities and extending our leadership in digital, technology and customer-centric product offerings through the ongoing modernisation of our platforms and interfaces to provide integrated and personalised experiences for our customers. The Bank is also continuing to focus on initiatives to simplify and enhance our systems, automate and digitise processes, and uplift internal engineering capabilities.

Risk and compliance projects accounted for 30% of investment spend, a decrease of 1% from 31% in the prior comparative period. Risk and compliance initiatives remain a priority for the Bank as we continue to build simpler and better foundations.

Infrastructure and branch refurbishment initiatives accounted for 25% of investment spend, an increase of 2% from 23% in the prior comparative period, with the Bank continuing to uplift cyber security and enhance IT infrastructure including the accelerated refresh of critical legacy technology platforms.

Key areas of investment across each of the categories are outlined below.

#### Productivity and Growth

The Bank has continued to invest in the following:

- Ongoing development and personalisation of CommBank applications and digital channels to improve the customer service experience and continuously innovate in sustainable finance, digital banking and equity trading;
- Simplifying and automating manual back-end processes and systems including the use of Generative AI models to improve customer experience, reduce operating costs and digitise end-to-end processes;
- Commercial lending systems to simplify the end-to-end process for loan origination and maintenance, and improve business customer experiences;
- Reducing reliance on external vendors by bringing more functions in-house, and delivering cost savings while enhancing quality by building world-class engineering capabilities; and
- Ongoing modernisation and simplification of the technology stack to accelerate migration to cloud, in order to reduce the cost of IT ownership, reduce risk and improve delivery agility for faster response to changing customer needs.

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## Investment Spend (continued)

### Risk and Compliance

The Bank has continued to increase Group-wide capability in the management of financial and non-financial risks, including:

- Strengthening the Bank's operating model and processes for monitoring, managing, reporting and controlling financial crime across its operations, including continuing to upgrade technology, uplift capabilities, and how the Bank engages with AUSTRAC and other regulators;
- Upgrading processes and systems for additional functionality, automation of controls, protecting against privacy breaches, reducing scam losses and ensuring compliance with regulations including Open Banking and ISO 20022 messaging standards; and
- Enhancing Customer Risk Assessment capability and strengthening data controls and processes.

### Infrastructure and Branch Refurbishment

The Bank has continued to invest in the following:

- Protecting customers and the Bank against cyber security risks and data breaches;
- Improving the resilience and simplicity of the Bank's IT infrastructure including the upgrade and modernisation of core legacy systems;
- Retail branch design, refurbishment and technology upgrades to reflect evolving changes in customer preferences; and
- Expansion and refurbishment of commercial office spaces.

## Capitalised Software

| | Half Year Ended | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24 $M | 30 Jun 24 $M | 31 Dec 23 $M | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
| Opening Balance | **2,129** | 2,035 | 1,912 | 5 | 11 |
| Additions | **515** | 465 | 467 | 11 | 10 |
| Amortisation and write-offs | **(329)** | (371) | (314) | (11) | 5 |
| Reclassified to assets held for sale | **–** | – | (30) | – | (large) |
| **Closing balance** | **2,315** | 2,129 | 2,035 | 9 | 14 |

### Half Year Ended December 2024 versus December 2023

Capitalised software balance increased $280 million or 14% to $2,315 million.

**Additions** increased by $48 million or 10% to $515 million due to higher capitalised investment spend reflecting increased productivity and growth and IT infrastructure related spend as the Bank continues to enhance its product offering and customer experiences, strengthen its digital capabilities, modernise and uplift its technology platforms and innovate for future growth.

**Amortisation and write-offs** increased by $15 million or 5% to $329 million.

**Reclassified to assets held for sale** nil for the half year ended December 2024.

### Half Year Ended December 2024 versus June 2024

Capitalised software balance increased $186 million or 9% on the prior half.

**Additions** increased by $50 million or 11% to $515 million in the half year ended December 2024.

**Amortisation and write-offs** decreased by $42 million or 11% to $329 million due to the timing of amortisation on new investments relative to end of life applications.

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## Loan Impairment Expense

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24 $M | 30 Jun 24 $M | 31 Dec 23 $M | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
| Retail Banking Services | **79** | 105 | 214 | (25) | (63) |
| Business Banking | **220** | 227 | 210 | (3) | 5 |
| Institutional Banking and Markets | **9** | 34 | (37) | (74) | large |
| New Zealand | **16** | 55 | 9 | (71) | 78 |
| Corporate Centre and Other | **(4)** | (34) | 19 | 88 | (large) |
| **Loan impairment expense/(benefit)** | **320** | 387 | 415 | (17) | (23) |

[1] Comparative information has been restated to conform to presentation in the current period.

### Half Year Ended December 2024 versus December 2023

Loan impairment expense was $320 million, a decrease of $95 million on the prior comparative period. This was driven by:

- A decrease in Retail Banking Services of $135 million to an expense of $79 million, mainly driven by lower collective provisions reflecting rising house prices; and
- A decrease in Corporate Centre and Other of $23 million to a benefit of $4 million; partly offset by
- An increase in Institutional Banking and Markets of $46 million to an expense of $9 million, primarily driven by higher collective provisions due to forward looking adjustments and non-recurrence of provision releases;
- An increase in Business Banking of $10 million to an expense of $220 million, primarily driven by an increase in collective provisions; and
- An increase in New Zealand of $7 million to an expense of $16 million, mainly driven by higher consumer finance write-offs and higher home lending collective provisions reflecting ongoing interest rate pressures and house price volatility, partly offset by stable quality in the business portfolio.

Loan impairment expense annualised as a percentage of average gross loans and acceptances (GLAAs) decreased 2 basis points to 7 basis points.

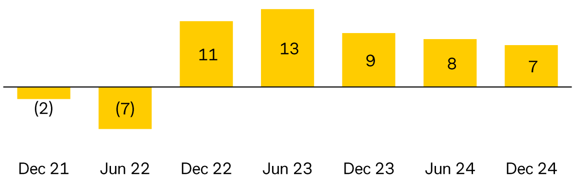
### Half Year Ended December 2024 versus June 2024

Loan impairment expense decreased $67 million on the prior half. This was driven by:

- A decrease in New Zealand of $39 million, primarily driven by collective provision releases reflecting an improvement in the economic outlook and stable quality in the business portfolio, partly offset by higher consumer finance write-offs;
- A decrease in Retail Banking Services of $26 million, mainly driven by lower collective provisions reflecting rising house prices and lower consumer finance arrears;
- A decrease in Institutional Banking and Markets of $25 million, driven by lower collective provision charges, partly offset by the non-recurrence of recoveries in the prior half; and
- A decrease in Business Banking of $7 million, primarily driven by lower specific provision charges, partly offset by higher collective provisions; partly offset by
- An increase in Corporate Centre and Other of $30 million.

Loan impairment expense annualised as a percentage of average gross loans and acceptances (GLAAs) decreased 1 basis point.

**Half Year Loan Impairment Expense annualised as a percentage of average GLAAs (bpts)**



## Taxation Expense (continuing operations basis)

| | Half Year Ended | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M | Dec 24 vs<br>Jun 24 % | Dec 24 vs<br>Dec 23 % |
| Corporate tax expense ($M) | **2,273** | 2,114 | 2,204 | 8 | 3 |
| Effective tax rate - "cash basis" (%) | **30.7** | 30.5 | 30.5 | 20 bpts | 20 bpts |

### Half Year Ended December 2024 versus December 2023

Corporate tax expense for the half year ended 31 December 2024 was $2,273 million, an increase of $69 million or 3% on the prior comparative period, reflecting a 30.7% effective tax rate.

The increase in effective tax rate from 30.5% to 30.7% was primarily due to an increase in non-deductible expenses in the half year ended 31 December 2024.

### Half Year Ended December 2024 versus June 2024

Corporate tax expense increased $159 million or 8% on the prior half.

The 20 basis point increase in effective tax rate from 30.5% to 30.7% was primarily due to an increase in non-deductible expenses in the half year ended 31 December 2024.

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## Group Assets and Liabilities

| | As at | | | | |
|---|---|---|---|---|---|
| **Total Group Assets and Liabilities** | **31 Dec 24 $M** | **30 Jun 24 $M** | **31 Dec 23 $M** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| **Interest earning assets** | | | | | |
| Home loans [1] | **685,269** | 664,701 | 650,461 | 3 | 5 |
| Consumer finance | **16,869** | 16,762 | 17,482 | 1 | (4) |
| Business and corporate loans | **272,677** | 266,025 | 258,629 | 3 | 5 |
| **Loans and other receivables [2]** | **974,815** | 947,488 | 926,572 | 3 | 5 |
| Non-lending interest earning assets [3] | **262,736** | 261,598 | 289,317 | – | (9) |
| **Total interest earning assets** | **1,237,551** | 1,209,086 | 1,215,889 | 2 | 2 |
| Other assets [2] | **70,328** | 44,120 | 58,689 | 59 | 20 |
| Assets held for sale [4] | **687** | 870 | 1,391 | (21) | (51) |
| **Total assets** | **1,308,566** | 1,254,076 | 1,275,969 | 4 | 3 |
| **Interest bearing liabilities** | | | | | |
| Transaction deposits [5] | **194,037** | 193,948 | 185,429 | – | 5 |
| Savings deposits [5] | **302,788** | 290,143 | 283,677 | 4 | 7 |
| Investment deposits | **247,287** | 237,773 | 243,836 | 4 | 1 |
| Other demand deposits | **46,864** | 50,324 | 48,196 | (7) | (3) |
| **Total interest bearing deposits** | **790,976** | 772,188 | 761,138 | 2 | 4 |
| Debt issues | **167,125** | 144,530 | 139,275 | 16 | 20 |
| Term funding from central banks [6] | **3,247** | 4,228 | 36,591 | (23) | (91) |
| Other interest bearing liabilities [3] | **106,562** | 110,334 | 102,048 | (3) | 4 |
| **Total interest bearing liabilities** | **1,067,910** | 1,031,280 | 1,039,052 | 4 | 3 |
| Non-interest bearing transaction deposits | **110,330** | 109,433 | 110,820 | 1 | – |
| Other non-interest bearing liabilities | **55,062** | 40,275 | 52,113 | 37 | 6 |
| Liabilities held for sale [4] | **–** | – | 1,145 | – | (large) |
| **Total liabilities** | **1,233,302** | 1,180,988 | 1,203,130 | 4 | 3 |

1 Home loans are presented gross of $85,177 million of mortgage offset balances (30 June 2024: $74,532 million; 31 December 2023: $75,112 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments.

2 Loans and other receivables exclude provisions for impairment which are included in other assets.

3 Non-lending interest earning assets include reverse sale and repurchase agreements. Other interest bearing liabilities include sale and repurchase agreements.

4 Assets held for sale include certain structured asset finance items and properties held for sale. Assets and liabilities held for sale at 31 December 2023 were impacted by the announced divestment of PT Bank Commonwealth. For details on the Group's discontinued operations and business held for sale, refer to Note 7.3.

5 Transaction and savings deposits includes $85,177 million of mortgage offset balances (30 June 2024: $74,532 million; 31 December 2023: $75,112 million).

6 Term funding from central banks includes the drawn balances of the RBNZ Funding for Lending Programme and Term Lending Facility. Balances at 31 December 2023 included drawn balances of the RBA Term Funding Facility.

### Half Year Ended December 2024 versus December 2023

Total assets were $1,309 billion, an increase of $33 billion or 3% on the prior comparative period, driven by growth in home loans, business and corporate loans, and other assets, partly offset by declines in non-lending interest earning assets, assets held for sale, and consumer finance balances.

Total liabilities were $1,233 billion, an increase of $30 billion or 3% on the prior comparative period, driven by growth in interest bearing deposits, debt issues, other interest bearing liabilities, and other non-interest bearing liabilities, partly offset by a decrease in term funding from central banks, liabilities held for sale, and non-interest bearing transaction deposits.

The Bank continued to fund a significant portion of lending growth from customer deposits. Customer deposits [1] represented 77% of total funding (31 December 2023: 77%).

#### Home loans

Home loan balances increased $35 billion to $685 billion, a 5% increase on the prior comparative period. The increase was driven by Retail Banking Services, Business Banking and New Zealand (excluding the impact of FX). Domestic home loan growth of 6% was in line with system growth. Proprietary mix for CBA and Unloan branded home loans decreased from 67% to 66% of new business flows.

1 Customer deposits include central bank and interbank deposits previously classified as short-term wholesale funding (Balance as at 31 December 2024: $17.7 billion; 30 June 2024: $17.4 billion; 31 December 2023: $15.2 billion). Comparative information has been restated to conform to presentation in the current period.

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## Group Assets and Liabilities (continued)

Australian home loans amount to $616 billion (31 December 2023: $582 billion) of which 69% were owner occupied, 30% were investment home loans and 1% were lines of credit (31 December 2023: 70% were owner occupied, 29% were investment home loans and 1% were lines of credit).

### Consumer Finance

Consumer finance balances were $17 billion, a $1 billion or 4% decrease on the prior comparative period, consistent with system decline. The decrease was driven by higher credit card repayments relative to spend, partly offset by growth in personal loans.

### Business and corporate loans

Business and corporate loans increased $14 billion to $273 billion, a 5% increase on the prior comparative period. This was driven by a $17 billion or 12% increase in Business Banking (above system growth) reflecting diversified lending across a number of industries. Institutional lending balances declined by $3 billion or 3%, primarily driven by a decrease in pooled lending and deposit facilities. Excluding pooled facilities, increase of $9 billion or 11% driven by growth across the institutional lending and asset backed lending portfolios. New Zealand business and rural lending increased $1 billion or 2% (excluding the impact of FX).

### Non-lending interest earning assets

Non-lending interest earning assets decreased $27 billion to $263 billion, a 9% decrease on the prior comparative period. This was mainly driven by decreases in cash and liquids following the repayment of the RBA Term Funding Facility, partly offset by higher reverse sale and repurchase agreements.

### Other assets

Other assets, including derivative assets, property, plant and equipment and intangibles, increased $12 billion to $70 billion, a 20% increase on the prior comparative period, mainly driven by an increase in derivative assets due to movements in foreign currency and interest rates.

### Total interest bearing deposits

Total interest bearing deposits increased $30 billion to $791 billion, a 4% increase on the prior comparative period. Growth was driven by a $19 billion or 7% increase in savings deposits, a $9 billion or 5% increase in transaction deposits and a $3 billion or 1% increase in investment deposits.

Domestic household deposits grew at 8%, broadly in line with system growth.

### Debt issues

Debt issues increased $28 billion to $167 billion, a 20% increase on the prior comparative period, to meet the Group's funding requirements following the repayment of the RBA Term Funding Facility.

Refer to pages 33-34 for further information on debt programs and issuance for the half year ended 31 December 2024.

### Term funding from central banks

Term funding from central banks includes the drawn balance of the RBNZ Funding for Lending Programme and Term Lending Facility. The December 2023 period also includes the RBA Term Funding Facility. Term funding from central banks decreased $33 billion to $3 billion, a 91% decrease on the prior comparative period, as the drawdowns on the RBA Term Funding Facility matured and were fully repaid, and drawdowns on the RBNZ Funding for Lending Programme matured and were repaid.

### Other interest bearing liabilities

Other interest bearing liabilities, including loan capital, liabilities at fair value through income statement and amounts due to other financial institutions, increased $5 billion to $107 billion, a 4% increase on the prior comparative period. The increase was mainly driven by higher amounts due to other financial institutions, partly offset by lower sale and repurchase agreements.

### Non-interest bearing transaction deposits

Non-interest bearing transaction deposits were $110 billion, flat on the prior comparative period.

### Other non-interest bearing liabilities

Other non-interest bearing liabilities, including derivative liabilities, increased $3 billion to $55 billion, a 6% increase on the prior comparative period. The increase was mainly driven by higher derivative liabilities due to movements in foreign exchange rates.

## Half Year Ended December 2024 versus June 2024

Total assets increased $54 billion or 4% on the prior half, mainly driven by growth in other assets, home loans, business corporate loans, and non-lending interest earning assets, partly offset by decreases in assets held for sale.

Total liabilities increased $52 billion or 4% on the prior half, reflecting growth in debt issues, interest bearing deposits, other non-interest bearing liabilities, and non-interest bearing transaction deposits, partly offset by decreases in other interest bearing liabilities and term funding from central banks.

Customer deposits [1] represented 77% of total funding (30 June 2024: 78%).

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[1] Customer deposits include central bank and interbank deposits previously classified as short-term wholesale funding (Balance as at 31 December 2024: $17.7 billion; 30 June 2024: $17.4 billion; 31 December 2023: $15.2 billion). Comparative information has been restated to conform to presentation in the current period.

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## Group Assets and Liabilities (continued)

### Home loans

Home loan balances increased $21 billion or 3% on the prior half, driven by growth in Retail Banking Services, Business Banking and New Zealand (excluding the impact of FX). Domestic home loan growth was 3%, above system growth. Proprietary mix for CBA and Unloan branded home loans increased from 65% to 66% of new business flows.

### Consumer finance

Consumer finance balances increased 1%, above system decline. The increase was driven by growth in personal loans and higher credit card spend.

### Business and corporate loans

Business and corporate loans increased $7 billion or 3% on the prior half. This was driven by a $7 billion or 5% increase in Business Banking (above system growth) reflecting diversified lending across a number of industries. Institutional lending balances declined by $1 billion or 1%, primarily driven by a decrease in pooled lending and deposit facilities. Excluding pooled facilities, increase of $9 billion or 12% driven by growth across institutional lending and securitisation portfolios. New Zealand business and rural lending increased 1% on the prior half (excluding the impact of FX).

### Non-lending interest earning assets

Non-lending interest earning assets increased $1 billion on the prior half. This was mainly driven by higher government securities holdings and increased trading assets in Institutional Banking and Markets, partly offset by a decrease in cash and liquids and lower reverse sale and repurchase agreements.

### Other assets

Other assets, including derivative assets, property, plant and equipment and intangibles, increased $26 billion or 59% on the prior half driven by an increase in derivative assets due to movements in foreign currency and interest rates, and higher commodities inventory in Institutional Banking and Markets.

### Total interest bearing deposits

Total interest bearing deposits increased $19 billion or 2% on the prior half. Growth was driven by a $13 billion or 4% increase in savings deposits, a $10 billion or 4% increase in investment deposits and flat transaction deposits.

Domestic household deposits grew at 7%, in line with system growth.

### Debt issues

Debt issues increased $23 billion or 16% on the prior half, to meet the Group’s funding requirements following the repayment of the RBA Term Funding Facility.

Refer to pages 33-34 for further information on debt programs and issuance for the half year ended 31 December 2024.

### Term funding from central banks

Term funding from central banks decreased $1 billion or 23% on the prior half, as RBNZ Funding for Lending Programme drawdowns matured and were repaid.

### Other interest bearing liabilities

Other interest bearing liabilities, including loan capital, liabilities at fair value through income statement and amounts due to other financial institutions, decreased $4 billion or 3% on the prior half. The decrease was primarily driven by lower sale and repurchase agreements, partly offset by higher amounts due to other financial institutions.

### Non-interest bearing transaction deposits

Non-interest bearing transaction deposits increased $1 billion or 1% on the prior half, mainly driven by balance growth in New Zealand and in Retail Banking Services, partly offset by customer switching to higher yielding deposits.

### Other non-interest bearing liabilities

Other non-interest bearing liabilities, including derivative liabilities, increased $15 billion or 37% on the prior half. The increase was mainly driven by an increase in derivative liabilities due to movements in foreign currency and interest rates.

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# Group Operations & Business Settings

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# Contents

## 4 Group Operations & Business Settings

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# Group Operations and Business Settings

## Loan Impairment Provisions and Credit Quality

### Provisions for Impairment

| | As at | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M | Dec 24 vs<br>Jun 24 % | Dec 24 vs<br>Dec 23 % |
| **Provisions for impairment losses** | | | | | |
| Collective provisions | **5,492** | 5,423 | 5,330 | 1 | 3 |
| Individually assessed provisions | **735** | 712 | 733 | 3 | – |
| **Total provisions for impairment losses** | **6,227** | 6,135 | 6,063 | 1 | 3 |
| Less: Provision for off Balance Sheet exposures | **(198)** | (223) | (157) | (11) | 26 |
| **Total provisions for loan impairment** | **6,029** | 5,912 | 5,906 | 2 | 2 |

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### Half Year Ended December 2024 versus December 2023

Total provisions for impairment losses as at 31 December 2024 were $6,227 million, an increase of $164 million or 3% on the prior comparative period.

**Collective provisions**

- Consumer collective provisions decreased $98 million or 3% to $2,906 million, reflecting rising house prices and lower expected losses in the consumer finance lending portfolio.
- Corporate collective provisions increased $260 million or 11% to $2,586 million. This reflects the impact on corporate profits of ongoing inflationary pressures and higher interest rates.

**Individually assessed provisions**

- Consumer individually assessed provisions decreased $21 million or 18% to $97 million, reflecting rising house prices.
- Corporate individually assessed provisions increased $23 million or 4% to $638 million. This was mainly driven by the downgrade of several small exposures across various industry sectors.

### Half Year Ended December 2024 versus June 2024

Total provisions for impairment losses increased $92 million or 1% on the prior half.

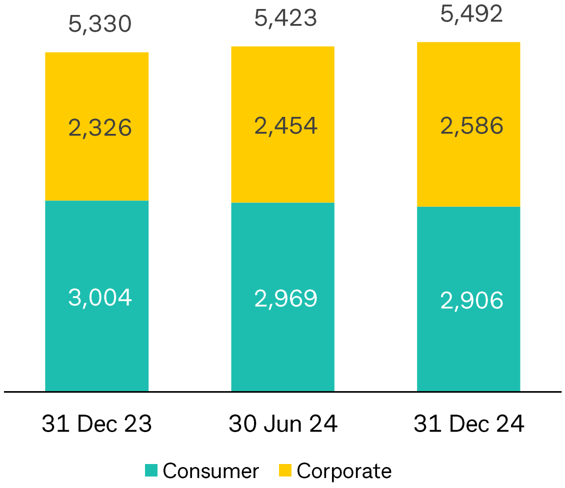
**Collective provisions**

- Consumer collective provisions decreased $63 million or 2%, reflecting rising house prices and lower expected losses in the consumer finance lending portfolio.
- Corporate collective provisions increased $132 million or 5%. This reflects the impact on corporate profits of ongoing inflationary pressures and higher interest rates.

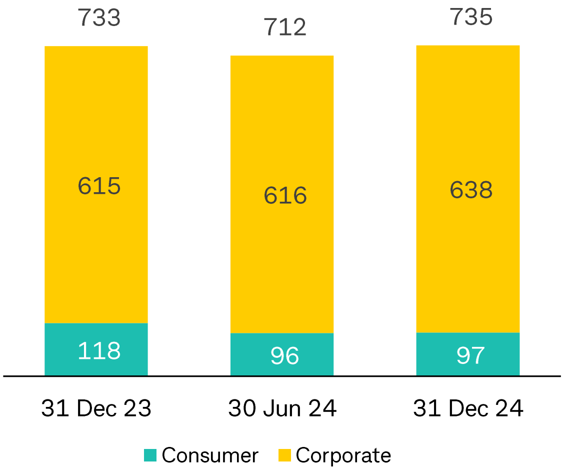
**Individually assessed provisions**

- Consumer individually assessed provisions increased by $1 million or 1%.
- Corporate individually assessed provisions increased $22 million or 4%. This was mainly driven by the downgrade of several small exposures across various industry sectors.

**Collective Provisions ($M)**



**Individually Assessed Provisions ($M)**



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# Group Operations and Business Settings (continued)

## Loan Impairment Provisions and Credit Quality (continued)

### Credit Quality

| | Half Year Ended | | | | |
|---|---|---|---|---|---|
| **Credit Quality Metrics** | **31 Dec 24** | **30 Jun 24** | **31 Dec 23** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| Total committed exposures (TCE) ($M) | **1,442,264** | 1,378,059 | 1,401,650 | 5 | 3 |
| Gross loans and acceptances (GLAA) ($M) | **977,384** | 949,948 | 929,609 | 3 | 5 |
| Credit RWA ($M) | **385,117** | 370,444 | 368,735 | 4 | 4 |
| Gross non-performing exposures ($M) [1] | **10,313** | 9,638 | 8,122 | 7 | 27 |
| **Provision Ratios** | | | | | |
| Collective provision as a % of credit RWA | **1.43** | 1.46 | 1.45 | (3)bpts | (2)bpts |
| Total provisions as a % of credit RWA | **1.62** | 1.66 | 1.64 | (4)bpts | (2)bpts |
| Total provisions for non-performing exposures as a % of gross non-performing exposures | **14.44** | 16.04 | 17.02 | (160)bpts | (258)bpts |
| Total provisions for non-performing exposures as a % of gross non-performing exposures (corporate) | **32.09** | 31.37 | 31.75 | 72 bpts | 34 bpts |
| Total provisions for non-performing exposures as a % of gross non-performing exposures (consumer) | **7.73** | 10.35 | 10.30 | (262)bpts | (257)bpts |
| Total provisions for impairment losses as a % of TCE | **0.43** | 0.45 | 0.43 | (2)bpts | – |
| **Asset Quality Ratios** | | | | | |
| Gross non-performing exposures as a % of TCE | **0.72** | 0.70 | 0.58 | 2 bpts | 14 bpts |
| Loan impairment expense annualised as a % of average GLAAs | **0.07** | 0.08 | 0.09 | (1)bpt | (2)bpts |
| Net write-offs annualised as a % of GLAAs | **0.06** | 0.07 | 0.07 | (1)bpt | (1)bpt |
| Non-retail total committed exposures rated investment grade (%) [2] | **64.75** | 64.75 | 67.72 | – | (297)bpts |
| Troublesome and non-performing exposures as a % of total committed exposures | **0.95** | 0.98 | 0.76 | (3)bpts | 19 bpts |
| **Australian Home Loan Portfolio** | | | | | |
| Portfolio dynamic LVR (%) [3] | **42.30** | 42.78 | 44.54 | (48)bpts | (224)bpts |
| Customers in advance (%) [4] | **81.37** | 79.78 | 79.11 | 159 bpts | 226 bpts |

1 Group non-performing exposures include $16 million (30 June 2024: $20 million; 31 December 2023: $18 million) of exposures held in level 3 entities for capital reporting purposes.
2 Investment grades based on CBA grade in S&P equivalent.
3 Loan to value ratio (LVR) defined as current balance as a percentage of the current valuation on Australian home loan portfolio.
4 Any amount ahead of monthly minimum repayment (including offset facilities).

### Provision Ratios and Non-Performing Assets

As at 31 December 2024, total provisions as a proportion of credit RWA decreased by 4 basis points on the prior half to 1.62%, driven by an increase in credit RWAs.

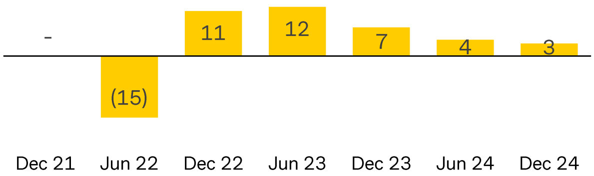
Gross non-performing exposures were $10,313 million, an increase of $675 million or 7% on the prior half, mainly driven by increased restructures in the home lending portfolio which are predominantly well secured, in addition to the downgrade of a small number of corporate exposures. Gross non-performing exposures as a proportion of TCE were 0.72%, an increase of 2 basis points on the prior half.

Provision coverage for the non-performing portfolio was 14.44%, a decrease of 160 basis points on the prior half, mainly driven by increased restructures in the home lending portfolio which are predominantly well secured.

### Retail Portfolio Asset Quality

Consumer loan impairment expense (LIE) as a percentage of average gross loans and acceptances (GLAAs) was 3 basis points, a decrease of 1 basis point on the prior half, reflecting rising house prices and lower arrears in the consumer finance lending portfolio.

**Consumer LIE**
**Half Year Loan Impairment Expense**
**annualised as percentage of average GLAAs (bpts)**



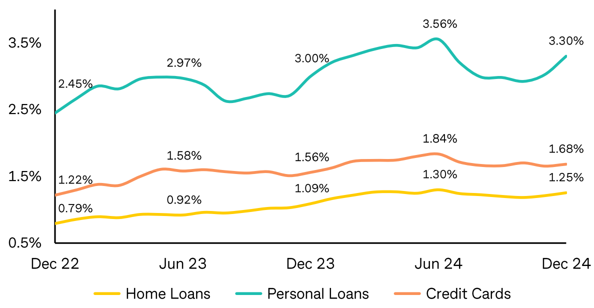
# Group Operations and Business Settings (continued)

## Loan Impairment Provisions and Credit Quality (continued)

### Retail Portfolio Asset Quality (continued)

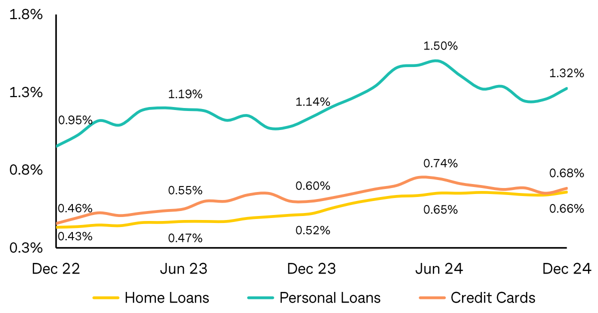
Home loan 90+ days arrears were relatively stable at 0.66%, an increase of 1 basis point on the prior half, supported by seasonal tax refunds and changes to tax rates and thresholds. Credit cards and personal loans 90+ days arrears were 0.68% and 1.32% respectively, a decrease of 6 basis points and 18 basis points on the prior half, supported by seasonal tax refunds and changes to tax rates and thresholds. Personal Loan 30+ days arrears have increased in recent months, influenced by holiday period seasonality and customers being more susceptible to cost of living pressures, particularly young and low-income customers.

**30+ Days Arrears Ratios (%)** [1]



The home loan dynamic LVR was 42.30%, a decrease of 48 basis points on the prior half. The home lending book remains well secured and the majority of home lending customers remain in advance of scheduled repayments.

**90+ Days Arrears Ratios (%)** [1]



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1 Includes retail portfolios of Retail Banking Services, Business Banking and New Zealand.

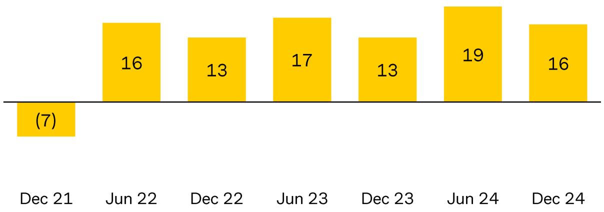
### Corporate Portfolio Asset Quality

Corporate troublesome exposures were $3.4 billion, a decrease of $0.5 billion or 13% on the prior half, mainly driven by upgrades and repayments across a small number of exposures.

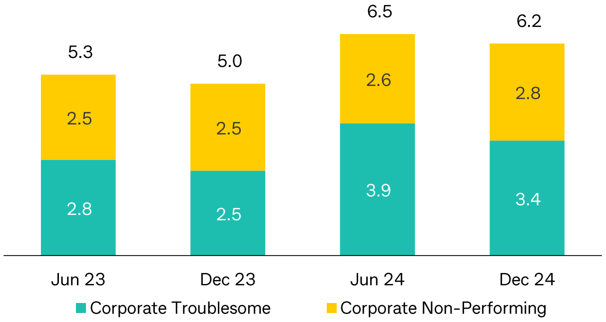
Investment grade rated exposures were 64.75% of overall portfolio risk rated counterparties, flat on the prior half.

Corporate LIE as a percentage of gross loans and acceptances was 16 basis points, a decrease of 3 basis points on the prior half, driven by lower individual provision charges partly offset by higher collective provisions in the current half.

**Corporate LIE**
**Half Year Loan Impairment Expense**
**annualised as percentage of average GLAA (bpts)**



**Corporate Troublesome and Non-Performing Exposures ($B)** [1]



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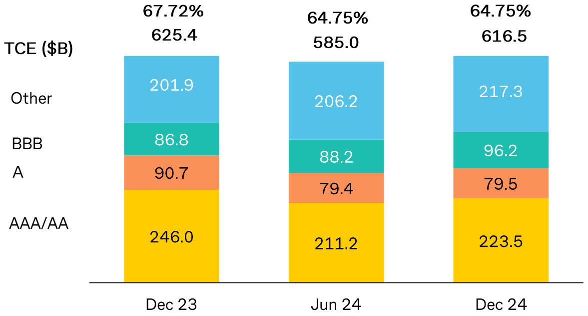
1 Non-performing exposures reflect the industry standard measure of credit quality as required by APS 220 Credit Risk Management. This has replaced the Group's previous impaired assets measure.

**Corporate Portfolio Quality**
**% of book rated investment grade** [2]



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2 CBA grades in S&P equivalents.

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## Loan Impairment Provisions and Credit Quality (continued)

### Corporate Industry Exposure and Asset Quality

The distribution of the Bank's corporate credit exposures by sector remained relatively consistent during the half. The most material movements in total committed exposures (TCE) by sector were for:

- Finance & Insurance which increased by 12.5% ($12,361 million) to $111,216 million due to increased exposure through funds financing and securitisation activities with well rated counterparties, as well as a weaker Australian dollar resulting in increased exposure for transactions denominated in foreign currencies.
- Commercial Property which increased by 3.8% ($3,590 million) to $98,446 million primarily due to increased exposures to well rated REITs and Property Operators & Investors.
- Electricity, Water & Gas which increased by 17.3% ($2,750 million) to $18,666 million due to increased exposures primarily to renewable electricity generation, distribution and supply.

Total Troublesome and Non-Performing Exposures (TNPE) for the corporate portfolio were lower over the half, decreasing $278 million to $6,201 million.

TNPE as a percentage of TCE has decreased 10 basis points on the prior half to 1.01%.

The decrease in corporate TNPEs over the half is concentrated in:

- Commercial Property (down 57 basis points or $523 million) driven by repayment by a large single name customer, a reduction in exposure as developments have completed for two customers, and upgrades of a number of customers across various subsectors.
- Health & Community Services (down 89 basis points or $115 million) driven by repayment by a large single name customer.

There were increases in TNPEs for:

- Retail Trade (up 128 basis points or $216 million) driven by downgrades to troublesome across a number of customers in different retail sectors as a consequence of lower trading activity and sustained higher interest rates.
- Agriculture (up 32 basis points or $140 million) driven by a large single name customer downgrade to troublesome.

Management is closely monitoring sectors of continued or potential increased stress, including Construction, Commercial Property, Manufacturing, Retail Trade, Wholesale Trade, Entertainment, Leisure & Tourism and Agriculture.

| | Group Total Committed Exposures (TCE) | | Troublesome and Non-Performing Exposures (TNPE) | | TNPE % of TCE | |
|---|---|---|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 24 | 30 Jun 24 | 31 Dec 24 | 30 Jun 24 |
| **Business and Corporate Sector** | **$M** | $M | **$M** | $M | **%** | % |
| Government, Admin. & Defence | **175,647** | 174,493 | **–** | – | **–** | – |
| Finance & Insurance | **111,216** | 98,855 | **34** | 52 | **0.03** | 0.05 |
| Commercial Property | **98,446** | 94,855 | **714** | 1,237 | **0.73** | 1.30 |
| Agriculture & Forestry | **33,590** | 32,547 | **1,102** | 962 | **3.28** | 2.96 |
| Transport & Storage | **27,362** | 27,767 | **506** | 436 | **1.85** | 1.57 |
| Manufacturing | **21,578** | 19,450 | **606** | 562 | **2.81** | 2.89 |
| Entertainment, Leisure & Tourism | **20,136** | 18,209 | **425** | 399 | **2.11** | 2.19 |
| Wholesale Trade | **18,759** | 16,795 | **703** | 775 | **3.75** | 4.61 |
| Electricity, Water & Gas | **18,666** | 15,916 | **–** | 9 | **–** | 0.06 |
| Business Services | **18,068** | 16,409 | **323** | 298 | **1.79** | 1.82 |
| Health & Community Services | **16,338** | 15,367 | **347** | 462 | **2.12** | 3.01 |
| Retail Trade | **16,158** | 15,708 | **513** | 297 | **3.17** | 1.89 |
| Construction | **13,568** | 13,115 | **568** | 642 | **4.19** | 4.90 |
| Mining | **7,173** | 7,064 | **20** | 33 | **0.28** | 0.47 |
| Media & Communications | **6,134** | 5,328 | **43** | 74 | **0.70** | 1.39 |
| Personal & Other Services | **4,034** | 3,519 | **72** | 46 | **1.78** | 1.31 |
| Education | **4,011** | 3,799 | **96** | 66 | **2.39** | 1.74 |
| Other | **5,634** | 5,837 | **129** | 129 | **2.27** | 2.21 |
| **Total** | **616,518** | 585,033 | **6,201** | 6,479 | **1.01** | 1.11 |

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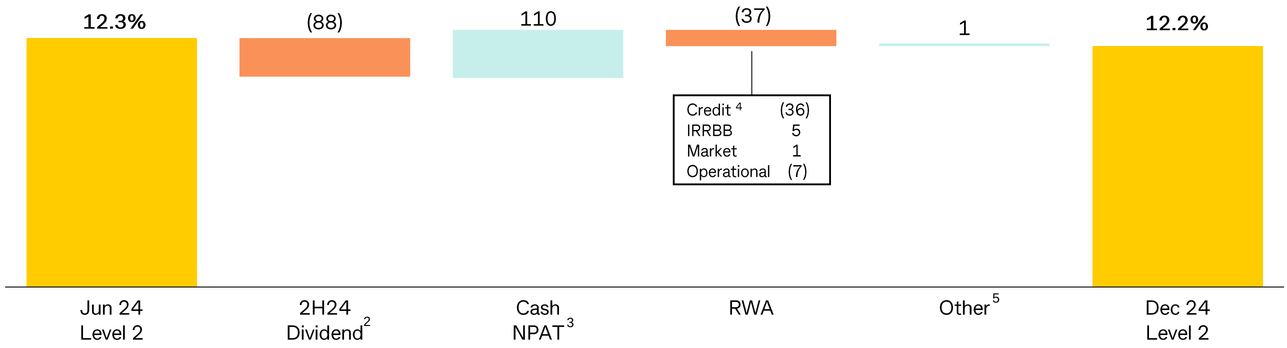
## Capital

| | As at | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 | Dec 24 vs | Dec 24 vs |
| **Summary Group Capital Adequacy Ratios** | % | % | % | Jun 24 % | Dec 23 % |
| Common Equity Tier 1 | **12.2** | 12.3 | 12.3 | (10)bpts | (10)bpts |
| Additional Tier 1 | **1.9** | 2.0 | 2.4 | (10)bpts | (50)bpts |
| Tier 1 | **14.1** | 14.3 | 14.7 | (20)bpts | (60)bpts |
| Tier 2 | **6.6** | 6.6 | 5.8 | – | 80 bpts |
| **Total Capital (APRA)** | **20.7** | 20.9 | 20.5 | (20)bpts | 20 bpts |

### Capital – CET1 (APRA) [1]



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1 Due to rounding, numbers presented in this section may not sum precisely to the totals provided.

2 The 2024 final dividend included the on-market purchase of $758 million of shares (CET1 impact of -16 bpts) in respect of the Dividend Reinvestment Plan.

3 Excludes equity accounted profits/losses and impairments from associates as they are capital neutral with offsetting changes in capital deductions.

4 Excludes impact of foreign exchange movements which is included in ‘Other’.

5 Includes the benefit from the partial divestment of CBA’s shareholding in Vietnam International Commercial Joint Stock Bank (VIB), increase in capitalised software, impact of revaluation losses on the HQLA portfolio, FX impact on Credit RWA, equity accounted profits/losses from associates, other regulatory adjustments and progress on the on-market share buy-back. As at 31 December 2024, the Group has completed $300 million of the $1 billion on-market share buy-back previously announced on 9 August 2023 (2,706,964 ordinary shares bought back at an average price of $110.72). $18 million of this was completed in 1H25 (118,000 ordinary shares bought back at an average price of $151.98).

### Capital Position

The Group’s CET1 Capital ratio was 12.2% as at 31 December 2024, compared with 12.3% as at 30 June 2024. The CET1 Capital ratio was well above APRA’s regulatory requirement at all times throughout the half year ended 31 December 2024.

Key drivers of the change in CET1 for the 6 months ended 31 December 2024 were:

- The payment of the 2H24 dividend;
- Higher total RWA with increases in Credit Risk and Operational Risk RWA, partly offset by lower IRRBB and Traded Market Risk RWA; partly offset by
- Capital generated from earnings; and
- Other regulatory adjustments and movement in reserves.

Further details on the movements in RWA are provided on page 29.

### Capital Initiatives

The following significant capital initiatives were undertaken during the half year ended 31 December 2024:

#### Common Equity Tier 1 Capital

The Dividend Reinvestment Plan (DRP) in respect of the 2024 final dividend was satisfied in full by the on-market purchase of shares. The participation rate for the DRP was 18.1%.

#### Tier 2 Capital

The Group issued AUD1,500 million subordinated notes in November 2024 and redeemed EUR1,000 million subordinated notes in October 2024, both Basel III compliant Tier 2 Capital.

