2024 Annual Report

Commonwealth Bank of Australia

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Helping build Australia's future economy

Our focus on balance sheet strength and managing capital provides capacity to support our customers and the nation, while still delivering sustainable returns to shareholders.

Learn more on page 12.

Personalising customer experiences

Our long-term investment in technology enables our digital leadership. Central to our customer approach is our market-leading app, which provides simplified and personalised customer experiences.

Learn more on page 14.

Creating value

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This is an interactive PDF designed to enhance your experience. The best way to view this report is with Adobe Reader. Click the links on the pages or use the home button in the footer to navigate the report.

The release of this announcement was authorised by the Board.

Commonwealth Bank of Australia
Commonwealth Bank Place South, Level 1, 11 Harbour Street, Sydney NSW 2000 | ACN 123 123 124 | 14 August 2024 100/2024

Supporting our customers and helping them achieve their life goals.

We remain committed to supporting our customers and the nation as cost of living pressures continue. As a trusted financial partner for many Australians, our focus is helping our customers achieve their goals, whether it be saving for the future, buying a home, or starting and growing a business.

We aim to support our customers in moments that matter and help build a more prosperous, sustainable and resilient future, together.

Building a brighter future for all.

Acknowledgment of Country

Commonwealth Bank of Australia respectfully acknowledges the Traditional Owners of the Lands across Australia as the continuing custodians of Country and Culture. We pay our respects to First Nations peoples and their Elders, past and present.

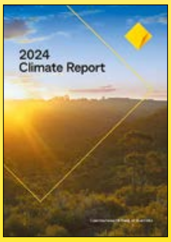
Our registered office is located on the Lands of the Gadigal People.

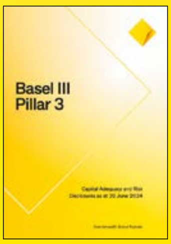
About this report

Our Annual Report includes information on CBA's strategic priorities, risk management and corporate governance, as well as our financial and non-financial performance. Our reporting themes are informed by our sustainability materiality assessment detailed on pages 24 to 25. We continually evolve our reporting to align with changes in legislation, best practice and feedback from our stakeholders.

+ For important information on climate-related, non-IFRS and forward-looking statements, see page 328.

Our reporting suite





→ Access our full reporting suite online at commbank.com.au/investors

→ See our Corporate Governance Statement at commbank.com.au/corporategovernance

2024 at a glance

Financial highlights

$9,481m

Statutory Net profit after tax (NPAT)

↓ 6%

$9,836m

Cash NPAT

↓ 2%

$27,174m

Operating income

Flat on FY23

1.99%

Net interest margin

↓ 8 basis points

12.3%

Capital ratio

CET1 (APRA, Level 2)

↑ 10 basis points

$4.65

Dividend per share, fully franked

Creating value for stakeholders

Customers

17.6m
customers

#1
Net Promoter Score® (NPS) Consumer and Institutional banking

Our people

53,000+
employees

84%
People engagement score (May 2024)

Communities

201
organisations supported

65.8
RepTrak reputation score

Investors

830,000+
shareholders

154%
10-year Total shareholder return (TSR)

Our broader impact bringing our purpose to life

120,000+
customers bought homes

$39bn
lent to businesses to help them grow

44.9%
women in Executive Manager and above roles

37%
cultural representation in leadership

$2m
in grants through CommBank Foundation

$9.5bn
additional funding towards our sustainability funding target

13m
Australians benefit from CBA returns through superannuation

$150bn+
international funding held, which benefits Australian households

Our direct impact by distributing our income

$24bn
interest paid to savers, $880bn+ safeguarded in customer deposits

$800m+
invested to protect against fraud, scams, financial and cyber crime

$7.5bn
paid in salaries and superannuation

$40m
invested in upskilling our people with training and development

$4.5bn
paid to suppliers and third parties to enable us to serve our customers

$5.3bn
total taxes paid

$8bn
paid in dividends and share buy-backs to shareholders

$14bn
interest paid to domestic and offshore debt investors

+ Learn more about how we create value on page 6.

Financials are presented on a continuing operations basis, except the Common Equity Tier 1 (CET1) capital ratio which includes discontinued operations. Cash NPAT, which is presented other than in accordance with relevant accounting standards, is management's preferred measure of the Group's financial performance. It excludes non-cash items. Comparative information has been restated. All figures relate to the full year ended 30 June 2024 and comparisons are to the year ended 30 June 2023. For data sources and definitions, see *Glossary* on pages 312–327.