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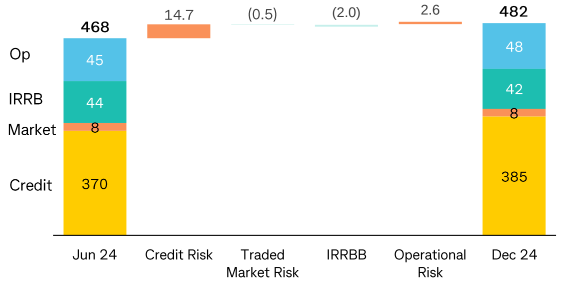
## Capital (continued)

### Risk Weighted Assets (RWA) [1]

**Total Group Risk Weighted Assets**

Total RWA increased $14.8 billion or 3% on the prior half to $482.4 billion, mainly driven by increases in Credit RWA and Operational Risk RWA, partly offset by lower IRRBB and Traded Market Risk RWA.

**Total Risk Weighted Assets ($B)**

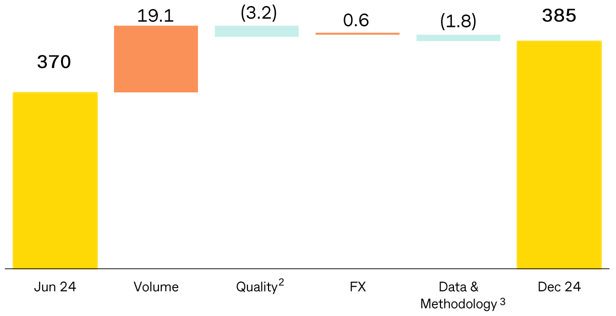


**Credit Risk Weighted Assets**

Credit Risk RWA increased $14.7 billion or 4% on the prior half to $385.1 billion. Key drivers include:

- Volume growth (increase of $19.1 billion) across commercial portfolios, domestic residential mortgages, derivatives and New Zealand portfolios; and
- Foreign currency movements (increase of $0.6 billion); partly offset by
- Credit quality improvement (decrease of $3.2 billion) from lower domestic residential mortgage risk weights primarily due to an improvement in loan-to-value ratios; and
- Data & methodology (decrease of $1.8 billion), primarily relating to regulatory approval of new residential mortgage LGD model.

**Credit Risk Weighted Assets ($B)**



**Traded Market Risk Weighted Assets**

Traded Market Risk RWA decreased $0.5 billion or 6% on the prior half to $7.9 billion.

**Interest Rate Risk Weighted Assets**

IRRBB RWA decreased $2.0 billion or 5% on the prior half to $41.7 billion, driven by lower interest rates in Australia and New Zealand, partly offset by higher basis risks.

**Operational Risk Weighted Assets**

Operational Risk RWA increased $2.6 billion or 6% on the prior half to $47.6 billion. This was primarily driven by higher average net interest income and lending growth over the past 3 years under the new standardised measurement approach.

### Regulatory Framework

The APRA prudential standards prescribe a minimum CET1 Capital ratio of 10.25% for Internal Ratings-based (IRB) ADIs such as CBA, comprising of a minimum Prudential Capital Requirement (PCR) of 4.5% and a capital conservation buffer (CCB) of 5.75%, which includes a Domestic Systemically Important Bank (D-SIB) buffer of 1% and a baseline countercyclical capital buffer (CCyB) set at 1% [4]. The CCyB, which may be varied by APRA in the range of 0%-3.5%, can be released in times of systemic stress and post-stress recovery.

The Group expects to operate with a post-dividend CET1 Capital ratio of greater than 11%, compared to the APRA minimum of 10.25%, except in circumstances of unexpected capital volatility.

The minimum Tier 1 Capital requirement as at 31 December 2024 was 11.75%.

To satisfy APRA's loss-absorbing capacity requirements, the minimum Total Capital ratio requirement for D-SIBs, including CBA, has increased from 13.75% to 16.75% effective from 1 January 2024. From 1 January 2026, the requirement will increase to 18.25%.

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[1] Due to rounding, numbers presented in this section may not sum precisely to the totals provided.

[2] Credit quality includes portfolio mix.

[3] Includes data and methodology, credit risk estimates changes and regulatory treatments.

[4] In November 2024, APRA announced that the CCyB for Australian exposures will remain at 1%. The Group has limited exposures to offshore jurisdictions in which a CCyB requirement in excess of 0% has been imposed.

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## Capital (continued)

### Regulatory Developments

#### IRRBB Consultation

On 8 July 2024, APRA released the final revised APS 117 “Capital Adequacy: Interest Rate Risk in the Banking Book”, which sets out the requirements that an ADI must meet in managing its Interest Rate Risk in the Banking Book (IRRBB), following the November 2022 and December 2023 consultations on proposed changes to the standard. The revised APS117 will come into effect on 1 October 2025.

#### Traded Market Risk and Counterparty Credit Risk

APRA is yet to commence consultation on revisions to APS 116 “Capital Adequacy: Market Risk”, and APS 180 “Capital Adequacy: Counterparty Credit Risk”, with revisions to both standards expected to be implemented in 2026.

#### New Zealand bank capital adequacy requirements

The Reserve Bank of New Zealand’s revisions to bank capital adequacy requirements are being implemented in stages during a transition period from October 2021 to July 2028. By the end of the transition period, the minimum Tier 1 and Total Capital requirements for banks deemed systemically important, including ASB, will increase to 16% and 18% of RWA respectively, of which 13.5% must be in the form of CET1 Capital while Tier 2 Capital can contribute up to a maximum of 2% of the Total Capital requirement.

As at 31 December 2024, the CET1, Tier 1 and Total Capital ratio requirements for ASB were 9%, 11.5% and 13.5%, respectively.

#### APRA Additional Tier 1 (“AT1”) Capital Discussion Papers

On 10 September 2024, APRA released a second discussion paper entitled “A more effective capital framework for a crisis” proposing to simplify the capital framework by phasing out AT1 instruments and replacing it with CET1 and Tier 2 Capital. This follows the initial discussion paper entitled “Enhancing bank resilience: Additional Tier 1 Capital in Australia” on potential policy options to improve the effectiveness of AT1 instruments in a potential bank stress scenario.

Subsequently, on 9 December 2024, APRA released a letter entitled “A more effective capital framework for a crisis: Update” confirming that it is proceeding with its proposal to phase out AT1 Capital from the capital framework.

Large, internationally active banks such as CBA, will be able to replace the current 1.5% of AT1 Capital with 0.25% of CET1 Capital and 1.25% of Tier 2 Capital. Total Capital requirement is to remain unchanged.

These changes will commence from 1 January 2027. In addition, existing AT1 instruments will be eligible to be included as Tier 2 Capital from this date until their first scheduled call date. APRA intends to formally consult on any proposed amendments to the prudential framework by mid-2025, with expected finalisation by late-2025.

#### Prudential framework for groups

On 24 October 2022, APRA released a letter to all APRA regulated entities indicating that it is reviewing the prudential framework for groups operating in the Australian banking sector to ensure it caters for the increasing array of new groups and it is consistently applied across different structures. APRA is yet to formally consult on any revisions to the relevant standards.

#### Targeted changes to ADI liquidity and capital standards

On 24 July 2024, APRA finalised its targeted revisions to ADIs’ liquidity and capital requirements following the November 2023 consultation, which aims to ensure ADIs have strong crisis preparedness, prudently value their liquid assets and minimise potential contagion risks. The changes will come into effect on 1 July 2025.

### Pillar 3 Disclosures

Details on the Bank’s market disclosures required under Pillar 3, per APRA Prudential Standard APS 330 “Public Disclosure”, are provided on the Bank’s website at:

www.commbank.com.au/regulatorydisclosures

# Group Operations and Business Settings (continued)

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## Leverage Ratio

| | As at | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 | Dec 24 vs | Dec 24 vs |
| **Summary Group Leverage Ratio** | $M | $M | $M | Jun 24 % | Dec 23 % |
| Tier 1 Capital ($M) | **68,143** | 66,963 | 68,093 | 2 | – |
| Total Exposures ($M) [1] | **1,393,974** | 1,339,175 | 1,362,098 | 4 | 2 |
| **Leverage Ratio (APRA) (%)** | **4.9** | 5.0 | 5.0 | (10)bpts | (10)bpts |

[1] Total exposures are the sum of on Balance Sheet exposures, derivatives, Securities Financing Transactions (SFTs), and off Balance Sheet exposures, net of any Tier 1 regulatory deductions, as outlined in APS 110 "Capital Adequacy".

The Group's leverage ratio, defined as Tier 1 Capital as a percentage of total exposures, was 4.9% as at 31 December 2024. The ratio reduced by 10 basis points on the prior half with an increase in exposures and payment of the 2H24 dividend, partly offset by capital generated from earnings.

The minimum leverage ratio requirement for IRB banks, such as CBA, is 3.5%.

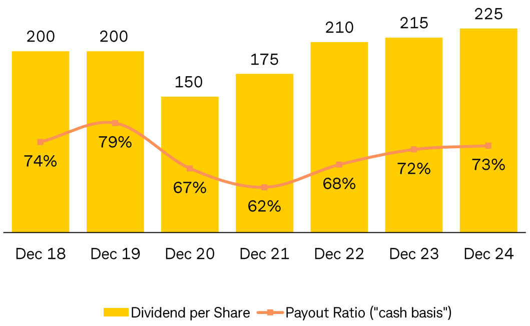
## Dividends

### Interim dividend for the Half Year Ended December 2024

The interim dividend determined was $2.25 per share, an increase of 10 cents on the prior comparative period. The dividend payout ratio ("cash basis") for the half year ended 31 December 2024 was 73%.

The interim dividend will be fully franked and will be paid on or around 28 March 2025 to owners of ordinary shares at the close of business on 20 February 2025 (record date). Shares will be quoted ex-dividend on 19 February 2025.

**Interim Dividend History (cents per share)**



### Dividend Reinvestment Plan (DRP)

The DRP will continue to be offered to shareholders, and no discount will be applied to shares allocated under the plan for the interim dividend. The DRP for the 2025 interim dividend is anticipated to be satisfied in full by an on-market purchase of shares.

### Dividend Policy

In determining the dividend, the Board considers a range of factors in accordance with the Bank's dividend policy including:

- paying cash dividends at sustainable levels;
- targeting a full-year payout ratio of 70% to 80%; and
- maximising the use of its franking account by paying fully franked dividends.

## Liquidity

| Level 2 | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M | Dec 24 vs<br>Jun 24 % | Dec 24 vs<br>Dec 23 % |
|---|---|---|---|---|---|
| | Quarterly Average Ended [1] | | | | |
| **High Quality Liquid Assets (HQLA) [2]** | **175,257** | 177,231 | 186,738 | (1) | (6) |
| **Net Cash Outflows (NCO)** | | | | | |
| Customer deposits | **108,924** | 106,048 | 104,953 | 3 | 4 |
| Wholesale funding | **14,390** | 14,246 | 12,868 | 1 | 12 |
| Other net cash outflows [3] | **14,803** | 10,459 | 19,310 | 42 | (23) |
| **Total NCO** | **138,117** | 130,753 | 137,131 | 6 | 1 |
| **Liquidity Coverage Ratio (%)** | **127** | 136 | 136 | (large) | (large) |
| **LCR Surplus** | **37,140** | 46,478 | 49,607 | (20) | (25) |

[1] The averages presented are calculated as simple averages of daily observations over the quarter.

[2] Includes all repo-eligible securities with the Reserve Bank of New Zealand. The amount of open-repo of Internal Residential Mortgage-Backed Securities and Exchange Settlement Account (ESA) cash balance held by the Reserve Bank of Australia to facilitate intra-day cash flows is shown net.

[3] Includes cash inflows.

### Liquidity Coverage Ratio (LCR)

The Group holds high quality, well diversified liquid assets to meet Balance Sheet liquidity needs and regulatory requirements, including APRA's Liquidity Coverage Ratio (LCR). The LCR requires Australian Authorised Deposit-taking Institutions (ADIs) to hold sufficient liquid assets to meet 30 day Net Cash Outflows (NCOs) projected under a prescribed stress scenario. LCR liquid assets consist of High Quality Liquid Assets (HQLA) in the form of cash, deposits with central banks, and government securities.

The Group's December 2024 quarterly average LCR was 127%, a decrease of 9% compared to quarterly averages ended 30 June 2024 and 31 December 2023. The LCR remains well above the regulatory minimum of 100%.

Compared to the quarterly average ended 30 June 2024, the Group's LCR liquid assets decreased $2.0 billion or 1%. 30 day modelled NCOs increased $7.4 billion or 6%, mainly due to lower cash inflows and growth in customer deposits.

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# Group Operations and Business Settings (continued)

## Funding

| | As at [1] | | | | |
|---|---|---|---|---|---|
| **Group Funding** [2] | **31 Dec 24 $M** | **30 Jun 24 $M** | **31 Dec 23 $M** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| **Customer deposits** [3] | **873,532** | 851,682 | 839,818 | 3 | 4 |
| Short-term wholesale funding [3] [4] | **80,081** | 78,440 | 65,963 | 2 | 21 |
| Long-term wholesale funding – less than or equal to one year residual maturity [5] | **35,697** | 24,770 | 48,684 | 44 | (27) |
| Long-term wholesale funding – more than one year residual maturity [5] | **138,419** | 135,299 | 147,185 | 2 | (6) |
| IFRS MTM and derivative FX revaluations | **(6,277)** | (7,549) | (6,456) | (17) | (3) |
| **Total wholesale funding** | **247,920** | 230,960 | 255,376 | 7 | (3) |
| Short-term collateral deposits [6] | **6,149** | 4,285 | (586) | 44 | large |
| **Total funding** | **1,127,601** | 1,086,927 | 1,094,608 | 4 | 3 |

[1] Comparative information has been restated to conform to presentation in the current period.

[2] Shareholders' equity is excluded from this view of funding sources.

[3] Customer deposits include central bank and interbank deposits previously classified as short-term wholesale funding (Balance as at 31 December 2024: $17.7 billion; 30 June 2024: $17.4 billion; 31 December 2023: $15.2 billion).

[4] Short-term wholesale funding includes debt with an original maturity or call date of less than or equal to 12 months, and consists of certificates of deposit and bank acceptances, debt issued under the Euro Medium Term Note (EMTN) programme and the domestic, Euro and US commercial paper programmes of Commonwealth Bank of Australia and ASB. Short-term wholesale funding also includes net securities that are not classified as high quality liquid assets sold or purchased under repurchase agreements.

[5] Long-term wholesale funding includes debt with an original maturity or call date of greater than 12 months and the Group's drawn RBNZ Term Lending Facilities. Prior to 30 June 2024, long-term wholesale funding included the drawn RBA Term Funding Facility allowance (31 December 2023: $32 billion).

[6] Short-term collateral deposits includes net collateral received, Vostro balances, and other net repurchase agreements that are not reported above, including the amount pledged with the Reserve Bank to facilitate intra-day cash flows in the Exchange Settlement Account (ESA).

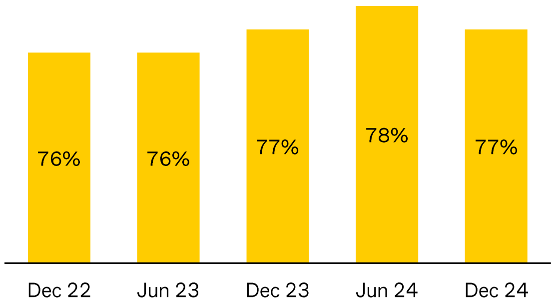
### Customer Deposits

Customer deposits accounted for 77% of total funding at 31 December 2024 (30 June 2024: 78%, 31 December 2023: 77%). The Group satisfied a significant proportion of its funding requirements from retail, business, and institutional customer deposits.

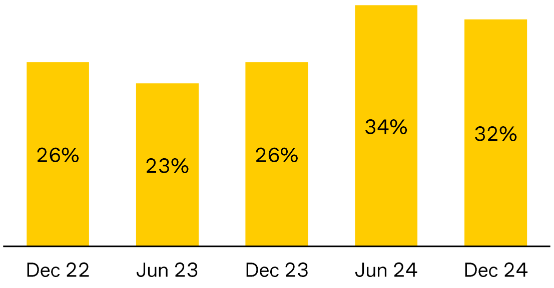
### Short-Term Wholesale Funding

Short-term wholesale funding accounted for 32% of total wholesale funding at 31 December 2024 (30 June 2024: 34%, 31 December 2023: 26%). The Group continues to maintain a conservative funding mix.

**Customers Deposits to Total Funding Ratio** [1]



**Short-Term to Total Wholesale Funding Ratio** [1]



[1] Customer deposits include central bank and interbank deposits previously classified as short-term wholesale funding. Comparative information has been restated to conform to presentation in the current period.

# Group Operations and Business Settings (continued)

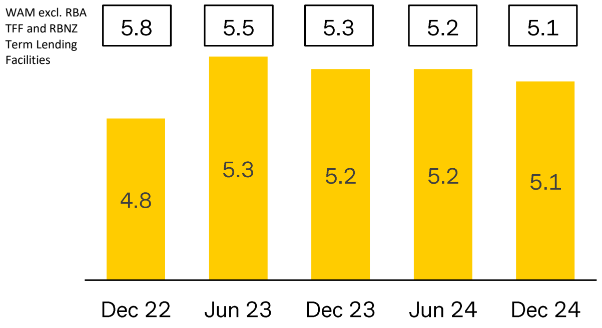
## Funding (continued)

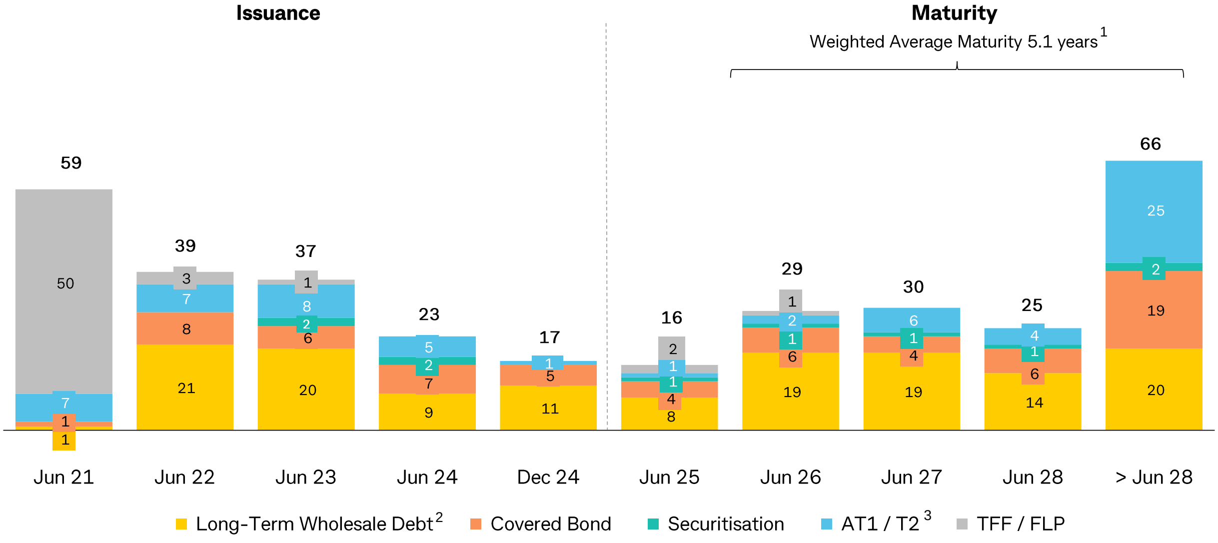
### Long-Term Wholesale Funding

Long-term wholesale funding (including IFRS MTM and derivative FX revaluations) accounted for 68% of total wholesale funding at 31 December 2024 (30 June 2024: 66%, 31 December 2023: 74%).

During the half year to 31 December 2024, the Group raised $17 billion of long-term wholesale funding across various instruments.

The Weighted Average Maturity (WAM) of outstanding long-term wholesale debt with a residual maturity greater than 12 months at 31 December 2024 was 5.1 years.


**Weighted Average Maturity of Long-Term Wholesale Debt (years)** [1]


**Long-Term Wholesale Funding Profile ($B)**

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[1] Represents the weighted average maturity of outstanding long-term wholesale debt with a residual maturity greater than 12 months at 31 December 2024 including the RBNZ Term Lending Facilities drawdowns.

[2] Includes Senior Bonds and Structured MTN.

[3] Additional Tier 1 and Tier 2 Capital.

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# Group Operations and Business Settings (continued)

## Net Stable Funding Ratio (NSFR)

| | As at | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 | Dec 24 vs | Dec 24 vs |
| **Level 2** | $M | $M | $M | Jun 24 % | Dec 23 % |
| **Required Stable Funding** | | | | | |
| Residential Mortgages | **309,625** | 298,710 | 268,853 | 4 | 15 |
| Other Loans | **396,710** | 385,946 | 376,895 | 3 | 5 |
| Liquid and Other Assets | **74,578** | 64,365 | 77,146 | 16 | (3) |
| **Total Required Stable Funding** | **780,913** | 749,021 | 722,894 | 4 | 8 |
| **Available Stable Funding** | | | | | |
| Capital | **116,227** | 113,293 | 110,945 | 3 | 5 |
| Retail and SME Deposits | **555,684** | 525,480 | 520,766 | 6 | 7 |
| Wholesale Funding and Other | **237,338** | 233,674 | 242,586 | 2 | (2) |
| **Total Available Stable Funding** | **909,249** | 872,447 | 874,297 | 4 | 4 |
| **Net Stable Funding Ratio (NSFR) (%)** | **116** | 116 | 121 | – | (500)bpts |

### Net Stable Funding Ratio (NSFR)

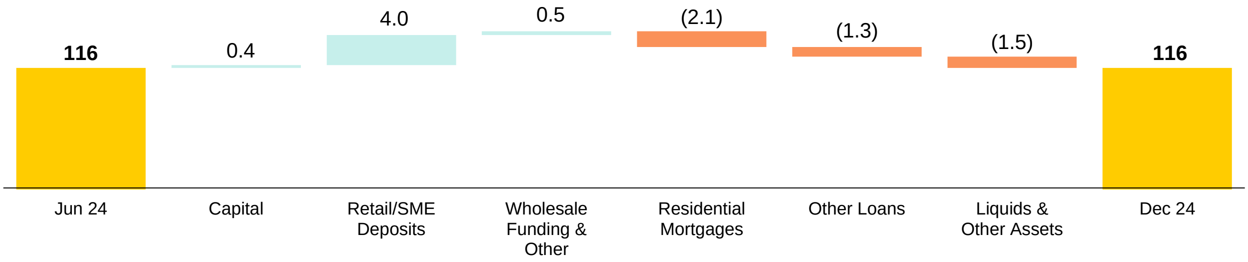
The Net Stable Funding Ratio (NSFR) requirement is designed to encourage stable funding of core assets. APRA prescribed factors are used to determine the stable funding requirement of assets and the stability of funding sources.

The Group's NSFR was 116% at 31 December 2024, flat from 116% at 30 June 2024 and a decrease of 5% from 121% at 31 December 2023. The NSFR remains well above the regulatory minimum of 100%.

The 4% increase in Required Stable Funding (RSF) over the half is primarily due to growth in residential mortgages and other loans.

The 4% increase in Available Stable Funding (ASF) over the half was mainly driven by growth in Retail and SME deposits.

NSFR Movement (%)



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# Divisional Performance

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# Contents

## 5 Divisional Performance

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# Divisional Performance

## Divisional Summary

| | Half Year Ended 31 December 2024 | | | | | |
|---|---|---|---|---|---|---|
| **Divisional Summary** | **Retail Banking Services $M** | **Business Banking $M** | **Institutional Banking and Markets $M** | **New Zealand $M** | **Corporate Centre and Other $M** | **Total $M** |
| Net interest income | 5,699 | 3,958 | 779 | 1,309 | 189 | **11,934** |
| Other operating income | 856 | 569 | 571 | 213 | (46) | **2,163** |
| **Total operating income** | **6,555** | **4,527** | **1,350** | **1,522** | **143** | **14,097** |
| Operating expenses | (2,589) | (1,445) | (566) | (632) | (1,140) | **(6,372)** |
| Loan impairment (expense)/benefit | (79) | (220) | (9) | (16) | 4 | **(320)** |
| **Net profit/(loss) before tax** | **3,887** | **2,862** | **775** | **874** | **(993)** | **7,405** |
| Corporate tax (expense)/benefit | (1,175) | (860) | (190) | (243) | 195 | **(2,273)** |
| **Net profit/(loss) after tax from continuing operations – "cash basis"** | **2,712** | **2,002** | **585** | **631** | **(798)** | **5,132** |

| | Half Year Ended 31 December 2024 vs Half Year Ended 30 June 2024 [1] | | | | | |
|---|---|---|---|---|---|---|
| | **Retail Banking Services %** | **Business Banking %** | **Institutional Banking and Markets %** | **New Zealand %** | **Corporate Centre and Other %** | **Total %** |
| Net interest income | 4 | 5 | 5 | 6 | 2 | **5** |
| Other operating income | 4 | 6 | 16 | (1) | (large) | **3** |
| **Total operating income** | **4** | **5** | **9** | **5** | **(35)** | **4** |
| Operating expenses | 5 | 6 | 4 | 6 | (8) | **3** |
| Loan impairment expense | (25) | (3) | (74) | (71) | 88 | **(17)** |
| **Net profit before tax** | **4** | **6** | **18** | **9** | **(1)** | **7** |
| Corporate tax expense | 4 | 6 | 38 | 8 | – | **8** |
| **Net profit after tax from continuing operations – "cash basis"** | **4** | **6** | **13** | **10** | **(2)** | **7** |

| | Half Year Ended 31 December 2024 vs Half Year Ended 31 December 2023 [1] | | | | | |
|---|---|---|---|---|---|---|
| | **Retail Banking Services %** | **Business Banking %** | **Institutional Banking and Markets %** | **New Zealand %** | **Corporate Centre and Other %** | **Total %** |
| Net interest income | 1 | 6 | 8 | 4 | large | **5** |
| Other operating income | 2 | 8 | (2) | (3) | (large) | **(4)** |
| **Total operating income** | **2** | **6** | **4** | **3** | **(11)** | **3** |
| Operating expenses | 6 | 8 | 6 | 6 | 5 | **6** |
| Loan impairment expense | (63) | 5 | large | 78 | (large) | **(23)** |
| **Net profit before tax** | **2** | **6** | **(3)** | **1** | **(5)** | **3** |
| Corporate tax expense | 3 | 6 | (4) | 1 | (2) | **3** |
| **Net profit after tax from continuing operations – "cash basis"** | **2** | **6** | **(3)** | **1** | **(6)** | **2** |

[1] Comparative information has been restated to conform to presentation in the current period.

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## Retail Banking Services

### OVERVIEW

Retail Banking Services provides simple, convenient, sustainable and affordable banking products and services to personal and private bank customers, helping them manage their everyday banking needs, buy a home or invest for the future. We support our customers through an extensive network of approximately 700 branches and 1,800 ATMs, leading online services and the most popular banking app, as well as customer call and messaging centres, mobile banking specialists, private bankers and support teams. Retail Banking Services also includes the financial results of retail banking activities conducted under the Bankwest and Unloan brands.

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24 $M | 30 Jun 24 $M | 31 Dec 23 $M | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
| Net interest income | **5,699** | 5,499 | 5,615 | 4 | 1 |
| Other operating income | **856** | 825 | 841 | 4 | 2 |
| Total operating income | **6,555** | 6,324 | 6,456 | 4 | 2 |
| Operating expenses | **(2,589)** | (2,471) | (2,448) | 5 | 6 |
| Loan impairment expense | **(79)** | (105) | (214) | (25) | (63) |
| Net profit before tax | **3,887** | 3,748 | 3,794 | 4 | 2 |
| Corporate tax expense | **(1,175)** | (1,132) | (1,145) | 4 | 3 |
| **Cash net profit after tax** | **2,712** | 2,616 | 2,649 | 4 | 2 |

[1] Comparative information has been restated to conform to presentation in the current period.

# Divisional Performance (continued)

## Retail Banking Services (continued)

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| **Income analysis** | **31 Dec 24 $M** | **30 Jun 24 $M** | **31 Dec 23 $M** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| **Net interest income** | | | | | |
| Home loans | **2,300** | 2,260 | 2,330 | 2 | (1) |
| Consumer finance & other [2] | **524** | 494 | 462 | 6 | 13 |
| Deposits | **2,875** | 2,745 | 2,823 | 5 | 2 |
| **Total net interest income** | **5,699** | 5,499 | 5,615 | 4 | 1 |
| **Other operating income** | | | | | |
| Home loans | **140** | 135 | 134 | 4 | 4 |
| Consumer finance [3] | **222** | 234 | 210 | (5) | 6 |
| Deposits | **281** | 271 | 273 | 4 | 3 |
| Distribution & other [4] | **213** | 185 | 224 | 15 | (5) |
| **Total other operating income** | **856** | 825 | 841 | 4 | 2 |
| **Total operating income** | **6,555** | 6,324 | 6,456 | 4 | 2 |

| | As at [1] | | | | |
|---|---|---|---|---|---|
| **Balance Sheet** | **31 Dec 24 $M** | **30 Jun 24 $M** | **31 Dec 23 $M** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| Home loans [5] | **515,328** | 497,301 | 484,637 | 4 | 6 |
| Consumer finance [3] | **12,165** | 11,949 | 12,420 | 2 | (2) |
| Other interest earning assets | **3,854** | 3,970 | 4,237 | (3) | (9) |
| Total interest earning assets | **531,347** | 513,220 | 501,294 | 4 | 6 |
| Other assets | **9,021** | 8,450 | 7,843 | 7 | 15 |
| **Total assets** | **540,368** | 521,670 | 509,137 | 4 | 6 |
| Transaction deposits [6] | **69,528** | 61,352 | 60,373 | 13 | 15 |
| Savings deposits [6] | **198,218** | 186,793 | 180,922 | 6 | 10 |
| Investment deposits & other | **90,715** | 89,377 | 87,110 | 1 | 4 |
| Total interest bearing deposits | **358,461** | 337,522 | 328,405 | 6 | 9 |
| Non-interest bearing transaction deposits | **48,298** | 46,282 | 47,589 | 4 | 1 |
| Other non-interest bearing liabilities | **7,142** | 7,190 | 6,701 | (1) | 7 |
| **Total liabilities** | **413,901** | 390,994 | 382,695 | 6 | 8 |

1 Comparative information has been restated to conform to presentation in the current period.
2 Consumer finance and other includes personal loans, credit cards, business lending and margin lending.
3 Consumer finance includes personal loans and credit cards.
4 Distribution includes income associated with the sale of foreign exchange and wealth products. Other includes merchants, business lending and CommSec brokerage.
5 Home loans are presented gross of $69,537 million of mortgage offset balances (30 June 2024: $61,671 million; 31 December 2023: $60,889 million). These balances are required to be grossed up under accounting standards but are netted down for the calculation of customer interest payments.
6 Transaction and Savings deposits includes $69,537 million of mortgage offset balances (30 June 2024: $61,671 million; 31 December 2023: $60,889 million).

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## Retail Banking Services (continued)

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| **Key Financial Metrics** | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
| **Performance indicators** | | | | | |
| Net interest margin (%) | **2.49** | 2.50 | 2.55 | (1)bpt | (6)bpts |
| Return on assets (%) | **1.0** | 1.0 | 1.0 | – | – |
| Operating expenses to total operating income (%) | **39.5** | 39.1 | 37.9 | 40 bpts | 160 bpts |
| Impairment expense annualised as a % of average GLAAs (%) | **0.03** | 0.04 | 0.09 | (1)bpt | (6)bpts |
| **Other information** | | | | | |
| Average interest earning assets ($M) [2] | **453,324** | 441,976 | 437,850 | 3 | 4 |
| Risk weighted assets ($M) | **176,633** | 175,908 | 174,104 | – | 1 |
| 90+ days home loan arrears (%) | **0.64** | 0.64 | 0.52 | – | 12 bpts |
| 90+ days consumer finance arrears (%) | **0.92** | 1.01 | 0.80 | (9)bpts | 12 bpts |
| Spot number of full-time equivalent staff (FTE) | **15,663** | 15,857 | 15,833 | (1) | (1) |

1 Comparative information has been restated to conform to presentation in the current period.

2 Average interest earning assets are presented net of mortgage offset balances, which reduce customer interest payments. Average interest earning assets are also used in the calculation of divisional net interest margin.

## Financial Performance and Business Review

### Half Year Ended December 2024 versus December 2023

Retail Banking Services cash net profit after tax for the half year ended 31 December 2024 was $2,712 million, an increase of $63 million or 2% on the prior comparative period. The result reflected a 2% increase in operating income and a 63% decrease in loan impairment expense, partly offset by a 6% increase in operating expenses.

### Net Interest Income

Net interest income was $5,699 million, an increase of $84 million or 1% on the prior comparative period. This was driven by a 4% increase in average interest earning assets, partly offset by a 6 basis point decrease in net interest margin.

Net interest margin decreased by 6 basis points on the prior comparative period, reflecting:

- Lower deposit margins mainly due to competition and unfavourable mix as customers switch to higher yielding deposits;
- Lower home lending margins principally reflecting increased competition; and
- Higher wholesale funding costs; partly offset by
- Higher earnings on equity;
- Favourable portfolio mix primarily due to the benefit of strong growth in deposits relative to assets; and
- Higher earnings on the replicating portfolio.

### Other Operating Income

Other operating income was $856 million, an increase of $15 million or 2% on the prior comparative period, reflecting increased volume driven foreign exchange, cards and lending fee income.

### Operating Expenses

Operating expenses were $2,589 million, an increase of $141 million or 6% on the prior comparative period. This was primarily driven by inflation, higher technology spend, amortisation and investment spend, as well as two additional working days, partly offset by productivity initiatives including workforce and branch optimisation, and lower losses from frauds and scams.

The number of full-time equivalent staff (FTE) decreased by 170 FTE or 1% on the prior comparative period, from 15,833 to 15,663, driven by workforce and branch optimisation.

Investment spend focused on strategic growth and productivity initiatives including product and service innovation, digital enhancements, the Yello loyalty program, Bankwest transformation and home buying process optimisation. We have also continued to invest in risk and compliance initiatives to reduce scam losses and to comply with regulations including Open Banking.

The operating expenses to operating income ratio was 39.5%, an increase of 160 basis points on the prior comparative period, driven by higher operating expenses, partly offset by higher operating income.

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## Retail Banking Services (continued)
## Financial Performance and Business Review (continued)

### Loan Impairment Expense

Loan impairment expense was $79 million, a decrease of $135 million or 63% on the prior comparative period. The result was mainly driven by lower collective provisions reflecting rising house prices.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 6 basis points on the prior comparative period to 0.03%.

Home loan 90+ days arrears increased by 12 basis points from 0.52% to 0.64%, as higher interest rates have impacted borrowers.

Consumer finance 90+ days arrears increased by 12 basis points from 0.80% to 0.92%, as customers continue to be impacted by cost of living pressures.

### Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of $30.7 billion or 6%, slightly above system growth. Proprietary mix for CBA and Unloan branded home loans decreased from 67% to 66% of new business flows;
- Consumer finance balances reduced $0.3 billion or 2%, driven by higher credit card repayments relative to spend, partly offset by growth in personal loans; and
- Total deposits growth of $30.8 billion or 8% (interest and non-interest bearing). Growth was driven by savings deposits (up 10%), transaction deposits (up 9% including non-interest bearing balances) and investment deposits (up 4%), reflecting continuing customer demand for higher yielding deposits and higher offset balances.

### Risk Weighted Assets

Risk weighted assets were $176.6 billion, an increase of $2.5 billion or 1% on the prior comparative period. This was primarily driven by mortgage lending volume growth and higher Operational risk RWAs, partly offset by lower IRRBB RWAs and reductions in home loan risk weights from rising house prices.

## Half Year Ended December 2024 versus June 2024

Cash net profit after tax increased $96 million or 4% on the prior half. The result was driven by a 4% increase in operating income and a 25% decrease in loan impairment expense, partly offset by a 5% increase in operating expenses.

### Net Interest Income

Net interest income increased $200 million or 4% on the prior half. This was driven by a 3% increase in average interest earning assets and the impact of two additional calendar days in the current half, partly offset by a 1 basis point decrease in net interest margin.

Net interest margin decreased by 1 basis point on the prior half, reflecting:

- Lower deposit margins mainly due to competition;
- Lower home lending margins principally reflecting increased competition; and
- Higher wholesale funding costs; partly offset by
- Higher earnings on the replicating portfolio;
- Higher earnings on equity; and
- Favourable portfolio mix primarily due to the benefit of strong growth in deposits relative to assets.

### Other Operating Income

Other operating income increased $31 million or 4% on the prior half, reflecting increased volume driven foreign exchange, cards and lending fee income.

### Operating Expenses

Operating expenses increased $118 million or 5% on the prior half. This was primarily driven by inflation, higher technology spend, amortisation, seasonality of leave and two additional working days, partly offset by lower customer remediation, and productivity initiatives including workforce and branch optimisation.

The number of FTE decreased by 194 FTE or 1% on the prior half, from 15,857 to 15,663, driven by workforce and branch optimisation.

The operating expenses to total operating income ratio increased by 40 basis points on the prior half, driven by higher operating expenses, partly offset by higher operating income.

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## Retail Banking Services (continued)
## Financial Performance and Business Review (continued)

### Loan Impairment Expense

Loan impairment expense decreased $26 million or 25% on the prior half. The result was mainly driven by lower collective provisions reflecting rising house prices and lower consumer finance arrears.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 1 basis point on the prior half.

Home loan 90+ days arrears remained flat at 0.64%.

Consumer finance 90+ days arrears decreased by 9 basis points from 1.01% to 0.92%, impacted by seasonal tax refunds and changes to income tax rates and thresholds.

### Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of $18.0 billion or 4%, above system growth. Proprietary mix for CBA and Unloan branded home loans increased from 65% to 66% of new business flows;
- Consumer finance balances increased $0.2 billion or 2% driven by growth in personal loans and credit cards; and
- Total deposits growth of $23.0 billion or 6% (interest and non-interest bearing). The increase was driven by savings deposits (up 6%), transaction deposits (up 9% including non-interest bearing balances) and investment deposits (up 1%), reflecting continuing customer demand for higher yielding deposits and higher offset balances.

### Risk Weighted Assets

Risk weighted assets increased $0.7 billion on the prior half. This was primarily due to mortgage lending volume growth and higher Operational risk RWAs, partly offset by lower IRRBB RWAs and reductions in home loan risk weights from rising house prices.

Retail Banking Services generated $2,622 million of organic capital [1] for the Group in the current half. This contributed 54 basis points to the Group's CET1 ratio.

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[1] Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets used to generate those profits. Amounts quoted exclude the payment of dividends.

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## Business Banking

### OVERVIEW

Business Banking serves the banking needs of business, corporate and agribusiness customers across the full range of financial services solutions. We also provide Australia's leading equities trading and margin lending services through our CommSec business. Business Banking includes the financial results of business banking activities conducted under the Bankwest brand.

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24 $M | 30 Jun 24 $M | 31 Dec 23 $M | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
| Net interest income | **3,958** | 3,759 | 3,732 | 5 | 6 |
| Other operating income | **569** | 537 | 529 | 6 | 8 |
| Total operating income | **4,527** | 4,296 | 4,261 | 5 | 6 |
| Operating expenses | **(1,445)** | (1,362) | (1,342) | 6 | 8 |
| Loan impairment expense | **(220)** | (227) | (210) | (3) | 5 |
| Net profit before tax | **2,862** | 2,707 | 2,709 | 6 | 6 |
| Corporate tax expense | **(860)** | (813) | (813) | 6 | 6 |
| **Cash net profit after tax** | **2,002** | 1,894 | 1,896 | 6 | 6 |
| | | | | | |
| **Income analysis** | | | | | |
| **Net interest income** | | | | | |
| Small Business Banking | **1,637** | 1,570 | 1,548 | 4 | 6 |
| Commercial Banking | **1,049** | 992 | 989 | 6 | 6 |
| Regional and Agribusiness | **563** | 533 | 514 | 6 | 10 |
| Major Client Group | **602** | 565 | 577 | 7 | 4 |
| CommSec | **107** | 99 | 104 | 8 | 3 |
| **Total net interest income** | **3,958** | 3,759 | 3,732 | 5 | 6 |
| **Other operating income** | | | | | |
| Small Business Banking | **213** | 203 | 203 | 5 | 5 |
| Commercial Banking | **134** | 126 | 128 | 6 | 5 |
| Regional and Agribusiness | **65** | 66 | 60 | (2) | 8 |
| Major Client Group | **105** | 100 | 103 | 5 | 2 |
| CommSec | **52** | 42 | 35 | 24 | 49 |
| **Total other operating income** | **569** | 537 | 529 | 6 | 8 |
| **Total operating income** | **4,527** | 4,296 | 4,261 | 5 | 6 |
| | | | | | |
| **Income by product** | | | | | |
| Business products | **3,310** | 3,102 | 3,047 | 7 | 9 |
| Retail products | **1,120** | 1,107 | 1,136 | 1 | (1) |
| Equities and margin lending | **97** | 87 | 78 | 11 | 24 |
| **Total operating income** | **4,527** | 4,296 | 4,261 | 5 | 6 |

[1] Comparative information has been restated to conform to presentation in the current period.

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# Divisional Performance (continued)

## Business Banking (continued)

| | As at [1] | | | | |
|---|---|---|---|---|---|
| **Balance Sheet** | **31 Dec 24 $M** | **30 Jun 24 $M** | **31 Dec 23 $M** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| Home loans [2] | **100,185** | 99,031 | 97,298 | 1 | 3 |
| Business loans [3] | **151,568** | 144,754 | 134,908 | 5 | 12 |
| Margin loans | **943** | 1,001 | 1,066 | (6) | (12) |
| Consumer finance | **1,516** | 1,569 | 1,738 | (3) | (13) |
| Total lending interest earning assets | **254,212** | 246,355 | 235,010 | 3 | 8 |
| Non-lending interest earning assets | **114** | 73 | 75 | 56 | 52 |
| Other assets | **1,065** | 1,248 | 1,153 | (15) | (8) |
| **Total assets** | **255,391** | 247,676 | 236,238 | 3 | 8 |
| Transaction deposits [3] [4] | **40,896** | 38,221 | 36,645 | 7 | 12 |
| Savings deposits [4] | **73,018** | 71,732 | 72,099 | 2 | 1 |
| Investment deposits and other | **52,295** | 52,222 | 53,897 | – | (3) |
| Total interest bearing deposits | **166,209** | 162,175 | 162,641 | 2 | 2 |
| Non-interest bearing transaction deposits | **52,195** | 53,968 | 53,169 | (3) | (2) |
| Other non-interest bearing liabilities | **2,430** | 2,644 | 2,525 | (8) | (4) |
| **Total liabilities** | **220,834** | 218,787 | 218,335 | 1 | 1 |

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| **Key Financial Metrics** | **31 Dec 24** | **30 Jun 24** | **31 Dec 23** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| **Performance indicators** | | | | | |
| Net interest margin (%) | **3.36** | 3.37 | 3.41 | (1)bpt | (5)bpts |
| Return on assets (%) | **1.6** | 1.5 | 1.6 | 10 bpts | – |
| Operating expenses to total operating income (%) | **31.9** | 31.7 | 31.5 | 20 bpts | 40 bpts |
| Impairment expense annualised as a % of average GLAAs (%) | **0.17** | 0.19 | 0.18 | (2)bpts | (1)bpt |
| **Other information** | | | | | |
| Average interest earning assets ($M) [5] | **233,614** | 224,126 | 217,993 | 4 | 7 |
| Risk weighted assets ($M) | **147,041** | 143,541 | 138,776 | 2 | 6 |
| Troublesome and non-performing exposures ($M) [6] | **5,136** | 5,274 | 4,137 | (3) | 24 |
| Troublesome and non-performing exposures as a % of TCE (%) [6] | **2.69** | 2.91 | 2.39 | (22)bpts | 30 bpts |
| Spot number of full-time equivalent staff (FTE) | **6,030** | 5,948 | 5,711 | 1 | 6 |

[1] Comparative information has been restated to conform to presentation in the current period.

[2] Home loans are presented gross of $15,638 million of mortgage offset balances (30 June 2024: $12,858 million; 31 December 2023: $14,221 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments.

[3] Business loans include $515 million of Cash Management Pooled Facilities (CMPF) (30 June 2024: $331 million; 31 December 2023: $339 million). Transaction deposits include $2,395 million of CMPF liabilities (30 June 2024: $2,077 million; 31 December 2023: $2,379 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments and risk weighted assets.

[4] Transaction and Savings deposits include $15,638 million of mortgage offset balances (30 June 2024: $12,858 million; 31 December 2023: $14,221 million).

[5] Average interest earning assets are presented net of mortgage offset balances, which reduce customer interest payments. Average interest earning assets are also used in the calculation of divisional net interest margin.

[6] Commercial troublesome and non-performing exposures only.

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## Business Banking (continued)

## Financial Performance and Business Review

### Half Year Ended December 2024 versus December 2023

Business Banking cash net profit after tax for the half year ended 31 December 2024 was $2,002 million, an increase of $106 million or 6% on the prior comparative period. The result was driven by a 6% increase in total operating income, partly offset by an 8% increase in operating expenses and a 5% increase in loan impairment expense.

### Net Interest Income

Net interest income was $3,958 million, an increase of $226 million or 6% on the prior comparative period. This was driven by a 7% increase in average interest earning assets, partly offset by a 5 basis point decrease in net interest margin.

Net interest margin decreased 5 basis points on the prior comparative period, reflecting:

- Unfavourable portfolio mix due to strong growth in assets relative to deposits; and
- Lower business and home lending margins principally due to increased competition and higher funding costs; partly offset by
- Higher earnings on the replicating portfolio;
- Higher earnings on equity; and
- Higher deposit margins due to favourable deposit mix.

### Other Operating Income

Other operating income was $569 million, an increase of $40 million or 8% on the prior comparative period, reflecting:

- Higher equities income due to growth in trading volumes in the Australian and International portfolios; and
- Increased fee income from higher volumes of business loans and interest rate hedges.

### Operating Expenses

Operating expenses were $1,445 million, an increase of $103 million or 8% on the prior comparative period. This was primarily driven by higher technology spend, inflation, additional customer facing staff and investment in product offerings.

The number of full-time equivalent staff (FTE) increased by 319 or 6% on the prior comparative period, from 5,711 to 6,030 due to investment in customer facing staff and product offerings.

Investment spend was focused on enhancing the customer experience through reimagining products and services and improving processes through digitisation and leveraging AI technology. We also continue to progress modernising our technology estate along with compliance and risk initiatives.

The operating expenses to total operating income ratio was 31.9%, an increase of 40 basis points on the prior comparative period, mainly driven by higher operating expenses, partly offset by higher operating income.

### Loan Impairment Expense

Loan impairment expense was $220 million, an increase of $10 million or 5% on the prior comparative period. This was primarily driven by an increase in collective provisions. Commercial provision coverage ratio remains above pre-COVID levels reflecting the impact of higher interest rates and ongoing inflationary pressures.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 1 basis point to 0.17%.

Troublesome and non-performing exposures as a percentage of total committed exposure increased 30 basis points to 2.69% influenced by sectors impacted by weakened consumer demand and ongoing cost pressures.

### Balance Sheet

Key spot balance sheet movements included:

- Business loans growth of $16.7 billion or 12%, above system growth, reflecting growth across a number of diversified industries;
- Home loans growth of $2.9 billion or 3%, below system growth; and
- Total deposits growth (interest and non-interest bearing) of $2.6 billion or 1%. Growth was driven by higher Transaction deposits (up 4% including non-interest bearing balances) and Savings deposits (up 1%), partly offset by a decrease in Investment deposits (down 3%).

### Risk Weighted Assets

Risk weighted assets were $147.0 billion, an increase of $8.3 billion or 6% on the prior comparative period. This was primarily driven by lending volume growth.

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## Business Banking (continued)
## Financial Performance and Business Review (continued)

### Half Year Ended December 2024 versus June 2024

Cash net profit after tax increased $108 million or 6% on the prior half. The result was driven by a 5% increase in total operating income and a 3% decrease in loan impairment expense, partly offset by a 6% increase in operating expenses.

### Net Interest Income

Net interest income increased $199 million or 5% on the prior half. This was driven by a 4% increase in average interest earning assets and two additional days in the current half, partly offset by a 1 basis point decrease in net interest margin.

Net interest margin decreased 1 basis point, reflecting:

- Unfavourable portfolio mix due to growth in assets relative to deposits; and
- Lower business and home lending margins principally due to increased competition and higher funding costs; partly offset by
- Higher earnings on the replicating portfolio;
- Higher earnings on equity; and
- Higher deposit margins due to favourable deposit mix.

### Other Operating Income

Other operating income increased $32 million or 6% on the prior half, driven by:

- Increased fee income from higher volumes of FX payments and interest rate hedges; and
- Higher equities income due to higher volumes in the Australian and International portfolios as well as 6 additional trading days.

### Operating Expenses

Operating expenses increased $83 million or 6% on the prior half. This was primarily driven by higher technology spend and inflation.

The number of FTE increased by 82 or 1% on the prior half, from 5,948 to 6,030.

The operating expenses to total banking income ratio increased 20 basis points on the prior half, mainly driven by higher operating expenses, partly offset by higher operating income.

### Loan Impairment Expense

Loan impairment expense decreased $7 million or 3% on the prior half. This was driven by lower specific provision charges, partly offset by higher collective provisions. Commercial provision coverage ratio remains above pre-COVID levels reflecting the impact of higher interest rates and ongoing inflationary pressures.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 2 basis points to 0.17%.

Troublesome and non-performing exposures as a percentage of total committed exposure decreased 22 basis points to 2.69% driven by portfolio growth, and the repatriation and exposure reduction of a small number of larger Commercial Property exposures.

### Balance Sheet

Key spot balance sheet movements included:

- Business loans growth of $6.8 billion or 5%, above system growth, reflecting growth across a number of diversified industries;
- Home loans growth of $1.2 billion or 1%, below system growth; and
- Total deposits growth (interest and non-interest bearing) of $2.3 billion or 1%. Growth was driven by higher Savings deposits (up 2%), Transaction deposits (up 1% including non-interest bearing balances) and Investment deposits (flat).

### Risk Weighted Assets

Risk weighted assets increased $3.5 billion or 2% on the prior comparative period. This was primarily driven by lending volume growth.

Business Banking generated $1,578 million of organic capital [1] for the Group in the current half. This contributed 33 basis points to the Group's CET1 ratio.

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[1] Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (excluding impact of FX movements on Credit RWAs as they are capital neutral with offsetting impact in Foreign Currency Translation Reserves) used to generate those profits. Amounts quoted exclude the payment of dividends.

# Divisional Performance (continued)

## Institutional Banking and Markets

### OVERVIEW

Institutional Banking and Markets (IB&M) provides a full range of domestic and global financing and banking services to large corporate, institutional and government clients. These services include debt capital markets, risk management, transaction banking, sustainable finance, structured capital solutions and working capital delivered through dedicated product and industry specialists, as well as tailored research and data analytics to help our clients.

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| | 31 Dec 24 $M | 30 Jun 24 $M | 31 Dec 23 $M | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
| Net interest income | **779** | 739 | 719 | 5 | 8 |
| Other operating income | **571** | 494 | 580 | 16 | (2) |
| Total operating income | **1,350** | 1,233 | 1,299 | 9 | 4 |
| Operating expenses | **(566)** | (542) | (533) | 4 | 6 |
| Loan impairment (expense)/benefit | **(9)** | (34) | 37 | (74) | large |
| Net profit before tax | **775** | 657 | 803 | 18 | (3) |
| Corporate tax expense | **(190)** | (138) | (198) | 38 | (4) |
| **Cash net profit after tax** | **585** | 519 | 605 | 13 | (3) |
| | | | | | |
| **Income analysis** | | | | | |
| **Net interest income** | | | | | |
| Institutional Banking | **818** | 752 | 740 | 9 | 11 |
| Markets | **(39)** | (13) | (21) | (large) | (86) |
| **Total net interest income** | **779** | 739 | 719 | 5 | 8 |
| **Other operating income** | | | | | |
| Institutional Banking | **248** | 224 | 246 | 11 | 1 |
| Markets | **323** | 270 | 334 | 20 | (3) |
| **Total other operating income** | **571** | 494 | 580 | 16 | (2) |
| **Total operating income** | **1,350** | 1,233 | 1,299 | 9 | 4 |
| | | | | | |
| **Income by product** | | | | | |
| Institutional products | **957** | 896 | 914 | 7 | 5 |
| Asset leasing | **109** | 80 | 72 | 36 | 51 |
| Markets (excluding derivative valuation adjustments) | **298** | 257 | 321 | 16 | (7) |
| **Total operating income excluding derivative valuation adjustments** | **1,364** | 1,233 | 1,307 | 11 | 4 |
| Derivative valuation adjustments [2] | **(14)** | – | (8) | n/a | (75) |
| **Total operating income** | **1,350** | 1,233 | 1,299 | 9 | 4 |

[1] Comparative information has been restated to conform to presentation in the current period.

[2] Derivative valuation adjustments include both net interest income and other operating income adjustments.

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## Institutional Banking and Markets (continued)

| | As at [1] | | | | |
|---|---|---|---|---|---|
| **Balance Sheet** | **31 Dec 24 $M** | **30 Jun 24 $M** | **31 Dec 23 $M** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| Interest earning lending assets [2] | **87,443** | 88,267 | 90,046 | (1) | (3) |
| Non-lending interest earning assets | **82,186** | 78,040 | 81,090 | 5 | 1 |
| Other assets [3] | **38,679** | 22,301 | 31,738 | 73 | 22 |
| **Total assets** | **208,308** | 188,608 | 202,874 | 10 | 3 |
| Transaction deposits [2] | **75,976** | 86,158 | 81,388 | (12) | (7) |
| Savings deposits | **10,529** | 11,220 | 8,926 | (6) | 18 |
| Investment deposits and other | **62,001** | 56,449 | 63,111 | 10 | (2) |
| Total interest bearing deposits | **148,506** | 153,827 | 153,425 | (3) | (3) |
| Due to other financial institutions | **16,969** | 18,344 | 16,265 | (7) | 4 |
| Other interest bearing liabilities [4] | **60,441** | 60,337 | 53,494 | – | 13 |
| Non-interest bearing liabilities [3] | **29,363** | 17,936 | 25,280 | 64 | 16 |
| **Total liabilities** | **255,279** | 250,444 | 248,464 | 2 | 3 |

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| **Key Financial Metrics** | **31 Dec 24** | **30 Jun 24** | **31 Dec 23** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| **Performance indicators** | | | | | |
| Net interest margin (%) | **0.93** | 0.87 | 0.84 | 6 bpts | 9 bpts |
| Net interest margin excl. markets (%) | **1.96** | 1.71 | 1.57 | 25 bpts | 39 bpts |
| Return on assets (%) | **0.6** | 0.6 | 0.6 | – | – |
| Operating expenses to total operating income (%) | **41.9** | 44.0 | 41.0 | (210)bpts | 90 bpts |
| Impairment expense annualised as a % of average GLAAs (%) | **0.02** | 0.08 | (0.08) | (6)bpts | 10 bpts |
| **Other information** | | | | | |
| Average interest earning assets ($M) | **166,027** | 171,748 | 170,901 | (3) | (3) |
| Average interest earning assets excl. markets ($M) | **82,811** | 88,387 | 93,746 | (6) | (12) |
| Risk weighted assets ($M) | **80,279** | 72,901 | 73,977 | 10 | 9 |
| Troublesome and non-performing exposures ($M) | **287** | 374 | 219 | (23) | 31 |
| Total committed exposures rated investment grade (%) | **90.5** | 90.6 | 90.7 | (10)bpts | (20)bpts |
| Spot number of full-time equivalent staff (FTE) | **1,587** | 1,549 | 1,536 | 2 | 3 |

[1] Comparative information has been restated to conform to presentation in the current period.

[2] Interest earning lending assets include $2,000 million of Cash Management Pooled Facilities (CMPF) (30 June 2024: $11,683 million; 31 December 2023: $13,218 million). Transaction deposits include $16,667 million of CMPF liabilities (30 June 2024: $28,643 million; 31 December 2023: $24,379 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments and risk weighted assets. The significant reduction in CMPF balances is primarily driven by the migration of institutional pooled lending and deposit facilities reported on a gross basis, to a Group Limit Facility product which requires reporting on a net basis.

[3] Other assets include intangible assets and derivative assets. Non-interest bearing liabilities include derivative liabilities.

[4] Other interest bearing liabilities include sale and repurchase agreements and liabilities at fair value.

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## Institutional Banking and Markets (continued)

## Financial Performance and Business Review

### Half Year Ended December 2024 versus December 2023

Institutional Banking and Markets cash net profit after tax for the half year ended 31 December 2024 was $585 million, a decrease of $20 million or 3% on the prior comparative period. The result was driven by a 6% increase in operating expenses and a $46 million increase in loan impairment expense, partly offset by a 4% increase in total operating income.

### Net Interest Income

Net interest income was $779 million, an increase of $60 million or 8% on the prior comparative period. Excluding the Markets business, net interest income was $818 million, an increase of $78 million or 11% on the prior comparative period.

Excluding the Markets business and the impact of pooled lending and deposit facilities which have a broadly neutral impact on net interest income, underlying net interest margin increased 16 basis points, reflecting:

- Higher deposit and equity earnings reflecting the higher interest rate environment; and
- Favourable assets mix driven by growth in the institutional lending portfolio; partly offset by
- Lower structured lending and institutional lending margins due to higher funding costs.

### Other Operating Income

Other operating income was $571 million, a decrease of $9 million or 2% on the prior comparative period, reflecting:

- Lower trading income across Commodities and Fixed Income; partly offset by increased sales volumes in Fixed Income and Foreign Exchange, and higher trading income in Rates;
- Increased merchant scheme costs; and
- Unfavourable derivative valuation adjustments; partly offset by
- Higher lending fees and commissions from increased syndication and trade finance activity; and
- Higher Structured Asset Finance revenue mainly from the aircraft lease portfolio.

### Operating Expenses

Operating expenses were $566 million, an increase of $33 million or 6% on the prior comparative period. This was mainly driven by inflation and higher technology, amortisation and volume driven operations costs.

The number of full-time equivalent staff (FTE) increased by 51 or 3% on the prior comparative period, from 1,536 to 1,587 FTE, primarily driven by higher frontline and operational resources, partly offset by workforce optimisation initiatives.

Investment spend focused on productivity and growth, as well as continuing to strengthen the operational risk, compliance and regulatory framework.

The operating expenses to total operating income ratio was 41.9%, an increase of 90 basis points on the prior comparative period, driven by higher operating expenses, partly offset by higher operating income.

### Loan Impairment Expense

Loan impairment expense increased $46 million on the prior comparative period to $9 million. This was primarily driven by higher collective provisions due to forward looking adjustments and non-recurrence of provision releases.

Loan impairment expense as a percentage of average gross loans and acceptances increased 10 basis points on the prior comparative period to 0.02%.

### Balance Sheet

Key spot balance sheet movements included:

- Lending balance decrease of $2.6 billion or 3%, primarily driven by a decrease in pooled facilities [1] from government sector clients. Excluding pooled facilities, increase of $8.6 billion or 11% driven by growth across the institutional lending and asset backed lending portfolios;
- Non-lending interest earning assets increase of $1.1 billion or 1%, driven by higher trading assets mainly in the Fixed Income portfolio, partly offset by lower reverse sale and repurchase agreement balances in Markets;
- Other assets and non-interest bearing liabilities increase of $6.9 billion or 22% and $4.1 billion or 16% respectively, mainly driven by the revaluation of derivative assets and derivative liabilities due to foreign currency and interest rate movements. Derivative assets and derivative liabilities are required to be grossed up under accounting standards;
- Total interest bearing deposits decrease of $4.9 billion or 3%, mainly driven by pooled facilities [1]. Excluding pooled facilities, increase of $2.8 billion or 2% driven by growth in Transaction and Saving deposits; and
- Other interest bearing liabilities increase of $6.9 billion or 13%, mainly driven by an increase in sale and repurchase agreements in Markets.

### Risk Weighted Assets

Risk weighted assets were $80.3 billion, an increase of $6.3 billion or 9% on the prior comparative period primarily driven by an increase in credit risk weighted assets due to lending volume growth and derivatives.

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[1] Interest earning lending assets include $2,000 million of Cash Management Pooled Facilities (CMPF) (31 December 2023: $13,218 million). Transaction deposits include $16,667 million of CMPF liabilities (31 December 2023: $24,379 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments and risk weighted assets.

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## Institutional Banking and Markets (continued)
## Financial Performance and Business Review (continued)

### Half Year Ended December 2024 versus June 2024

Cash net profit after tax increased $66 million or 13% on the prior half. The result was driven by a 9% increase in total operating income (11% increase excluding derivative valuation adjustments), a 4% increase in operating expenses, and a $25 million decrease in loan impairment expense.

### Net Interest Income

Net interest income increased $40 million or 5% on the prior half. Excluding the Markets business, net interest income increased $66 million or 9% on the prior half.

Excluding the Markets business and the impact of pooled lending and deposit facilities which have a broadly neutral impact on net interest income, underlying net interest margin increased 9 basis points, reflecting:

- Higher deposit and equity earnings; partly offset by
- Lower structured lending and institutional lending margins due to higher funding costs.

### Other Operating Income

Other operating income increased $77 million or 16% on the prior half, reflecting:

- Higher sales volumes in Fixed Income and Foreign Exchange, and higher trading income across Commodities (offset by increased funding costs in net interest income) and Fixed Income, partly offset by lower trading revenue in Rates;
- Higher lending fees and commissions from increased syndication and trade finance activity; and
- Higher Structured Asset Finance revenue mainly from lower depreciation of the aircraft lease portfolio; partly offset by
- Unfavourable derivative valuation adjustments.

### Operating Expenses

Operating expenses increased $24 million or 4% on the prior half. This was mainly driven by inflation and higher technology, and amortisation costs.

The number of FTE increased by 38 or 2% on the prior half, from 1,549 to 1,587 FTE, primarily driven by higher frontline and operational resources, and timing of interns, partly offset by workforce optimisation initiatives.

The operating expenses to total operating income ratio decreased 210 basis points on the prior half, driven by higher operating income.

### Loan Impairment Expense

Loan impairment expense decreased $25 million or 74% on the prior half. This was driven by lower collective provision charges, partly offset by the non-recurrence of recoveries in the prior half.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 6 basis point on the prior half.

### Balance Sheet

Key spot balance sheet movements included:

- Lending balance decrease of $0.8 billion or 1%, primarily driven by a decrease in pooled facilities [1] from government sector clients. Excluding pooled facilities, increase of $8.9 billion or 12% driven by growth across the institutional lending and securitisation portfolios;
- Non-lending interest earning assets increase of $4.1 billion or 5%, driven by higher trading assets mainly in the Fixed Income portfolio, partly offset by lower reverse sale and repurchase agreement balances in Markets;
- Other assets and non-interest bearing liabilities increase of $16.4 billion or 73% and $11.4 billion or 64% respectively, mainly driven by the revaluation of derivative assets and derivative liabilities due to foreign currency and interest rate movements, partly offset by timing of unsettled trades. Other assets growth was also driven by an increase in commodities inventory; and
- Total interest bearing deposits decrease of $5.3 billion or 3%, mainly driven by pooled facilities [1]. Excluding pooled facilities, increase of $6.7 billion or 5% driven by growth in Investment and Transaction deposits.

### Risk Weighted Assets

Risk weighted assets increased $7.4 billion or 10% on the prior half, primarily driven by an increase in credit risk weighted assets due to lending volume growth and derivatives.

Institutional Banking and Markets consumed $214 million of organic capital [2] for the Group in the current half. This impacted the Group's CET1 ratio by 6 basis points.

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[1] Interest earning lending assets include $2,000 million of Cash Management Pooled Facilities (CMPF) (30 June 2024: $11,683 million). Transaction deposits include $16,667 million of CMPF liabilities (30 June 2024: $28,643 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments and risk weighted assets.

[2] Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (excluding impact of FX movements on Credit RWAs as they are capital neutral with offsetting impact in Foreign Currency Translation Reserves) used to generate those profits. Amounts quoted exclude the payment of dividends.

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## New Zealand

### OVERVIEW

New Zealand primarily includes the banking and funds management businesses operating under the ASB brand. ASB provides a range of banking, wealth and insurance products and services to its personal, business and rural customers in New Zealand.

ASB serves the financial needs of its customers across multiple channels including an extensive network of branches, ATMs, contact centres, digital platforms and relationship managers.

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| **New Zealand (A$M)** | 31 Dec 24 A$M | 30 Jun 24 A$M | 31 Dec 23 A$M | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
| Net interest income | **1,309** | 1,238 | 1,253 | 6 | 4 |
| Other operating income | **213** | 215 | 219 | (1) | (3) |
| Total operating income | **1,522** | 1,453 | 1,472 | 5 | 3 |
| Operating expenses | **(632)** | (599) | (598) | 6 | 6 |
| Loan impairment expense | **(16)** | (55) | (9) | (71) | 78 |
| Net profit before tax | **874** | 799 | 865 | 9 | 1 |
| Corporate tax expense | **(243)** | (226) | (240) | 8 | 1 |
| **Cash net profit after tax** | **631** | 573 | 625 | 10 | 1 |

[1] Comparative information has been restated to conform to presentation in the current period.

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## New Zealand (continued)

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| **New Zealand (NZ$M)** | **31 Dec 24 NZ$M** | **30 Jun 24 NZ$M** | **31 Dec 23 NZ$M** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| Net interest income | **1,434** | 1,343 | 1,353 | 7 | 6 |
| Other operating income | **233** | 233 | 237 | – | (2) |
| Total operating income | **1,667** | 1,576 | 1,590 | 6 | 5 |
| Operating expenses | **(695)** | (648) | (645) | 7 | 8 |
| Loan impairment expense | **(17)** | (60) | (10) | (72) | 70 |
| Net profit before tax | **955** | 868 | 935 | 10 | 2 |
| Corporate tax expense | **(267)** | (244) | (261) | 9 | 2 |
| **Cash net profit after tax** | **688** | 624 | 674 | 10 | 2 |
| **Represented by:** | | | | | |
| ASB | **716** | 659 | 709 | 9 | 1 |
| Other [2] | **(28)** | (35) | (35) | (20) | (20) |
| **Cash net profit after tax** | **688** | 624 | 674 | 10 | 2 |

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| **Key Financial Metrics [3]** | **31 Dec 24** | **30 Jun 24** | **31 Dec 23** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| **Performance indicator** | | | | | |
| Operating expenses to total operating income (%) | **41.7** | 41.1 | 40.6 | 60 bpts | 110 bpts |

1 Comparative information has been restated to conform to presentation in the current period.

2 Other includes CBA cost allocations including capital charges and funding costs in relation to group funding and hedging structures and elimination entries between New Zealand segment entities.

3 Key financial metrics are calculated in New Zealand dollar terms.

## Financial Performance and Business Review

### Half Year Ended December 2024 versus December 2023

New Zealand cash net profit after tax [1] for the half year ended 31 December 2024 was NZD688 million, an increase of NZD14 million or 2% on the prior comparative period. The result was driven by a 5% increase in total operating income, partly offset by an 8% increase in operating expenses, and a NZD7 million increase in loan impairment expense.

### Half Year Ended December 2024 versus June 2024

New Zealand cash net profit after tax [1] increased NZD64 million or 10% on the prior half. The result was driven by a 6% increase in total operating income and a NZD43 million decrease in loan impairment expense, partly offset by a 7% increase in operating expenses.

New Zealand generated AUD743 million of organic capital [2] for the Group in the current half. This contributed 15 basis points to the Group's CET1 ratio.

[1] The CBA Branch results relating to the Institutional Banking and Markets business in New Zealand are included in the Institutional Banking and Markets divisional results.

[2] Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (excluding impact of FX movements on Credit RWAs as they are capital neutral with offsetting impact in Foreign Currency Translation Reserves) used to generate those profits. Amounts quoted exclude the payment of dividends.

# Divisional Performance (continued)

## New Zealand (continued)

| ASB (NZ$M) | Half Year Ended [1]<br>31 Dec 24<br>NZ$M | <br>30 Jun 24<br>NZ$M | <br>31 Dec 23<br>NZ$M | <br>Dec 24 vs<br>Jun 24 % | <br>Dec 24 vs<br>Dec 23 % |
|---|---|---|---|---|---|
| Net interest income | **1,474** | 1,393 | 1,403 | 6 | 5 |
| Other operating income | **233** | 233 | 237 | – | (2) |
| Total operating income | **1,707** | 1,626 | 1,640 | 5 | 4 |
| Operating expenses | **(695)** | (648) | (645) | 7 | 8 |
| Loan impairment expense | **(17)** | (60) | (10) | (72) | 70 |
| Net profit before tax | **995** | 918 | 985 | 8 | 1 |
| Corporate tax expense | **(279)** | (259) | (276) | 8 | 1 |
| **Cash net profit after tax** | **716** | 659 | 709 | 9 | 1 |

| Balance Sheet (NZ$M) | As at<br>31 Dec 24<br>NZ$M | <br>30 Jun 24<br>NZ$M | <br>31 Dec 23<br>NZ$M | <br>Dec 24 vs<br>Jun 24 % | <br>Dec 24 vs<br>Dec 23 % |
|---|---|---|---|---|---|
| Home loans | **76,950** | 74,616 | 73,621 | 3 | 5 |
| Business and rural lending | **33,603** | 33,351 | 32,902 | 1 | 2 |
| Other interest earning assets | **1,636** | 1,640 | 1,682 | – | (3) |
| Total lending interest earning assets | **112,189** | 109,607 | 108,205 | 2 | 4 |
| Non-lending interest earning assets | **16,932** | 15,780 | 16,637 | 7 | 2 |
| Other assets | **2,775** | 1,681 | 1,570 | 65 | 77 |
| **Total assets** | **131,896** | 127,068 | 126,412 | 4 | 4 |
| Interest bearing customer deposits | **74,453** | 73,023 | 71,185 | 2 | 5 |
| Debt issues | **20,126** | 18,522 | 19,010 | 9 | 6 |
| Other deposits [2] | **7,028** | 7,511 | 7,551 | (6) | (7) |
| Other interest bearing liabilities | **3,499** | 2,419 | 2,826 | 45 | 24 |
| Total interest bearing liabilities | **105,106** | 101,475 | 100,572 | 4 | 5 |
| Non-interest bearing customer deposits | **10,500** | 9,630 | 10,397 | 9 | 1 |
| Other non-interest bearing liabilities | **2,027** | 2,630 | 2,483 | (23) | (18) |
| **Total liabilities** | **117,633** | 113,735 | 113,452 | 3 | 4 |

[1] Comparative information has been restated to conform to presentation in the current period.

[2] Other deposits include certificates of deposit, repurchase agreements and funding from RBNZ Funding for Lending Programme and Term Lending Facility.

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## New Zealand (continued)

| ASB Key Financial Metrics [2] | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 | Dec 24 vs Jun 24 % | Dec 24 vs Dec 23 % |
|---|---|---|---|---|---|
| | Half Year Ended [1] | | | | |
| **Performance indicators** | | | | | |
| Net interest margin (%) | **2.30** | 2.24 | 2.21 | 6 bpts | 9 bpts |
| Return on assets (%) | **1.1** | 1.0 | 1.1 | 10 bpts | – |
| Operating expenses to total operating income (%) | **40.7** | 39.9 | 39.3 | 80 bpts | 140 bpts |
| Impairment expense annualised as a % of average GLAAs (%) | **0.03** | 0.11 | 0.02 | (8)bpts | 1 bpt |
| **Other information** | | | | | |
| Average interest earning assets (NZ$M) | **127,398** | 124,873 | 126,081 | 2 | 1 |
| Risk weighted assets (NZ$M) [3] | **73,761** | 71,415 | 70,673 | 3 | 4 |
| Risk weighted assets (A$M) [4] | **58,305** | 59,702 | 59,926 | (2) | (3) |
| AUM - average (NZ$M) [5] | **22,234** | 20,733 | 20,150 | 7 | 10 |
| AUM - spot (NZ$M) | **22,995** | 21,176 | 20,189 | 9 | 14 |
| 90+ days home loan arrears (%) | **0.69** | 0.61 | 0.41 | 8 bpts | 28 bpts |
| 90+ days consumer finance arrears (%) | **1.18** | 1.41 | 0.83 | (23)bpts | 35 bpts |
| Spot number of full-time equivalent staff (FTE) | **6,272** | 5,983 | 5,929 | 5 | 6 |

[1] Comparative information has been restated to conform to presentation in the current period.
[2] Key financial metrics are calculated in New Zealand dollar terms unless otherwise stated.
[3] Risk weighted assets calculated in accordance with RBNZ requirements.
[4] Risk weighted assets (A$M) calculated in accordance with APRA requirements.
[5] On 11 February 2022, ASB sold the management rights of ASB Superannuation Master Trust ("SMT") to Smartshares Limited. The sale included a transition period where ASB continued to provide investment management and administration services until the transition was completed on 28 August 2023. The AUM balances related to SMT were included in the ASB AUM balance up until the transition date.

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# Divisional Performance (continued)

## New Zealand (continued)

## Financial Performance and Business Review

### Half Year Ended December 2024 versus December 2023

ASB cash net profit after tax for the half year ended 31 December 2024 was NZD716 million, an increase of NZD7 million or 1% on the prior comparative period. The result was driven by a 4% increase in total operating income, partly offset by an 8% increase in operating expenses and a NZD7 million increase in loan impairment expense.

#### Net Interest Income

Net interest income was NZD1,474 million, an increase of NZD71 million or 5% on the prior comparative period. This was driven by a 9 basis point increase in net interest margin and a 1% increase in average interest earning assets.

Net interest margin increased 9 basis points, reflecting:

- Higher earnings on equity;
- Higher Treasury earnings; and
- Higher home lending margins, offset by lower deposit margins.

#### Other Operating Income

Other operating income was NZD233 million, a decrease of NZD4 million or 2% on the prior comparative period, reflecting:

- Lower cards income from the removal of debit card fees and higher scheme fee costs; and
- Higher fair value losses on liquid assets; partly offset by
- Higher funds management income reflecting favourable market performance.

#### Operating Expenses

Operating expenses were NZD695 million, an increase of NZD50 million or 8% on the prior comparative period. The increase was primarily driven by higher staff costs due to wage inflation, increased FTE and two additional working days, and higher technology costs from increased investment, partly offset by productivity initiatives.

The number of FTE increased by 343 or 6% on the prior comparative period from 5,929 to 6,272 primarily to manage financial and cyber crime risk, mitigate the impact of fraud and scams, and support investment in technology.

Investment spend continues to focus on regulatory compliance, simplification and enhancing technology platforms.

The operating expenses to total operating income ratio for ASB was 40.7%, an increase of 140 basis points on the prior comparative period driven by higher operating expenses, partly offset by higher operating income.

#### Loan Impairment Expense

Loan impairment expense was NZD17 million, an increase of NZD7 million on the prior comparative period. This was mainly driven by higher consumer finance write-offs and higher home lending collective provisions reflecting interest rate and cost of living pressures and house price volatility, partly offset by stable quality in the business portfolio.

Home loan 90+ days arrears increased 28 basis points to 0.69% and consumer finance 90+ days arrears increased 35 basis points to 1.18%, reflecting interest rate and cost of living pressures.

#### Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of NZD3.3 billion or 5%, above system growth;
- Business and rural lending growth of NZD0.7 billion or 2%, above system growth; and
- Total customer deposit growth of NZD3.4 billion or 4% (interest bearing and non-interest bearing), in line with system growth [1], with continued customer demand for higher yielding term deposits.

#### Risk Weighted Assets [2]

Risk weighted assets were NZD73.8 billion, an increase of NZD3.1 billion or 4% on the prior comparative period driven by an increase in credit risk weighted assets from increased lending volumes.

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1 RBNZ system data includes institutional deposits which are excluded from the ASB division Balance Sheet.

2 Risk weighted assets reflect the New Zealand dollar amount calculated in accordance with RBNZ requirements.

## New Zealand (continued)
## Financial Performance and Business Review (continued)

### Half Year Ended December 2024 versus June 2024

ASB cash net profit after tax increased NZD57 million or 9% on the prior half. The result was driven by a 5% increase in total operating income and a NZD43 million decrease in loan impairment expense, partly offset by a 7% increase in operating expenses.

### Net Interest Income

Net interest income increased NZD81 million or 6% on the prior half. This result was driven by a 6 basis point increase in net interest margin, the impact from two additional calendar days in the current half and a 2% increase in average interest earning assets.

Net interest margin increased 6 basis points, reflecting:

- Higher Treasury earnings;
- Higher earnings on equity; and
- Higher home lending margins, offset by lower deposit margins.

### Other Operating Income

Other operating income remained flat on the prior half, reflecting:

- Lower cards income driven by higher scheme fee costs; offset by
- Higher funds management income reflecting favourable market performance.

### Operating Expenses

Operating expenses increased NZD47 million or 7% on the prior half. The increase was primarily driven by higher staff costs due to wage inflation, increased FTE and two additional working days, and higher technology costs from increased investment.

The number of FTE increased by 289 or 5% on the prior half from 5,983 to 6,272 primarily to manage financial and cyber crime risk, mitigate the impact of fraud and scams, and support investment in technology.

The operating expenses to total operating income ratio increased 80 basis points on the prior half driven by higher operating expenses, partly offset by higher operating income.

### Loan Impairment Expense

Loan impairment expense decreased NZD43 million on the prior half. This was primarily driven by collective provision releases reflecting an improvement in the economic outlook and stable quality in the business portfolio, partly offset by higher consumer finance write-offs.

Home loan 90+ days arrears increased 8 basis points to 0.69% reflecting interest rate and cost of living pressures. Consumer finance 90+ days arrears decreased 23 basis points to 1.18% driven by higher collections.

### Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of NZD2.3 billion or 3%, above system growth;
- Business and rural lending growth of NZD0.3 billion or 1%, above system growth;
- Non-lending interest earning assets growth of NZD1.2 billion or 7% mainly driven by an increase in liquid assets; and
- Total customer deposits growth of NZD2.3 billion or 3% (interest bearing and non-interest bearing), below system growth [1].

### Risk Weighted Assets [2]

Risk weighted assets increased NZD2.3 billion or 3% on the prior half primarily driven by an increase in credit risk weighted assets from increased lending volumes.

ASB generated AUD769 million of organic capital [3] for the Group in the current half. This contributed 16 basis points to the Group's CET1 ratio.

---

[1] RBNZ system data includes institutional deposits which are excluded from the ASB division Balance Sheet.

[2] Risk weighted assets reflect the New Zealand dollar amount calculated in accordance with RBNZ requirements.

[3] Organic capital generation represents cash net profit after tax less the capital equivalent of the change in regulatory risk weighted assets (excluding impact of FX movements on Credit RWAs as they are capital neutral with offsetting impact in Foreign Currency Translation Reserves) used to generate those profits. Amounts quoted exclude the payment of dividends.

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## Corporate Centre and Other

### OVERVIEW

Corporate Centre and Other includes the results of the Group's centrally held minority investments and subsidiaries, Group-wide remediation costs, investment spend including enterprise-wide infrastructure and other strategic projects, employee entitlements, and unallocated revenue and expenses relating to the Bank's support functions including Investor Relations, Group Strategy, Marketing, Legal & Group Secretariat, Treasury and Bank-wide elimination entries arising on consolidation.

Treasury is responsible for the management of interest rate risk and foreign exchange risk inherent in the Group's balance sheet. Treasury also manages the Group's wholesale funding, and the Group's prudential liquidity and capital requirements. Treasury's earnings are primarily sourced from managing the Group's Australian balance sheet, including interest rate risk.

Centrally held minority investments and subsidiaries include the Group's offshore minority investments in China (Bank of Hangzhou and Qilu Bank) and Vietnam (Vietnam International Bank). They also include domestically held minority investments in Lendi Group and CFS as well as the strategic investments in x15ventures.

On 1 May 2024, the Group completed the sale of its 99% shareholding in its Indonesian banking subsidiary, PT Bank Commonwealth (PTBC), to PT Bank OCBC NISP Tbk (OCBC Indonesia), a subsidiary of Oversea-Chinese Banking Corporation Limited (OCBC). As PTBC did not constitute a major line of the Group's business, the financial results of PTBC were treated as continuing operations during the period.

| | Half Year Ended [1] | | | | |
|---|---|---|---|---|---|
| **Corporate Centre and Other (continuing operations, including elimiations)** | **31 Dec 24 $M** | **30 Jun 24 $M** | **31 Dec 23 $M** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| Net interest income | **189** | 185 | 85 | 2 | large |
| Other operating income | **(46)** | 34 | 76 | (large) | (large) |
| Total operating income | **143** | 219 | 161 | (35) | (11) |
| Underlying operating expenses | **(1,140)** | (1,144) | (1,090) | – | 5 |
| *Restructuring and one-off item* [2] | **–** | (89) | – | (large) | – |
| Total operating expenses | **(1,140)** | (1,233) | (1,090) | (8) | 5 |
| Loan impairment benefit/(expense) | **4** | 34 | (19) | 88 | (large) |
| Net loss before tax | **(993)** | (980) | (948) | 1 | 5 |
| Corporate tax benefit | **195** | 195 | 192 | – | 2 |
| **Cash net loss after tax** | **(798)** | (785) | (756) | 2 | 6 |

1 Comparative information has been restated to conform to presentation in the current period.
2 Refer to page 11 for further information.

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## Corporate Centre and Other (continued)

## Financial Performance and Business Review

### Half Year Ended December 2024 versus December 2023

Corporate Centre and Other cash net loss after tax for the half year ended 31 December 2024 was $798 million, an increase of $42 million on the prior comparative period. The result was primarily driven by a 11% decrease in total operating income and a 5% increase in operating expenses, partly offset by a $23 million decrease in loan impairment expense.

#### Net Interest Income

Net interest income was $189 million, an increase of $104 million on the prior comparative period. This was primarily driven by higher Treasury earnings from balance sheet management activities.

#### Other Operating Income

Other operating income was a loss of $46 million, a decrease of $122 million on the prior comparative period. This was driven by lower Treasury income from risk positioning and liquid asset sales and impacts from minority investments.

#### Operating Expenses

Operating expenses were $1,140 million, an increase of $50 million or 5% on the prior comparative period. This was driven by inflation and increased investment in technology including Generative AI models and modernisation of core legacy systems.

#### Loan Impairment Expense

Loan impairment expense decreased $23 million on the prior comparative period to a benefit of $4 million.

### Half Year Ended December 2024 versus June 2024

Cash net loss after tax increased $13 million or 2% on the prior half. The result was primarily driven by a 35% decrease in total operating income and a $30 million decrease in loan impairment benefit, partly offset by an 8% decrease in operating expenses (flat excluding one-off items).

#### Net Interest Income

Net interest income increased $4 million or 2% on the prior half. This was primarily driven by higher Treasury earnings.

#### Other Operating Income

Other operating income decreased $80 million on the prior half. This was driven by lower Treasury income from risk positioning and liquid asset sales and impacts from minority investments.

#### Operating Expenses

Operating expenses decreased $93 million or 8% on the prior half. This was primarily driven by the non-recurrence of one-off expenses.

#### Loan Impairment Expense

Loan impairment benefit decreased $30 million on the prior half.