Who we are

We are Australia's largest bank, serving more than 17 million customers. We provide retail and commercial banking services predominantly in Australia, and in New Zealand through our subsidiary, ASB.

Our purpose

We are guided by our purpose –
Building a brighter future for all.

Our purpose reflects our ambition, and it inspires and connects us to the Bank's reason for being, conveying our hope and optimism for the future.

Our strategy

Inspired by our purpose, we are focused on **building tomorrow's bank today for our customers**, through our strategic priorities:

- Helping build Australia's future economy
- Reimagining banking
- Simpler, better foundations

Our people and culture

Having highly engaged, capable and accountable teams is essential to delivering our strategy and positive outcomes for our customers, our people, communities and shareholders.

See pages 31–35 for more on our people and culture.

Our Code of Conduct guides our people to deliver on our purpose and strategy, by setting expectations for how we act and make decisions. The 'Should We?' test helps our people make the right decisions for our customers, shareholders and other stakeholders.

We are guided by our Values in everything we do.

Care *Courage* *Commitment*

Our leadership principles help leaders understand what is required to lead successfully to execute our strategy.

- Obsess over customers
- Lead as an owner
- Be curious and humble
- Create exceptional teams

Our operating context

We regularly review our external environment to better understand and effectively respond to risks and opportunities. This helps us test that our strategy continues to deliver for our customers, and provides sustainable outcomes for shareholders and other stakeholders.

See pages 70–79 for more on how we manage risk.

Key considerations for risk this year:

- Macroeconomic uncertainty and cost of living pressures
- Escalating fraud, scams and cybercrime
- Environmental and social expectations
- Increasingly complex geopolitical environment
- Competition intensity
- Capability and culture

Our businesses

Our products and services are provided through our businesses, Retail Banking Services, Business Banking, Institutional Banking and Markets, and our subsidiary ASB.

See pages 66–69 for more on the performance of our businesses.

Retail Banking Services (RBS): Provides simple and convenient banking products and services, to personal and private bank customers in Australia.

Business Banking (BB): Serves the banking needs of Australian business, corporate and agribusiness customers across a full range of financial services.

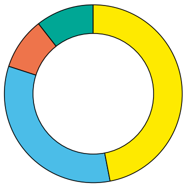
Institutional Banking & Markets (IB&M): Provides domestic and global financial and banking services to large corporate, institutional and government clients.

ASB: Provides a range of banking and investment products and services to personal, business, corporate and rural customers in New Zealand.

We consider the impact of our operations and business activities on the climate.

See pages 26–29 for how these impacts are measured.

Group cash NPAT[1] by business



$5,355m
RBS

$1,097m
IB&M

$3,774m
BB

$1,194m
New Zealand (including ASB)

Our stakeholders

Understanding our stakeholders' needs and expectations, allows us to consider their different views and deliver balanced stakeholder outcomes. We aim to improve our trust and reputation by putting customer needs first and making a broader contribution to the community.

See pages 22–23 for more on our approach to stakeholder engagement.

Customers

Our people

Communities, industry groups and civil society

Investors

Government and regulators

Suppliers

Why CBA?

We seek to build a brighter future for customers, our people, communities and the broader economy. To do this consistently, we need to deliver positive shareholder returns.

See pages 6–7 for more on how we create value and pages 60–69 for financial performance.

Leading franchise: We are Australia's leading bank for both households and businesses. This business mix results in more stable and lower cost of funding, and better risk identification.

Strong balance sheet and risk management: We continue to grow our resilient balance sheet and maintain conservative capital, liquidity and funding settings, as well as peer-leading provision coverage.

Sustainable returns to shareholders: CBA has delivered a total shareholder return of 154% over 10 years to 30 June 2024, which is above leading global banks in developed economies and domestic peers. We aim to consistently deliver sector leading return on equity and sustainable, fully franked dividends.

1 Group Cash NPAT by business unit includes net loss after tax from the Group Corporate Centre, not shown in the business unit contribution.

How we create value

Our value drivers

Highly engaged and capable team

Engaged and accountable teams executing the Bank's strategy, delivering better outcomes for our customers, communities and shareholders.

Strength of customer relationships and franchise

Largest branch network in Australia, combined with leading digital experiences build deeper customer relationships.

Technology leader, history of innovation

Leadership position in digital banking through continued investment in digital infrastructure, data, artificial intelligence and innovation.

Strong balance sheet and risk management

Disciplined capital management, balance sheet strength and robust risk management practices create flexibility to support customers and the economy through all market conditions.