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# Financial Statements

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## 6 Directors' Report and Financial Statements

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# Directors' Report

The Directors of the Commonwealth Bank of Australia present their report, together with the financial statements of the Commonwealth Bank of Australia and its controlled entities (collectively referred to as 'the Group') for the half year ended 31 December 2024.

## Directors

The names of the Directors holding office at any time during or since the end of the half year were:

| | |
|---|---|
| Paul O'Malley | Chairman |
| Matt Comyn | Managing Director and Chief Executive Officer |
| Lyn Cobley | Director |
| Julie Galbo | Director |
| Peter Harmer | Director |
| Kate Howitt | Director (appointed 1 October 2024) |
| Simon Moutter | Director |
| Mary Padbury | Director |
| Anne Templeman-Jones | Director (retired 16 October 2024) |
| Rob Whitfield AM | Director |

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## Review and Results of Operations

The Group's statutory net profit after tax for the half year ended 31 December 2024 was $5,134 million, an increase of $375 million or 8% on the prior comparative period. The increase was driven by higher total operating income, lower loan impairment expense and the non-recurrence of the loss on reclassification of PT Bank Commonwealth (PTBC) as a business held for sale, partly offset by higher operating expenses.

There have been no significant changes in the nature of the principal activities of the Group during the half year.

The performance of the Group's business segments for the half year ended 31 December 2024 was as follows:

- The statutory net profit after tax from Retail Banking Services was $2,712 million, an increase of $63 million or 2% on the prior comparative period. The increase was driven by higher total operating income and lower loan impairment expense, partly offset by higher operating expenses.
- The statutory net profit after tax from Business Banking was $2,002 million, an increase of $106 million or 6% on the prior comparative period. The increase was driven by higher total operating income, partly offset by higher operating expenses and loan impairment expense.
- The statutory net profit after tax from Institutional Banking and Markets was $590 million, a decrease of $15 million or 2% on the prior comparative period. The decrease was driven by higher loan impairment expense and operating expenses, partly offset by higher total operating income.
- The statutory net profit after tax from New Zealand was $753 million, a decrease of $62 million or 8% on the prior comparative period. The decrease was driven by lower hedging and IFRS volatility gains, higher operating expenses and loan impairment expense, partly offset by higher total operating income.
- The statutory net loss after tax including discontinued operations from Corporate Centre and Other was $923 million, a decrease of $283 million on the prior comparative period. The decrease was driven by the non-recurrence of the loss on reclassification of PTBC as a business held for sale and lower losses from hedging and IFRS volatility, partly offset by lower total operating income and higher operating expenses.

Additional analysis of operations for the half year ended 31 December 2024 is set out in the Highlights and Group and Divisional Performance Analysis sections.

The Board has received written statements from the Chief Executive Officer and Chief Financial Officer that the accompanying Financial Statements have been prepared in accordance with Australian Accounting Standards, Corporations Regulations 2001 and Corporations Act.

## Material Business Risks

The Group recognises that risk is inherent in business and that effective risk management is a key component of sound corporate governance and is essential in delivering our business objectives.

The Group's risk management framework, material risk types and approach to managing them during the period are described in the 2024 Annual Report on pages 70-79 and in Note 9.1 of the Financial Report on pages 224-230.

In addition, commentary on the Group's ongoing legal proceedings, investigations and reviews for the half year ended 31 December 2024 is included in Note 7.2 of the Financial Statements.

## Rounding and Presentation of Amounts

Unless otherwise indicated, the Group has rounded off amounts in this Directors' Report and the accompanying financial statements to the nearest million dollars in accordance with *ASIC Corporations Instrument 2016/191*.

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### Auditor's Independence Declaration

A copy of the auditor's independence declaration has been obtained from the Group's auditor, PricewaterhouseCoopers and is set out on page 64.

Signed in accordance with a resolution of the Directors.

Paul O'Malley

| | |
|---|---|
| Paul O'Malley | Matt Comyn |
| Chairman | Managing Director and Chief Executive Officer |
| 12 February 2025 | 12 February 2025 |

# Auditor's Independence Declaration

## Auditor's Independence Declaration

As lead auditor for the review of the Commonwealth Bank of Australia for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of the Commonwealth Bank of Australia and the entities it controlled during the period.

Elizabeth O'Brien

Elizabeth O'Brien
Partner
PricewaterhouseCoopers

Sydney
12 February 2025

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# Financial Statements

## Consolidated Income Statement

### For the half year ended 31 December 2024

| | Note | Half Year Ended<br>31 Dec 24<br>$M | <br>30 Jun 24<br>$M | <br>31 Dec 23<br>$M |
|---|---|---|---|---|
| Interest income: | | | | |
| Effective interest income | 2.1 | **30,701** | 29,513 | 27,884 |
| Other interest income | 2.1 | **1,982** | 1,913 | 1,734 |
| Interest expense | 2.1 | **(20,749)** | (20,006) | (18,214) |
| Net interest income | | **11,934** | 11,420 | 11,404 |
| Net other operating income [1] | 2.2 | **2,164** | 1,923 | 2,174 |
| **Total net operating income before operating expenses and impairment** | | **14,098** | 13,343 | 13,578 |
| Operating expenses | 2.3 | **(6,372)** | (6,239) | (6,098) |
| Loan impairment expense | 3.2 | **(320)** | (387) | (415) |
| **Net profit before income tax** | | **7,406** | 6,717 | 7,065 |
| Income tax expense | 2.5 | **(2,264)** | (2,073) | (2,228) |
| **Net profit after income tax from continuing operations** | | **5,142** | 4,644 | 4,837 |
| Net loss after income tax from discontinued operations | | **(8)** | (9) | (78) |
| **Net profit after income tax** | | **5,134** | 4,635 | 4,759 |

[1] Net other operating income is presented net of directly attributable fees and commission expenses, depreciation and impairment charges.

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

**Earnings per share attributable to equity holders of the Bank during the period:**

| | Half Year Ended<br>31 Dec 24 | <br>30 Jun 24<br>Cents per Share | <br>31 Dec 23 |
|---|---|---|---|
| Earnings per share from continuing operations: | | | |
| Basic | **307.5** | 277.6 | 288.9 |
| Diluted | **307.1** | 277.6 | 286.5 |
| Earnings per share including discontinued operations: | | | |
| Basic | **307.0** | 277.1 | 284.3 |
| Diluted | **306.6** | 277.1 | 282.1 |

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## Consolidated Statement of Comprehensive Income

### For the half year ended 31 December 2024

| | Half Year Ended | | |
|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M |
| **Net profit after income tax for the period from continuing operations** | **5,142** | 4,644 | 4,837 |
| **Other comprehensive income/(expense):** | | | |
| **Items that may be reclassified subsequently to profit/(loss):** | | | |
| Foreign currency translation reserve net of tax | **54** | (20) | (15) |
| Gains/(losses) on cash flow hedging instruments net of tax | **920** | (574) | 884 |
| Losses on debt investment securities at fair value through other comprehensive income net of tax | **(311)** | (262) | (202) |
| **Total of items that may be reclassified** | **663** | (856) | 667 |
| **Items that will not be reclassified to profit/(loss):** | | | |
| Actuarial gains/(losses) from defined benefit superannuation plans net of tax | **20** | (78) | (90) |
| Gains on equity investment securities at fair value through other comprehensive income net of tax | **620** | 239 | 71 |
| Revaluation of properties net of tax | **–** | 15 | – |
| **Total of items that will not be reclassified** | **640** | 176 | (19) |
| **Other comprehensive income/(expense) net of income tax from continuing operations** | **1,303** | (680) | 648 |
| **Total comprehensive income for the period from continuing operations** | **6,445** | 3,964 | 5,485 |
| Net loss after income tax for the period from discontinued operations | **(8)** | (9) | (78) |
| **Total comprehensive income for the period** | **6,437** | 3,955 | 5,407 |

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

| | Half Year Ended | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24<br>Cents per share | 31 Dec 23 |
| Dividends per share attributable to shareholders of the Bank: | | | |
| Ordinary shares | **225** | 250 | 215 |

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## Consolidated Balance Sheet

### As at 31 December 2024

| | Note | As at<br>31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and liquid assets | | **76,498** | 83,080 | 91,534 |
| Receivables from financial institutions | | **6,279** | 5,862 | 7,906 |
| Assets at fair value through income statement | | **87,650** | 79,033 | 82,649 |
| Derivative assets | | **41,143** | 18,058 | 30,603 |
| Investment securities: | | | | |
| At amortised cost | | **837** | 1,239 | 1,623 |
| At fair value through other comprehensive income | | **102,189** | 96,774 | 112,760 |
| Assets held for sale | 7.3 | **687** | 870 | 1,391 |
| Loans and other receivables | 3.1, 3.2 | **969,404** | 942,210 | 921,372 |
| Property, plant and equipment | | **3,629** | 3,676 | 4,783 |
| Investments in associates and joint ventures | | **771** | 1,671 | 1,774 |
| Intangible assets | | **7,783** | 7,600 | 7,510 |
| Deferred tax assets | | **3,207** | 3,771 | 3,318 |
| Other assets | | **8,489** | 10,232 | 8,746 |
| **Total assets** | | **1,308,566** | 1,254,076 | 1,275,969 |
| **Liabilities** | | | | |
| Deposits and other public borrowings | 4.1 | **902,502** | 882,922 | 873,299 |
| Payables to financial institutions | | **27,599** | 24,633 | 20,544 |
| Liabilities at fair value through income statement | | **39,868** | 47,341 | 44,740 |
| Derivative liabilities | | **36,012** | 18,850 | 33,624 |
| Current tax liabilities | | **421** | 503 | 266 |
| Deferred tax liabilities | | **145** | 111 | 77 |
| Liabilities held for sale | | **–** | – | 1,145 |
| Provisions | | **2,711** | 2,908 | 2,772 |
| Term funding from central banks | | **3,247** | 4,228 | 36,591 |
| Debt issues | | **167,125** | 144,530 | 139,275 |
| Bills payable and other liabilities | | **16,950** | 19,024 | 16,686 |
| | | **1,196,580** | 1,145,050 | 1,169,019 |
| Loan capital | | **36,722** | 35,938 | 34,111 |
| **Total liabilities** | | **1,233,302** | 1,180,988 | 1,203,130 |
| **Net assets** | | **75,264** | 73,088 | 72,839 |
| **Shareholders' equity** | | | | |
| Ordinary share capital | 5.1 | **33,586** | 33,635 | 33,774 |
| Reserves | 5.1 | **(900)** | (2,147) | (1,583) |
| Retained profits | 5.1 | **42,578** | 41,600 | 40,643 |
| **Shareholders' equity attributable to equity holders of the Bank** | | **75,264** | 73,088 | 72,834 |
| Non-controlling interests | 5.1 | **–** | – | 5 |
| **Total Shareholders' equity** | | **75,264** | 73,088 | 72,839 |

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

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## Consolidated Statement of Changes in Equity

### For the half year ended 31 December 2024

| | Ordinary share capital $M | Reserves $M | Retained profits $M | Total $M | Non-controlling interests $M | Total Shareholders' equity $M |
|---|---|---|---|---|---|---|
| **As at 30 June 2023** | 33,913 | (2,295) | 40,010 | **71,628** | 5 | **71,633** |
| Net profit after income tax from continuing operations | – | – | 4,837 | **4,837** | – | **4,837** |
| Net loss after income tax from discontinued operations | – | – | (78) | **(78)** | – | **(78)** |
| Net other comprehensive income/(expense) from continuing operations | – | 738 | (90) | **648** | – | **648** |
| Total comprehensive income for the period | – | 738 | 4,669 | **5,407** | – | **5,407** |
| Transactions with equity holders in their capacity as equity holders: | | | | | | |
| Share buy-backs [1] | (154) | – | – | **(154)** | – | **(154)** |
| Dividends paid on ordinary shares | – | – | (4,023) | **(4,023)** | – | **(4,023)** |
| Share-based payments | – | (39) | – | **(39)** | – | **(39)** |
| Purchase of treasury shares | (66) | – | – | **(66)** | – | **(66)** |
| Sale and vesting of treasury shares | 81 | – | – | **81** | – | **81** |
| Other changes | – | 13 | (13) | **–** | – | **–** |
| **As at 31 December 2023** | 33,774 | (1,583) | 40,643 | **72,834** | 5 | **72,839** |
| Net profit after income tax from continuing operations | – | – | 4,644 | **4,644** | – | **4,644** |
| Net loss after income tax from discontinued operations | – | – | (9) | **(9)** | – | **(9)** |
| Net other comprehensive expense from continuing operations | – | (602) | (78) | **(680)** | – | **(680)** |
| Total comprehensive income for the period | – | (602) | 4,557 | **3,955** | – | **3,955** |
| Transactions with equity holders in their capacity as equity holders: | | | | | | |
| Share buy-backs [1] | (128) | – | – | **(128)** | – | **(128)** |
| Dividends paid on ordinary shares | – | – | (3,600) | **(3,600)** | – | **(3,600)** |
| Share-based payments | – | 38 | – | **38** | – | **38** |
| Purchase of treasury shares | (14) | – | – | **(14)** | – | **(14)** |
| Sale and vesting of treasury shares | 3 | – | – | **3** | – | **3** |
| Other changes | – | – | – | **–** | (5) | **(5)** |
| **As at 30 June 2024** | 33,635 | (2,147) | 41,600 | **73,088** | – | **73,088** |
| Net profit after income tax from continuing operations | – | – | 5,142 | **5,142** | – | **5,142** |
| Net loss after income tax from discontinued operations | – | – | (8) | **(8)** | – | **(8)** |
| Net other comprehensive income from continuing operations | – | 1,283 | 20 | **1,303** | – | **1,303** |
| Total comprehensive income for the period | – | 1,283 | 5,154 | **6,437** | – | **6,437** |
| Transactions with equity holders in their capacity as equity holders: | | | | | | |
| Share buy-backs [2] | (18) | – | – | **(18)** | – | **(18)** |
| Dividends paid on ordinary shares | – | – | (4,184) | **(4,184)** | – | **(4,184)** |
| Share-based payments | – | (28) | – | **(28)** | – | **(28)** |
| Purchase of treasury shares | (105) | – | – | **(105)** | – | **(105)** |
| Sale and vesting of treasury shares | 74 | – | – | **74** | – | **74** |
| Other changes | – | (8) | 8 | **–** | – | **–** |
| **As at 31 December 2024** | 33,586 | (900) | 42,578 | **75,264** | – | **75,264** |

1 On 9 August 2023, the Group announced its intention to conduct an on-market share buy-back of up to $1 billion of CBA ordinary shares, with 1,517,388 ordinary shares bought back at $101.49 per share ($154 million) in the half year ended 31 December 2023 and 1,071,576 ordinary shares were bought back at an average price of $119.24 per share ($128 million) in the half year ended 30 June 2024. The shares bought back were subsequently cancelled.

2 On 14 August 2024, the Group announced a 12 month extension of the on-market share buy-back of up to $1 billion of CBA ordinary shares announced on 9 August 2023. During the half year ended 31 December 2024, 118,000 ordinary shares were bought back at an average price of $151.98 per share ($18 million). The shares bought back were subsequently cancelled.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Cash Flows

For the half year ended 31 December 2024

| | Half Year Ended [1] [2] | | |
|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M |
| Cash flows from operating activities before changes in operating assets and liabilities | **4,904** | 7,785 | 5,092 |
| Changes in operating assets and liabilities arising from cash flow movements | **(17,813)** | (8,363) | (30,137) |
| **Net cash used in operating activities** | **(12,909)** | (578) | (25,045) |
| Net proceeds from disposal of entities and businesses (net of cash and cash equivalents disposed) | **157** | 123 | – |
| Cash flows from other investing activities | **(187)** | (573) | (664) |
| **Net cash used in investing activities** | **(30)** | (450) | (664) |
| Share buy-backs | **(18)** | (128) | (154) |
| Dividends paid [3] | **(4,184)** | (3,600) | (4,023) |
| Proceeds from issuance of debt securities | **44,036** | 21,424 | 31,031 |
| Redemption of issued debt securities | **(29,908)** | (16,900) | (14,010) |
| Maturity of term funding from central banks | **(940)** | (32,315) | (17,642) |
| Cash flows from other financing activities | **(369)** | 1,758 | 1,307 |
| **Net cash provided by/(used in) financing activities** | **8,617** | (29,761) | (3,491) |
| Net decrease in cash and cash equivalents | **(4,322)** | (30,789) | (29,200) |
| Effect of foreign exchange rates on cash and cash equivalents | **1,370** | 759 | (621) |
| Cash and cash equivalents at beginning of period | **47,321** | 77,351 | 107,172 |
| **Cash and cash equivalents at end of period** | **44,369** | 47,321 | 77,351 |

[1] It should be noted that the Group does not use this accounting Statement of Cash Flows in the internal management of its liquidity positions.
[2] Comparative information includes discontinued operations.
[3] Includes the dividend reinvestment plan (DRP) satisfied by on-market purchase and transfer of shares.

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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# Notes to the Financial Statements

## 1 Overview

### 1.1 General information, basis of accounting, adoption of amended accounting standards and future accounting developments

#### General information

The financial report of the Commonwealth Bank of Australia (the Bank) and its subsidiaries (the Group) for the half year ended 31 December 2024, were approved and authorised for issue by the Board of Directors on 12 February 2025. The Directors have the power to amend and reissue the financial statements.

The financial report includes the condensed consolidated financial statements of the Group, accompanying notes, Directors' Declaration and the Independent Auditor's Review Report.

The Bank is a for-profit entity incorporated and domiciled in Australia. It is a company limited by shares that are publicly traded on the Australian Securities Exchange. The registered office is Commonwealth Bank Place South, Level 1, 11 Harbour Street, Sydney, NSW 2000, Australia.

There have been no significant changes in the nature of the principal activities of the Group during the half year.

#### Basis of accounting

The general purpose financial report for the half year ended 31 December 2024 has been prepared in accordance with the requirements of the *Corporations Act 2001 (Cth)* and AASB 134 *Interim Financial Reporting* which ensures compliance with IAS 34 *Interim Financial Reporting*. The Group is a for-profit entity for the purpose of preparing this report.

This half year financial report does not include all notes of the type normally included within an Annual Report and therefore cannot be expected to provide as full an understanding of the financial position and financial performance of the Group as that given by the Annual Report.

As a result, this half year financial report should be read in conjunction with the 2024 Annual Report of the Group and any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)* and the *ASX Listing Rules*.

The amounts contained in this half year financial report are presented in Australian dollars and rounded to the nearest million dollars unless otherwise stated, under the option available under *ASIC Corporations Instrument 2016/191*. For the purpose of this half year financial report, the half year has been treated as a discrete reporting period.

The accounting policies adopted in the preparation of the half year financial report are consistent with those adopted by the Group and disclosed in the 2024 Annual Report.

Where necessary, comparative information has been revised to conform to presentation in the current period. All changes have been footnoted throughout the financial statements. Discontinued operations are excluded from the results of the continuing operations and are presented as a single line item "net profit/(loss) after tax from discontinued operations" in the Consolidated Income Statement.

#### Changes in comparatives

##### Re-segmentation

During the half year ended 31 December 2024, the Group made a number of re-segmentations, allocations and reclassifications including the transfer of some customers between segments and refinements to the allocation of support unit costs. These changes have not impacted the Group's net profit but have resulted in changes to the presentation of the Income Statement and the Balance Sheet of the affected segments. These changes have been applied retrospectively. Refer to Note 2.4 for further information.

#### Adoption of new or amended accounting standards and future accounting developments

New and revised standards and interpretations issued by the AASB and the IASB that are effective for the half year ended 31 December 2024 did not result in significant changes to the Group's accounting policies. There are no new accounting standards or amendments to existing standards that are not yet effective other than those listed below, which are expected to have a material impact on the Group.

##### AASB 18 Presentation and Disclosure in Financial Statements

In June 2024, the AASB issued a new standard AASB 18 *Presentation and Disclosure in Financial Statements*, which will be effective for the Group from 1 July 2027 and is required to be applied retrospectively. AASB 18 will replace AASB 101 *Presentation of Financial Statements* and introduces new requirements that seek to improve entities' reporting of financial performance and give investors a better basis for analysing and comparing entities. These requirements aim to improve comparability in the income statement, enhance transparency of management-defined performance measures and provide useful grouping of information in the financial statements. The Group continues to assess the impact of adopting AASB 18.

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## 1.1 General information, basis of accounting, adoption of amended accounting standards and future accounting developments (continued)

### Amendments to AASB 9 Financial Instruments and AASB 7 Financial Instruments: Disclosures

In July 2024, the AASB issued AASB 2024-2 to amend AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosures* in order to address feedback from the International Accounting Standards Board's 2022 Post-implementation Review of the classification and measurement requirements in AASB 9 and related requirements in AASB 7.

The amendments include guidance on the derecognition of financial liabilities that are settled using an electronic payment system and guidance on assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features. The disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income have also been amended to include disclosure of the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period. Disclosure requirements have also been added for financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The amendments will be effective for the Group from 1 July 2026 and are required to be applied retrospectively. The Group continues to assess the impact of adopting the amendments.

### AASB Sustainability Reporting Standards

In September 2024, the Australian Accounting Standards Board (AASB) published AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and AASB S2 *Climate-related Disclosures*. While the application of AASB S1 is voluntary, compliance with AASB S2 is mandatory and requires the Group to disclose information about the governance, strategy, risk management, and metrics and targets relating to all material climate-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital over the short, medium or long term. The Group continues to progress its implementation of AASB S2 which will be effective for the Group from 1 July 2025.

### International Tax Reform – Pillar Two Model Rules

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published the Pillar Two Model Rules which are designed to ensure large multinational enterprises pay a minimum level of tax of 15% in each of the jurisdictions where they operate.

Pillar Two is effective for the Group from 1 July 2024. The Group does not have Pillar Two top-up tax obligations as at 31 December 2024.

The Group has applied the mandatory temporary exception from recognising and disclosing Pillar Two deferred taxes under AASB 112 *Income Taxes*.

## 2 Our performance

### OVERVIEW

The Group earns its returns from providing a broad range of banking products and services to retail and wholesale customers in Australia, New Zealand and other jurisdictions.

Lending and deposit taking are the Group's primary business activities with net interest income being the main contributor to the Group's results. Net interest income is derived from the difference between interest earned on lending and investment assets, and interest incurred on customer deposits and wholesale debt raised to fund these assets.

The Group further generates income from lending fees and commissions, and trading activities. It also incurs costs associated with running the business such as staff, occupancy and technology related expenses.

Our performance section provides details of the main contributors to the Group's returns and analysis of its financial performance by nature and geographical region.

### 2.1 Net interest income

| | Half Year Ended | | |
|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M |
| **Interest income** | | | |
| Effective interest income: | | | |
| Loans and other receivables | **26,313** | 24,266 | 22,629 |
| Other financial institutions | **124** | 130 | 160 |
| Cash and liquid assets | **1,714** | 2,225 | 2,606 |
| Investment securities: | | | |
| At amortised cost | **29** | 36 | 47 |
| At fair value through other comprehensive income | **2,521** | 2,856 | 2,442 |
| Total effective interest income | **30,701** | 29,513 | 27,884 |
| Other interest income: | | | |
| Assets at fair value through income statement | **1,929** | 1,858 | 1,681 |
| Other | **53** | 55 | 53 |
| **Total interest income** | **32,683** | 31,426 | 29,618 |
| **Interest expense** | | | |
| Deposits | **13,363** | 12,679 | 11,314 |
| Other financial institutions | **528** | 600 | 628 |
| Liabilities at fair value through income statement | **952** | 1,118 | 946 |
| Term funding from central banks | **94** | 131 | 147 |
| Debt issues | **4,334** | 4,017 | 3,805 |
| Loan capital | **1,216** | 1,201 | 1,125 |
| Lease liabilities | **40** | 42 | 40 |
| Bank levy | **222** | 218 | 209 |
| **Total interest expense** | **20,749** | 20,006 | 18,214 |
| **Net interest income** | **11,934** | 11,420 | 11,404 |

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## 2.1 Net interest income (continued)

### ACCOUNTING POLICIES

Interest income and interest expense on financial assets and liabilities measured at amortised cost, and debt financial assets measured at fair value through other comprehensive income, are recognised using the effective interest method. Interest income recognition for these categories of financial assets depends on the expected credit losses (ECL) stage they are allocated to in accordance with the Group's ECL methodology. For financial assets classified within Stage 1 and Stage 2 interest income is calculated by applying the effective interest rate to the gross carrying amount of the assets. Interest income on financial assets in Stage 3 is recognised by applying the effective interest rate to the gross carrying amount net of provisions for impairment. For details on the Group's ECL methodology refer to Note 3.2.

Fees, transaction costs and issue costs integral to financial assets and liabilities are capitalised and included in the interest recognised over the expected life of the instrument. This includes establishment fees for providing a loan or a lease arrangement. Facility and line fees in relation to commitments made under credit facilities where drawdown is assessed as probable are considered an integral part of effective interest rate and recognised in net interest income.

Interest income on finance leases is recognised progressively over the life of the lease, consistent with the outstanding investment and unearned income balance.

Interest income and expense on financial assets and liabilities that are classified at fair value through the income statement are accounted for on a contractual rate basis and include amortisation of premiums/discounts.

Interest expense also includes the Major Bank Levy (Bank Levy) expense and other financing charges.

## 2.2 Net other operating income

| | Half Year Ended [1] | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| | $M | $M | $M |
| Commission income | **1,261** | 1,243 | 1,208 |
| Commission expense [2] | **(176)** | (174) | (161) |
| Net commission income | **1,085** | 1,069 | 1,047 |
| Lending fees | **449** | 417 | 404 |
| Net income on trading and non-trading financial instruments [3] | **533** | 514 | 714 |
| Net (loss)/gain from hedging ineffectiveness | **(13)** | 9 | (42) |
| Share of results of associates and income from other equity investments, net of impairments [4] [5] | **(30)** | (170) | (91) |
| Net insurance and funds management income | **60** | 56 | 55 |
| Other [6] [7] | **80** | 28 | 87 |
| **Total net other operating income** | **2,164** | 1,923 | 2,174 |

[1] Comparative information has been restated to conform to presentation in the current period.

[2] Includes expenses directly attributable to commission income generation such as credit card loyalty programs, card processing and certain other volume related expenses.

[3] Includes gains/(losses) on non-trading derivatives that are held for risk management purposes.

[4] Includes share of results of associates net of impairments, dividends from other minority investments and gains/(losses) on disposal of investments and businesses not classified as discontinued operations.

[5] The half years ended 30 June 2024 and 31 December 2023 include $117 million and $104 million, respectively, of losses in relation to the sale of the Group's 99% shareholding in PT Bank Commonwealth.

[6] The half year ended 30 June 2024 includes a $50 million loss on reclassification of certain assets held as lessor to assets held for sale and remeasurements to fair value less costs to sell.

[7] Includes depreciation in relation to assets held for sale as lessor.

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## 2.2 Net other operating income (continued)

### ACCOUNTING POLICIES

Lending fees and commission income are accounted for as follows:

- facility fees earned for managing and administering credit and other facilities for customers are generally charged to the customer on a monthly or annual basis and are recognised as revenue over the service period. Annual fees that are not an integral part of the effective interest rate are deferred on the Balance Sheet in bills payable and other liabilities and recognised on a straight-line basis over the year. Transaction based fees are charged and recognised at the time of the transaction;
- commitment fees and fees in relation to guarantee arrangements are deferred and recognised over the life of the contractual arrangements;
- fee income is earned for providing advisory or arrangement services, placement and underwriting services. These fees are recognised when the related service is completed which is typically at the time of the transaction;
- the Group assesses whether the nature of the arrangement with its customer is as a principal provider or an agent of another party. Where the Group acts as an agent for another party, the income earned by the Group is the net consideration received. As an agent, the net consideration represents fee income for facilitating the transaction between the customer and the third party provider with the primary responsibility for fulfilling the contract; and
- commission income is presented net of directly attributable incremental external costs. Directly attributable incremental costs are the costs that would not have been incurred if a specific service had not been provided to a customer. These costs include the costs associated with credit card loyalty programs which are recognised as an expense when the services are provided on the redemption of points, cards processing expenses and certain other volume related expenses.

Establishment fees on financing facilities are deferred and amortised to interest income over the expected life of the loan and are not recognised when the commitment is issued.

Net income on trading and non-trading financial instruments represents both realised and unrealised gains and losses from changes in the fair value of trading assets, liabilities and derivatives, which are recognised in the period in which they arise; and realised and unrealised gains and losses from non-trading financial assets and liabilities, as well as realised and unrealised gains and losses on non-trading derivatives that are held for risk management purposes.

Net hedging ineffectiveness is measured on fair value, cash flow and net investment hedges.

Share of results of associates and income from other equity investments are accounted for as follows:

- dividend income on non-trading equity investments is recognised on the ex-dividend date or when the right to receive payment is established;
- the Group equity accounts for its share of the profits or losses of associate and joint venture investments, net of impairment recognised. Dividends received are recognised as a reduction in the carrying amount of the investments.

Funds management fees are recognised over the service period as the performance obligation is met and when it is highly probable that the performance fee will not reverse.

Other income includes rental income on operating leases which is recognised on a straight-line basis over the lease term. This income is presented net of depreciation and impairment expense on the associated operating lease assets held by the Group.

Other income also includes the impact of foreign currency revaluations for foreign currency monetary assets and liabilities. These assets and liabilities are translated at the spot rate at the balance sheet date. Exchange differences arising upon settling or translating monetary items at different rates to those at which they were initially recognised or previously reported, are recognised in the Income Statement.

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## 2.3 Operating expenses

| | Half Year Ended | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| | $M | $M | $M |
| **Staff expenses** | | | |
| Salaries and related on-costs | **3,565** | 3,397 | 3,360 |
| Share-based compensation | **77** | 69 | 61 |
| Superannuation | **328** | 303 | 298 |
| **Total staff expenses** | **3,970** | 3,769 | 3,719 |
| **Occupancy and equipment expenses** | | | |
| Lease expenses | **78** | 87 | 73 |
| Depreciation of property, plant and equipment | **277** | 301 | 322 |
| Other occupancy expenses | **105** | 106 | 106 |
| **Total occupancy and equipment expenses** | **460** | 494 | 501 |
| **Information technology services** | | | |
| System development and support | **606** | 491 | 507 |
| Infrastructure and support | **146** | 136 | 164 |
| Communications | **48** | 51 | 59 |
| Amortisation and write-offs of software assets | **329** | 371 | 314 |
| IT equipment depreciation | **58** | 70 | 62 |
| **Total information technology services** | **1,187** | 1,119 | 1,106 |
| **Other expenses** | | | |
| Postage and stationery | **68** | 73 | 72 |
| Transaction processing and market data | **47** | 55 | 52 |
| Fees and commissions | | | |
| Professional fees | **209** | 224 | 186 |
| Other | **44** | 44 | 48 |
| Advertising and marketing | **140** | 165 | 132 |
| Non-lending losses | **115** | 114 | 94 |
| Other | **132** | 150 | 101 |
| **Total other expenses** | **755** | 825 | 685 |
| **Operating expenses before separation and transaction costs [1]** | **6,372** | 6,207 | 6,011 |
| Separation and transaction costs | **–** | 32 | 87 |
| **Total operating expenses** | **6,372** | 6,239 | 6,098 |

[1] The half year ended 30 June 2024 includes the impact of $89 million of restructuring provision.

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## 2.3 Operating expenses (continued)

### ACCOUNTING POLICIES

Salaries and related on-costs include annual leave, long service leave, employee incentives and relevant taxes. Staff expenses are recognised over the period the employee renders the service. Long service leave is discounted to present value using assumptions relating to staff departures, leave utilisation and future salary.

Share-based compensation includes plans which may be cash or equity settled. Cash settled share-based remuneration is recognised as a liability and re-measured to fair value until settled. The changes in fair value are recognised as staff expenses. Equity settled remuneration is fair valued at the grant date and amortised to staff expenses over the vesting period, with a corresponding increase in the employee compensation reserve.

Superannuation expense includes expenses relating to defined contribution and defined benefit superannuation plans. Defined contribution expense is recognised in the period the service is provided, whilst the defined benefit expense, which measures current and past service costs, is determined by an actuarial calculation.

Occupancy and equipment expenses include depreciation which is calculated using the straight-line method over the asset's estimated useful life. Right-of-use assets are depreciated over the shorter of the lease term or the useful life of the underlying asset, with the depreciation presented within depreciation of property, plant and equipment.

IT services expenses are recognised as incurred when the related services are delivered, unless they qualify for capitalisation as computer software because they are identifiable and controlled in a way that allows future economic benefits to be obtained and others' access to those benefits can be restricted. Capitalised computer software assets are amortised over their estimated useful life.

Software as a Service (SaaS) arrangements are service contracts providing the Group with the right to access the provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the provider's application software, are recognised as operating expenses when the services are received. Costs incurred for the development of software code that enhances, modifies or creates additional capability to existing on-premises systems and meets the recognition criteria for an intangible asset are capitalised and amortised over their estimated useful life.

The Group assesses, at each balance sheet date, useful lives and residual values of capitalised software assets and property, plant and equipment and whether there is any objective evidence of impairment. If an asset's carrying value is greater than its recoverable amount, the carrying amount is written down to its recoverable amount.

Other expenses are recognised as the relevant service is rendered. Operating expenses related to provisions are recognised for present obligations arising from past events where a payment to settle the obligation is probable and can be reliably estimated.

### Critical accounting judgements and estimates

Actuarial valuations of the Group's defined benefit superannuation plans' obligations are dependent on a series of assumptions set out in Note 10.2 in the 2024 Annual Report including inflation rates, discount rates and salary growth rates. Changes in these assumptions impact the fair value of the plans' obligations, assets, superannuation expense and actuarial gains and losses recognised in other comprehensive income.

Measurements of the Group's share-based compensation is dependent on assumptions, including grant date fair values. Information on these is set out in Note 10.1 in the 2024 Annual Report.

Refer to Note 6.2 in the 2024 Annual Report for more information on the judgements and estimates associated with goodwill.

## 2.4 Financial reporting by segments

The principal activities of the Group are carried out in the business segments below. These segments are based on the distribution channels through which customer relationships are managed. Business segments are managed on the basis of net profit after tax ("cash basis").

During the half year ended 31 December 2024, there were re-segmentations, allocations and reclassifications, including the transfer of some customers between Retail Banking Services, Business Banking and Institutional Banking and Markets segments, and refinements to the allocation of support unit costs. These changes have not impacted the Group's net profit but have resulted in changes to the presentation of the Income Statement and the Balance Sheet of the affected segments. These changes have been applied retrospectively.

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## 2.4 Financial reporting by segments (continued)

| | Half Year Ended 31 December 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Retail Banking Services $M | Business Banking $M | Institutional Banking and Markets $M | New Zealand $M | Corporate Centre and Other $M | Total $M |
| Net interest income | 5,699 | 3,958 | 779 | 1,309 | 189 | **11,934** |
| Other operating income: | | | | | | |
| Net commission income/(expense) | 670 | 224 | 106 | 101 | (16) | **1,085** |
| Lending fees | 125 | 177 | 133 | 14 | – | **449** |
| Trading and other income/(expense) | 61 | 168 | 332 | 98 | (30) | **629** |
| Total other operating income/(expense) | 856 | 569 | 571 | 213 | (46) | **2,163** |
| **Total operating income** | 6,555 | 4,527 | 1,350 | 1,522 | 143 | **14,097** |
| Operating expenses | (2,589) | (1,445) | (566) | (632) | (1,140) | **(6,372)** |
| Loan impairment (expense)/benefit | (79) | (220) | (9) | (16) | 4 | **(320)** |
| **Net profit/(loss) before tax** | 3,887 | 2,862 | 775 | 874 | (993) | **7,405** |
| Corporate tax (expense)/benefit | (1,175) | (860) | (190) | (243) | 195 | **(2,273)** |
| **Net profit/(loss) after tax from continuing operations – "cash basis"** | 2,712 | 2,002 | 585 | 631 | (798) | **5,132** |
| Net profit after tax from discontinued operations | – | – | – | – | 1 | **1** |
| **Net profit/(loss) after tax – "cash basis"** [1] | 2,712 | 2,002 | 585 | 631 | (797) | **5,133** |
| Gain/(loss) on acquisition, disposal, closure and demerger of businesses | – | – | 5 | – | (5) | **–** |
| Hedging and IFRS volatility | – | – | – | 122 | (121) | **1** |
| **Net profit/(loss) after tax – "statutory basis"** | 2,712 | 2,002 | 590 | 753 | (923) | **5,134** |
| **Additional information** | | | | | | |
| Amortisation and depreciation | (142) | (66) | (26) | (73) | (357) | **(664)** |
| **Balance Sheet** | | | | | | |
| Total assets | 540,368 | 255,391 | 208,308 | 119,690 | 184,809 | **1,308,566** |
| Total liabilities | 413,901 | 220,834 | 255,279 | 106,531 | 236,757 | **1,233,302** |

[1] This balance excludes non-cash items, such as unrealised gains and losses relating to hedging and IFRS volatility, and gains and losses on previously announced divestments including post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency translation reserve recycling), and transaction and separation costs.

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# Notes to the Financial Statements (continued)

## 2.4 Financial reporting by segments (continued)

| | Half Year Ended 30 June 2024 [1] | | | | | |
|---|---|---|---|---|---|---|
| | Retail Banking Services $M | Business Banking $M | Institutional Banking and Markets $M | New Zealand $M | Corporate Centre and Other $M | Total $M |
| Net interest income | 5,499 | 3,759 | 739 | 1,238 | 185 | **11,420** |
| Other operating income: | | | | | | |
| Net commission income | 647 | 204 | 90 | 110 | 18 | **1,069** |
| Lending fees | 122 | 167 | 115 | 14 | (1) | **417** |
| Trading and other income | 56 | 166 | 289 | 91 | 17 | **619** |
| Total other operating income | 825 | 537 | 494 | 215 | 34 | **2,105** |
| **Total operating income** | 6,324 | 4,296 | 1,233 | 1,453 | 219 | **13,525** |
| Operating expenses | (2,471) | (1,362) | (542) | (599) | (1,233) | **(6,207)** |
| Loan impairment (expense)/benefit | (105) | (227) | (34) | (55) | 34 | **(387)** |
| **Net profit/(loss) before tax** | 3,748 | 2,707 | 657 | 799 | (980) | **6,931** |
| Corporate tax (expense)/benefit | (1,132) | (813) | (138) | (226) | 195 | **(2,114)** |
| **Net profit/(loss) after tax from continuing operations – "cash basis"** | 2,616 | 1,894 | 519 | 573 | (785) | **4,817** |
| Net profit after tax from discontinued operations | – | – | – | – | 5 | **5** |
| **Net profit/(loss) after tax – "cash basis" [2]** | 2,616 | 1,894 | 519 | 573 | (780) | **4,822** |
| Loss on acquisition, disposal, closure and demerger of businesses | – | – | (37) | – | (139) | **(176)** |
| Hedging and IFRS volatility | – | – | – | (39) | 28 | **(11)** |
| **Net profit/(loss) after tax – "statutory basis"** | 2,616 | 1,894 | 482 | 534 | (891) | **4,635** |
| **Additional information** | | | | | | |
| Amortisation and depreciation | (113) | (53) | (22) | (75) | (479) | **(742)** |
| **Balance Sheet** | | | | | | |
| Total assets | 521,670 | 247,676 | 188,608 | 116,496 | 179,626 | **1,254,076** |
| Total liabilities | 390,994 | 218,787 | 250,444 | 103,720 | 217,043 | **1,180,988** |

[1] Comparative information has been restated to reflect the change detailed in Note 1.1.

[2] This balance excludes non-cash items, such as unrealised gains and losses relating to hedging and IFRS volatility, and gains and losses on previously announced divestments including post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency translation reserve recycling), and transaction and separation costs.

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## 2.4 Financial reporting by segments (continued)

| | Half Year Ended 31 December 2023 [1] | | | | | |
|---|---|---|---|---|---|---|
| | Retail Banking Services $M | Business Banking $M | Institutional Banking and Markets $M | New Zealand $M | Corporate Centre and Other $M | Total $M |
| Net interest income | 5,615 | 3,732 | 719 | 1,253 | 85 | **11,404** |
| Other operating income: | | | | | | |
| Net commission income/(expense) | 636 | 193 | 107 | 113 | (2) | **1,047** |
| Lending fees | 114 | 163 | 112 | 14 | 1 | **404** |
| Trading and other income | 91 | 173 | 361 | 92 | 77 | **794** |
| Total other operating income | 841 | 529 | 580 | 219 | 76 | **2,245** |
| **Total operating income** | 6,456 | 4,261 | 1,299 | 1,472 | 161 | **13,649** |
| Operating expenses | (2,448) | (1,342) | (533) | (598) | (1,090) | **(6,011)** |
| Loan impairment (expense)/benefit | (214) | (210) | 37 | (9) | (19) | **(415)** |
| **Net profit/(loss) before tax** | 3,794 | 2,709 | 803 | 865 | (948) | **7,223** |
| Corporate tax (expense)/benefit | (1,145) | (813) | (198) | (240) | 192 | **(2,204)** |
| **Net profit/(loss) after tax from continuing operations – "cash basis"** | 2,649 | 1,896 | 605 | 625 | (756) | **5,019** |
| Net profit after tax from discontinued operations | – | – | – | – | 6 | **6** |
| **Net profit/(loss) after tax – "cash basis" [2]** | 2,649 | 1,896 | 605 | 625 | (750) | **5,025** |
| Loss on acquisition, disposal, closure and demerger of businesses | – | – | – | – | (294) | **(294)** |
| Hedging and IFRS volatility | – | – | – | 190 | (162) | **28** |
| **Net profit/(loss) after tax – "statutory basis"** | 2,649 | 1,896 | 605 | 815 | (1,206) | **4,759** |
| **Additional information** | | | | | | |
| Amortisation and depreciation | (121) | (53) | (24) | (76) | (424) | **(698)** |
| **Balance Sheet** | | | | | | |
| Total assets | 509,137 | 236,238 | 202,874 | 117,669 | 210,051 | **1,275,969** |
| Total liabilities | 382,695 | 218,335 | 248,464 | 105,394 | 248,242 | **1,203,130** |

[1] Comparative information has been restated to reflect the change detailed in Note 1.1.

[2] This balance excludes non-cash items, such as unrealised gains and losses relating to hedging and IFRS volatility, and gains and losses on previously announced divestments including post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency translation reserve recycling), and transaction and separation costs.

## 2.4 Financial reporting by segments (continued)

| Geographical Information<br>Financial performance and position | Half Year Ended<br>31 Dec 24<br>$M | <br><br>% | <br>30 Jun 24<br>$M | <br><br>% | <br>31 Dec 23<br>$M | <br><br>% |
|---|---|---|---|---|---|---|
| **Income** | | | | | | |
| Australia | **11,612** | **82.4** | 11,052 | 82.8 | 11,173 | 82.3 |
| New Zealand | **1,712** | **12.1** | 1,665 | 12.5 | 1,737 | 12.8 |
| Other locations [1] | **774** | **5.5** | 626 | 4.7 | 668 | 4.9 |
| **Total income** | **14,098** | **100.0** | 13,343 | 100.0 | 13,578 | 100.0 |
| **Non-current assets [2]** | | | | | | |
| Australia | **11,298** | **92.7** | 12,075 | 93.3 | 12,741 | 90.6 |
| New Zealand | **775** | **6.4** | 752 | 5.8 | 764 | 5.4 |
| Other locations [1] | **110** | **0.9** | 120 | 0.9 | 562 | 4.0 |
| **Total non-current assets** | **12,183** | **100.0** | 12,947 | 100.0 | 14,067 | 100.0 |

[1] Other locations include: United Kingdom, the Netherlands, United States, Japan, Singapore, Hong Kong, China and India.

[2] Non-current assets include property, plant and equipment, investments in associates and joint ventures, and intangible assets.

The geographical segment represents the location in which the transaction was recognised.

### ACCOUNTING POLICIES

Operating segments are reported based on the Group's organisational and management structures. Senior management review the Group's internal reporting based around these segments, in order to assess performance and allocate resources.

All transactions between segments are conducted on an arm's length basis, with inter-segment revenue and costs eliminated in the 'Corporate Centre and Other' segment.

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## 2.5 Income tax expense

The income tax expense for the half year is determined from the profit before income tax as follows:

| | Half Year Ended [1] | | |
|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M |
| **Profit before income tax** | **7,406** | 6,717 | 7,065 |
| Prima facie income tax at 30% | **2,222** | 2,016 | 2,119 |
| **Effect of amounts which are non-deductible/(non-assessable) in calculating taxable income:** | | | |
| Offshore tax rate differential | **(56)** | (49) | (50) |
| Taxation offsets and other dividend adjustments | **(7)** | – | – |
| Effect of change in tax rates | **–** | (4) | – |
| Income tax over provided in previous years | **11** | 2 | (2) |
| Hybrid capital distributions | **72** | 80 | 83 |
| Other | **22** | 28 | 78 |
| **Total income tax expense** | **2,264** | 2,073 | 2,228 |
| **Effective tax rate (%)** | **30.6** | 30.9 | 31.5 |

[1] Comparative information has been restated to conform to presentation in the current period.

### ACCOUNTING POLICIES

Income tax on the profit or loss for the period comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the balance sheet method where temporary differences are identified by comparing the carrying amounts of assets and liabilities for financial reporting purposes to their tax bases.

The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities (i.e. through use or through sale), using tax rates which are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

The Group recognised and disclosed separate deferred tax assets and deferred tax liabilities arising from arrangements where the Group is a lessee. Deferred tax assets and liabilities are offset where they relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities within the same taxable group.

The Bank and its wholly owned Australian subsidiaries elected to be treated as a single entity (“the tax consolidated group”) under the tax consolidation regime from 1 July 2002. The members of the tax consolidated group have entered into tax funding and tax sharing agreements, which set out the funding obligations and members.

Any current tax assets/liabilities and deferred tax assets from unused tax losses from subsidiaries in the tax consolidated group are recognised by the Bank legal entity and funded in line with the tax funding arrangement.

The measurement and disclosure of deferred tax assets and liabilities have been performed on a modified stand-alone basis under UIG 1052 *Tax Consolidation Accounting.*

#### Critical accounting judgements and estimates

Provisions for taxation require significant judgement with respect to outcomes that are uncertain. For such uncertainties, the Group has estimated the tax provisions based on the expected outcomes. A deferred tax asset is only recognised to the extent that it is probable that future taxable profits will be available for it to be used against.

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## 3 Our lending activities

### OVERVIEW

Lending is the Group's primary business activity, generating most of its net interest income and lending fees. The Group satisfies customers' needs for borrowed funds by providing a broad range of lending products in Australia, New Zealand and other jurisdictions. As a result of its lending activities, the Group assumes credit risk arising from the potential that it will not receive the full amount owed.

This section provides details of the Group's lending portfolio by type of product and geographic region, analysis of the credit quality of the Group's lending portfolio and the related impairment provisions.

### 3.1 Loans and other receivables

| | As at | | |
|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M |
| **Australia** | | | |
| Overdrafts | **5,571** | 15,570 | 16,579 |
| Home loans [1] [2] | **615,522** | 596,346 | 581,965 |
| Credit card outstandings | **8,565** | 8,559 | 9,332 |
| Lease financing | **4,868** | 4,324 | 3,846 |
| Term loans and other lending | **220,732** | 207,535 | 200,375 |
| **Total Australia** | **855,258** | 832,334 | 812,097 |
| **New Zealand** | | | |
| Overdrafts | **716** | 884 | 868 |
| Home loans [1] [2] | **69,686** | 68,273 | 68,396 |
| Credit card outstandings | **872** | 866 | 911 |
| Term loans and other lending | **32,885** | 32,484 | 32,616 |
| **Total New Zealand** | **104,159** | 102,507 | 102,791 |
| **Other overseas** | | | |
| Home loans | **61** | 82 | 99 |
| Term loans and other lending | **17,906** | 15,025 | 13,820 |
| **Total other overseas** | **17,967** | 15,107 | 13,919 |
| **Gross loans and other receivables** | **977,384** | 949,948 | 928,807 |
| **Less:** | | | |
| Provisions for loan impairment: | | | |
| Collective provisions | **(5,294)** | (5,200) | (5,141) |
| Individually assessed provisions | **(735)** | (712) | (684) |
| Unearned income: | | | |
| Term loans | **(1,427)** | (1,363) | (1,241) |
| Lease financing | **(524)** | (463) | (369) |
| | **(7,980)** | (7,738) | (7,435) |
| **Net loans and other receivables** | **969,404** | 942,210 | 921,372 |

[1] Home loans balance includes residential mortgages that have been assigned to securitisation vehicles and covered bond trusts. Further details on these residential mortgages are disclosed in Note 4.5 in the 2024 Annual Report.

[2] These balances are presented gross of mortgage offset balances as required under accounting standards.

## 3.1 Loans and other receivables (continued)

### ACCOUNTING POLICIES

Loans and other receivables include home loans, overdrafts, credit cards, other personal lending and term loans. These financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. The contractual cash flows on these financial assets comprise the payment of principal and interest only. These instruments are accordingly measured at amortised cost.

Loans and other receivables, consistent with the Group's policy for all financial assets measured at amortised cost, are recognised on settlement date, when funding is advanced to the borrowers. They are initially recognised at their fair value plus directly attributable transaction costs such as broker fees and commissions. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method and are presented net of provisions for impairment. The accounting policy for provisions for impairment is provided in Note 3.2. For information on the Group's management of credit risk, refer to Note 9.2 of the 2024 Annual Report.

Finance leases, where the Group acts as lessor, are also included in loans and other receivables. Finance leases are those where substantially all the risks and rewards of the lease asset have been transferred to the lessee. Lease receivables are recognised at an amount equal to the net investment in the lease. Finance lease income reflects a constant periodic return on this net investment and is recognised within other interest income in the Consolidated Income Statement.

### Critical accounting judgements and estimates

When applying the effective interest method, the Group has estimated the behavioural term of each loan portfolio by reference to historical prepayment rates and the contractual maturity.

## 3.2 Loan impairment expense, provisions for impairment and asset quality

The following table provides information about movements in the Group's provision for impairment losses.

| | Half Year Ended | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| | $M | $M | $M |
| **Provision for impairment losses** | | | |
| **Collective provisions** | | | |
| Opening balance | **5,423** | 5,298 | 5,196 |
| Net collective provision funding | **221** | 269 | 307 |
| Impairment losses written off | **(245)** | (238) | (236) |
| Impairment losses recovered | **65** | 76 | 52 |
| Reclassified to assets held for sale [1] | **–** | – | (32) |
| Other | **28** | 18 | 11 |
| **Closing balance** | **5,492** | 5,423 | 5,298 |
| **Individually assessed provisions** | | | |
| Opening balance | **712** | 684 | 754 |
| Net new and increased individual provisioning | **169** | 194 | 216 |
| Write-back of provisions no longer required | **(70)** | (46) | (108) |
| Discount unwind to interest income | **(11)** | (8) | (7) |
| Impairment losses written off | **(110)** | (150) | (140) |
| Reclassified to assets held for sale [1] | **–** | – | (49) |
| Other | **45** | 38 | 18 |
| **Closing balance** | **735** | 712 | 684 |
| **Total provisions for impairment losses** | **6,227** | 6,135 | 5,982 |
| Less: Provision for off balance sheet exposures | **(198)** | (223) | (157) |
| **Total provisions for loan impairment** | **6,029** | 5,912 | 5,825 |

[1] The half year ended 31 December 2023 includes provisions for impairment in relation to the loan portfolio of PTBC which was reclassified to assets held for sale. Refer to Note 7.3 for further details.

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## 3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

| | Half Year Ended | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| | $M | $M | $M |
| **Loan impairment expense** | | | |
| Net collective provision funding [1] | **221** | 252 | 307 |
| Net new and increased individual provisioning [1] | **169** | 181 | 216 |
| Write-back of individually assessed provisions | **(70)** | (46) | (108) |
| **Total loan impairment expense** | **320** | 387 | 415 |

[1] The half year ended 30 June 2024 includes $30 million benefit from provisions in relation to assets held for sale.

### Movement in provisions for impairment and credit exposures by ECL stage

The following table provides movements in the Group's impairment provisions and credit exposures by expected credit loss (ECL) stage for the half years ended 31 December 2024, 30 June 2024 and 31 December 2023.

Movements in credit exposures and provisions for impairment in the following tables represent the sum of monthly movements over the half-year periods and are attributable to the following items:

- **Transfers to/(from):** movements due to transfers of credit exposures between Stage 1, Stage 2 and Stage 3. Excludes the impact of re-measurements of provisions for impairment between 12 months and lifetime ECL;
- **Net re-measurement on transfers between stages:** movements in provisions for impairment due to re-measurement between 12 months and lifetime ECL as a result of transfers of credit exposures between stages;
- **Net financial assets originated:** net movements in credit exposures and provisions for impairment due to new financial assets originated as well as changes in existing credit exposures due to maturities, repayments or credit limit changes;
- **Movements in existing IAP (including IAP write-backs):** net movements in existing individually assessed provisions (IAP) excluding write-offs;
- **Movement due to risk parameters and other changes:** movements in provisions for impairment due to changes in credit risk parameters, forward looking economic scenarios or other assumptions as well as other changes in underlying credit quality that do not lead to transfers between Stage 1, Stage 2 and Stage 3;
- **Write-offs:** derecognition of credit exposures and provisions for impairment upon write-offs;
- **Recoveries:** increases in provisions for impairment due to recoveries of loans previously written off; and
- **Foreign exchange and other movements:** other movements in credit exposures and provisions for impairment including the impact of changes in foreign exchange rates.

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## 3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

| | Group | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | Stage 2 [1] [2] | | Stage 3 | | | |
| | Performing | | Performing | | Non-performing | | Total | |
| | Gross exposure | Provisions | Gross exposure | Provisions | Gross exposure | Provisions | Gross exposure | Provisions [3] |
| | $M | $M | $M | $M | $M | $M | $M | $M |
| **Opening balance as at 1 July 2023** | **921,565** | **1,709** | **187,874** | **2,889** | **7,777** | **1,352** | **1,117,216** | **5,950** |
| Transfers to/(from) | | | | | | | | |
| Stage 1 | 55,653 | 698 | (55,623) | (696) | (30) | (2) | **–** | **–** |
| Stage 2 | (94,585) | (384) | 96,359 | 504 | (1,774) | (120) | **–** | **–** |
| Stage 3 | (977) | (32) | (3,149) | (178) | 4,126 | 210 | **–** | **–** |
| Net re-measurement on transfers between stages | – | (492) | – | 848 | – | 236 | **–** | **592** |
| Net financial assets originated | 31,408 | 61 | (27,635) | (675) | (1,712) | (159) | **2,061** | **(773)** |
| Movement in existing IAP (including IAP write-backs) | – | – | – | – | – | 93 | **–** | **93** |
| Movements due to risk parameters and other changes | – | 188 | – | 231 | – | 84 | **–** | **503** |
| **Loan impairment expense for the period** | | 39 | | 34 | | 342 | | **415** |
| Write-offs | – | – | – | – | (376) | (376) | **(376)** | **(376)** |
| Recoveries | – | – | – | – | – | 52 | **–** | **52** |
| Foreign exchange and other commitments | 630 | 5 | 376 | 5 | 20 | 12 | **1,026** | **22** |
| Reclassified assets held for sale | (791) | (9) | (53) | (21) | (63) | (51) | **(907)** | **(81)** |
| **Closing balance as at 31 December 2023** | **912,903** | **1,744** | **198,149** | **2,907** | **7,968** | **1,331** | **1,119,020** | **5,982** |
| Transfers to/(from) | | | | | | | | |
| Stage 1 | 56,785 | 778 | (56,737) | (773) | (48) | (5) | **–** | **–** |
| Stage 2 | (68,088) | (352) | 69,501 | 458 | (1,413) | (106) | **–** | **–** |
| Stage 3 | (640) | (15) | (4,225) | (214) | 4,865 | 229 | **–** | **–** |
| Net re-measurement on transfers between stages | – | (581) | – | 819 | – | 289 | **–** | **527** |
| Net financial assets originated | 41,771 | 282 | (14,881) | (177) | (1,376) | (160) | **25,514** | **(55)** |
| Movement in existing IAP (including IAP write-backs) | – | – | – | – | – | 81 | **–** | **81** |
| Movements due to risk parameters and other changes | – | (65) | – | (235) | – | 164 | **–** | **(136)** |
| **Loan impairment expense for the period [4]** | | 47 | | (122) | | 492 | | **417** |
| Write-offs | – | – | – | – | (388) | (388) | **(388)** | **(388)** |
| Recoveries | – | – | – | – | – | 76 | **–** | **76** |
| Foreign exchange and other commitments | (1,581) | 4 | (347) | 9 | (31) | 35 | **(1,959)** | **48** |
| **Closing balance as at 30 June 2024** | **941,150** | **1,795** | **191,460** | **2,794** | **9,577** | **1,546** | **1,142,187** | **6,135** |
| Transfers to/(from) | | | | | | | | |
| Stage 1 | 58,139 | 737 | (58,082) | (733) | (57) | (4) | **–** | **–** |
| Stage 2 | (96,390) | (352) | 98,261 | 468 | (1,871) | (116) | **–** | **–** |
| Stage 3 | (738) | (13) | (4,016) | (199) | 4,754 | 212 | **–** | **–** |
| Net re-measurement on transfers between stages | – | (510) | – | 799 | – | 280 | **–** | **569** |
| Net financial assets originated | 66,566 | 191 | (18,525) | (390) | (1,848) | (194) | **46,193** | **(393)** |
| Movement in existing IAP (including IAP write-backs) | – | – | – | – | – | 40 | **–** | **40** |
| Movements due to risk parameters and other changes | – | (52) | – | 179 | – | (23) | **–** | **104** |
| **Loan impairment expense for the period** | | 1 | | 124 | | 195 | | **320** |
| Write-offs | – | – | – | – | (355) | (355) | **(355)** | **(355)** |
| Recoveries | – | – | – | – | – | 65 | **–** | **65** |
| Foreign exchange and other commitments | (488) | 9 | (248) | 15 | (19) | 38 | **(755)** | **62** |
| **Closing balance as at 31 December 2024** | **968,239** | **1,805** | **208,850** | **2,933** | **10,181** | **1,489** | **1,187,270** | **6,227** |

[1] The assessment of significant increase in credit risk (SICR) includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risks at an industry, geographic location or particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 60% of Stage 2 exposures as at 31 December 2024 (30 June 2024: 64%; 31 December 2023: 62%).

[2] During the half year ended 31 December 2024, the Group recalibrated the capital model for the commercial portfolio which resulted in a higher proportion of exposures allocated to Stage 2 as at 31 December 2024. This change did not have a significant impact on provisioning levels as the Group recognised an increase in provisions for the expected impact of model recalibration in the prior period.

[3] As at 31 December 2024, total provisions included $198 million in relation to financial guarantees and other off balance sheet instruments (30 June 2024: $223 million, 31 December 2023: $157 million).

[4] Loan impairment expense for the half year ended 30 June 2024 excludes a $30 million benefit recognised by the Group in relation to credit exposures reclassified to assets held for sale. Write-offs for the half year ended 30 June 2024 exclude $43 million recognised by the Group in relation to credit exposures reclassified as assets held for sale.

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## 3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

### ACCOUNTING POLICIES

By providing loans to customers, the Group bears the risk that the future circumstances of customers might change, including their ability to repay their loans in part or in full. While the Group's credit and responsible lending policies aim to minimise this risk, there will always be instances where the Group will not receive the full amount owed and hence a provision for impaired loans will be necessary.

A description of the key components of the Group's impairment methodology is provided in Note 3.2 of the 2024 Annual Report.

### Forward-looking information

The Group uses the following four alternative macroeconomic scenarios to reflect a probability-weighted range of possible future outcomes in estimating ECL for significant portfolios:

- **Central scenario:** This scenario is based on the Group's internal economic forecasts and market consensus as well as other assumptions used in business planning and forecasting;
- **Downside scenario:** This scenario contemplates the potential impact of possible, but less likely, adverse macroeconomic conditions, resulting from significant inflationary pressures which leads to disorderly asset price declines, a sharp increase in credit spreads, corporate defaults and high unemployment. This is exacerbated by a breakdown in global trade and compounded by geopolitical risks. The scenario also reflects the potential macroeconomic impacts of climate risk from a severe drought in Australia, through a decline in house prices, higher unemployment as well as weaker growth;
- **Upside scenario:** This scenario is included to account for the potential impact of remote, more favourable macroeconomic conditions. Relative to the Central scenario, the Upside scenario features stronger growth in economic output, further improvement in labour market conditions, lower interest rates and a stronger housing market; and
- **Severe downside scenario:** This scenario contemplates the potentially severe impact of remote, extremely adverse macroeconomic conditions. Relative to the Downside scenario, this scenario features a sharper contraction with a slower recovery in economic output, heightened and prolonged weakness in the labour market, and more severe declines in house prices, while interest rates are reduced to accommodative levels.

The table below provides a summary of macroeconomic variables used in the Central and Downside scenarios as at 31 December 2024.

| | Central Calendar Year | | Downside Calendar Year | |
|---|---|---|---|---|
| | 2025 | 2026 | 2025 | 2026 |
| GDP (annual % change) | 2.2 | 2.5 | (7.1) | (3.5) |
| Unemployment rate (%) [1] | 4.6 | 4.5 | 8.5 | 8.9 |
| Cash rate (%) [1] | 3.60 | 3.35 | 5.75 | 4.35 |
| House prices (annual % change) | 4.8 | 4.0 | (25.0) | 0.7 |
| CPI (annual % change) [2] | 3.0 | 2.5 | 7.8 | 5.0 |
| AUD/USD exchange rate [1] | 0.69 | 0.69 | 0.52 | 0.52 |
| Trade Weighted Index (TWI) [1] | 62.8 | 62.8 | 52.0 | 52.0 |
| NZ unemployment rate (%) [1] | 5.1 | 4.6 | 8.5 | 8.9 |
| NZ cash rate (%) [1] | 3.25 | 3.25 | 6.50 | 5.00 |
| NZ house prices (annual % change) | 9.4 | 7.4 | (15.0) | – |

[1] Spot rate at 31 December.

[2] CPI is not a variable used in ECL models, however, it is considered by the Group in deriving forecast macroeconomic variables used in ECL models.

The requirement to probability-weight possible future outcomes captures the uncertainty inherent in the credit outlook, and changes in that uncertainty over time. Weights are assigned to each scenario based on management's best estimate of the proportion of potential future loss outcomes that each scenario represents. The same economic scenarios and probability weights apply across all portfolios. The following probability weights applied at 31 December 2024, 30 June 2024 and 31 December 2023:

| | Combined weighting | | |
|---|---|---|---|
| **Scenario** | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| Central and Upside | **57.5%** | 57.5% | 57.5% |
| Downside and Severe downside | **42.5%** | 42.5% | 42.5% |

During the current half year, macroeconomic scenarios were revised reflecting current economic conditions. The changes to the Central scenario included slightly stronger growth and slower house price growth whilst the expectation of rate cuts has been delayed. The Downside scenario was also updated for higher interest rates.

The Group's assessment of SICR also incorporates the impact of multiple probability-weighted future forecast economic scenarios on exposures' internal risk grades using the same four forecast macroeconomic scenarios as described above. There were no changes to scenario weights during the current period.

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## 3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

### Incorporation of experienced credit judgement

Management exercises credit judgement in assessing if an exposure has experienced SICR and in determining the amount of impairment provisions at each reporting date. Where applicable, credit risk factors (PD and LGD) are adjusted to incorporate reasonable and supportable forward looking information about known or expected risks for specific segments of portfolios that would otherwise not have been considered in the modelling process. Credit judgement is used to determine the degree of adjustment to be applied and considers information such as emerging risks at an industry, geographic and portfolio segment level.

The Group also applies overlays which are determined based on a range of techniques including stress testing, benchmarking, scenario analysis and expert judgement. Overlays are subject to internal governance and applied as an incremental ECL top-up amount to the impacted portfolio segments.

As at 31 December 2024, the Group held overlays of $473 million (30 June 2024: $558 million; 31 December 2023: $598 million) for emerging risks, including the potential impact on customers more susceptible to ongoing cost of living pressures and high interest rates. The overlays included $473 million (30 June 2024: $558 million; 31 December 2023: $594 million) in relation to the Group’s retail lending portfolio and nil (30 June 2024: nil; 31 December 2023: $4 million) in relation to the non-retail portfolio.

The Group also applies additional overlays and forward-looking adjustments for other factors that cannot be adequately accounted for through the ECL models.

### Sensitivity of provisions for impairment to changes in forward looking assumptions

As described above, the Group applies four alternative macroeconomic scenarios (Central, Upside, Downside and Severe downside scenarios) to reflect a probability-weighted range of possible future outcomes in estimating ECL.

The table below provides approximate levels of provisions for impairment under the Central and Downside scenarios assuming 100% weighting was applied to each scenario and holding all other assumptions constant. As noted above, these scenarios and their associated weights have been selected based on the expected range of potential future loss outcomes.

| | **31 Dec 24** | **30 Jun 24** | **31 Dec 23** |
|---|---|---|---|
| | **$M** | **$M** | **$M** |
| Reported probability weighted ECL | **6,227** | 6,135 | 5,982 |
| 100% Central scenario | **3,873** | 3,956 | 3,769 |
| 100% Downside scenario | **8,145** | 7,883 | 7,934 |

### Sensitivity of provisions for impairment to SICR assessment criteria

If 1% of Stage 1 credit exposures as at 31 December 2024 was included in Stage 2, provisions for impairment would increase by approximately $118 million (30 June 2024: $119 million; 31 December 2023: $116 million).

If 1% of Stage 2 credit exposures as at 31 December 2024 was included in Stage 1, provisions for impairment would decrease by approximately $25 million (30 June 2024: $24 million; 31 December 2023: $25 million).

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## 3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

### Distribution of financial instruments by credit quality

The following tables provide information about the gross carrying amount of the Group's credit exposures by credit grade and ECL stage. For the definition of the Group's credit grades refer to Note 9.2 of the 2024 Annual Report.

| | As at 31 December 2024 | | | |
|---|---|---|---|---|
| | Stage 1 Performing $M | Stage 2[1,2] Performing $M | Stage 3 Non-performing $M | Total $M |
| **Loans and other receivables** | | | | |
| **Credit grade:** | | | | |
| Investment | 505,790 | 20,102 | – | 525,892 |
| Pass | 283,224 | 147,685 | – | 430,909 |
| Weak | 719 | 7,981 | 9,932 | 18,632 |
| **Gross carrying amount** | **789,733** | **175,768** | **9,932** | **975,433** |
| **Undrawn credit commitments** | | | | |
| **Credit grade:** | | | | |
| Investment | 118,225 | 9,258 | – | 127,483 |
| Pass | 43,324 | 15,639 | – | 58,963 |
| Weak | 147 | 272 | 109 | 528 |
| **Total undrawn credit commitments** | **161,696** | **25,169** | **109** | **186,974** |
| **Total credit exposures** | **951,429** | **200,937** | **10,041** | **1,162,407** |
| **Impairment provision** | **(1,779)** | **(2,782)** | **(1,468)** | **(6,029)** |
| **Provisions to credit exposure, %** | **0.2** | **1.4** | **14.6** | **0.5** |
| **Financial guarantees and other off balance sheet instruments** | | | | |
| **Credit grade:** | | | | |
| Investment | 12,398 | 1,203 | – | 13,601 |
| Pass | 4,398 | 6,192 | – | 10,590 |
| Weak | 14 | 518 | 140 | 672 |
| **Total financial guarantees and other off balance sheet instruments** | **16,810** | **7,913** | **140** | **24,863** |
| **Impairment provision** | **(26)** | **(151)** | **(21)** | **(198)** |
| **Provisions to credit exposure, %** | **0.2** | **1.9** | **15.0** | **0.8** |
| **Total credit exposures** | | | | |
| **Credit grade:** | | | | |
| Investment | 636,413 | 30,563 | – | 666,976 |
| Pass | 330,946 | 169,516 | – | 500,462 |
| Weak | 880 | 8,771 | 10,181 | 19,832 |
| **Total credit exposures** | **968,239** | **208,850** | **10,181** | **1,187,270** |
| **Total impairment provision** | **(1,805)** | **(2,933)** | **(1,489)** | **(6,227)** |
| **Provision to credit exposure, %** | **0.2** | **1.4** | **14.6** | **0.5** |

[1] The assessment of SICR includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risks at an industry, geographic location or particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 60% of Stage 2 exposures as at 31 December 2024.

[2] During the half year ended 31 December 2024, the Group recalibrated the capital model for the commercial portfolio which resulted in a higher proportion of exposures allocated to Stage 2 as at 31 December 2024. This change did not have a significant impact on provisioning levels as the Group recognised an increase in provisions for the expected impact of model recalibration in the prior period.

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## 3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

| | As at 31 December 2024 | | | |
|---|---|---|---|---|
| | Stage 1 Performing $M | Stage 2 [1] [2] Performing $M | Stage 3 Non-performing $M | Total $M |
| **Retail secured** | | | | |
| **Credit grade:** | | | | |
| Investment | 477,806 | 7,555 | – | 485,361 |
| Pass | 235,391 | 42,140 | – | 277,531 |
| Weak | 163 | 840 | 7,257 | 8,260 |
| **Total retail secured** | **713,360** | **50,535** | **7,257** | **771,152** |
| **Impairment provision** | **(1,030)** | **(598)** | **(441)** | **(2,069)** |
| **Provisions to credit exposure, %** | **0.1** | **1.2** | **6.1** | **0.3** |
| **Retail unsecured** | | | | |
| **Credit grade:** | | | | |
| Investment | 14,937 | 1,167 | – | 16,104 |
| Pass | 10,728 | 1,175 | – | 11,903 |
| Weak | 547 | 967 | 217 | 1,731 |
| **Total retail unsecured** | **26,212** | **3,309** | **217** | **29,738** |
| **Impairment provision** | **(376)** | **(421)** | **(137)** | **(934)** |
| **Provisions to credit exposure, %** | **1.4** | **12.7** | **63.1** | **3.1** |
| **Non-retail** | | | | |
| **Credit grade:** | | | | |
| Investment | 143,670 | 21,841 | – | 165,511 |
| Pass | 84,827 | 126,201 | – | 211,028 |
| Weak | 170 | 6,964 | 2,707 | 9,841 |
| **Total non-retail** | **228,667** | **155,006** | **2,707** | **386,380** |
| **Impairment provision** | **(399)** | **(1,914)** | **(911)** | **(3,224)** |
| **Provisions to credit exposure, %** | **0.2** | **1.2** | **33.7** | **0.8** |
| **Total credit exposures** | | | | |
| **Credit grade:** | | | | |
| Investment | 636,413 | 30,563 | – | 666,976 |
| Pass | 330,946 | 169,516 | – | 500,462 |
| Weak | 880 | 8,771 | 10,181 | 19,832 |
| **Total credit exposures** | **968,239** | **208,850** | **10,181** | **1,187,270** |
| **Total impairment provision** | **(1,805)** | **(2,933)** | **(1,489)** | **(6,227)** |
| **Provision to credit exposure, %** | **0.2** | **1.4** | **14.6** | **0.5** |

[1] The assessment of SICR includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risks at an industry, geographic location or particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 60% of Stage 2 exposures as at 31 December 2024.

[2] During the half year ended 31 December 2024, the Group recalibrated the capital model for the commercial portfolio which resulted in a higher proportion of exposures allocated to Stage 2 as at 31 December 2024. This change did not have a significant impact on provisioning levels as the Group recognised an increase in provisions for the expected impact of model recalibration in the prior period.

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## 3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

| | As at 30 June 2024 | | | |
|---|---|---|---|---|
| | Stage 1 Performing $M | Stage 2 [1] [2] Performing $M | Stage 3 Non-performing $M | Total $M |
| **Loans and other receivables** | | | | |
| **Credit grade:** | | | | |
| Investment | 489,281 | 19,346 | – | 508,627 |
| Pass | 286,201 | 135,716 | – | 421,917 |
| Weak | 1,018 | 7,155 | 9,406 | 17,579 |
| **Gross carrying amount** | **776,500** | **162,217** | **9,406** | **948,123** |
| **Undrawn credit commitments** | | | | |
| **Credit grade:** | | | | |
| Investment | 114,371 | 6,757 | – | 121,128 |
| Pass | 34,331 | 14,126 | – | 48,457 |
| Weak | 179 | 483 | 100 | 762 |
| **Total undrawn credit commitments** | **148,881** | **21,366** | **100** | **170,347** |
| **Total credit exposures** | **925,381** | **183,583** | **9,506** | **1,118,470** |
| **Impairment provision** | **(1,768)** | **(2,610)** | **(1,534)** | **(5,912)** |
| **Provisions to credit exposure, %** | **0.2** | **1.4** | **16.1** | **0.5** |
| **Financial guarantees and other off balance sheet instruments** | | | | |
| **Credit grade:** | | | | |
| Investment | 11,434 | 1,435 | – | 12,869 |
| Pass | 4,318 | 5,734 | – | 10,052 |
| Weak | 17 | 708 | 71 | 796 |
| **Total financial guarantees and other off balance sheet instruments** | **15,769** | **7,877** | **71** | **23,717** |
| **Impairment provision** | **(27)** | **(184)** | **(12)** | **(223)** |
| **Provisions to credit exposure, %** | **0.2** | **2.3** | **16.9** | **0.9** |
| **Total credit exposures** | | | | |
| **Credit grade:** | | | | |
| Investment | 615,086 | 27,538 | – | 642,624 |
| Pass | 324,850 | 155,576 | – | 480,426 |
| Weak | 1,214 | 8,346 | 9,577 | 19,137 |
| **Total credit exposures** | **941,150** | **191,460** | **9,577** | **1,142,187** |
| **Total impairment provision** | **(1,795)** | **(2,794)** | **(1,546)** | **(6,135)** |
| **Provision to credit exposure, %** | **0.2** | **1.5** | **16.1** | **0.5** |

[1] The assessment of SICR includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risk at an industry, geographic location or a particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 64% of Stage 2 credit exposures for the Group as at 30 June 2024.

[2] During the half year ended 30 June 2024, the Group implemented a number of new models for the unsecured retail portfolios which resulted in a reduction in provisions and a higher proportion of exposures allocated to Stage 1. The Group's provisioning coverage ratio for unsecured retail exposures remained prudent relative to current loss rates, and broadly in line with pre-pandemic levels.

## 3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

| | As at 30 June 2024 | | | |
|---|---|---|---|---|
| | Stage 1 Performing $M | Stage 2 [1] Performing $M | Stage 3 Non-performing $M | Total $M |
| **Retail secured** | | | | |
| **Credit grade:** | | | | |
| Investment | 453,412 | 6,104 | – | 459,516 |
| Pass | 238,998 | 41,076 | – | 280,074 |
| Weak | 182 | 803 | 6,727 | 7,712 |
| **Total retail secured** | **692,592** | **47,983** | **6,727** | **747,302** |
| **Impairment provision** | **(994)** | **(516)** | **(570)** | **(2,080)** |
| **Provisions to credit exposure, %** | **0.1** | **1.1** | **8.5** | **0.3** |
| **Retail unsecured [2]** | | | | |
| **Credit grade:** | | | | |
| Investment | 14,944 | 828 | – | 15,772 |
| Pass | 10,596 | 1,465 | – | 12,061 |
| Weak | 796 | 802 | 231 | 1,829 |
| **Total retail unsecured** | **26,336** | **3,095** | **231** | **29,662** |
| **Impairment provision** | **(366)** | **(462)** | **(157)** | **(985)** |
| **Provisions to credit exposure, %** | **1.4** | **14.9** | **68.0** | **3.3** |
| **Non-retail** | | | | |
| **Credit grade:** | | | | |
| Investment | 146,730 | 20,606 | – | 167,336 |
| Pass | 75,256 | 113,035 | – | 188,291 |
| Weak | 236 | 6,741 | 2,619 | 9,596 |
| **Total non-retail** | **222,222** | **140,382** | **2,619** | **365,223** |
| **Impairment provision** | **(435)** | **(1,816)** | **(819)** | **(3,070)** |
| **Provisions to credit exposure, %** | **0.2** | **1.3** | **31.3** | **0.8** |
| **Total credit exposures** | | | | |
| **Credit grade:** | | | | |
| Investment | 615,086 | 27,538 | – | 642,624 |
| Pass | 324,850 | 155,576 | – | 480,426 |
| Weak | 1,214 | 8,346 | 9,577 | 19,137 |
| **Total credit exposures** | **941,150** | **191,460** | **9,577** | **1,142,187** |
| **Total impairment provision** | **(1,795)** | **(2,794)** | **(1,546)** | **(6,135)** |
| **Provision to credit exposure, %** | **0.2** | **1.5** | **16.1** | **0.5** |

[1] The assessment of SICR includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risk at an industry, geographic location or a particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 64% of Stage 2 credit exposures for the Group as at 30 June 2024.

[2] During the half year ended 30 June 2024, the Group implemented a number of new models for the unsecured retail portfolios which resulted in a reduction in provisions and a higher proportion of exposures allocated to Stage 1. The Group's provisioning coverage ratio for unsecured retail exposures remained prudent relative to current loss rates, and broadly in line with pre-pandemic levels.

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## 3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

| | As at 31 December 2023 | | | |
|---|---|---|---|---|
| | Stage 1 Performing $M | Stage 2 [1] [2] Performing $M | Stage 3 Non-performing $M | Total $M |
| **Loans and other receivables** | | | | |
| **Credit grade:** | | | | |
| Investment | 476,197 | 20,924 | – | 497,121 |
| Pass | 277,173 | 137,805 | – | 414,978 |
| Weak | 945 | 6,392 | 7,760 | 15,097 |
| **Gross carrying amount** | **754,315** | **165,121** | **7,760** | **927,196** |
| **Undrawn credit commitments** | | | | |
| **Credit grade:** | | | | |
| Investment | 108,641 | 9,549 | – | 118,190 |
| Pass | 34,088 | 15,400 | – | 49,488 |
| Weak | 154 | 427 | 120 | 701 |
| **Total undrawn credit commitments** | **142,883** | **25,376** | **120** | **168,379** |
| **Total credit exposures** | **897,198** | **190,497** | **7,880** | **1,095,575** |
| **Impairment provision** | **(1,721)** | **(2,782)** | **(1,322)** | **(5,825)** |
| **Provisions to credit exposure, %** | **0.2** | **1.5** | **16.8** | **0.5** |
| **Financial guarantees and other off balance sheet instruments** | | | | |
| **Credit grade:** | | | | |
| Investment | 11,526 | 1,678 | – | 13,204 |
| Pass | 4,161 | 5,595 | – | 9,756 |
| Weak | 18 | 379 | 88 | 485 |
| **Total financial guarantees and other off balance sheet instruments** | **15,705** | **7,652** | **88** | **23,445** |
| **Impairment provision** | **(23)** | **(125)** | **(9)** | **(157)** |
| **Provisions to credit exposure, %** | **0.2** | **1.6** | **10.2** | **0.7** |
| **Total credit exposures** | | | | |
| **Credit grade:** | | | | |
| Investment | 596,364 | 32,151 | – | 628,515 |
| Pass | 315,422 | 158,800 | – | 474,222 |
| Weak | 1,117 | 7,198 | 7,968 | 16,283 |
| **Total credit exposures** | **912,903** | **198,149** | **7,968** | **1,119,020** |
| **Total impairment provision** | **(1,744)** | **(2,907)** | **(1,331)** | **(5,982)** |
| **Provision to credit exposure, %** | **0.2** | **1.5** | **16.7** | **0.5** |

[1] The assessment of SICR includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risks at an industry, geographic location or particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 62% of Stage 2 exposures as at 31 December 2023.

[2] During the half year ended 31 December 2023, the Group recalibrated the capital model for the large corporate portfolio which resulted in a higher proportion of exposures allocated to Stage 2 as at 31 December 2023. This change did not have a significant impact on provisioning levels as the Group recognised an increase in provisions for the expected impact of model recalibration in the prior period.

## 3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

| | As at 31 December 2023 | | | |
|---|---|---|---|---|
| | Stage 1 Performing | Stage 2 [1] [2] Performing | Stage 3 Non-performing | Total |
| | $M | $M | $M | $M |
| **Retail secured** | | | | |
| **Credit grade:** | | | | |
| Investment | 432,509 | 5,911 | – | 438,420 |
| Pass | 236,172 | 46,720 | – | 282,892 |
| Weak | 158 | 871 | 5,361 | 6,390 |
| **Total retail secured** | **668,839** | **53,502** | **5,361** | **727,702** |
| **Impairment provision** | **(994)** | **(509)** | **(430)** | **(1,933)** |
| **Provisions to credit exposure, %** | **0.1** | **1.0** | **8.0** | **0.3** |
| **Retail unsecured** | | | | |
| **Credit grade:** | | | | |
| Investment | 12,433 | 3,861 | – | 16,294 |
| Pass | 9,469 | 2,411 | – | 11,880 |
| Weak | 675 | 841 | 197 | 1,713 |
| **Total retail unsecured** | **22,577** | **7,113** | **197** | **29,887** |
| **Impairment provision** | **(374)** | **(663)** | **(136)** | **(1,173)** |
| **Provisions to credit exposure, %** | **1.7** | **9.3** | **69.0** | **3.9** |
| **Non-retail** | | | | |
| **Credit grade:** | | | | |
| Investment | 151,422 | 22,379 | – | 173,801 |
| Pass | 69,781 | 109,669 | – | 179,450 |
| Weak | 284 | 5,486 | 2,410 | 8,180 |
| **Total non-retail** | **221,487** | **137,534** | **2,410** | **361,431** |
| **Impairment provision** | **(376)** | **(1,735)** | **(765)** | **(2,876)** |
| **Provisions to credit exposure, %** | **0.2** | **1.3** | **31.7** | **0.8** |
| **Total credit exposures** | | | | |
| **Credit grade:** | | | | |
| Investment | 596,364 | 32,151 | – | 628,515 |
| Pass | 315,422 | 158,800 | – | 474,222 |
| Weak | 1,117 | 7,198 | 7,968 | 16,283 |
| **Total credit exposures** | **912,903** | **198,149** | **7,968** | **1,119,020** |
| **Total impairment provision** | **(1,744)** | **(2,907)** | **(1,331)** | **(5,982)** |
| **Provision to credit exposure, %** | **0.2** | **1.5** | **16.7** | **0.5** |

[1] The assessment of SICR includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risks at an industry, geographic location or particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 62% of Stage 2 exposures as at 31 December 2023.

[2] During the half year ended 31 December 2023, the Group recalibrated the capital model for the large corporate portfolio which resulted in a higher proportion of exposures allocated to Stage 2 as at 31 December 2023. This change did not have a significant impact on provisioning levels as the Group recognised an increase in provisions for the expected impact of model recalibration in the prior period.

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# 4 Our deposits and funding activities

## OVERVIEW

Stable and well diversified funding sources are critical to the Group's ability to fund its lending and investing activities, and support its business growth.