Commitment to sustainability

Balancing stakeholder needs and a focus on sustainable practices, policies and decisions creates long-term value for our stakeholders.

Creating enduring customer relationships

1

Strong customer relationships and frequency of engagement

CBA's trusted brand attracts a leading share of deposit customers, including young adults and migrants, and its distinct propositions result in a deeper customer engagement.

2

Better understanding of customer needs and risk

Through deeper customer relationships and technology, we can understand and meet more of our customers' needs, as well as manage risk more effectively.

3

Superior customer experience

Our customer focus and disciplined operational execution means we can offer distinct customer solutions that benefit them and reward their loyalty.

By living our purpose, we aim to support our customers, communities and the nation towards a more prosperous, sustainable and resilient future, while delivering positive outcomes for our stakeholders.

Providing superior customer experiences

Helping our customers achieve their life goals with personalised and differentiated customer propositions, provided through our businesses.

Everyday

Giving customers more control and helping them save on everyday spending.

Home

Making it quick and easy for customers to finance and run their home, bringing them greater value.

Invest

Making it simpler and easier for our customers to invest across a range of investment options.

Business

Digitising transaction banking and differentiating our merchant proposition to better meet customers' needs.

Value we aim to create

Customers

We seek to understand our customers and provide them with superior experiences, while supporting them in a fair, timely and transparent way. We aim to be a safe, strong bank and always available.

+ See *Supporting our customers* on pages 36–41.

Our people

Our aim is for our people to be supported, motivated, engaged, and feel valued and respected – believing in our purpose and their role in achieving it.

+ See *Engaging our people and adapting our culture* on pages 31–35.

Communities

We aim to make positive contributions to our communities in line with our purpose, creating a brighter future for all.

+ See *Strengthening our communities* on pages 42–43.

Environment

We provide retail and business funding to support a coordinated, reliable, affordable and inclusive transition.

+ See *Environment* on pages 26–29.

Shareholders

We seek to deliver the lowest volatility of earnings that support a sustainable dividend for our shareholders.

+ See *Delivering for shareholders* on page 61.

Our commitment to contributing to a more prosperous, sustainable and resilient economy

Our purpose, ***building a brighter future for all,*** embodies our role in supporting our customers and economic growth. Our customer-focused strategy and resilient balance sheet enables us to be there for our customers and the nation when most needed.

The rising cost of living and interest rates continue to have uneven impacts on Australians. Given the current economic conditions facing our customers and the nation, and other operating conditions, we took time to consider the relevance of our strategy and balance sheet settings – to enable us to lead in the support we provide to our customers and the broader economy.

Our response to COVID-19 highlighted the importance of being there for customers when they need us most. We remain focused on supporting our customers and providing financial solutions to suit their needs.

We want standards of living to continuously improve for Australians by playing our role in helping the economy grow. Through reimagined products and services, and our multi-decade investment in best digital experiences and technology, we aim to help our customers achieve their life goals and deliver superior customer experiences. Our continued focus on being a strong, safe and resilient bank enables us to be there through good times and bad. We aim to do this consistently, delivering sustainable earnings and dividends for our shareholders.

+ **Learn more about how the Board oversees strategy on page 83.**

Supporting our customers

We are fortunate to have one in three Australians and one in four businesses call CBA their main financial institution. With that position rightfully comes high customer and societal expectations to provide a better banking experience, and to support customers and the economy.

Our strategy is centred on building long-lasting relationships with our customers to become their trusted financial partner. This often begins with a transaction account and evolves over time with their needs. We aim to help our customers achieve their life goals, from savings milestones, buying a home or starting and growing a business. This year, we helped more than 120,000 customers buy a home and lent $39 billion to businesses to help them grow.

Across the country people are feeling pressure from the higher cost of living and we are here to help. We are providing customers with more options to help them manage cost of living pressures. Around 3 million customers are engaging with our money management tools monthly. We provided eligible homeowner customers with personalised solutions such as interest only and reduced payment plans or deferrals, and have made it easier to access financial hardship for those who need it.

Sadly, fraud and scams continue to impact too many Australians, with $2.7 billion lost to scams in 2023. We invested over $800 million to help protect customers against fraud, scams, financial and cyber crime. This helped halve CBA customer scam losses this year. As this issue affects all Australians, we believe it is crucial to continue to work with governments, regulators, digital platforms, telcos, banks and other industries to develop a national approach to reduce fraud and scams.