The Group's main sources of funding include customer deposits and term funds raised in domestic and offshore wholesale markets via issuing debt securities and loan capital. The Group also relies on repurchase agreements as a source of short-term wholesale funding. Refer to Note 9.4 of the 2024 Annual Report for the Group's management of liquidity and funding risk.

## 4.1 Deposits and other public borrowings

| | As at [1] | | |
|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M |
| **Australia** | | | |
| Interest bearing deposits and public borrowings | | | |
| Certificates of deposit | **21,267** | 30,178 | 30,772 |
| Transaction deposits | **184,460** | 183,878 | 176,363 |
| Savings deposits | **281,765** | 269,745 | 261,863 |
| Investment deposits | **199,599** | 193,276 | 200,921 |
| Other demand deposits | **489** | 492 | 497 |
| Securities sold under agreements to repurchase | **582** | 241 | 301 |
| Non-interest bearing deposits and public borrowings | | | |
| Transaction deposits | **100,962** | 100,723 | 101,276 |
| Other non-interest bearing liabilities | **1,034** | 1,168 | 1,127 |
| **Total Australia** | **790,158** | 779,701 | 773,120 |
| **New Zealand** | | | |
| Interest bearing deposits and public borrowings | | | |
| Certificates of deposit | **2,737** | 2,331 | 2,110 |
| Transaction deposits | **9,577** | 10,070 | 9,066 |
| Savings deposits | **21,023** | 20,398 | 21,814 |
| Investment deposits | **39,401** | 38,288 | 37,645 |
| Securities sold under agreements to repurchase | **7** | 106 | – |
| Non-interest bearing deposits and public borrowings | | | |
| Transaction deposits | **9,368** | 8,710 | 9,544 |
| Other non-interest bearing liabilities | **140** | 101 | 115 |
| **Total New Zealand** | **82,253** | 80,004 | 80,294 |
| **Other overseas** | | | |
| Interest bearing deposits and public borrowings | | | |
| Certificates of deposit | **16,151** | 12,908 | 11,721 |
| Investment deposits | **8,287** | 6,209 | 5,270 |
| Other demand deposits | **645** | 635 | 112 |
| Securities sold under agreements to repurchase | **4,986** | 3,433 | 2,683 |
| Non-interest bearing deposits and public borrowings | | | |
| Other non-interest bearing liabilities | **22** | 32 | 99 |
| **Total other overseas** | **30,091** | 23,217 | 19,885 |
| **Total deposits and other public borrowings** | **902,502** | 882,922 | 873,299 |

[1] Comparative information has been restated to conform to presentation in the current period.

## 4.1 Deposits and other public borrowings (continued)

### ACCOUNTING POLICIES

Deposits from customers include certificates of deposit, transaction, savings, investment and other demand deposits. Deposits are initially recognised at their fair value less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost. Interest incurred is recognised within net interest income using the effective interest method.

Securities sold under repurchase agreements are retained on the Balance Sheet where substantially all the risks and rewards of ownership remain with the Group. A liability for the agreed repurchase amount is recognised within deposits and other public borrowings. Repurchase transactions that are managed on a fair value basis are presented within liabilities at fair value through income statement.

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## 5 Our capital, equity and reserves

### OVERVIEW

The Group maintains a strong capital position in order to satisfy regulatory capital requirements, provide financial security to its depositors and creditors, and adequate return to its shareholders. The Group's Shareholders' equity includes issued ordinary shares, retained earnings and reserves.

This section provides analysis of the Group's Shareholders' equity including changes during the period.

### 5.1 Shareholders' equity

| | Half Year Ended | | |
|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M |
| **Ordinary share capital** | | | |
| Shares on issue: | | | |
| Opening balance | **33,793** | 33,921 | 34,075 |
| Share buy-backs [1] [2] | **(18)** | (128) | (154) |
| | **33,775** | 33,793 | 33,921 |
| Less treasury shares: | | | |
| Opening balance | **(158)** | (147) | (162) |
| Purchase of treasury shares [3] | **(105)** | (14) | (66) |
| Sale and vesting of treasury shares [3] | **74** | 3 | 81 |
| **Total treasury shares** | **(189)** | (158) | (147) |
| **Closing balance** | **33,586** | 33,635 | 33,774 |
| **Retained profits** | | | |
| Opening balance | **41,600** | 40,643 | 40,010 |
| Actuarial gains/(losses) from defined benefit superannuation plans | **20** | (78) | (90) |
| Net profit attributable to equity holders of the Bank | **5,134** | 4,635 | 4,759 |
| **Total available for appropriation** | **46,754** | 45,200 | 44,679 |
| Transfers from asset revaluation reserve | **–** | – | 1 |
| Transfer from investment securities revaluation reserve | **8** | – | 5 |
| Transfers from employee compensation reserve | **–** | – | (19) |
| Interim dividend - cash component | **–** | (3,119) | – |
| Interim dividend - dividend reinvestment plan [4] | **–** | (481) | – |
| Final dividend - cash component | **(3,426)** | – | (3,296) |
| Final dividend - dividend reinvestment plan [4] | **(758)** | – | (727) |
| **Closing balance** | **42,578** | 41,600 | 40,643 |

[1] On 9 August 2023, the Group announced its intention to conduct an on-market share buy-back of up to $1 billion of CBA ordinary shares, with 1,517,388 ordinary shares bought back at $101.49 per share ($154 million) in the half year ended 31 December 2023 and 1,071,576 ordinary shares were bought back at an average price of $119.24 per share ($128 million) in the half year ended 30 June 2024. The shares bought back were subsequently cancelled.

[2] On 14 August 2024, the Group announced a 12 month extension of the on-market share buy-back of up to $1 billion of CBA ordinary shares announced on 9 August 2023. During the half year ended 31 December 2024, 118,000 ordinary shares were bought back at an average price of $151.98 per share ($18 million). The shares bought back were subsequently cancelled.

[3] Relates to the movements in treasury shares held within the employee share scheme plans.

[4] The DRP in respect of the final 2023/2024, interim 2023/2024 and final 2022/2023 dividends were satisfied in full through the on-market purchase and transfer of 5,335,505 shares at $141.50, 4,092,235 shares at $117.19 and 7,183,122 shares at $101.10, respectively, to participating shareholders.

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## 5.1 Shareholders' equity (continued)

| | Half Year Ended | | |
|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M |
| **Reserves** | | | |
| **Asset revaluation reserve** | | | |
| Opening balance | **292** | 277 | 278 |
| Revaluation of properties | **–** | 20 | – |
| Transfer to retained profits | **–** | – | (1) |
| Income tax effect | **–** | (5) | – |
| **Closing balance** | **292** | 292 | 277 |
| **Foreign currency translation reserve** | | | |
| Opening balance | **123** | 143 | 158 |
| Currency translation adjustments of foreign operations | **33** | (55) | – |
| Currency translation of net investment hedge | **21** | 35 | (15) |
| Income tax effect | **–** | – | – |
| **Closing balance** | **177** | 123 | 143 |
| **Cash flow hedge reserve** | | | |
| Opening balance | **(1,510)** | (936) | (1,820) |
| Gains/(losses) on cash flow hedging instruments: | | | |
| Recognised in Other Comprehensive Income | **2,197** | 295 | 610 |
| Transferred to Income Statement: | | | |
| Interest income | **1,003** | 1,472 | 1,734 |
| Interest expense | **(707)** | (1,014) | (1,514) |
| Other operating (expense)/income | **(1,178)** | (1,570) | 439 |
| Income tax effect | **(395)** | 243 | (385) |
| **Closing balance** | **(590)** | (1,510) | (936) |
| **Employee compensation reserve** | | | |
| Opening balance | **117** | 79 | 99 |
| Current period movement | **(28)** | 38 | (39) |
| Transfer to retained profits | **–** | – | 19 |
| **Closing balance** | **89** | 117 | 79 |
| **Investment securities revaluation reserve** | | | |
| Opening balance | **(1,169)** | (1,146) | (1,010) |
| Transfer to retained profits on sale of equity securities | **(8)** | – | (5) |
| Net gains/(losses) on revaluation of investment securities | **338** | (97) | (221) |
| Net losses/(gains) on debt investment securities transferred to Income Statement on disposal | **67** | (6) | (9) |
| Income tax effect | **(96)** | 80 | 99 |
| **Closing balance** | **(868)** | (1,169) | (1,146) |
| **Total reserves** | **(900)** | (2,147) | (1,583) |
| **Shareholders' equity attributable to equity holders of the Bank** | **75,264** | 73,088 | 72,834 |
| **Shareholders' equity attributable to non-controlling interests** | **–** | – | 5 |
| **Total Shareholders' equity** | **75,264** | 73,088 | 72,839 |

## 5.1 Shareholders' equity (continued)

### ACCOUNTING POLICIES

Shareholders' equity includes ordinary share capital, retained profits and reserves. Policies for each component are set out below.

### Ordinary share capital

Ordinary shares are recognised at the amount paid up per ordinary share, net of directly attributable issue costs. Where the Bank or entities within the Group purchase shares in the Bank, the consideration paid is deducted from total Shareholders' equity and the shares are treated as treasury shares until they are subsequently sold, reissued or cancelled. Where such shares are sold or reissued, any consideration received is included in Shareholders' equity.

### Retained profits

Retained profits include the accumulated profits for the Group including certain amounts recognised directly in retained profits less dividends paid.

### Reserves

**Asset revaluation reserve**

The asset revaluation reserve is used to record revaluation adjustments on the Group's property assets. Where an asset is sold or disposed of, any balance in the reserve in relation to the asset is transferred directly to retained profits.

**Foreign currency translation reserve**

Exchange differences arising on translation of the Group's foreign operations are accumulated in foreign currency translation reserve. Specifically assets and liabilities are translated at the prevailing exchange rate at balance sheet date; revenue and expenses are translated at the transaction date; and all resulting exchange differences are recognised in the foreign currency translation reserve.

When a foreign operation is disposed of, exchange differences are reclassified to the Income Statement.

**Cash flow hedge reserve**

The cash flow hedge reserve is used to record fair value gains or losses associated with the effective portion of designated cash flow hedging instruments. Amounts are reclassified to the Income Statement when the hedged transaction impacts profit or loss.

**Employee compensation reserve**

Employee compensation reserve is used to recognise the fair value of shares and other equity instruments issued to employees under the employee share plans and bonus schemes.

**Investment securities revaluation reserve**

Investment securities revaluation reserve includes changes in the fair value of investment securities measured at fair value through other comprehensive income. For debt securities, these changes are reclassified to the Income Statement when the asset is derecognised. For equity securities, these changes are not reclassified to the Income Statement when derecognised.

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# 6 Fair values

## OVERVIEW

The Group holds a range of financial instruments as a result of its lending, investing and funding activities. Some of the financial instruments are actively traded on stock exchanges or in over-the-counter markets whilst others do not have liquid markets. This section provides information about fair values of the Group's financial instruments including a description of valuation methodologies used, the classification of financial instruments according to liquidity and the observability of inputs used in deriving the fair values.

## 6.1 Disclosures about fair values

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or amortised cost.

### (a) Fair value information for financial instruments not measured at fair value

The estimated fair values of the Group's financial instruments not measured at fair value are presented below. Fair values of financial assets and liabilities not included in the table below approximate their carrying values.

**Disclosures about fair value of financial instruments not measured at fair value**

| | 31 Dec 24 | | 30 Jun 24 | |
|---|---|---|---|---|
| | Carrying value $M | Fair value $M | Carrying value $M | Fair value $M |
| **Financial assets** | | | | |
| Investment securities at amortised cost | **837** | **836** | 1,239 | 1,239 |
| Loans and other receivables | **969,404** | **970,821** | 942,210 | 941,289 |
| **Financial liabilities** | | | | |
| Deposits and other public borrowings | **902,502** | **902,685** | 882,922 | 882,850 |
| Debt issues | **167,125** | **167,456** | 144,530 | 144,740 |
| Loan capital | **36,722** | **38,165** | 35,938 | 36,918 |

### (b) Fair value hierarchy for financial assets and liabilities measured at fair value

The classification in the fair value hierarchy of the Group's financial assets and liabilities measured at fair value is presented in the table below. An explanation of how fair values are calculated and the levels in the fair value hierarchy are included in the accounting policy within this note.

| | Fair value as at 31 December 2024 | | | | Fair value as at 30 June 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Level 1 $M | Level 2 $M | Level 3 $M | Total $M | Level 1 $M | Level 2 $M | Level 3 $M | Total $M |
| **Financial assets measured at fair value on a recurring basis** | | | | | | | | |
| Assets at fair value through income statement: | | | | | | | | |
| Trading | 22,017 | 11,661 | 6 | **33,684** | 18,235 | 7,904 | 5 | **26,144** |
| Other | – | 53,390 | 576 | **53,966** | – | 52,705 | 184 | **52,889** |
| Derivative assets | 168 | 40,905 | 70 | **41,143** | 109 | 17,869 | 80 | **18,058** |
| Investment securities at fair value through other comprehensive income | 85,873 | 15,026 | 1,290 | **102,189** | 82,878 | 13,111 | 785 | **96,774** |
| Assets held for sale | 163 | – | – | **163** | – | – | – | **–** |
| **Total financial assets measured at fair value** | **108,221** | **120,982** | **1,942** | **231,145** | **101,222** | **91,589** | **1,054** | **193,865** |
| **Financial liabilities measured at fair value on a recurring basis** | | | | | | | | |
| Liabilities at fair value through income statement | 8,244 | 31,624 | – | **39,868** | 8,606 | 38,735 | – | **47,341** |
| Derivative liabilities | 90 | 35,889 | 33 | **36,012** | 55 | 18,745 | 50 | **18,850** |
| **Total financial liabilities measured at fair value** | **8,334** | **67,513** | **33** | **75,880** | **8,661** | **57,480** | **50** | **66,191** |

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## 6.1 Disclosures about fair values (continued)

At 31 December 2024, the Group's assets held for sale included $521 million of assets measured at fair value on a non-recurring basis in Level 3 (30 June 2024: $867 million of assets; 31 December 2023: $1,055 million of assets and $1,145 million of liabilities).

### (c) Analysis of movements between fair value hierarchy levels

The table below summarises movements in Level 3 balances during the half year. Transfers have been reflected as if they had taken place at the end of the reporting periods. Transfers in and out of Level 3 were due to changes in the observability of inputs.

### Level 3 movement analysis for the half year ended 31 December 2024

| | Derivative assets $M | Investment securities at fair value through OCI $M | Assets at fair value through income statement $M | Derivative liabilities $M |
|---|---|---|---|---|
| **As at 30 June 2024** | 80 | 785 | 189 | (50) |
| Purchases | 26 | 46 | 389 | (10) |
| Sales/settlements | (40) | – | – | 23 |
| Gains/(losses) in the period: | | | | |
| Recognised in the Income Statement | 5 | – | 4 | 4 |
| Recognised in the Statement of Comprehensive Income | (1) | 459 | – | – |
| Transfers in | – | – | – | – |
| Transfers out | – | – | – | – |
| Reclassified to held for sale | – | – | – | – |
| **As at 31 December 2024** | **70** | **1,290** | **582** | **(33)** |
| **Gains/(losses) recognised in the Income Statement for financial instruments held as at 31 December 2024** | 6 | – | 5 | (1) |

## ACCOUNTING POLICIES

### Valuation

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. On initial recognition, the transaction price generally represents the fair value of the financial instrument, unless there is observable information from an active market that provides a more appropriate fair value.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations, without any deduction for transaction costs. Assets and long positions are measured at a quoted bid price, liabilities and short positions are measured at a quoted asking price. Where the Group has positions with offsetting market risks, mid-market prices are used to measure the offsetting risk positions and a quoted bid or asking price adjustment is applied only to the net open position as appropriate.

Non-market quoted financial instruments are mostly valued using valuation techniques based on observable inputs except where observable market data is unavailable. Where market data is unavailable the financial instrument is initially recognised at the transaction price, which is generally the best indicator of fair value. This may differ from the value obtained from the valuation model. The timing of the recognition in the Income Statement of this initial difference in fair value depends on the individual facts and circumstances of each transaction, but is never later than when the market data becomes observable. The difference may be either amortised over the life of the transaction, recognised when the inputs become observable or on derecognition of the instrument, as appropriate.

The fair value of over-the-counter (OTC) derivatives includes credit valuation adjustments (CVA) for derivative assets to reflect the credit worthiness of the counterparty. Fair value of uncollateralised derivative assets and uncollateralised derivative liabilities incorporate funding valuation adjustments (FVA) to reflect funding costs and benefits to the Group. These adjustments are applied after considering any relevant collateral or master netting arrangements.

## 6.1 Disclosures about fair values (continued)

### ACCOUNTING POLICIES (continued)

**Fair value hierarchy**

The Group utilises various valuation techniques and applies a hierarchy for valuation inputs that maximise the use of observable market data, if available.

Under AASB 13 *Fair Value Measurement* all financial and non-financial assets and liabilities measured or disclosed at fair value are categorised into one of the following three fair value hierarchy levels:

**Quoted prices in active markets – Level 1**

This category includes assets and liabilities for which the valuation is determined by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Financial instruments included in this category are liquid government bonds, listed equities and exchange traded derivatives.

**Valuation technique using observable inputs – Level 2**

This category includes assets and liabilities that have been valued using inputs other than quoted prices as described for Level 1, but which are observable for the asset or liability, either directly or indirectly. The valuation techniques include the use of discounted cash flow analysis, option pricing models and other market accepted valuation models.

Financial instruments included in this category are financial institution and corporate bonds, certificates of deposit, bank bills, commercial papers, mortgage-backed securities and OTC derivatives including interest rate swaps, cross currency swaps and FX options.

**Valuation technique using significant unobservable inputs – Level 3**

This category includes assets and liabilities where the valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally derived and extrapolated from observable inputs to match the risk profile of the financial instrument, and are calibrated against current market assumptions, historic transactions and economic models, where available. These inputs may include the timing and amount of future cash flows, rates of estimated credit losses, discount rates and volatility. Financial instruments included in this category for the Group are certain exotic OTC derivatives, loans measured at fair value and unlisted equity instruments.

As at 31 December 2024, the Group held an unlisted equity investment in Klarna Group plc (Klarna) measured on a recurring basis at fair value through other comprehensive income of $998 million (30 June 2024: $574 million, 31 December 2023: $677 million). The valuation of the investment is based on a methodology which considers revenue multiples of market listed comparable companies as well as any recent market transactions. Comparable listed companies are included based on industry, size, development stage and/or strategy. A revenue multiple is derived for each comparable company identified and then discounted for considerations such as illiquidity. The Group adopted an adjusted revenue multiple of 5.9x in its valuation as at 31 December 2024 (30 June 2024: 3.9x; 31 December 2023: 5.0x). The effect of adjusting the revenue multiples by +/-20%, representing a range of reasonably possible alternatives, would be to increase the fair value by up to $200 million or to decrease the fair value by up to $200 million with all the potential effect impacting investment securities revaluation reserve.

### Critical accounting judgements and estimates

Valuation techniques are used to estimate the fair value of securities. When using valuation techniques the Group makes maximum use of market inputs and relies as little as possible on entity specific inputs. It incorporates all factors that the Group believes market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Data inputs that the Group relies upon when valuing debt financial instruments relate to counterparty credit risk, volatility, correlation and extrapolation.

Periodically, the Group calibrates its valuation techniques and tests them for validity using prices from any observable current market transaction in the same instruments (i.e. without modification or repackaging) and any other available observable market data.

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# 7 Other Information

## 7.1 Contingent liabilities, contingent assets and commitments arising from the banking business

Details of contingent liabilities and off balance sheet instruments are presented below and in Note 7.2, in relation to litigation, investigations and reviews. The face value represents the maximum amount that could be lost if the counterparty fails to meet its financial obligations. The credit equivalent amounts are a measure of potential loss to the Group in the event of non-performance by the counterparty. The credit commitments shown in the table below also constitute contingent assets. These commitments would be classified as loans and other assets in the Balance Sheet should they be drawn upon by the customer.

| | Face value | | Credit equivalent | |
|---|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 24 | 30 Jun 24 |
| **Credit risk related instruments** | $M | $M | $M | $M |
| Financial guarantees | **3,411** | 3,814 | **3,135** | 3,538 |
| Performance related contingencies | **15,248** | 13,650 | **8,324** | 7,518 |
| Commitments to provide credit and other commitments | **195,305** | 185,776 | **152,226** | 146,007 |
| **Total credit risk related instruments** | **213,964** | 203,240 | **163,685** | 157,063 |

### ACCOUNTING POLICIES

The types of instruments included in this category are:

- **Financial guarantees** are unconditional undertakings given to support the obligations of a customer to third parties. They include documentary letters of credit which are undertakings by the Group to pay or accept drafts drawn by a supplier of goods against presentation of documents in the event of payment default by a customer. Financial guarantees are recognised within other liabilities and are initially measured at their fair value, equal to the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the Income Statement and the expected credit losses. Any increase in the liability relating to financial guarantees is recorded in the Income Statement. The premium received is recognised in the Income Statement in other operating income on a straight-line basis over the life of the guarantee;
- **Performance related contingencies** are undertakings that oblige the Group to pay third parties should a customer fail to fulfil a contractual non-monetary obligation and are measured with reference to expected credit losses of which the inherent credit risk is managed and monitored by the Group; and
- **Commitments to provide credit** include obligations on the part of the Group to provide credit facilities against which clients can borrow money under defined terms and conditions. Such loan commitments are made either for a fixed period, or are cancellable by the Group subject to notice conditions. As facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements. Loan commitments must be measured with reference to expected credit losses required to be recognised. In the case of undrawn loan commitments, the inherent credit risk is managed and monitored by the Group together with the drawn component as a single credit exposure. The exposure at default on the entire facility is used to calculate the cumulative expected credit losses.

The details of the Group's accounting policies and critical judgements and estimates involved in calculating impairment provisions are provided in Note 3.2.

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## 7.2 Customer remediation, litigation, investigations and reviews, other matters

### Customer remediation

Provisions for customer remediation require significant levels of estimation and judgement. The amount raised depends on a number of different assumptions, such as the number of years impacted, the forecast refund rate and the average cost per case. The Group is committed to comprehensively and efficiently addressing the full range of remediation issues impacting customers of the Banking and former Wealth Management businesses. Significant resources have been committed to a comprehensive program of work, to ensure that issues are identified and addressed.

As at 31 December 2024, the provision held by the Group in relation to Banking customer remediation programs was $177 million (30 June 2024: $173 million; 31 December 2023: $74 million). The provision includes an estimate of customer refunds (including interest) relating to business and retail banking products and the related program costs.

As at 31 December 2024, the Group also held a provision of $35 million (30 June 2024: $40 million; 31 December 2023: $76 million) in relation to Aligned Advice remediation. The Group made all customer refunds in relation to ongoing service fee remediation during the year ended 30 June 2024.

### Litigation, investigations and reviews

The Group is party to a number of legal proceedings, and the subject of various investigations and reviews. Provisions have been raised in accordance with the criteria outlined in the accounting policy section of this note.

#### Litigation

The main litigated claims against the Group as at 31 December 2024 are summarised below.

**Shareholder class actions**

In October 2017 and June 2018, two separate shareholder class action proceedings were filed against CBA in the Federal Court of Australia, alleging breaches of CBA's continuous disclosure obligations and misleading and deceptive conduct in relation to the subject matter of the civil penalty proceedings brought against CBA by the Australian Transaction Reports and Analysis Centre (AUSTRAC). The AUSTRAC proceedings concerned contraventions of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF Act). The resolution of the AUSTRAC civil penalty proceedings was approved by the Federal Court on 20 June 2018 with CBA paying a penalty of $700 million and legal costs.

It was alleged in the class actions that CBA shareholders who acquired an interest in CBA shares between 16 June 2014 and 3 August 2017 suffered losses as a result of the alleged conduct. On 10 May 2024, the Federal Court handed down judgment in CBA's favour and on 28 May 2024 orders were made dismissing both class actions. The applicants appealed the Federal Court's decision and CBA is defending the appeals. The hearing of the appeals occurred in November 2024 and the Court's decision is reserved. It is currently not possible to determine the ultimate impact of this claim, if any, on the Group.

**Superannuation class actions**

On 9 October 2018, a class action was filed against Colonial First State Investments Limited (CFSIL) and CBA in the Federal Court of Australia. The claim initially related to investment in cash and deposit options (which are cash and deposit products provided by CBA) in the Colonial First State First Choice Superannuation Trust (FirstChoice Fund) and Commonwealth Essential Super and later expanded to join Avanteos Investments Limited (AIL) as a party in respect of claims regarding the FirstWrap Pooled Cash Account.

The main claims are that members who invested in these cash and deposit options received lower interest rates than they could have received had CFSIL/AIL offered similar products made available in the market by another bank with comparable risk and that CFSIL/AIL retained the margin that arises through the internal transfer pricing process in respect of deposits made with CBA, for their own benefit. It is claimed CFSIL/AIL breached their duties as a trustee of the funds, CFSIL breached its duties as a Responsible Entity of the underlying managed investment schemes and that CBA was involved in CFSIL/AIL's breaches. CBA, CFSIL and AIL deny the allegations and are defending the proceedings. The Court has ordered that a mediation take place by 31 March 2026 and has listed the matter for trial commencing 9 November 2026.

On 18 October 2019, a second class action was commenced against CFSIL in the Federal Court of Australia. The claim related to certain fees charged to members of the FirstChoice Fund. It alleged that CFSIL breached its duties as trustee and acted unconscionably because it failed, between 2013 and 2019, to take steps to avoid the payment of grandfathered commissions to financial advisers, which would have resulted in a reduction of the fees paid by members in respect of whom those commissions were paid. CFSIL denied the allegations and defended the proceedings. Following a mediation in June 2023, a settlement was reached with no admissions as to liability. The settlement was approved by the Court on 5 August 2024 and the settlement distribution process has commenced.

On 22 January 2020, a further class action was filed against CFSIL and The Colonial Mutual Life Assurance Society Pty Limited (CMLA) in the Federal Court of Australia. On 22 October 2021, AIA Australia Limited (AIAA), which from 1 April 2021 was liable for and assumed certain liabilities of CMLA under a life insurance scheme pursuant to Part 9 of the *Life Insurance Act 1995* (Cth) (Part 9 Scheme), was joined as a third respondent to the class action. The class action alleges that CFSIL did not act in the best interests of members and breached its trustee duties when taking out group insurance policies obtained from CMLA. The key allegation is that CFSIL entered into and maintained insurance policies with CMLA on terms that were less favourable to members than would have reasonably been available in the market. It is alleged that CMLA was knowingly involved in CFSIL's contraventions as trustee and profited from those contraventions. CFSIL, CMLA and AIAA deny the allegations and are defending the proceedings. A mediation took place in December 2023 which did not result in an agreement being reached. The Court has ordered a further mediation take place by 25 April 2025. The Court has listed the matter for trial commencing 6 October 2025.

On 1 December 2021, the Group completed the sale of a 55% interest in Colonial First State (CFS) to KKR. CBA has assumed carriage of the superannuation class actions proceedings on CFSIL's and AIL's behalf, subject to the terms of a conduct indemnity deed between CBA, CFSIL and AIL. The Group has provided for certain legal and other costs associated with its obligations under the indemnity deed.

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## 7.2 Customer remediation, litigation, investigations and reviews, other matters (continued)

**Advice class actions**

On 21 August 2020, a class action was filed in the Federal Court of Australia against Commonwealth Financial Planning Limited (CFP), Financial Wisdom Limited (FWL) and CMLA. The claim relates to certain CMLA life insurance policies recommended during the period 21 August 2014 to 21 August 2020 by financial advisers appointed by CFP and FWL. On 16 November 2021, AIAA (which from 1 April 2021 was liable for and assumed certain liabilities of CMLA under the Part 9 Scheme) was joined as a fourth respondent to the class action. The key allegations include that CFP and FWL or their financial advisers breached their fiduciary duties to their clients, breached their duty to act in the best interest of their clients, and had prioritised their own interests (and the interests of CFP, FWL and CMLA) over the interest of their clients, in recommending certain CMLA life insurance policies in preference to substantially equivalent or better policies available at lower premiums from third party insurers. It is also alleged that CMLA knew the material facts giving rise to the breaches of fiduciary duty. CFP, FWL, CMLA and AIAA deny the allegations and are defending the proceedings. The Court has ordered a mediation take place by 28 August 2025. It is currently not possible to determine the ultimate impact of this claim, if any, on the Group.

On 24 August 2020 a class action was commenced against Count Financial Limited (Count Financial) in the Federal Court of Australia. The proceeding relates to commissions paid to Count Financial and its financial advisers in respect of financial products (including insurance) and certain obligations of its financial advisers to provide ongoing advice in the period 21 August 2014 to 21 August 2020. The claim also includes allegations (related to the receipt of commissions) that Count Financial engaged in misleading or deceptive conduct, and that Count Financial and its authorised representatives breached fiduciary duties owed to the applicant and group members. The claim seeks compensation and damages from Count Financial, including any profits resulting from the alleged contraventions. A pre-trial mediation did not resolve the class action and the matter proceeded to a 3 week initial trial in March 2024. Judgment is reserved.

Count Financial was a wholly owned subsidiary of CBA until 1 October 2019, when it was acquired by Count Limited. CBA has assumed the conduct of the defence in this matter on Count Financial's behalf. Count Financial denies the allegations made against it and defended the proceedings. The Group has provided for certain legal and other costs associated with any indemnity obligations.

**ASB class action**

Proceedings were served on CBA subsidiary ASB Bank Limited (ASB) on 29 September 2021 by plaintiffs seeking to bring a representative (class action) proceeding against ASB in the High Court of New Zealand. The proceedings relate to ASB's compliance with parts of the *Credit Contracts and Consumer Finance Act 2003* (NZ) (CCCFA) which requires a variation disclosure to be issued when customers and ASB make agreed changes to loan agreements captured under the CCCFA.

On 23 and 24 April 2024, the New Zealand Court of Appeal heard ASB's appeal from an earlier High Court decision permitting the plaintiffs to pursue their claims as an opt-out representative proceeding on behalf of a class. On 19 July 2024, the Court of Appeal confirmed the earlier Court's decision to allow the plaintiffs to bring the action against ASB as an opt-out representative action.

On 20 December 2024, the Supreme Court of New Zealand dismissed ASB's application for leave to appeal the Court of Appeal's decision to make a common fund order in favour of the plaintiffs.

The plaintiffs' class definition covers all customers who had a home or personal loan with ASB between 6 June 2015 and 18 June 2019 covered by the CCCFA and who were not provided with compliant variation disclosure. Given this definition and the fact that issues raised in the claim have not been determined by the New Zealand courts before, the size of the class is unknown. However, the class and the allegations made in the proceedings would potentially cover hundreds of thousands of loans.

In their claim, the plaintiffs argue that ASB is not entitled to retain any interest or fees paid by any class member for the period during which it is alleged that ASB did not provide, and has not provided, compliant variation disclosure under the CCCFA. ASB denies that the relief sought by the plaintiffs is available to them and is vigorously defending the proceedings.

It is not possible to determine the ultimate impact of this claim, if any, on the Group.

### Regulatory enforcement proceedings

**Long Service Leave (LSL) proceedings**

In August 2022, the Wage Inspectorate Victoria commenced criminal proceedings against each of Commonwealth Securities Limited (CommSec) and BWA Group Services Pty Ltd (BWA) in the Magistrates' Court of Victoria. The proceedings relate to alleged underpayments of approximately $60,000 in LSL entitlements for 17 former employees of those entities (8 employees of CommSec and 9 employees of BWA).

A Plea Hearing was held on 29 July 2024 in the Magistrates' Court of Victoria. The Court imposed a penalty of $18,000 for CommSec and $18,000 for BWA. No conviction was recorded for either entity. The Court also made an order for the Wage Inspectorate Victoria's costs to be paid by CommSec and BWA, fixed at $12,000, as agreed by the parties. The penalties and costs have been paid.

**New Zealand Financial Markets Authority (FMA) Proceedings**

On 7 October 2024, the FMA commenced civil proceedings in the High Court of New Zealand alleging ASB made false and misleading representations in contravention of section 22 of the *Financial Markets Conduct Act 2013* (NZ) in respect of two matters. The first matter relates to multi-policy discounts that were not applied to some insurance policies underwritten by IAG New Zealand Limited. The second matter relates to FastNet Business fees that were incorrectly charged to some customers.

The FMA alleges between April 2014 (when the relevant legislation came into force) and May 2022 a total of 23,062 customers were affected by the multi-policy discount issue and 2,435 customers were affected by the FastNet Business fees issue.

The issues were self-reported to the FMA. ASB has committed to remediate all customers affected by these two matters, including for the period that pre-dates the FMA's claim. Remediation of the FastNet Business fees customers is complete, and remediation of the multi-policy discounts is well advanced.

ASB is considering the FMA's claim and has until 15 March 2025 to file a defence in respect of the two matters. The Group has provided for certain costs associated with these matters.

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## 7.2 Customer remediation, litigation, investigations and reviews, other matters (continued)

### Ongoing regulatory investigations and reviews

The Group undertakes ongoing compliance activities, including regulatory engagement, breach reporting, and reviews of products, advice, conduct, services provided to customers (including interest, fees and premiums charged) and financial crime matters. Some of these activities have resulted in remediation programs and, where required, the Group consults with the relevant regulator and other bodies on the proposed remediation action.

Provisions have been recognised by the Group where the criteria outlined in the accounting policy section of this note are satisfied. Contingent liabilities exist with respect to these matters where it is not possible to determine the extent of any obligation to remediate or the potential liability cannot be reliably estimated.

There are also ongoing matters where domestic or foreign regulators or other bodies are investigating whether CBA, ASB or another Group entity has breached laws, regulatory or other obligations. Where a breach has occurred, or obligations have not been met, regulators or other bodies may impose, or apply to a Court for, fines and/or other sanctions or may require remediation. These matters include investigations of a number of issues which were notified to, or identified by, regulators or other bodies.

In addition to possible regulatory actions and reviews, there may also be financial exposure to claims by customers, third parties and shareholders and this could include further class actions, customer remediation or claims for compensation or other remedies. The outcomes and total costs associated with such regulatory actions and reviews, and possible claims remain uncertain.

### Other regulatory matters

The following matters were significant regulatory investigations and reviews, which have been completed, but have resulted in ongoing action required by the Group.

**Financial crime compliance**

As noted above, in 2018 the Group resolved the AUSTRAC proceedings relating to contraventions of anti-money laundering/counter-terrorism financing (AML/CTF) laws. CBA continues to address the underlying causes of the AML/CTF Act failings that resulted in AUSTRAC commencing its proceedings.

Recognising the crucial role that the Group plays in fighting financial crime, it continues to invest significantly in its financial crime disruption capabilities, including in its central AML/CTF Compliance team, its business unit-led risk teams, regulatory and control operations (now called Financial Crime Operations) team and through the Program of Action (now called Financial Crime Domain), with coverage across financial crime (including AML/CTF, sanctions, anti-bribery and corruption and anti-tax evasion facilitation).

The Group also continues to invest in people, systems, processes and controls to respond to rapidly evolving regulatory environments, developments in financial crime and other changes in the landscape in which the Group operates, such as the increasingly sophisticated use of technology by criminals targeting the financial system, and the increase of scams, fraud, ransomware and cyber-attacks.

The Group continues to review and remediate a number of known AML/CTF compliance issues. As this work progresses, further compliance issues may be identified and reported to AUSTRAC or other regulators, who may also investigate certain matters, and additional enhancements of systems and processes may be required.

The Group provides updates to AUSTRAC and other regulators on its AML/CTF Program and other financial crime compliance capabilities, related enhancements and remediation activities.

However, there is no assurance that AUSTRAC or other regulators will agree that the Group’s enhancements to its financial crime compliance capabilities, including through the multi-year Program of Action and Financial Crime Domain, are adequate or will effectively enhance the Group’s financial crime compliance programs across its business units and the jurisdictions in which it operates. There is also a risk of undetected failure of internal controls, or the ineffective remediation of compliance issues which could lead to breaches of AML/CTF, sanctions, anti-bribery and corruption and anti-tax evasion facilitation obligations, resulting in potentially significant monetary and regulatory penalties.

Although the Group is not currently aware of any enforcement proceeding being commenced by any domestic or foreign regulators in respect of its financial crime compliance, the Group regularly engages with such regulators, including in respect of compliance issues, and there can be no assurance that the Group will not be subject to such enforcement proceedings in the future.

**CommSec Compliance Program**

As part of the proceedings ASIC commenced against CommSec in October 2022, which related to a number of issues including regulatory data requirements, trade confirmation requirements, client monies and brokerage issues, the Federal Court ordered CommSec to undertake a compliance program. As required by the program, CommSec has appointed an independent expert to review the adequacy and effectiveness of its remediation of the issues in the proceedings and their root causes, as well as the adequacy of its systems and controls. The independent expert has prepared an initial report and CommSec has agreed a remedial action plan with ASIC, to address the recommendations made in the report. The independent expert will conduct a final review once all the actions from the remedial action plan have been implemented.

**Enforceable Undertaking (EU) to the Australian Communications and Media Authority (ACMA)**

In connection with breaches of certain provisions of the *Spam Act 2003* (Cth) (Spam Act), CBA paid the ACMA a fine of $3.55 million and on 2 June 2023 entered into an EU with the ACMA. Following a subsequent investigation by the ACMA, which was commenced in January 2024, CBA has paid the ACMA an additional fine of $7.5 million in connection with other breaches of the Spam Act relating to the way in which CBA classified certain electronic messages for the purposes of the Spam Act. CBA fully cooperated with the ACMA’s investigation and the EU with the ACMA was amended on 3 October 2024. As required by the amended EU, CBA has appointed an independent expert to review its current procedures, policies, training and systems relating to CBA’s compliance with the Spam Act. CBA is committed to implementing the independent expert’s recommendations, providing ongoing compliance reports to the ACMA and training relevant personnel.

## 7.2 Customer remediation, litigation, investigations and reviews, other matters (continued)

### Other matters

**Exposures to divested businesses**

The Group has potential exposures to divested businesses, including through the provision of services, warranties and indemnities. These exposures may have an adverse impact on the Group's financial performance and position. The Group has recognised provisions where payments in relation to the exposures are probable and reliably measurable.

### ACCOUNTING POLICIES

Provisions are recognised for present obligations arising from past events where a payment to settle the obligation is probable and can be reliably estimated. Where the effect of the time value of money is material, the amount of the provision is measured as the present value of expenditures required to settle the obligation, based on a market observable rate. Where a payment to settle an obligation is not probable or cannot be reliably estimated, no provision is recognised. Such obligations are disclosed as contingent liabilities.

## 7.3 Discontinued operations and businesses held for sale

The Group continues to deliver on its strategic priority to create simpler, better foundations through divestments of non-core businesses. A summary of divestments entered into and completed during the half year ended 31 December 2024, 30 June 2024 and 31 December 2023 are set out below.

**PT Bank Commonwealth**

On 16 November 2023, the Group announced that it entered into a binding agreement to sell its 99% shareholding in its Indonesian banking subsidiary, PT Bank Commonwealth (PTBC), to PT Bank OCBC NISP Tbk (OCBC Indonesia), a subsidiary of Oversea-Chinese Banking Corporation Limited (OCBC) for an upfront cash consideration of $188 million. The sale completed on 1 May 2024, resulting in a total post-tax loss of $298 million. The loss includes a $133 million impairment loss on remeasurement of PTBC's net assets to fair value, an additional $100 million loss recognised upon completion of the sale, and $65 million of separation costs.

**Vietnam International Commercial Joint Stock Bank**

During the half year ended 31 December 2024, the Group sold approximately 15% of the shares on issue in Vietnam International Commercial Joint Stock Bank (VIB) via the Ho Chi Minh Stock Exchange. This resulted in a gain of approximately $43 million, from both the disposal of shares and reclassification of the holding from investment in associate to fair value through other comprehensive income. As at 31 December 2024, the Group's remaining 4.4% shareholding in VIB with a carrying value of $163 million is classified as an asset held for sale.

### ACCOUNTING POLICIES

Non-current assets (including disposal groups) are classified as held for sale if they will be recovered primarily through sale rather than through continuing use. Non-current assets which are to be abandoned, or businesses which are to be closed, are not classified as held for sale, since the carrying amount will be recovered principally through continuing use. A discontinued operation is a component of an entity that has been sold, or classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

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## 7.4 Subsequent events

The Directors have determined a fully franked interim dividend of 225 cents per share amounting to $3,765 million.

### Dividend Reinvestment Plan (DRP)

The Bank expects the DRP for the interim dividend for the half year ended 31 December 2024 will be satisfied in full by an on-market purchase of shares of approximately $680 million based on historical DRP participation rate.

### Bank of Hangzhou

On 24 January 2025, the Group entered into a binding agreement to sell its remaining 5.45% shareholding in Bank of Hangzhou (HZB) to New China Life Insurance Co., Ltd (NCI), a Beijing headquartered life insurance company dual listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The completion of the transaction is currently expected to occur around mid-2025 subject to regulatory approvals and the release or expiry of the Group's disposal lock-up restriction (due to expire on 28 February 2025).

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# Directors' Declaration

**The Directors of the Commonwealth Bank of Australia declare that:**

In the opinion of the Directors, the consolidated financial statements and notes for the half year ended on 31 December 2024, as set out on pages 65 - 108, are in accordance with the *Corporations Act 2001 (Cth)*, including:

i. complying with the Australian Accounting Standards and any further requirements in the *Corporations Regulations 2001*; and

ii. giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the six months ended 31 December 2024;

In the opinion of the Directors, there are reasonable grounds to believe that the Commonwealth Bank of Australia will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Paul O'Malley

| | |
|---|---|
| Paul O'Malley | Matt Comyn |
| Chairman | Managing Director and Chief Executive Officer |
| 12 February 2025 | 12 February 2025 |

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# Independent auditor's review report to the members of the Commonwealth Bank of Australia

## Report on the half-year financial report

### Conclusion

We have reviewed the half-year financial report of the Commonwealth Bank of Australia (the Bank) and the entities it controlled during the half-year (together the Group), which comprises the Consolidated Balance Sheet as at 31 December 2024, the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Condensed Consolidated Statement of Cash Flows for the half-year ended on that date, material accounting policy information and selected explanatory notes and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Commonwealth Bank of Australia does not comply with:

1. The *Corporations Act 2001* including:
    a. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
    b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
2. International Accounting Standard IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB).

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410) and ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (ISRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code and the IESBA Code.

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## Responsibilities of the directors for the half-year financial report

The directors of the Bank are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards, the *Corporations Act 2001* and International Financial Reporting Standards, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

## Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial statements, taken as a whole, are not prepared in all material respects in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Elizabeth O'Brien

Elizabeth O'Brien
Partner

Sydney
12 February 2025

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# Appendices

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## 7 Appendices

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# Appendices

## 1 Our Performance

### OVERVIEW

The Group earns its returns from providing a broad range of banking products and services to retail and wholesale customers in Australia, New Zealand and other jurisdictions.

Lending and deposit taking are the Group's primary business activities with net interest income being the main contributor to the Group's results. Net interest income is derived from the difference between interest earned on lending and investment assets, and interest incurred on customer deposits and wholesale debt raised to fund these assets.

The Group further generates income from lending fees and commissions, and trading activities. It also incurs costs associated with running the business such as staff, occupancy and technology related expenses.

The following Performance section provides details of the main contributors to the Group's income by nature and geographical region.

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### 1.1 Net Interest Margin (continuing operations basis)

| | Half Year Ended | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| | % | % | % |
| **Australia** | | | |
| Interest spread [1] [2] | **1.40** | 1.37 | 1.39 |
| Benefit of interest-free liabilities, provisions and equity [3] | **0.64** | 0.58 | 0.56 |
| **Net interest margin [2] [4]** | **2.04** | 1.95 | 1.95 |
| **New Zealand** | | | |
| Interest spread [1] [2] | **1.63** | 1.52 | 1.54 |
| Benefit of interest-free liabilities, provisions and equity [3] | **0.64** | 0.63 | 0.60 |
| **Net interest margin [2] [4]** | **2.27** | 2.15 | 2.14 |
| **Other Overseas** | | | |
| Interest spread [1] [2] | **0.73** | 0.62 | 0.69 |
| Benefit of interest-free liabilities, provisions and equity [3] | **0.03** | 0.07 | 0.04 |
| **Net interest margin [2] [4]** | **0.76** | 0.69 | 0.73 |
| **Total Group** | | | |
| Interest spread [1] | **1.44** | 1.39 | 1.40 |
| Benefit of interest-free liabilities, provisions and equity [3] | **0.64** | 0.61 | 0.59 |
| **Net interest margin [4]** | **2.08** | 2.00 | 1.99 |

[1] Difference between the average interest rate earned and the average interest rate paid on funds.

[2] Interest spread and margin calculations have been adjusted to include intragroup borrowings to more appropriately reflect the overseas cost of funds.

[3] A portion of the Group's interest earning assets is funded by net interest-free liabilities and shareholders' equity. The benefit to the Group of these interest-free funds is the amount it would cost to replace them at the average cost of funds.

[4] Net interest income divided by average interest earning assets for the half year annualised.

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## 1.2 Average Balances and Related Interest (continuing operations basis)

The following tables list the major categories of interest earning assets and interest bearing liabilities of the Group together with the respective interest earned or paid and the average interest rate for each of the half years ended 31 December 2024, 30 June 2024 and 31 December 2023. Averages used are predominantly daily averages. Interest is accounted for based on product yield.

Where assets or liabilities are hedged, the interest amounts are shown net of the hedge, however individual items not separately hedged may be affected by movements in exchange rates.

The New Zealand and Other Overseas components comprise overseas branches of the Group and overseas domiciled controlled entities.

Non-accrual loans are included in interest earning assets under loans and other receivables.

During the half year ended 31 December 2024, the official cash rate in Australia remained unchanged on a spot basis, while in New Zealand the official cash rate has decreased 125 basis points on a spot basis.

| | Half Year Ended 31 Dec 24 | | | Half Year Ended 30 Jun 24 | | | Half Year Ended 31 Dec 23 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Avg Bal | Interest | Yield | Avg Bal | Interest | Yield | Avg Bal | Interest | Yield |
| **Interest Earning Assets** | $M | $M | % | $M | $M | % | $M | $M | % |
| Home loans [1] | **590,609** | **17,723** | **5.95** | 576,947 | 16,579 | 5.78 | 573,706 | 15,467 | 5.36 |
| Consumer finance [2] | **16,657** | **950** | **11.31** | 17,182 | 929 | 10.87 | 17,061 | 882 | 10.28 |
| Business and corporate loans [3] | **264,323** | **7,693** | **5.77** | 261,105 | 6,813 | 5.25 | 259,482 | 6,333 | 4.85 |
| **Loans and other receivables** | **871,589** | **26,366** | **6.00** | 855,234 | 24,321 | 5.72 | 850,249 | 22,682 | 5.31 |
| Cash and other liquid assets | **82,336** | **1,838** | **4.43** | 101,936 | 2,381 | 4.70 | 117,638 | 2,678 | 4.53 |
| Assets at fair value through Income Statement | **81,873** | **1,929** | **4.67** | 79,956 | 1,832 | 4.61 | 76,494 | 1,769 | 4.60 |
| Investment Securities: | | | | | | | | | |
| At fair value through Other Comprehensive Income | **99,010** | **2,521** | **5.05** | 109,520 | 2,856 | 5.24 | 94,476 | 2,442 | 5.14 |
| At amortised cost | **1,051** | **29** | **5.47** | 1,416 | 36 | 5.11 | 1,836 | 47 | 5.09 |
| **Non-lending interest earning assets** | **264,270** | **6,317** | **4.74** | 292,828 | 7,105 | 4.88 | 290,444 | 6,936 | 4.75 |
| **Total interest earning assets [4]** | **1,135,859** | **32,683** | **5.71** | 1,148,062 | 31,426 | 5.50 | 1,140,693 | 29,618 | 5.16 |
| Non-interest earning assets [1] | **130,141** | | | 121,912 | | | 121,513 | | |
| Assets held for sale | **815** | | | 1,080 | | | 266 | | |
| **Total average assets** | **1,266,815** | | | 1,271,054 | | | 1,262,472 | | |

[1] Home loans are reported net of average mortgage offset balances of $81,358 million for the half year ended 31 December 2024 ($76,359 million for the half year ended 30 June 2024; $73,120 million for the half year ended 31 December 2023), which are included in non-interest earning assets. While these balances are required to be grossed up under accounting standards, they are netted down for the calculation of customer interest payments and the calculation of the Group's net interest margin.

[2] Consumer finance includes personal loans, credit cards and margin loans.

[3] Interest and yield impacted by hedge accounting of interest rate swaps embedded in the replicating portfolio.

[4] Used for calculating net interest margin.

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## 1.2 Average Balances and Related Interest (continued)

| | Half Year Ended 31 Dec 24 | | | Half Year Ended 30 Jun 24 | | | Half Year Ended 31 Dec 23 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Avg Bal | Interest | Yield | Avg Bal | Interest | Yield | Avg Bal | Interest | Yield |
| **Interest Bearing Liabilities** | $M | $M | % | $M | $M | % | $M | $M | % |
| Transaction deposits [1] | **112,241** | **2,072** | **3.66** | 117,700 | 1,950 | 3.33 | 123,743 | 1,839 | 2.96 |
| Savings deposits [1] | **295,370** | **4,310** | **2.89** | 282,433 | 3,954 | 2.82 | 275,251 | 3,484 | 2.52 |
| Investment deposits | **244,743** | **5,858** | **4.75** | 245,017 | 5,684 | 4.67 | 236,009 | 5,032 | 4.24 |
| Certificates of deposit and other | **47,857** | **1,123** | **4.65** | 49,149 | 1,106 | 4.53 | 48,521 | 892 | 3.66 |
| **Total interest bearing deposits** | **700,211** | **13,363** | **3.79** | 694,299 | 12,694 | 3.68 | 683,524 | 11,247 | 3.27 |
| Payables to financial institutions | **23,017** | **528** | **4.55** | 24,069 | 600 | 5.01 | 24,947 | 628 | 5.01 |
| Liabilities at fair value through Income Statement | **42,597** | **952** | **4.43** | 47,653 | 1,103 | 4.65 | 43,648 | 1,013 | 4.62 |
| Term funding from central banks | **3,813** | **94** | **4.89** | 31,771 | 131 | 0.83 | 42,659 | 147 | 0.69 |
| Debt issues | **155,700** | **4,334** | **5.52** | 143,016 | 4,017 | 5.65 | 134,315 | 3,805 | 5.63 |
| Loan capital | **35,898** | **1,216** | **6.72** | 34,996 | 1,201 | 6.90 | 32,989 | 1,125 | 6.78 |
| Lease liabilities | **2,360** | **40** | **3.36** | 2,497 | 42 | 3.38 | 2,624 | 40 | 3.03 |
| Bank levy | **–** | **222** | **–** | – | 218 | – | – | 209 | – |
| **Total interest bearing liabilities** | **963,596** | **20,749** | **4.27** | 978,301 | 20,006 | 4.11 | 964,706 | 18,214 | 3.76 |
| Non-interest bearing liabilities [1] | **229,043** | | | 219,023 | | | 225,320 | | |
| Liabilities held for sale | **–** | | | 768 | | | 210 | | |
| **Total average liabilities** | **1,192,639** | | | 1,198,092 | | | 1,190,236 | | |

| | Half Year Ended 31 Dec 24 | | | Half Year Ended 30 Jun 24 | | | Half Year Ended 31 Dec 23 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Avg Bal | Interest | Yield | Avg Bal | Interest | Yield | Avg Bal | Interest | Yield |
| **Net Interest Margin** | $M | $M | % | $M | $M | % | $M | $M | % |
| Total interest earning assets | **1,135,859** | **32,683** | **5.71** | 1,148,062 | 31,426 | 5.50 | 1,140,693 | 29,618 | 5.16 |
| Total interest bearing liabilities | **963,596** | **20,749** | **4.27** | 978,301 | 20,006 | 4.11 | 964,706 | 18,214 | 3.76 |
| **Net interest income and interest spread** | | **11,934** | **1.44** | | 11,420 | 1.39 | | 11,404 | 1.40 |
| Benefit of free funds | | | **0.64** | | | 0.61 | | | 0.59 |
| **Net interest margin** | | | **2.08** | | | 2.00 | | | 1.99 |

[1] Transaction and savings deposits exclude average mortgage offset balances of $81,358 million for the half year ended 31 December 2024 ($76,359 million for the half year ended 30 June 2024; $73,120 million for the half year ended 31 December 2023), which are included in non-interest bearing liabilities.

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## 1.2 Average Balances and Related Interest (continued)

| | Half Year Ended 31 Dec 24 | | | Half Year Ended 30 Jun 24 | | | Half Year Ended 31 Dec 23 | | |
|---|---|---|---|---|---|---|---|---|---|
| **Geographical Analysis of Key Categories** [1] | **Avg Bal $M** | **Interest $M** | **Yield %** | **Avg Bal $M** | **Interest $M** | **Yield %** | **Avg Bal $M** | **Interest $M** | **Yield %** |
| **Loans and other receivables** | | | | | | | | | |
| Australia | **751,730** | **22,399** | **5.91** | 736,902 | 20,501 | 5.59 | 732,671 | 19,049 | 5.17 |
| New Zealand | **102,868** | **3,330** | **6.42** | 102,995 | 3,215 | 6.28 | 102,594 | 3,036 | 5.89 |
| Other Overseas | **16,991** | **637** | **7.44** | 15,337 | 605 | 7.93 | 14,984 | 597 | 7.93 |
| **Total** | **871,589** | **26,366** | **6.00** | 855,234 | 24,321 | 5.72 | 850,249 | 22,682 | 5.31 |
| **Non-lending interest earning assets** | | | | | | | | | |
| Australia | **188,499** | **4,423** | **4.65** | 208,944 | 4,841 | 4.66 | 205,780 | 4,550 | 4.40 |
| New Zealand | **14,657** | **401** | **5.43** | 14,468 | 434 | 6.03 | 15,954 | 478 | 5.96 |
| Other Overseas | **61,114** | **1,493** | **4.85** | 69,416 | 1,830 | 5.30 | 68,710 | 1,908 | 5.52 |
| **Total** | **264,270** | **6,317** | **4.74** | 292,828 | 7,105 | 4.88 | 290,444 | 6,936 | 4.75 |
| **Interest bearing deposits** | | | | | | | | | |
| Australia | **598,451** | **11,074** | **3.67** | 597,343 | 10,558 | 3.55 | 588,147 | 9,341 | 3.16 |
| New Zealand | **76,292** | **1,634** | **4.25** | 76,236 | 1,551 | 4.09 | 74,979 | 1,323 | 3.51 |
| Other Overseas | **25,468** | **655** | **5.10** | 20,720 | 585 | 5.68 | 20,398 | 583 | 5.69 |
| **Total** | **700,211** | **13,363** | **3.79** | 694,299 | 12,694 | 3.68 | 683,524 | 11,247 | 3.27 |
| **Other interest bearing liabilities** | | | | | | | | | |
| Australia | **197,640** | **5,713** | **5.73** | 213,510 | 5,546 | 5.22 | 210,789 | 5,185 | 4.89 |
| New Zealand | **23,007** | **690** | **5.95** | 23,256 | 770 | 6.66 | 24,675 | 832 | 6.71 |
| Other Overseas | **42,738** | **983** | **4.56** | 47,236 | 996 | 4.24 | 45,718 | 950 | 4.13 |
| **Total** | **263,385** | **7,386** | **5.56** | 284,002 | 7,312 | 5.18 | 281,182 | 6,967 | 4.93 |

[1] The New Zealand and Other Overseas components comprise overseas branches of the Group and overseas domiciled controlled entities.

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## 1.3 Interest Rate and Volume Analysis (continuing operations basis)

The following tables show the movement in interest income and expense due to changes in volume and interest rates from prior periods. Volume variances reflect the change in interest due to movements in the average balance. Rate variances reflect the change in interest due to changes in interest rates. When the change cannot be isolated to either volume or rate, it has been allocated to volume.

| | Half Year Ended<br>Dec 24 vs Jun 24 | | | Half Year Ended<br>Dec 24 vs Dec 23 | | |
|---|---|---|---|---|---|---|
| | Volume | Rate | Total | Volume | Rate | Total |
| **Interest Earning Assets** [1] | $M | $M | $M | $M | $M | $M |
| Home loans | 645 | 499 | 1,144 | 554 | 1,702 | 2,256 |
| Consumer finance | (17) | 38 | 21 | (20) | 88 | 68 |
| Business and corporate loans | 197 | 683 | 880 | 162 | 1,198 | 1,360 |
| **Loans and other receivables** | 846 | 1,199 | 2,045 | 716 | 2,968 | 3,684 |
| Cash and other liquid assets | (407) | (136) | (543) | (781) | (59) | (840) |
| Assets at fair value through Income Statement | 71 | 26 | 97 | 132 | 28 | 160 |
| Investment securities: | | | | | | |
| At fair value through Other Comprehensive Income | (230) | (105) | (335) | 122 | (43) | 79 |
| At amortised cost | (10) | 3 | (7) | (22) | 4 | (18) |
| **Non-lending interest earning assets** | (588) | (200) | (788) | (607) | (12) | (619) |
| **Total interest earning assets** | 97 | 1,160 | 1,257 | (49) | 3,114 | 3,065 |

| | Half Year Ended<br>Dec 24 vs Jun 24 | | | Half Year Ended<br>Dec 24 vs Dec 23 | | |
|---|---|---|---|---|---|---|
| | Volume | Rate | Total | Volume | Rate | Total |
| **Interest Bearing Liabilities** [1] | $M | $M | $M | $M | $M | $M |
| Transaction deposits | (71) | 193 | 122 | (206) | 439 | 233 |
| Savings deposits | 245 | 111 | 356 | 305 | 521 | 826 |
| Investment deposits | 73 | 101 | 174 | 224 | 602 | 826 |
| Certificates of deposit and other | (15) | 32 | 17 | (12) | 243 | 231 |
| **Interest bearing deposits** | 293 | 376 | 669 | 354 | 1,762 | 2,116 |
| Payables to financial institutions | (17) | (55) | (72) | (43) | (57) | (100) |
| Liabilities at fair value through Income Statement | (99) | (52) | (151) | (21) | (40) | (61) |
| Term funding from central banks [2] | (27) | (10) | (37) | (43) | (10) | (53) |
| Debt issues | 407 | (90) | 317 | 605 | (76) | 529 |
| Loan capital | 47 | (32) | 15 | 102 | (11) | 91 |
| Lease liabilities | (2) | – | (2) | (4) | 4 | – |
| Bank levy | 4 | – | 4 | 13 | – | 13 |
| **Total interest bearing liabilities** | (31) | 774 | 743 | 33 | 2,502 | 2,535 |

| | Half Year Ended | |
|---|---|---|
| | Dec 24 vs Jun 24<br>Increase/(Decrease) | Dec 24 vs Dec 23<br>Increase/(Decrease) |
| **Change in Net Interest Income** | $M | $M |
| Due to changes in average volume of interest earning assets | (127) | (18) |
| Due to changes in interest margin | 479 | 548 |
| Due to variation in time period | 162 | – |
| **Change in net interest income** | 514 | 530 |

[1] "Rate" reflects the change due to movements in yield assuming average volume is consistent across the two periods. "Volume" reflects the change due to balance movements assuming the average rate is consistent across the two periods. When the change cannot be isolated to either volume or rate, it has been allocated to volume. The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

[2] Volume and rate impacts for Term funding from central banks calculated separately for the RBA Term Funding Facility and the RBNZ Funding For Lending & Term Lending facilities, with RBA Term Funding Facility impacts allocated to volume due to maturity.

## 1.3 Interest Rate and Volume Analysis (continued)

| Geographical Analysis of Key Categories [1] | Half Year Ended Dec 24 vs Jun 24 Volume $M | Rate $M | Total $M | Half Year Ended Dec 24 vs Dec 23 Volume $M | Rate $M | Total $M |
|---|---|---|---|---|---|---|
| **Loans and other receivables** | | | | | | |
| Australia | **740** | **1,158** | **1,898** | 628 | 2,722 | 3,350 |
| New Zealand | **41** | **74** | **115** | 18 | 276 | 294 |
| Other Overseas | **70** | **(38)** | **32** | 77 | (37) | 40 |
| **Total** | **846** | **1,199** | **2,045** | 716 | 2,968 | 3,684 |
| **Non-lending interest earning assets** | | | | | | |
| Australia | **(413)** | **(5)** | **(418)** | (392) | 265 | (127) |
| New Zealand | **11** | **(44)** | **(33)** | (34) | (43) | (77) |
| Other Overseas | **(180)** | **(157)** | **(337)** | (181) | (234) | (415) |
| **Total** | **(588)** | **(200)** | **(788)** | (607) | (12) | (619) |
| **Interest bearing deposits** | | | | | | |
| Australia | **171** | **345** | **516** | 220 | 1,513 | 1,733 |
| New Zealand | **23** | **60** | **83** | 33 | 278 | 311 |
| Other Overseas | **129** | **(59)** | **70** | 132 | (60) | 72 |
| **Total** | **293** | **376** | **669** | 354 | 1,762 | 2,116 |
| **Other interest bearing liabilities** | | | | | | |
| Australia | **(375)** | **542** | **167** | (363) | 891 | 528 |
| New Zealand | **2** | **(82)** | **(80)** | (48) | (94) | (142) |
| Other Overseas | **(89)** | **76** | **(13)** | (66) | 99 | 33 |
| **Total** | **(470)** | **544** | **74** | (478) | 897 | 419 |

[1] “Rate” reflects the change due to movements in yield assuming average volume is consistent across the two periods. “Volume” reflects the change due to balance movements assuming the average rate is consistent across the two periods. When the change cannot be isolated to either volume or rate, it has been allocated to volume. The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

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## 2 Risk Management

### OVERVIEW

The Group is exposed to financial risks, non-financial risks and strategic risks arising from its operations. The Group manages these risks through its Risk Management Framework (the Framework), which evolves to accommodate changes in the business operating environment, better practice approaches, and regulatory and community expectations. The Group's key risk types are credit, market, liquidity, operational, compliance and strategic. The framework is discussed in Note 9.1 in the 2024 Annual Report.

### 2.1 Integrated Risk Management

The Group's approach to risk management is described within Note 9 of the Financial Statements in the 2024 Annual Report. Further disclosures in respect of capital adequacy and risk are provided in the Group's annual Pillar 3 document.

### Credit Risk

The Group uses a portfolio approach for the management of its credit risk, of which a key element is a well-diversified portfolio. The Group uses various portfolio management tools to assist in diversifying the credit portfolio.

Below is a breakdown of the Group's committed exposures across industry sector, commercial credit quality and region.

| | As at [1] | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| **Business and Corporate Exposures by Sector** | $M | $M | $M |
| Government, Admin. & Defence | **175,647** | 174,493 | 206,881 |
| Finance & Insurance | **111,216** | 98,855 | 113,323 |
| Commercial Property | **98,446** | 94,855 | 94,032 |
| Agriculture & Forestry | **33,590** | 32,547 | 31,242 |
| Transport & Storage | **27,362** | 27,767 | 26,063 |
| Manufacturing | **21,578** | 19,450 | 20,434 |
| Entertainment, Leisure & Tourism | **20,136** | 18,209 | 16,570 |
| Wholesale Trade | **18,759** | 16,795 | 16,958 |
| Electricity, Water & Gas | **18,666** | 15,916 | 15,936 |
| Business Services | **18,068** | 16,409 | 15,447 |
| Health & Community Services | **16,338** | 15,367 | 15,393 |
| Retail Trade | **16,158** | 15,708 | 16,059 |
| Construction | **13,568** | 13,115 | 12,499 |
| Mining | **7,173** | 7,064 | 6,824 |
| Media & Communications | **6,134** | 5,328 | 5,510 |
| Personal & Other Services | **4,034** | 3,519 | 3,317 |
| Education | **4,011** | 3,799 | 3,592 |
| Other | **5,634** | 5,837 | 5,320 |
| **Total** | **616,518** | 585,033 | 625,400 |

[1] Committed exposures are disclosed on a gross basis (calculated before collateralisation).

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## 2.1 Integrated Risk Management (continued)

| Non-Retail Exposures by Commercial Portfolio Quality [1] | As at<br>31 Dec 24<br>% | <br>30 Jun 24<br>% | <br>31 Dec 23<br>% |
|---|---|---|---|
| AAA/AA | **36.2** | 36.1 | 39.3 |
| A | **12.9** | 13.5 | 14.5 |
| BBB | **15.6** | 15.1 | 13.9 |
| Other | **35.3** | 35.3 | 32.3 |
| | **100.0** | 100.0 | 100.0 |

As a measure of individually risk-rated commercial portfolio exposure (including finance and insurance), the Group has 64.7% (June 2024: 64.7%; December 2023: 67.7%) of commercial exposures at investment grade quality.

| Group TCE by Region [1] | As at<br>31 Dec 24<br>% | <br>30 Jun 24<br>% | <br>31 Dec 23<br>% |
|---|---|---|---|
| Australia | **81.8** | 81.5 | 80.6 |
| New Zealand | **9.6** | 9.9 | 9.8 |
| Americas | **3.8** | 3.8 | 3.4 |
| Europe | **2.6** | 2.4 | 3.2 |
| Asia | **2.2** | 2.4 | 3.0 |
| | **100.0** | 100.0 | 100.0 |

[1] Committed exposures are disclosed on a gross basis (calculated before collateralisation).

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# Appendices (continued)

## 2.1 Integrated Risk Management (continued)

### Asset Quality

The tables below provide information about the credit quality of the Group's retail and non-retail assets.

| | As at 31 December 2024 [1] | | | |
|---|---|---|---|---|
| | Home Loans | Other Personal [2] | Other Commercial Industrial | Total |
| | $M | $M | $M | $M |
| **Performing loans past due [3]** | | | | |
| Past due 1 - 29 days | 11,264 | 387 | 1,691 | 13,342 |
| Past due 30 - 59 days | 2,318 | 135 | 216 | 2,669 |
| Past due 60 - 89 days | 1,160 | 86 | 97 | 1,343 |
| **Total performing loans past due** | **14,742** | **608** | **2,004** | **17,354** |

| | As at 30 June 2024 [1] | | | |
|---|---|---|---|---|
| | Home Loans | Other Personal [2] | Other Commercial Industrial | Total |
| | $M | $M | $M | $M |
| **Performing loans past due [3]** | | | | |
| Past due 1 - 29 days | 9,895 | 410 | 1,624 | 11,929 |
| Past due 30 - 59 days | 2,498 | 131 | 224 | 2,853 |
| Past due 60 - 89 days | 1,228 | 91 | 89 | 1,408 |
| **Total performing loans past due** | **13,621** | **632** | **1,937** | **16,190** |

| | As at 31 December 2023 [1] | | | |
|---|---|---|---|---|
| | Home Loans | Other Personal [2] | Other Commercial Industrial | Total |
| | $M | $M | $M | $M |
| **Performing loans past due [3]** | | | | |
| Past due 1 - 29 days | 10,148 | 395 | 1,579 | 12,122 |
| Past due 30 - 59 days | 2,180 | 140 | 284 | 2,604 |
| Past due 60 - 89 days | 1,027 | 83 | 124 | 1,234 |
| **Total performing loans past due** | **13,355** | **618** | **1,987** | **15,960** |

[1] This table has been included for the first time as referenced in the ASX pre-release issued on 3/02/2025.

[2] Included in these balances are credit card facilities and other unsecured portfolio managed facilities.

[3] An exposure is considered past due from the first day of missed payment. The loan is classified as performing until the borrower is either 90 days past due or considered unlikely to pay their credit obligations in full where it is then classified as non-performing per APRA Prudential Standard APS 220.

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## 2.1 Integrated Risk Management (continued)

### Total Group Non-Performing Exposures

| | As at [1] | | |
|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M |
| **Non-performing exposures by level of security** | | | |
| Home loans | **6,761** | 6,363 | 4,965 |
| Other loans | **1,210** | 1,161 | 1,195 |
| **Total well-secured** | **7,971** | 7,524 | 6,160 |
| Home loans | **496** | 440 | 437 |
| Other loans | **1,846** | 1,674 | 1,525 |
| **Total not well-secured and unsecured** | **2,342** | 2,114 | 1,962 |
| **Total non-performing exposures** | **10,313** | 9,638 | 8,122 |

| | As at [1] | | |
|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M |
| **Non-performing exposures by size of exposure** | | | |
| Less than $1 million | **6,491** | 6,232 | 5,080 |
| $1 million to $10 million | **2,625** | 2,280 | 1,825 |
| Greater than $10 million | **1,197** | 1,126 | 1,217 |
| **Total non-performing exposures** | **10,313** | 9,638 | 8,122 |

| | Half Year Ended [1] | | |
|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M |
| **Movement in non-performing exposures** | | | |
| Non-performing exposures - opening balance | **9,638** | 8,122 | 7,724 |
| New and increased | **4,283** | 4,345 | 3,262 |
| Balances written off | **(356)** | (430) | (376) |
| Returned to performing or repaid | **(3,431)** | (2,628) | (2,655) |
| Portfolio managed - new/increased/return to performing/repaid | **179** | 229 | 167 |
| **Non-performing exposures - closing balance** | **10,313** | 9,638 | 8,122 |

[1] This table has been included for the first time as referenced in the ASX pre-release issued on 3/02/2025.

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## 2.1 Integrated Risk Management (continued)

### Market Risk

Market risk in the Balance Sheet is discussed within Note 9.3 of the 2024 Annual Report.

### Value at Risk (VaR)

The Group uses Value at Risk (VaR) as one of the measures of Traded and Non-Traded market risk. VaR measures potential loss using historically observed market movements and correlation between different markets.

VaR is modelled at a 99.0% confidence level. This means that there is a 99.0% probability that the loss will not exceed the VaR estimate on any given day.

A 10-day holding period is used for trading book positions. A 20-day holding period is used for interest rate risk in the banking book.

Where VaR is deemed not to be an appropriate method of risk measurement, other risk measures have been used as specified by the heading or accompanying footnotes of the tables provided.

| | Average VaR [1] | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| **Traded Market Risk** | $M | $M | $M |
| **Risk Type** | | | |
| Interest rate risk [2] | **25.2** | 33.6 | 23.6 |
| Foreign exchange risk | **3.5** | 3.3 | 4.5 |
| Equities risk | **–** | – | – |
| Commodities risk | **9.8** | 14.5 | 17.5 |
| Credit spread risk | **24.4** | 23.5 | 23.2 |
| Volatility risk | **4.9** | 5.9 | 6.2 |
| Diversification benefit | **(37.8)** | (41.6) | (44.8) |
| Total general market risk | **30.0** | 39.2 | 30.2 |
| Undiversified risk | **12.8** | 21.8 | 19.4 |
| Other [3] | **0.9** | 1.3 | 1.3 |
| **Total** | **43.7** | 62.3 | 50.9 |

[1] Average VaR is at 10-day 99% confidence and is calculated for each 6 month period.
[2] Includes basis risk.
[3] Includes ASB, PTBC and CBA Europe.

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## 2.1 Integrated Risk Management (continued)

### Interest Rate Risk in the Banking Book

Interest rate risk in the banking book is discussed within Note 9.3 of the 2024 Annual Report.

### (a) Next 12 Months' Earnings

The figures in the following table represent the potential unfavourable change to the Group's net interest earnings during the year based on a 100 basis point parallel rate shock.

| | Half Year Ended | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| **Net Interest Earnings at Risk** [1] | $M | $M | $M |
| Average monthly exposure | **456.8** | 311.2 | 441.3 |
| High monthly exposure | **541.4** | 374.6 | 526.4 |
| Low monthly exposure | **341.4** | 216.4 | 351.3 |

[1] Exposures over a 6 month period.

### (b) Economic Value

A 20-day 99.0% VaR measure is used to capture the economic impact of adverse changes in interest rates on all banking book assets and liabilities.

| | Half Year Ended | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| **Non-Traded Interest Rate Risk VaR (20-day 99.0% confidence)** [1] | $M | $M | $M |
| Average daily exposure | **639.3** | 602.5 | 571.2 |
| High daily exposure | **674.3** | 641.9 | 655.2 |
| Low daily exposure | **597.9** | 553.0 | 518.4 |

[1] Exposures over a 6 month period.

# Appendices (continued)

## 2.1 Integrated Risk Management (continued)

### Funding Sources

The following table provides the funding sources for the Group including customer deposits, and short-term and long-term wholesale funding. Shareholders' equity is excluded from this view of funding sources.

| | As at [1] | | | | |
|---|---|---|---|---|---|
| | **31 Dec 24 $M** | **30 Jun 24 $M** | **31 Dec 23 $M** | **Dec 24 vs Jun 24 %** | **Dec 24 vs Dec 23 %** |
| Transaction deposits [2] | **194,037** | 193,948 | 185,429 | – | 5 |
| Savings deposits | **302,788** | 290,143 | 283,677 | 4 | 7 |
| Investment deposits [3] | **265,000** | 255,196 | 259,079 | 4 | 2 |
| Other customer deposits [2] [4] | **111,707** | 112,395 | 111,633 | (1) | – |
| **Total customer deposits** | **873,532** | 851,682 | 839,818 | 3 | 4 |
| **Wholesale funding** | | | | | |
| **Short-term** | | | | | |
| Certificates of deposit [5] | **39,771** | 44,828 | 44,019 | (11) | (10) |
| US commercial paper programme | **25,018** | 20,660 | 10,885 | 21 | large |
| Other [6] | **15,292** | 12,952 | 11,059 | 18 | 38 |
| **Total short-term wholesale funding** | **80,081** | 78,440 | 65,963 | 2 | 21 |
| **Total short-term collateral deposits [7]** | **6,149** | 4,285 | (586) | 44 | large |
| **Total long-term funding - less than or equal to one year residual maturity [8]** | **35,697** | 24,770 | 48,684 | 44 | (27) |
| **Long-term - greater than one year residual maturity** | | | | | |
| Domestic debt program | **22,044** | 19,901 | 19,980 | 11 | 10 |
| Offshore medium-term note programme [9] | **42,500** | 40,534 | 47,230 | 5 | (10) |
| Covered bond programme | **31,422** | 30,951 | 34,724 | 2 | (10) |
| Securitisation | **4,658** | 5,137 | 6,630 | (9) | (30) |
| Loan capital | **36,189** | 35,957 | 33,486 | 1 | 8 |
| Other | **1,606** | 2,819 | 5,135 | (43) | (69) |
| **Total long-term funding - greater than one year residual maturity** | **138,419** | 135,299 | 147,185 | 2 | (6) |
| **IFRS MTM and derivative FX revaluations** | **(6,277)** | (7,549) | (6,456) | 17 | 3 |
| **Total funding** | **1,127,601** | 1,086,927 | 1,094,608 | 4 | 3 |
| **Reported as** | | | | | |
| Deposits and other public borrowings | **902,502** | 882,922 | 873,299 | 2 | 3 |
| Payables to financial institutions | **27,599** | 24,633 | 20,544 | 12 | 34 |
| Liabilities at fair value through Income Statement | **39,868** | 47,341 | 44,740 | (16) | (11) |
| Term funding from central banks [10] | **3,247** | 4,228 | 36,591 | (23) | (91) |
| Debt issues | **167,125** | 144,530 | 139,275 | 16 | 20 |
| Loan capital | **36,722** | 35,938 | 34,111 | 2 | 8 |
| Loans and other receivables - collateral posted | **(1,018)** | (312) | (1,073) | (large) | 5 |
| Receivables due from other financial institutions - collateral posted | **(3,975)** | (3,350) | (5,959) | (19) | 33 |
| Securities purchased under agreements to resell | **(44,469)** | (49,003) | (46,920) | 9 | 5 |
| **Total funding** | **1,127,601** | 1,086,927 | 1,094,608 | 4 | 3 |

[1] Comparative information has been restated to conform with presentation in the current period.

[2] Transaction deposits exclude non-interest bearing deposits (included in other customer deposits).

[3] Investment deposits include central bank and interbank deposits previously classified as short-term wholesale funding (Balance as at 31 December 2024: $17.7 billion; 30 June 2024: $17.4 billion; 31 December 2023: $15.2 billion).

[4] Other customer deposits primarily consist of non-interest bearing transaction deposits and deposits held at fair value through the Income Statement.

[5] Includes Bank acceptances.

[6] Includes net non-HQLA securities sold or purchased under repurchase agreements and interbank borrowings.

[7] Includes other repurchase agreements not reported above and Vostro balances.

[8] Residual maturity of long-term wholesale funding (included in Debt issues and Loan capital and the Group's drawn TFF allowance) is the earlier of the next call date or final maturity.

[9] Includes notes issued under the Bank's 3(a)(2) programme.

[10] Includes drawings from the RBA TFF, RBNZ Funding for Lending Programme (FLP) and Term Lending Facility (TLF).

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## 2.1 Integrated Risk Management (continued)

### Overview

The Group's liquidity and funding policies are designed to ensure it will meet its obligations as and when they fall due by ensuring it is able to raise funding on an unsecured or secured basis, has sufficient liquid assets to borrow against under repurchase agreements or sell to raise immediate funds without adversely affecting the Group's net asset value.

The Group's liquidity policies are designed to ensure it maintains sufficient holdings of cash and liquid assets to meet its obligations to customers, in both ordinary market conditions and during periods of severe stress. These policies are intended to protect the Group's operations during periods of unfavourable market conditions.

The Group's funding policies are designed to achieve diversified sources of funding by product, term, maturity date, investor type, investor location, currency, and concentration, on a cost effective basis. This objective applies to the Group's wholesale and retail funding activities.

### Liquidity and Funding Risk Management Framework

The CBA Board is responsible for the sound and prudent management of liquidity risk across the Group. The Group's liquidity and funding policies, structured under a Group Liquidity Risk Management Framework, are approved by the Board. The Group Asset and Liability Committee's (ALCO) responsibilities include asset and liability management, reviewing liquidity and funding policies and strategies and monitoring compliance with those policies across the Group. Group Treasury manages the Group's liquidity and funding positions in accordance with the Group's Liquidity Policy and supporting standards and has ultimate authority to execute liquidity and funding decisions should the Group Contingency Funding Plan be activated. Risk Management provides oversight of the Group's liquidity and funding risks, compliance with Group policies and manages the Group's relationship with prudential regulators.

Subsidiaries within the Group apply their own liquidity and funding strategies to address their specific needs. The Group's New Zealand banking subsidiary, ASB, manages its own domestic liquidity and funding needs in accordance with its own liquidity policy and the policies of the Group. ASB's liquidity policy is also overseen by the RBNZ.

### Liquidity and Funding Policies and Management

The Group's liquidity and funding policies provide that:

- an excess of liquid assets over the minimum prescribed under APRA's Liquidity Coverage Ratio (LCR) requirement is maintained. Australian ADIs are required to meet a 100% LCR, calculated as the ratio of high-quality liquid assets to 30 day net cash outflows projected under a prescribed stress scenario;
- a surplus of stable funding from various sources, as measured by APRA's Net Stable Funding Ratio (NSFR), is maintained. The NSFR is calculated by applying factors prescribed by APRA to assets and liabilities to determine a ratio of required stable funding to available stable funding which must be greater than 100%;
- scenario analysis is central to the Group's liquidity risk management framework and the Group undertakes additional stress testing including market specific and idiosyncratic scenarios over and above the regulatory defined scenarios;
- additional funding and liquidity metrics are calculated and monitored as early warning indicators of a potential stress event;
- short and long-term wholesale funding limits are established, monitored and reviewed regularly;
- the Group's wholesale funding market capacity is regularly assessed and used as a factor in funding strategies;
- Group Treasury maintains a portfolio of high-quality liquid assets (HQLA) to meet liquidity requirements under a range of market conditions. The liquid assets portfolio includes cash and liquid assets, including government and Australian semi-government securities, meeting APRA's HQLA definition and other highly liquid assets which are repo-eligible with the Reserve Bank of Australia (RBA);
- liquid assets are held in Australian dollar and foreign currency denominated securities in accordance with expected requirements;
- in line with APRA's requirements to hold adequate levels of self-securitised assets, the Group also holds internal RMBS (minimum value of 30% of Group net cash outflows as defined under the LCR), which are mortgages that have been securitised but retained by the Bank, that are repo-eligible with the RBA under the Exceptional Liquidity Assistance (ELA) arrangement; and
- offshore branches and subsidiaries adhere to liquidity policies and hold appropriate foreign currency liquid assets to meet required regulations. Material banking subsidiaries are required to maintain an LCR of at least 100%.

The Group's key funding tools include:

- consumer retail funding base, which includes a wide range of retail transaction accounts, savings accounts and term deposits for individual consumers;
- small business customer and institutional deposit base; and
- wholesale domestic and international funding programmes, which include Australian dollar Negotiable Certificates of Deposit, US and Euro Commercial Paper programmes, Australian dollar Domestic Debt Programme, US Medium-Term Note Programmes, Euro Medium-Term Note Programme, multi-jurisdiction Covered Bond programme and Medallion securitisation programmes. Additionally, the Group has accessed the RBNZ term lending facilities.

Liquidity modelling and forecasting is undertaken on a daily basis to ensure the Group meets its internal and regulatory liquidity requirements at all times. A regulatory liquidity management reporting system models and reports regulatory liquidity outcomes. Additionally, a comprehensive Funds Transfer Pricing framework is in place to attribute the cost of funding and liquidity to business units and to provide appropriate incentives to inform business decision making.

### Contingency Funding Plan

The Group maintains a Contingency Funding Plan (CFP) which details how the Group would respond to a liquidity stress event. The plan includes details of roles and responsibilities including the committee of responsible executives, early warning indicators and trigger events, and potential contingent funding actions that could be undertaken to manage the Group's liquidity position as well as a communications strategy. The plan is regularly tested and is approved by the Board on an annual basis.

## 2.2 Counterparty and Other Credit Risk Exposures

### Leveraged Finance

The Group provides leveraged finance to companies. This can include companies acquired or owned by private equity sponsors which can be highly leveraged, primarily domiciled in Australia and New Zealand and exhibit stable and established earnings providing the ability to reduce borrowing levels. The Group's exposure to firms owned by private equity sponsors is diversified across industries and private equity sponsors. Leveraged debt facilities provided to private equity sponsors are typically senior with first ranking security over the cash flows and assets of the businesses.

### Hedge Funds

There were no material movements in exposures to hedge funds during the current half and these exposures are not considered to be material.

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## 3 Our Capital, Equity and Reserves

### OVERVIEW

The Group maintains a strong capital position in order to satisfy regulatory capital requirements, provide financial security to its depositors and creditors and adequate return to its shareholders. The Group's shareholders' equity includes issued ordinary shares, retained earnings and reserves.

This section provides analysis of the Group's shareholders' equity including changes during the period.