Climate change continues to be top of mind. We remain committed to supporting Australia's transition to a net zero economy by 2050, by continuing to manage the risks and opportunities of climate change, supporting our customers and calling for an inclusive transition.

+ **Learn more about our climate approach on pages 26–29.**

Investing for the future

We continue to make considered investments to modernise our technology and improve resiliency, as well as to enhance our services and meet evolving regulatory requirements. Our investments support a safe, strong and resilient bank, fit for future decades.

To offer customers a superior, personalised and highly relevant experience we also invest to support innovation. Our digital strategy aims to make banking experiences seamless. Our investment over the last decade into our Customer Engagement Engine (CEE) has served us well and we continue to build on these foundations. Our continued investment into the CommBank app allows 8.5 million customers to bank digitally.

Our ambition is to safely harness data and use technology, including artificial intelligence, to provide superior, intuitive, digital services and improved customer experience. Our people, supported by technology, data and analytics are then able to focus on better understanding customer needs and providing them with differentiated banking experiences.

CBA has the largest branch network in Australia and we are proud of the role these branches play in all the communities we serve. This financial year, we committed to keep all CBA-branded regional branches open until at least the end of 2026. We are working closely with regional communities to understand the services they value and how best to provide them.

+ **Learn more about our strategic progress on pages 10–19.**

Supporting a prosperous and resilient economy

A strong banking system is required to support a strong economy. Financial services are essential to people's everyday lives and support almost all other activities in the economy. Banks can stimulate economic growth by lending to productive parts of the economy.

As Australia's largest bank, we have a responsibility to always have the capacity to support the economy in times of crisis, by maintaining strong operational performance and conservative balance sheet settings.

By delivering peer-leading growth in organic capital, we are able to fund new lending, invest for the future and pay a sustainable dividend. We seek to maintain balance sheet resilience, and strong deposit funding, liquidity, provisioning and capital positions. While each decision may have a current period cost, this approach enables CBA to continue to support our customers, deliver earnings stability, lower through the cycle losses and outperform during economic downturns. Being positioned to support a prosperous, sustainable and resilient economy guides our decision making.

Delivering sustainable performance

Our customer focus, combined with consistent and disciplined strategic and operational execution, has delivered good outcomes for all stakeholders. We have continued to profitably grow business lending, home lending and deposits, while managing our costs in an inflationary environment. We further strengthened our balance sheet and are well positioned to support our customers and deliver sustainable returns for our 830,000 shareholders. Our dividend payout ratio increased to 79%, benefitting more than 13 million Australians who own CBA shares directly or through their superannuation holding. We declared a final dividend of $2.50 per share, fully franked, resulting in a full year dividend of $4.65 per share, fully franked.

Learn more about our financial performance on pages 60–69.

Outlook

The Australian economy remains resilient with low unemployment, continued private and public investment and exports supporting national income. Higher interest rates are slowing the economy and gradually moderating inflation. Australia remains well positioned but downside risks continue around productivity, housing affordability, as well as ongoing global uncertainty. We have the strength and stability to support customers when needed and play our part in stimulating economic growth by lending to productive parts of the economy.

Every day our people continue to work hard to earn our customers' trust and meet their expectations in a way that is sustainable. Providing customers with a full transaction banking offering is at the centre of our strategy. To do this, we need to provide the services customers value most, as efficiently as possible. We will continue to work with key stakeholders to sustainably support services in the national interest.

Effective governance, accountability and culture are key to delivering our purpose. As we look ahead, to deliver sustainable returns for our shareholders we aim to make the right choices, aligned with our purpose. We aim to continue investing in our business and consistently deliver better outcomes for our customers at a faster pace and higher quality. Our customer-focused strategy continues to be well aligned to our purpose and operating context.

Thank you

On behalf of the Board and Executive Leadership Team, we would like to thank all our people for their hard work and commitment, our customers for trusting us with their banking services – and to you, our shareholders, for your ongoing support.

Paul O'Malley

Paul O'Malley
Chair

Matt Comyn
Chief Executive Officer

Delivering on our strategic priorities

Our strategic priorities

Helping build Australia’s future economy

Supporting our customers and the nation to build a brighter future, together.

Reimagining banking

Reimagining what it means to be a bank, and building trusted relationships to create more value for our customers.

Simpler, better foundations

Keeping the Bank strong, safe and resilient, and making it easier for our people to deliver value for customers.

Our strategy of building tomorrow's bank today is focused on helping customers achieve a brighter future. We continue to invest for the long term in our people, business and technology, to offer customers a superior, personalised and more rewarding experience.

Key achievements	More information
Leading bank in Australia, with 35.5% of Australians and 25.5% of businesses naming CBA as their main financial institution. Engaging over 3 million customers monthly with money management tools to help them make financial decisions and achieve their goals. Maintaining the largest branch network in Australia and committed to keep all CBA-branded regional branches open until at least the end of 2026.	**See pages 12–13**
Tripled the number of CommBank app users over 10 years, to 8.5 million users. Over five million customers engaging in CommBank Yello, our loyalty program launched this year. Increased engagement with CommBank app, with the average customer logging in 41 times per month.	**See pages 14–16 for reimagined products and services** **See page 17 for global best digital experiences and technology**
Maintained strong balance sheet settings, positioned for a wide range of economic scenarios. Completed the sale of our 99% shareholding in PT Bank Commonwealth in Indonesia. Identified over 60 generative AI use cases to simplify operational processes and support our frontline employees to better serve customers.	**See pages 18–19**

Helping build Australia's future economy

Supporting our customers and the nation to build a brighter future, together.

Leadership in supporting Australia

With many Australians still struggling with the higher cost of living, we have an important role to support customers and the nation when most needed.

Our money management tools make it easier for customers to manage their finances. With increased personalisation, over 3 million customers are engaging with these tools monthly. Benefits finder has connected CBA customers with over $1.2 billion in grants, rebates and concessions since inception. To support customers facing financial hardship, we offer more options including home loan flexible payment plans, interest only loans, repayment pauses and loan deferrals.

Safe and secure banking is critical for the security of our customers and the nation. We are committed to working with governments, regulators, banks and other industries to support a whole of ecosystem approach to combat fraud and scams. This year we invested over $800 million to protect customers against fraud, scams, financial and cyber crime. CBA's continued focus on balance sheet strength and our conservative approach to managing capital and funding provides capacity to support our customers and the nation, while still delivering sustainable returns to shareholders.

+ Learn more about how we are supporting our customers and communities on pages 36–43.

17.6m

customers served

↑ from 17.1m FY23

$410m+

mistaken and scam payments prevented with NameCheck

Extending retail and business banking leadership

Our focus remains on building deep customer relationships and engagement to deliver superior customer experiences. This has helped us become Australia's leading bank for both households and businesses, with 35.5% of Australians and 25.5% of businesses naming CBA as their main financial institution. We continue to provide our customers with the largest branch and ATM network in Australia and have committed to keep all CBA-branded regional branches open until at least the end of 2026.

For our retail customers, we are focused on making it easier and simpler to bank with us. We regularly collect customer feedback to help us make every customer interaction exceptional, through personalised service digitally, on the phone or in branch. We continue to work on resolving poor customer experiences, improving core processes and rewarding customers for their loyalty.

Supporting businesses to grow is key to improving national living standards. Our relationship-led business banking strategy has resulted in our continued growth. Business transaction accounts have grown 9% to 1.25 million accounts, with over 850,000 being small businesses.

We seek to support our business customers' cash flow with innovative products and continue to expand our offerings to help them run and grow their businesses. The Capital Growth Account, which provides short notice access to interest-earning funds, has reached over $1.2 billion in deposits. We launched an Australian first deposit product, the Flexi Business Investment account which allows customers to withdraw up to 20% of their money before the end of term, without interest adjustments or administration fees.

Helping Australia transition to a better future

We are committed to helping Australia transition to a more prosperous, sustainable and resilient future. We can play a positive role by bringing capital into the economy and lending to companies in sectors such as agriculture, manufacturing, transport, healthcare, retail and wholesale trade.

We are focused on supporting the growth of small businesses as major contributors to our economy. Our Stream Working Capital solution fulfils the growing demand for flexible collateral by helping businesses access funds tied up in unpaid invoices to manage fluctuations in their cash flow. We are continuing to support small business customers experiencing financial difficulty with flexible repayment plans and other programs, through our business financial assistance teams. Over 70% of small business loans now have access to faster lending outcomes through product and customer eligibility improvements on BizExpress, our simple origination platform.

We provide a range of products and services to help customers invest in proven technologies to lower emissions or reduce environmental impacts. The majority of our lending is to residential housing and small businesses. We are well positioned to support retail and business customers with a range of products and accessible solutions to help them take advantage of energy efficient opportunities. This is not only important for Australia's energy transition, but can also assist in easing cost of living pressures for our customers. As at 30 June 2024, we have provided $54.2 billion in cumulative funding towards our 2030 Sustainability Funding Target of $70 billion.