### 3.1 Capital

The tables below show the capital adequacy calculation at 31 December 2024 together with prior period comparatives.

| | As at | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| **Risk Weighted Capital Ratios** | % | % | % |
| Common Equity Tier 1 | **12.2** | 12.3 | 12.3 |
| Tier 1 | **14.1** | 14.3 | 14.7 |
| Tier 2 | **6.6** | 6.6 | 5.8 |
| **Total Capital** | **20.7** | 20.9 | 20.5 |

| | As at | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| | $M | $M | $M |
| **Ordinary share capital and treasury shares** | | | |
| Ordinary share capital | **33,586** | 33,635 | 33,774 |
| Treasury shares [1] | **189** | 158 | 147 |
| **Ordinary share capital and treasury shares** | **33,775** | 33,793 | 33,921 |
| **Reserves** | **(900)** | (2,147) | (1,583) |
| **Retained earnings and current period profits** | | | |
| Retained earnings and current period profits | **42,578** | 41,600 | 40,643 |
| Retained earnings adjustment from non-consolidated subsidiaries [2] | **(60)** | (54) | (45) |
| **Net retained earnings** | **42,518** | 41,546 | 40,598 |
| **Non-controlling interests** | | | |
| Non-controlling interests [3] | **–** | – | 5 |
| Less other non-controlling interests not eligible for inclusion in regulatory capital | **–** | – | (5) |
| **Non-controlling interests** | **–** | – | – |
| **Common Equity Tier 1 Capital before regulatory adjustments** | **75,393** | 73,192 | 72,936 |

[1] Represents eligible employee share scheme arrangements.
[2] Cumulative current period profit and retained earnings adjustments for subsidiaries not consolidated for regulatory purposes.
[3] Non-controlling interests include external equity interests in the Group's subsidiary.

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# Appendices (continued)

## 3.1 Capital (continued)

| | As at | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| | $M | $M | $M |
| **Common Equity Tier 1 regulatory adjustments** | | | |
| Goodwill [1] | **(5,282)** | (5,285) | (5,289) |
| Other intangibles (including software) [2] | **(2,446)** | (2,259) | (2,165) |
| Capitalised costs and deferred fees | **(1,250)** | (1,231) | (1,239) |
| Defined benefit superannuation plan surplus [3] | **(338)** | (305) | (367) |
| Deferred tax asset | **(3,165)** | (3,320) | (3,155) |
| Cash flow hedge reserve | **590** | 1,510 | 936 |
| Employee compensation reserve | **(89)** | (117) | (79) |
| Equity investments [4] | **(4,225)** | (4,214) | (4,046) |
| Equity investments in non-consolidated subsidiaries [5] | **(89)** | (89) | (89) |
| Unrealised fair value adjustments [6] | **(60)** | (41) | (48) |
| Shortfall of provisions to expected losses [7] | **–** | – | – |
| Other | **(168)** | (150) | (164) |
| **Common Equity Tier 1 regulatory adjustments** | **(16,522)** | (15,501) | (15,705) |
| **Common Equity Tier 1 Capital** | **58,871** | 57,691 | 57,231 |
| **Additional Tier 1 Capital** | | | |
| Basel III complying instruments [8] | **9,272** | 9,272 | 10,862 |
| **Total Additional Tier 1 Capital** | **9,272** | 9,272 | 10,862 |
| **Total Tier 1 Capital** | **68,143** | 66,963 | 68,093 |
| **Tier 2 Capital** | | | |
| Basel III complying instruments [9] | **29,925** | 29,179 | 25,371 |
| Holding of Tier 2 Capital | **(474)** | (425) | (386) |
| Prudential general reserve for credit losses [10] | **2,111** | 2,074 | 2,162 |
| **Total Tier 2 Capital** | **31,562** | 30,828 | 27,147 |
| **Total Capital** | **99,705** | 97,791 | 95,240 |

[1] Includes goodwill from discontinued operations.

[2] Other intangibles (including capitalised software costs), net of any associated deferred tax liability.

[3] Represents the surplus in the Group's defined benefit superannuation fund, net of any deferred tax liability.

[4] Represents the Group's non-controlling interest in other entities.

[5] Non-consolidated subsidiaries include the Group's insurance entity and qualifying securitisation vehicles that meet APRA's operational requirement for regulatory capital relief under APS 120 "Securitisation".

[6] Includes gains due to changes in the Group's credit risk on fair valued liabilities and other prudential valuation adjustments.

[7] Represents the shortfall between the regulatory Expected Losses (EL) and Eligible Provisions (EP) with respect to credit portfolios which are subject to the AIRB approach. The adjustment is assessed separately for both defaulted and non-defaulted exposures. Where there is an excess of EL over EP in either assessments, the difference must be deducted from CET1. For non-defaulted exposures where the EL is lower than the EP, this may be included in Tier 2 capital up to a maximum of 0.6% of total credit RWAs.

[8] As at 31 December 2024, comprises PERLS XVI $1,550 million (June 2023), PERLS XV $1,777 million (November 2022), PERLS XIV $1,750 million (March 2022), PERLS XIII $1,180 million (April 2021), PERLS XII $1,650 million (November 2019) and PERLS X $1,365 million (April 2018).

[9] In the half year ended 31 December 2024, the Group issued AUD1,500 million subordinated notes and redeemed EUR1,000 million subordinated notes, both Basel III compliant Tier 2 capital.

[10] Represents provisions for credit losses eligible for inclusion in Tier 2 capital.

## 3.1 Capital (continued)

| | As at | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| **Risk Weighted Assets (RWA)** | $M | $M | $M |
| **Credit Risk** | | | |
| **Subject to AIRB approach** [1] | | | |
| Corporate (incl. SME corporate) [2] [3] | **93,147** | 86,125 | 83,483 |
| SME retail | **10,901** | 10,819 | 10,235 |
| Residential mortgage [4] | **144,873** | 145,229 | 143,896 |
| Qualifying revolving retail | **5,222** | 5,372 | 5,336 |
| Other retail | **9,102** | 9,105 | 8,746 |
| **Total RWA subject to AIRB approach** | **263,245** | 256,650 | 251,696 |
| **Subject to FIRB approach** [1] | | | |
| Corporate - large [2] [3] | **28,783** | 27,048 | 26,216 |
| Sovereign | **2,353** | 2,378 | 2,349 |
| Financial Institution | **12,343** | 10,184 | 12,633 |
| **Total RWA subject to FIRB approach** | **43,479** | 39,610 | 41,198 |
| **Specialised lending** | **4,786** | 3,660 | 3,514 |
| **Subject to Standardised approach** | | | |
| Corporate (incl. SME corporate) | **811** | 1,023 | 779 |
| SME retail | **642** | 628 | 642 |
| Sovereign | **1** | 1 | 227 |
| Residential mortgage | **7,197** | 6,953 | 6,885 |
| Other retail | **292** | 237 | 519 |
| Other assets | **6,065** | 6,686 | 8,298 |
| **Total RWA subject to Standardised approach** | **15,008** | 15,528 | 17,350 |
| Securitisation | **3,685** | 3,214 | 3,247 |
| Credit valuation adjustment | **4,467** | 2,873 | 2,846 |
| Central counterparties | **170** | 160 | 165 |
| RBNZ regulated entities [1] | **50,277** | 48,749 | 48,719 |
| **Total RWA for Credit Risk Exposures** | **385,117** | 370,444 | 368,735 |
| Traded market risk | **7,949** | 8,488 | 9,627 |
| Interest rate risk in the banking book | **41,679** | 43,644 | 40,307 |
| Operational risk | **47,624** | 44,975 | 44,975 |
| **Total risk weighted assets** | **482,369** | 467,551 | 463,644 |

1 Pursuant to APRA requirements, RWA amounts derived from the risk weighted functions of AIRB, FIRB and the advanced portfolio of RBNZ regulated entities have been multiplied by a scaling factor of 1.10.

2 Includes Corporate PD model overlays of $0.5 billion as at 31 December 2024 (30 June 2024 and 31 December 2023: $4.2 billion).

3 Includes IPRE risk weight floor top-up of $2.9 billion as at 31 December 2024 (30 June 2024: $1.8 billion; 31 December 2023: $1.7 billion).

4 As a condition of APRA approval of the residential mortgage LGD model, a $7.4 billion RWA overlay was applied by the Group at 30 June 2024 and 31 December 2023. The overlay was released in September 2024 quarter following regulatory approval of the new residential mortgage LGD model.

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## 3.2 Share Capital

| Shares on Issue | Half Year Ended<br>31 Dec 24<br>Shares | <br>30 Jun 24<br>Shares | <br>31 Dec 23<br>Shares |
|---|---|---|---|
| Opening balance (excluding Treasury Shares deduction) | **1,673,580,358** | 1,674,651,934 | 1,676,169,322 |
| Share buy-backs | | | |
| On-market buy-back [1] [2] | **(118,000)** | (1,071,576) | (1,517,388) |
| Dividend reinvestment plan issues: | | | |
| 2022/2023 Final dividend fully paid ordinary shares $101.10 [3] | **–** | – | – |
| 2023/2024 Interim dividend fully paid ordinary shares $117.19 [3] | **–** | – | – |
| 2023/2024 Final dividend fully paid ordinary shares $141.50 [3] | **–** | – | – |
| Closing balance (excluding Treasury Shares deduction) | **1,673,462,358** | 1,673,580,358 | 1,674,651,934 |
| Less: Treasury Shares [4] | **(1,463,595)** | (1,510,328) | (1,431,186) |
| **Closing balance** | **1,671,998,763** | 1,672,070,030 | 1,673,220,748 |

[1] On 9 August 2023, the Group announced its intention to conduct an on-market share buy-back of up to $1 billion of CBA ordinary shares, with 1,517,388 ordinary shares bought back at $101.49 per share ($154 million) in the half year ended 31 December 2023 and 1,071,576 ordinary shares were bought back at an average price of $119.24 per share ($128 million) in the half year ended 30 June 2024. The shares bought back were subsequently cancelled.

[2] On 14 August 2024, the Group announced a 12 month extension of the on-market share buy-back of up to $1 billion of CBA ordinary shares announced on 9 August 2023. During the half year ended 31 December 2024, 118,000 ordinary shares were bought back at an average price of $151.98 per share ($18 million). The shares bought back were subsequently cancelled.

[3] The DRP in respect of the final 2023/2024, interim 2023/2024 and final 2022/2023 dividends were satisfied in full through the on-market purchase and transfer of 5,335,505 shares at $141.50, 4,092,235 shares at $117.19 and 7,183,122 shares at $101.10, respectively, to participating shareholders.

[4] Relates to the movements in treasury shares held within the employee share scheme plans.

### Dividend Franking Account

#### Australian Franking Credits

The franking credits available to the Group at 31 December 2024, after allowing for Australian tax payable in respect of the current and prior reporting period's profit, are estimated to be $1,738 million (30 June 2024: $1,861 million; 31 December 2023: $1,688 million).

#### New Zealand Imputation Credits

The New Zealand imputation credits available to CBA at 31 December 2024 are estimated to be NZ$1,088 million (30 June 2024: NZ$894 million; 31 December 2023: NZ$1,040 million). This is calculated on the same basis as the Australian franking credits but using the New Zealand current tax liability.

### Dividends

The Directors have determined a fully franked interim dividend of 225 cents per share amounting to $3,765 million. The dividend will be payable on or around 28 March 2025 to shareholders on the register at 5:00pm AEDT on 20 February 2025.

The Board determines the dividend per share based on net profit after tax ("cash basis") per share, having regard to a range of factors including:

- current and expected rates of business growth and the mix of business;
- capital needs to support economic, regulatory and credit ratings requirements;
- investments and/or divestments to support business development;
- competitors comparison and market expectations; and
- earnings per share growth.

### Dividend Reinvestment Plan

The Group has a Dividend Reinvestment Plan (DRP) that is available to shareholders in Australia and certain other jurisdictions. Shareholders can elect to participate to acquire fully paid ordinary shares instead of receiving a cash dividend payment. Shares issued under DRP rank equally with ordinary shares on issue. The DRP for the 2024 final, 2024 interim and 2023 final dividends were satisfied in full by the on-market purchase and transfer of shares, and had participation rates of 18.1%, 13.4% and 18.1% respectively.

#### Record Date

The record date for determination of interim dividend entitlement is 20 February 2025. The date for notifying a change to participation in the DRP for the interim dividend is 21 February 2025.

#### Ex-Dividend Date

The ex-dividend date for the interim dividend is 19 February 2025.

#### Share Buy-Back

On 9 August 2023, the Group announced its intention to conduct an on-market share buy-back of up to $1 billion of CBA ordinary shares.

As at 31 December 2024, the Group has completed $300 million of the $1 billion on-market share buy-back, with 2,706,964 ordinary shares bought back at an average price of $110.72.

The ordinary shares bought back were subsequently cancelled.

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## 4 Other Information

### 4.1 Intangible Assets

| | As at | | |
|---|---|---|---|
| | 31 Dec 24<br>$M | 30 Jun 24<br>$M | 31 Dec 23<br>$M |
| **Goodwill** | | | |
| Purchased goodwill at cost | **5,282** | 5,285 | 5,289 |
| **Closing balance** | **5,282** | 5,285 | 5,289 |
| **Computer Software Costs** | | | |
| Net carrying value | **2,315** | 2,129 | 2,035 |
| **Closing balance** | **2,315** | 2,129 | 2,035 |
| **Brand Names** [1] | | | |
| Cost | **186** | 186 | 186 |
| **Closing balance** | **186** | 186 | 186 |
| **Total intangible assets** | **7,783** | 7,600 | 7,510 |

[1] Brand names predominantly represent the value of royalty costs foregone by the Group through acquiring the Bankwest brand name. The royalty costs that would have been incurred by an entity using the Bankwest brand name are based on an annual percentage of income generated by Bankwest. The Bankwest brand name has an indefinite useful life, as there is no foreseeable limit to the period over which the brand name is expected to generate cash flows. The brand name is not subject to amortisation, but requires annual impairment testing. No impairment was recognised during the period.

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## 4.2 ASX Appendix 4D

| Cross Reference Index | Page |
|---|---|
| Details of Reporting Period and Previous Period (Rule 4.2A.3 Item No. 1) | Inside Front Cover |
| Results for Announcement to the Market (Rule 4.2A.3 Item No. 2) | Inside Front Cover |
| Net Tangible Assets per Security (Rule 4.2A.3 Item No. 3) | 141 |
| Details of entities over which control was gained and lost during the period (Rule 4.2A.3 Item No.4) | 134 |
| Dividends (Rule 4.2A.3 Item No. 5) | 132 |
| Dividend Dates (Rule 4.2A.3 Item No. 5) | Inside Front Cover |
| Dividend Reinvestment Plan (Rule 4.2A.3 Item No. 6) | 132 |
| Details of Associates and Joint Ventures (Rule 4.2A.3 Item No. 7) | 134 |
| Foreign Entities (Rule 4.2A.3 Item No.8) | 134 |
| Independent auditor's review report subject to a modified opinion, emphasis of matter or other matter (Rule 4.2A.3 Item No.9) | 134 |

### Details of entities over which control was gained and lost during the period (Rule 4.2A.3 Item No.4)

The Group did not gain or lose control over any entities during the half year ended 31 December 2024.

### Details of Associates and Joint Ventures (Rule 4.2A.3 Item No. 7)

| As at 31 December 2024 | Ownership Interest Held |
|---|---|
| Funding No.1 Pty Limited [1] | 100% |
| Superannuation and Investments HoldCo Pty Limited | 45% |
| Lendi Group Pty Ltd | 42% |
| Nindethana Seed Service Pty Ltd | 32% |
| More Telecom Pty Ltd | 30% |
| Tangerine Telecom Pty Ltd | 30% |
| Gift Card Co Pty Ltd | 28% |
| Payble Pty Ltd | 26% |
| Count Limited | 24% |
| PEXA Group Limited | 24% |
| Carousale Pty Ltd | 23% |
| Trade Window Holdings Limited | 21% |
| Amber Holding Corporation Pty Ltd | 20% |
| Australian Business Growth Fund Pty Ltd | 19% |
| Payments NZ Limited | 19% |
| Silicon Quantum Computing Pty Ltd | 18% |
| A.C.N. 633 568 411 Pty Ltd | 16% |

1 The Group holds 100% of the issued shares of Funding No.1 Pty Limited but does not consolidate the company as the Group does not have the majority of the decision making rights over its relevant activities.

### Foreign Entities (Rule 4.2A.3 Item No.8)

Not applicable.

### Independent auditor's review report subject to a modified opinion, emphasis of matter or other matter (Rule 4.2A.3 Item No.9)

Not applicable.

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## 4.3 Profit Reconciliation

Non-cash items are excluded from net profit after tax ("cash basis"), which is management's preferred measure of the Group's financial performance, as they tend to be non-recurring in nature or are not considered representative of the Group's ongoing financial performance. The impact of these items on the Group's net profit after tax ("statutory basis") is outlined below and treated consistently with the prior financial year. A description of these items is provided below.

| | Half Year Ended 31 December 2024 | | | |
|---|---|---|---|---|
| | Net profit after tax "cash basis" | Gain/(loss) on disposal and acquisition of controlled entities [1] | Hedging and IFRS volatility | Net profit after tax "statutory basis" |
| **Profit Reconciliation** | **$M** | **$M** | **$M** | **$M** |
| **Group** | | | | |
| Interest income [2] | **32,683** | – | – | **32,683** |
| Interest expense | **(20,749)** | – | – | **(20,749)** |
| Net interest income | **11,934** | – | – | **11,934** |
| Other operating income | **2,163** | 5 | (4) | **2,164** |
| **Total operating income** | **14,097** | 5 | (4) | **14,098** |
| Operating expenses | **(6,372)** | – | – | **(6,372)** |
| Loan impairment expense | **(320)** | – | – | **(320)** |
| **Net profit/(loss) before tax** | **7,405** | 5 | (4) | **7,406** |
| Corporate tax expense | **(2,273)** | 4 | 5 | **(2,264)** |
| **Net profit/(loss) after income tax from continuing operations** | **5,132** | 9 | 1 | **5,142** |
| Net profit/(loss) after income tax from discontinued operations | **1** | (9) | – | **(8)** |
| **Net profit/(loss) after income tax** | **5,133** | – | 1 | **5,134** |

[1] These amounts include post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency reserves recycling), and transaction and separation costs associated with the previously announced divestments.

[2] Interest income includes total effective interest income and other interest income.

### Gain/(loss) on disposal and acquisition of controlled entities

Gains and losses on these transactions are inclusive of foreign exchange impacts, impairments, restructuring, separation and transactions costs and cover both controlled businesses and associates.

### Hedging and IFRS volatility

Hedging and IFRS volatility represents timing differences between fair value movements on qualifying economic hedges and the underlying exposure. They do not affect the Group's performance over the life of the hedge relationship, and are recognised over the life of the hedged transaction. To qualify as an economic hedge the terms and/or risk profile must match or be substantially the same as the underlying exposure.

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## 4.3 Profit Reconciliation (continued)

| | Half Year Ended 30 June 2024 | | | |
|---|---|---|---|---|
| | Net profit after tax "cash basis" | Gain/(loss) on disposal and acquisition of controlled entities [1] | Hedging and IFRS volatility | Net profit after tax "statutory basis" |
| **Profit Reconciliation** | **$M** | **$M** | **$M** | **$M** |
| **Group** | | | | |
| Interest income [2] | **31,426** | – | – | **31,426** |
| Interest expense | **(20,006)** | – | – | **(20,006)** |
| Net interest income | **11,420** | – | – | **11,420** |
| Other operating income | **2,105** | (167) | (15) | **1,923** |
| **Total operating income** | **13,525** | (167) | (15) | **13,343** |
| Operating expenses | **(6,207)** | (32) | – | **(6,239)** |
| Loan impairment expense | **(387)** | – | – | **(387)** |
| **Net profit/(loss) before tax** | **6,931** | (199) | (15) | **6,717** |
| Corporate tax expense | **(2,114)** | 37 | 4 | **(2,073)** |
| **Net profit/(loss) after income tax from continuing operations** | **4,817** | (162) | (11) | **4,644** |
| Net profit/(loss) after income tax from discontinued operations | **5** | (14) | – | **(9)** |
| **Net profit/(loss) after income tax** | **4,822** | (176) | (11) | **4,635** |

[1] These amounts include post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency reserves recycling), and transaction and separation costs associated with the previously announced divestments.

[2] Interest income includes total effective interest income and other interest income.

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## 4.3 Profit Reconciliation (continued)

| | Half Year Ended 31 December 2023 | | | |
|---|---|---|---|---|
| | Net profit after tax "cash basis" | Gain/(loss) on disposal and acquisition of controlled entities [1] | Hedging and IFRS volatility | Net profit after tax "statutory basis" |
| **Profit Reconciliation** | **$M** | **$M** | **$M** | **$M** |
| **Group** | | | | |
| Interest income [2] | **29,618** | – | – | **29,618** |
| Interest expense | **(18,214)** | – | – | **(18,214)** |
| Net interest income | **11,404** | – | – | **11,404** |
| Other operating income | **2,245** | (104) | 33 | **2,174** |
| **Total operating income** | **13,649** | (104) | 33 | **13,578** |
| Operating expenses | **(6,011)** | (87) | – | **(6,098)** |
| Loan impairment expense | **(415)** | – | – | **(415)** |
| **Net profit/(loss) before tax** | **7,223** | (191) | 33 | **7,065** |
| Corporate tax expense | **(2,204)** | (19) | (5) | **(2,228)** |
| **Net profit/(loss) after income tax from continuing operations** | **5,019** | (210) | 28 | **4,837** |
| Net profit/(loss) after income tax from discontinued operations | **6** | (84) | – | **(78)** |
| **Net profit/(loss) after income tax** | **5,025** | (294) | 28 | **4,759** |

[1] These amounts include post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency reserves recycling), and transaction and separation costs associated with the previously announced divestments.

[2] Interest income includes total effective interest income and other interest income.

# Appendices (continued)

## 4.4 Analysis Template

| | Half Year Ended [1] | | |
|---|---|---|---|
| | 31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
| **Ratios - Output Summary (continuing operations basis)** | $M | $M | $M |
| **Earnings Per Share (EPS)** | | | |
| Net profit after tax - "cash basis" | **5,132** | 4,817 | 5,019 |
| Average number of shares (M) - "cash basis" | **1,672** | 1,673 | 1,674 |
| **Earnings Per Share basic - "cash basis" (cents)** | **306.9** | 288.0 | 299.8 |
| Net profit after tax - "statutory basis" | **5,142** | 4,644 | 4,837 |
| Average number of shares (M) - "statutory basis" | **1,672** | 1,673 | 1,674 |
| **Earnings Per Share basic - "statutory basis" (cents)** | **307.5** | 277.6 | 288.9 |
| Interest expense (after tax) - PERLS | **–** | 273 | 286 |
| **Profit impact of assumed conversions (after tax)** | **–** | 273 | 286 |
| Weighted average number of shares - PERLS (M) | **–** | 96 | 112 |
| Weighted average number of shares - Employee share plans (M) | **2** | 2 | 2 |
| **Weighted average number of shares - dilutive securities (M)** | **2** | 98 | 114 |
| Net profit after tax - "cash basis" | **5,132** | 4,817 | 5,019 |
| Add back profit impact of assumed conversions (after tax) | **–** | 273 | 286 |
| Adjusted diluted profit for EPS calculation | **5,132** | 5,090 | 5,305 |
| Average number of shares (M) - "cash basis" | **1,672** | 1,673 | 1,674 |
| Add back weighted average number of shares (M) | **2** | 98 | 114 |
| Diluted average number of shares (M) | **1,674** | 1,771 | 1,788 |
| **Earnings Per Share diluted - "cash basis" (cents)** | **306.5** | 287.4 | 296.7 |
| Net profit after tax - "statutory basis" | **5,142** | 4,644 | 4,837 |
| Add back profit impact of assumed conversions (after tax) | **–** | 273 | 286 |
| Adjusted diluted profit for EPS calculation | **5,142** | 4,917 | 5,123 |
| Average number of shares (M) - "statutory basis" | **1,672** | 1,673 | 1,674 |
| Add back weighted average number of shares (M) | **2** | 98 | 114 |
| Diluted average number of shares (M) | **1,674** | 1,771 | 1,788 |
| **Earnings Per Share diluted - "statutory basis" (cents)** | **307.1** | 277.6 | 286.5 |

[1] Calculations are based on actual numbers prior to rounding to the nearest million.

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## 4.4 Analysis Template (continued)

| Ratios - Output Summary (including discontinued operations) | Half Year Ended [1]<br>31 Dec 24<br>$M | <br>30 Jun 24<br>$M | <br>31 Dec 23<br>$M |
|---|---|---|---|
| **Earnings Per Share (EPS)** | | | |
| Net profit after tax - "cash basis" | **5,133** | 4,822 | 5,025 |
| Average number of shares (M) - "cash basis" | **1,672** | 1,673 | 1,674 |
| **Earnings Per Share basic - "cash basis" (cents)** | **307.0** | 288.3 | 300.1 |
| Net profit after tax - "statutory basis" | **5,134** | 4,635 | 4,759 |
| Average number of shares (M) - "statutory basis" | **1,672** | 1,673 | 1,674 |
| **Earnings Per Share basic - "statutory basis" (cents)** | **307.0** | 277.1 | 284.3 |
| Interest expense (after tax) - PERLS | **–** | 273 | 286 |
| **Profit impact of assumed conversions (after tax)** | **–** | 273 | 286 |
| Weighted average number of shares - PERLS (M) | **–** | 96 | 112 |
| Weighted average number of shares - Employee share plans (M) | **2** | 2 | 2 |
| **Weighted average number of shares - dilutive securities (M)** | **2** | 98 | 114 |
| Net profit after tax - "cash basis" | **5,133** | 4,822 | 5,025 |
| Add back profit impact of assumed conversions (after tax) | **–** | 273 | 286 |
| Adjusted diluted profit for EPS calculation | **5,133** | 5,095 | 5,311 |
| Average number of shares (M) - "cash basis" | **1,672** | 1,673 | 1,674 |
| Add back weighted average number of shares (M) | **2** | 98 | 114 |
| Diluted average number of shares (M) | **1,674** | 1,771 | 1,788 |
| **Earnings Per Share diluted - "cash basis" (cents)** | **306.6** | 287.7 | 297.0 |
| Net profit after tax - "statutory basis" | **5,134** | 4,635 | 4,759 |
| Add back profit impact of assumed conversions (after tax) | **–** | 273 | 286 |
| Adjusted diluted profit for EPS calculation | **5,134** | 4,908 | 5,045 |
| Average number of shares (M) - "statutory basis" | **1,672** | 1,673 | 1,674 |
| Add back weighted average number of shares (M) | **2** | 98 | 114 |
| Diluted average number of shares (M) | **1,674** | 1,771 | 1,788 |
| **Earnings Per Share diluted - "statutory basis" (cents)** | **306.6** | 277.1 | 282.1 |

[1] Calculations are based on actual numbers prior to rounding to the nearest million.

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## 4.4 Analysis Template (continued)

| | Half Year Ended [1] | | |
|---|---|---|---|
| **Dividends Per Share (DPS)** | **31 Dec 24** | **30 Jun 24** | **31 Dec 23** |
| **Dividends (including discontinued operations)** | **$M** | **$M** | **$M** |
| Dividends per share (cents) - fully franked | **225** | 250 | 215 |
| No. of shares at end of period excluding Treasury shares deduction (M) | **1,673** | 1,674 | 1,675 |
| Total dividends ($M) [2] | **3,765** | 4,184 | 3,601 |
| **Dividend payout ratio - "cash basis"** | | | |
| Net profit after tax - attributable to ordinary shareholders ($M) | **5,133** | 4,822 | 5,025 |
| Total dividends ($M) [2] | **3,765** | 4,184 | 3,601 |
| Payout ratio - "cash basis" (%) | **73.4** | 86.8 | 71.7 |
| **Dividend cover** | | | |
| Net profit after tax - attributable to ordinary shareholders ($M) | **5,133** | 4,822 | 5,025 |
| Total dividends ($M) [2] | **3,765** | 4,184 | 3,601 |
| Dividend cover - "cash basis" (times) | **1.4** | 1.2 | 1.4 |

1 Calculations are based on actual numbers prior to rounding to the nearest million.
2 Total dividends and payout ratio are calculated based on the closing number of shares for the respective periods.

| | Half Year Ended [1] | | |
|---|---|---|---|
| | **31 Dec 24** | **30 Jun 24** | **31 Dec 23** |
| **Ratios - Output Summary (continuing operations basis)** | **$M** | **$M** | **$M** |
| **Return on Equity (ROE)** | | | |
| **Return on Equity - "cash basis"** | | | |
| Average net assets | **74,176** | 72,963 | 72,236 |
| Less: | | | |
| Average non-controlling interests | **–** | (2) | (5) |
| Net average equity | **74,176** | 72,961 | 72,231 |
| Net profit after tax - "cash basis" | **5,132** | 4,817 | 5,019 |
| ROE - "cash basis" (%) | **13.7** | 13.3 | 13.8 |
| **Return on Equity - "statutory basis"** | | | |
| Average net assets | **74,176** | 72,963 | 72,236 |
| Less: | | | |
| Average non-controlling interests | **–** | (2) | (5) |
| Net average equity | **74,176** | 72,961 | 72,231 |
| Net profit after tax - "statutory basis" | **5,142** | 4,644 | 4,837 |
| ROE - "statutory basis" (%) | **13.8** | 12.8 | 13.3 |

1 Calculations are based on actual numbers prior to rounding to the nearest million.

## 4.4 Analysis Template (continued)

| Ratios - Output Summary (including discontinued operations) | Half Year Ended [1]<br>31 Dec 24<br>$M | <br>30 Jun 24<br>$M | <br>31 Dec 23<br>$M |
|---|---|---|---|
| **Return on Equity (ROE)** | | | |
| **Return on Equity - "cash basis"** | | | |
| Average net assets | **74,176** | 72,963 | 72,236 |
| Less: | | | |
| Average non-controlling interests | **–** | (2) | (5) |
| Net average equity | **74,176** | 72,961 | 72,231 |
| Net profit after tax - "cash basis" | **5,133** | 4,822 | 5,025 |
| ROE - "cash basis" (%) | **13.7** | 13.3 | 13.8 |
| **Return on Equity - "statutory basis"** | | | |
| Average net assets | **74,176** | 72,963 | 72,236 |
| Less: | | | |
| Average non-controlling interests | **–** | (2) | (5) |
| Net average equity | **74,176** | 72,961 | 72,231 |
| Net profit after tax - "statutory basis" | **5,134** | 4,635 | 4,759 |
| ROE - "statutory basis" (%) | **13.7** | 12.8 | 13.1 |
| **Net Tangible Assets per share** | | | |
| Net assets | **75,264** | 73,088 | 72,839 |
| Less: | | | |
| Intangible assets | **(7,783)** | (7,600) | (7,510) |
| Non-controlling interests | **–** | – | (5) |
| Total net tangible assets | **67,481** | 65,488 | 65,324 |
| No. of shares at end of period excluding treasury shares deduction (M) | **1,673** | 1,674 | 1,675 |
| **Net Tangible Assets per share ($)** | **40.32** | 39.13 | 39.01 |

[1] Calculations are based on actual numbers prior to rounding to the nearest million.

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## 4.5 Foreign Exchange Rates

| Exchange Rates Utilised [1] | Currency | As at<br>31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
|---|---|---|---|---|
| AUD 1.00 = | USD | **0.6219** | 0.6628 | 0.6839 |
| | EUR | **0.5978** | 0.6198 | 0.6183 |
| | GBP | **0.4954** | 0.5245 | 0.5362 |
| | NZD | **1.1042** | 1.0929 | 1.0764 |
| | JPY | **97.2314** | 106.7477 | 96.7806 |

[1] End of day, Sydney time.

| Average Exchange Rates Utilised | Currency | Half Year Ended<br>31 Dec 24 | 30 Jun 24 | 31 Dec 23 |
|---|---|---|---|---|
| AUD 1.00 = | USD | **0.6613** | 0.6588 | 0.6529 |
| | EUR | **0.6109** | 0.6091 | 0.6033 |
| | GBP | **0.5124** | 0.5207 | 0.5207 |
| | NZD | **1.0998** | 1.0813 | 1.0804 |
| | JPY | **99.7786** | 100.1463 | 95.4224 |

## 4.6 Definitions

### Glossary of Terms

| Term | Description |
|---|---|
| Assets Under Management (AUM) | Assets Under Management represents the market value of assets for which the Group acts as an appointed manager. |
| Bankwest | Bankwest is active in all domestic market segments, with lending diversified between the business, rural, housing and personal markets, including a full range of deposit products. The retail banking activities conducted under the Bankwest brand are consolidated into Retail Banking Services, and the business banking activities conducted under the Bankwest brand are consolidated into Business Banking. |
| Business Banking | Business Banking serves the banking needs of business, corporate and agribusiness customers across the full range of financial services solutions, as well as providing equities trading and margin lending services through the CommSec business. Business Banking includes the financial results of business banking activities conducted under the Bankwest brand. |
| Corporate Centre and Other | Corporate Centre and Other includes the results of the Group's centrally held minority investments and subsidiaries, Group-wide remediation costs, investment spend including enterprise-wide infrastructure and other strategic projects, employee entitlements, and unallocated revenue and expenses relating to the Bank’s support functions including Treasury, Investor Relations, Group Strategy, Legal and Corporate Affairs and Bank-wide elimination entries arising on consolidation. |
| Corporate troublesome exposures | Exposures to customers where profitability is weak and the capacity to meet financial commitments is diminished. These customers are at higher risk of default over the next 12 months. |
| Corporations Act | *Corporations Act 2001* (Cth). |
| Dividend payout ratio (“cash basis”) | Dividends paid on ordinary shares divided by net profit after tax (“cash basis”). |
| Dividend payout ratio (“statutory basis”) | Dividends paid on ordinary shares divided by net profit after tax (“statutory basis”). |
| DPS | Dividend per share. |
| DRP | Dividend reinvestment plan. |
| DRP participation | The percentage of total issued capital participating in the dividend reinvestment plan. |
| Earnings Per Share (EPS) (basic) | Basic earnings per share is the net profit attributable to ordinary equity holders of the Bank, divided by the weighted average number of ordinary shares on issue during the year per the requirements of relevant accounting standards. |
| Earnings Per Share (EPS) (diluted) | Diluted earnings per share adjusts the net profit attributable to ordinary equity holders of the Bank and the weighted average number of ordinary shares on issue used in the calculation of basic earnings per share, for the effects of dilutive potential ordinary shares per the requirements of relevant accounting standards. |
| Institutional Banking and Markets (IB&M) | Institutional Banking and Markets (IB&M) provides a full range of domestic and global financing and banking services to large corporate, institutional and government clients. These services include debt capital markets, risk management, transaction banking, sustainable finance, structured capital solutions and working capital delivered through dedicated product and industry specialists, as well as tailored research and data analytics. |
| Interest Rate Risk in the Banking Book (IRRBB) | Interest Rate Risk in the Banking Book is the risk that the Bank’s profit derived from Net Interest Income (interest earned less interest paid), in current and future periods, is adversely impacted by changes in interest rates. This is measured from two perspectives: firstly by quantifying the change in the net present value of the Balance Sheet’s future earnings potential, and secondly as the anticipated change to Net Interest Income earned over 12 months. This calculation is driven by APRA regulations with further detail outlined in the Group’s Basel III Pillar 3 report. |
| Net profit after tax (“cash basis”) | Represents net profit after tax and non-controlling interests before non-cash items including hedging and IFRS volatility, and gains or losses on acquisitions, disposal, closure, capital repatriation and demerger of controlled business. This is management’s preferred measure of the Group’s financial performance. |

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## 4.6 Definitions (continued)

| Term | Description |
|---|---|
| Net profit after tax ("statutory basis") | Represents net profit after tax and non-controlling interests, calculated in accordance with Australian Accounting Standards. This is equivalent to the statutory item "Net profit attributable to Equity holders of the Bank". |
| Net Stable Funding Ratio (NSFR) | The NSFR more closely aligns the behavioural terms of assets and liabilities. It is the ratio of the amount of available stable funding (ASF) to the amount of required stable funding (RSF). ASF is the portion of an Authorised Deposit-taking Institution's (ADI) capital and liabilities expected to be a reliable source of funds over a one year time horizon. RSF is a function of the liquidity characteristics and residual maturities of an ADI's assets and off Balance Sheet activities. |
| Net tangible assets per share | Net assets excluding intangible assets, non-controlling interests and other equity instruments divided by ordinary shares on issue at the end of the period (excluding Treasury Shares deduction). Right of use assets are included in net tangible assets per share. |
| New Zealand | New Zealand includes the banking and funds management businesses operating under the ASB brand. ASB provides a range of banking, wealth and insurance products and services to personal, business and rural customers in New Zealand. |
| Non-Performing Exposures | An exposure which is in default, meaning it is 90 days or more past-due or it is considered unlikely the borrower will repay the exposure in full without recourse to actions such as realising security. |
| Operating expenses to total operating income | Represents operating expenses as a percentage of total operating income. The ratio is a key efficiency measure. |
| Other Overseas | Represents amounts booked in branches and controlled entities outside Australia and New Zealand. |
| Profit After Capital Charge (PACC) | The Group uses PACC, a risk-adjusted measure, as a key measure of financial performance. It takes into account the profit achieved, the risk to capital that was taken to achieve it, and other adjustments. |
| Retail Banking Services | Retail Banking Services provides banking products and services to personal and private bank customers. Retail Banking Services also includes the financial results of retail banking activities conducted under the Bankwest brand and Unloan brand. |
| Return on equity ("cash basis") | Based on net profit after tax ("cash basis") divided by average shareholders' equity. |
| Return on equity ("statutory basis") | Based on net profit after tax ("statutory basis") divided by average shareholders' equity. |
| Total Committed Exposures (TCE) | Total Committed Exposures are defined as the balance outstanding and undrawn components of committed facility limits. It is calculated post receipt of eligible financial collateral that meets the Group's netting requirements and excludes settlement exposures. |
| Troublesome and Non-Performing Exposures (TNPE) | Troublesome and Non-Performing Exposures (TNPE) have replaced the Group's previous Troublesome and Impaired Assets measures to align with the industry standard measure of Non-Performing Exposures. TNPE comprises Non-Performing Exposures and Corporate Troublesome Exposures. |
| Weighted average number of shares | The calculation incorporates the bonus element of any rights issue, discount element of any DRP and excludes "Treasury Shares" related to investment in the Bank's shares held for future issuance at vesting of related share based payment awards. |

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## 4.6 Definitions (continued)

### Market Share Definitions

| **Retail Banking Services** | |
|---|---|
| Home loans (APRA) | CBA Loans to individuals that are Owner Occupied and Investment Home Loans as per APRA monthly ADI Statistics,<br>**divided by**<br>APRA Monthly ADI Statistics back series. |
| Home loans (RBA) | CBA Loans to individuals that are Owner Occupied and Investment Home Loans as per APRA monthly ADI Statistics + separately reported subsidiaries: Wallaby Trust, Residential Mortgage Group P/L,<br>**divided by**<br>RBA Financial Aggregates Owner Occupied and Investor Home Lending (includes ADIs and RFCs). |
| Credit cards (APRA) | CBA Personal Credit Card Lending (APRA),<br>**divided by**<br>Loans to Households: Credit Cards (APRA Monthly ADI Statistics back series). |
| Consumer finance (other household lending) | CBA Lending to individuals which includes: Personal Loans, Margin Lending, Personal Leasing, Revolving Credit, Overdrafts, and Home Loans for personal purposes,<br>**divided by**<br>Loans to Households: Other (APRA Monthly ADI Statistics back series). |
| Household deposits | Total CBA transaction and non-transaction account deposit balances from residents as reported under APRA definitions for Households (individuals) excluding Self-Managed Super Funds (as per deposit balances submitted to APRA in ARF720.2A Deposits),<br>**divided by**<br>Deposits from Households (APRA Monthly ADI Statistics back series). |
| **Business Banking** | |
| Business lending (APRA) | CBA Total Loans to residents as reported under APRA definitions for the Non-Financial Businesses sector (as per lending balances submitted to APRA in ARF720.1A ABS/RBA Loans and Finance Leases) (this includes some Housing Loans to businesses),<br>**divided by**<br>Loans to Non-Financial Businesses (APRA Monthly ADI Statistics back series). |
| Business lending (RBA) | CBA Business Lending and Credit: specific “business lending” categories in lodged APRA returns – ARF720.1A ABS/RBA Loans and Finance Leases, ARF720.7 ABS/RBA Bill Acceptances and Endorsements, excluding sub-categories of RBA, ADIs, RFCs and Central Borrowing Authorities, and the category of General Government,<br>**divided by**<br>RBA Total Business Lending (adjusted for series breaks). |
| Business deposits (APRA) | Total CBA transaction and non-transaction account deposit balances from residents as reported under APRA definitions for the Non-Financial Businesses sector (as per deposit balances submitted to APRA in ARF720.2A Deposits),<br>**divided by**<br>Deposits from Non-Financial Businesses (from APRA Monthly ADI Statistics back series). |
| Equities trading | Twelve months rolling average of Australian equities traded value by CommSec,<br>**divided by**<br>Twelve months rolling average of total Australian equities market traded value. |

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## 4.6 Definitions (continued)

### Market Share Definitions

| **New Zealand** | |
|---|---|
| Home loans | All ASB residential mortgages for owner occupier and residential investor property use,<br>**divided by**<br>Total New Zealand residential mortgages for owner occupier and residential investor property use of all New Zealand registered banks (from RBNZ). |
| Customer deposits | All resident and non-resident customer deposits on ASB Balance Sheet,<br>**divided by**<br>Total resident and non-resident deposits of all New Zealand registered banks (from RBNZ). |
| Business and rural lending | All New Zealand Dollar loans for business use and agriculture business use on ASB Balance Sheet,<br>**divided by**<br>Aggregate of total New Zealand Dollar loans for business use and agriculture business use of all New Zealand registered banks (from RBNZ). |

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