+ Learn more about how we are supporting Australia's transition to a net zero future on pages 26–29.

Supporting businesses to progress their net zero ambitions

Transport is Australia's third largest source of carbon emissions. Financing GoZero's electric coaches is one of the ways we are delivering on our Sustainability Funding Target. GoZero is leading the transition to electric buses servicing schools. CBA provides GoZero with access to an $80 million asset finance facility to in part replace existing diesel school charter coach services with electric buses for schools in Sydney.

Contributing to national fraud and scams resilience

Too many Australians have been victims of fraud, scams and cyber crime. We continue to invest, innovate and contribute to a national approach to combat these crimes.

CBA has introduced technology solutions such as NameCheck, CustomerCheck and CallerCheck. Our NameCheck technology has prevented more than $370 million in mistaken internet payments through NetBank and the app and $40 million in scam losses in 2024. As part of a national approach to combat fraud and scams, we extended NameCheck to other organisations, preventing more than $12 million in mistaken payments and potential scams so far. We also implemented measures to protect customers from losses linked to cryptocurrency payment scams.

CBA is the first bank to integrate and share information into a new anti-scam intelligence loop. Our fraud team helped co-design the intel loop, adding another layer to Australia's defence. To combat scams effectively we need coordinated action across governments, regulators, digital platforms, telcos, banks and other industries.

+ Learn more about how we are helping with fraud and scams on page 37.

Reimagining banking

Reimagining what it means to be a bank, and building trusted relationships to create more value for our customers.

Personalising customer experiences

A core strength of CBA comes from our long-standing focus to build strong customer relationships. Our ambition is to help our customers achieve their goals, such as growing savings, buying a house or starting a business. We continue to reimagine banking to deliver more personalised experiences.

More of our customers continue to choose to bank with us digitally. We now have 8.5 million CommBank app users, triple the number we had 10 years ago. This year, $997 billion in digital transactions were made through the CommBank app.

Central to our customer approach is our market-leading app, which provides simplified and personalised customer experiences. Customers can manage their personal and business accounts, access money management tools, exclusive offers and invest with CommSec. Through frequent customer engagement, we gain insights to create even more relevant products and services, and deliver a superior customer experience. We also gain a better understanding of our customers and their needs.

Our long-term investment in technology enables our digital leadership. We continue to invest in technology to set foundations for the next decade. This allows us to innovate, provide relevant and differentiated customer propositions and deepen customer relationships.

#1

consumer mobile app NPS[1]

8.5m+

CommBank app users[1]

↑ from 7.8m FY23

Bank of the Year Digital Banking
15 years in a row[1]

Best Digital Consumer Bank (Major)
6 years in a row[1]

Most Innovative Major Consumer Bank
6 years in a row[1]

1 See *Glossary* on pages 312–327 for source information.

Reimagined products and services

We aim to give our retail and business customers more value from banking with us. With continued personalisation and investment to differentiate our offering, we seek to exceed our customers' expectations.

Rewarding our customers' loyalty

CommBank Yello, our loyalty program, rewards eligible customers with personalised benefits and offerings. To help give our customers the most benefit from CommBank Yello, we use artificial intelligence (AI) to match customers with the most relevant partner offers. The CommBank Yello program continues to evolve to provide relevant benefits to our customers. This includes expanding the offers and cashbacks available in key categories to meet consumer preferences. Since launch in November 2023, over 5 million customers have engaged with CommBank Yello – making it one of Australia's largest loyalty programs, unlocking value for both retail and merchant customers. CommBank Yello will soon be available to business customers.

Key benefits and offers

Exclusive cashbacks and offers from partners

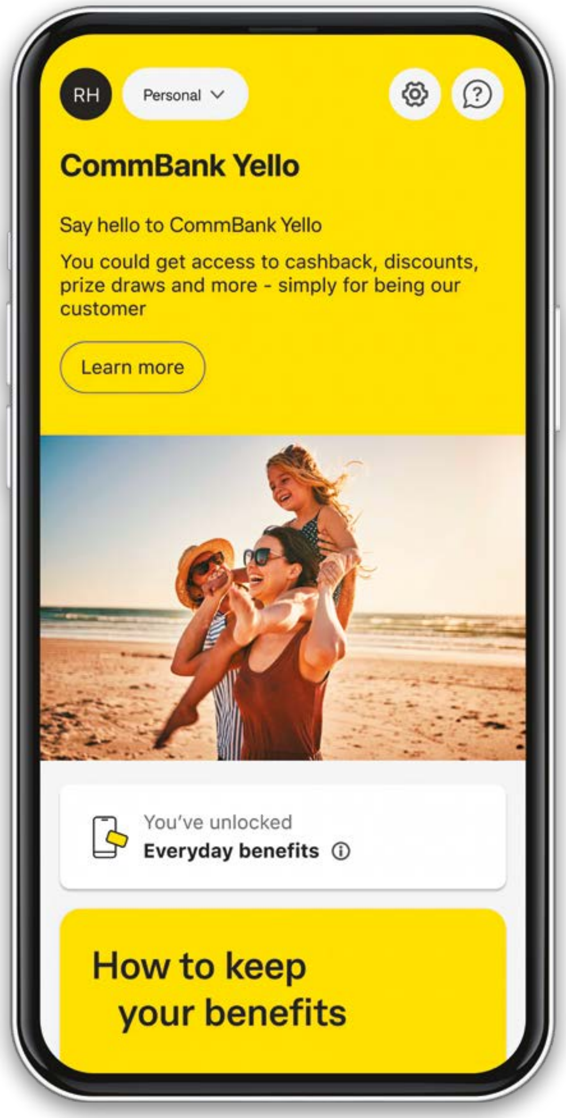
Eligible customers receive exclusive cashback offers and other benefits from our partners – some of Australia's favourite brands.

Homeowner benefits

Customers with an active eligible CommBank home loan receive monthly cashbacks on eligible home insurance policies and personalised property trend reports.

Bonus CommBank Awards points

Eligible customers can receive bonus awards points through CommBank Yello offers when they sign up to a new product on their Smart Awards credit card.



Since launch

$40m

in value delivered to customers through cashbacks, discounts and prize draws paid to customers

5m+

customers have engaged with CommBank Yello

900+

unique retail offers made available to CommBank Yello customers

Learn more at commbank.com.au/yello

Helping customers achieve their goals

Customers continue to look for ways to save money, better manage their finances and achieve their life goals. With the use of data and AI, we aim to improve tools and digital features to make it easier for customers to save and make financial decisions, as well as access exclusive deals.

We use customer insights to personalise our money management tools. Bill Sense uses AI models to predict upcoming bills and engages over 1.4 million customers each month. Money Plan, with 330,000 monthly users, brings all our money management tools together to help customers understand and manage their spending and saving. Cash Flow View can be used by small and medium businesses to track categorised income and expenses. Our customers are using Goal Tracker to achieve financial goals, making milestones like buying a home or car, or travelling more attainable. Since Goal Tracker was introduced in 2018, 3.3 million goals have been set.

Benefits finder helps personal and business customers find and apply for grants, rebates and concessions they may be entitled to. Customers can also choose to get notified via the app to be reminded of benefits they may be eligible for. Our Customer Engagement Engine (CEE) uses AI to help customers connect with benefits most relevant to them.

As we develop and deploy new AI experiences and tools for our customers, it is critical to do so in a way that builds trust and leads to positive customer outcomes. Our behavioural science and digital teams undertake careful research and testing to develop human-centred and evidence-based AI programs. Our experts are working with global partners to understand what works best for our customers and how we can support them to make the best of these new technologies.

Reimagining customer experiences

We understand that our customers want banking to be simple and personal, no matter which part of the Bank they are interacting with, or which life stage they are at.

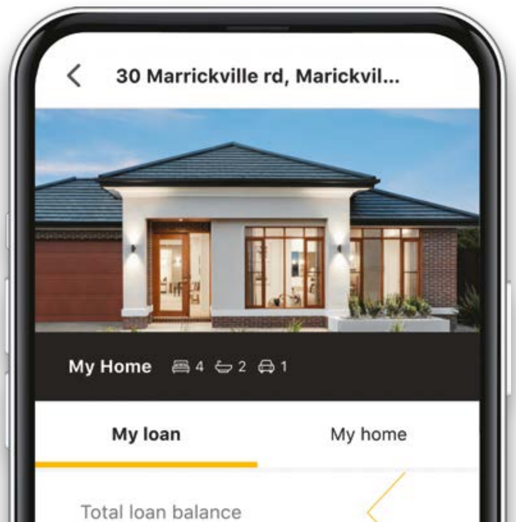
Buying a home is a moment that matters in the lives of many Australians. They expect to receive personalised and timely service with appropriate pricing from their bank. We aim to deliver a differentiated home buying experience. We have streamlined and digitised processes, so that eligible home loan applications can be completed easily and efficiently online by using pre-filled information, digital ID verification and credit assessments, and automated decision making. We are introducing automated income verification, which will help to reduce application processing times. With these improvements, around 70% of proprietary applications are decisioned same day and customers only wait three days on average for manual first decisions. Digital document capabilities are used by 90% of our customers. Home loan customers also have the option to self-serve digitally, including through Home Hub, or contact us by phone or in branch.

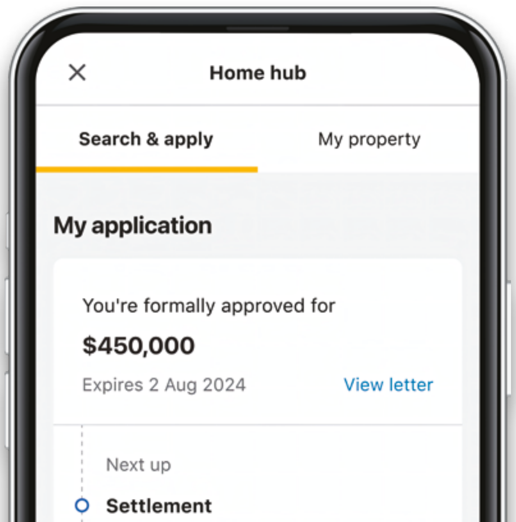
Finding different ways to create value

We seek to build partnerships that can provide additional value to our customers. Our strategic relationship with More Telecom is helping our customers save on their mobile and broadband bills.

Our collaborations with Optus, Vodafone and Telstra are helping protect our customers against fraud and scams, by sharing data to block SMS, intercept scam calls and transactions.

To enhance protection against fraud and scams, our venture-scaler, x15ventures, is piloting a digital protection tool named Truyu. This tool, a first of its kind in Australia, promptly notifies individuals when their identity is being used, or misused, by the majority of merchants that run identity checks.





Global best digital experiences and technology

We use data, AI, technology and world-class engineering to personalise and improve our customers' digital experience.

Delivering integrated digital experiences

For over a decade we have been pursuing a better personalised digital experience for our customers. By building an enterprise data platform and utilising machine learning and AI, we can harness more data and information to better understand and serve our customers. Generative AI is helping improve customer engagement outcomes, by reimagining how we use data and analytics.

We continue to enhance CEE, our AI-driven customer engagement engine. CEE runs over 2,000 real-time machine learning models and processes over 157 billion data points, including from our CommBank app. This platform helps us serve our customers with next best conversations across all channels of banking. With next best conversations we can be more deliberate in connecting with customers to proactively offer support, such as to home loan customers showing early signs of financial difficulty. AI can be used to add value to our customers and people in many ways – customers can use the CommBank app to access personalised offers, and customer-facing teams can use generative AI tools to help answer customer queries.

Our technology platforms use machine learning to detect suspicious and unusual behaviour on our digital banking platforms and alerts customers to potential scams. This 'protect, detect and resolve' approach is aimed at identifying irregularities and scammers, to stop activities not authorised by the customer.

Our CommBank app is a trusted financial tool for many customers, providing convenience, value and security to more than 8.5 million customers. Over the past decade, customer engagement with the app has increased significantly with the average customer logging in 41 times per month, up from around 15 times a month in 2014. Navigation links in the app are tailored to each customer, increasing engagement and discoverability of relevant tools, creating a more personalised digital experience.

Modernising our systems and digitising end-to-end

We continuously focus on our core technology platforms to deliver better customer outcomes. This includes simplifying and modernising our technology estate, leveraging the cloud for faster responsiveness, and investing in microservices to improve connectivity between software systems.

Investing in a modern technology estate and engineering practices allows us to increase the velocity of releasing features and updates to our customers, while minimising impact and downtime. We continue to invest in the security and resilience of our technology and strive to provide services that are reliable, safe, and available whenever and wherever our customers need them.

We are seeing improvements in the velocity of our technology change and the impact of change-related incidents is decreasing. We successfully completed an enterprise release to our key banking systems with no customer impacts or outage. During the release window, more than 770,000 customers were able to interact with our digital channels and we supported 120,000 payments. Previously, this would have involved being digitally unavailable to our customers for up to five hours.

Building world-class engineering and partnerships

We continue to grow our world-class engineering capability to build and modernise our technology. We are focused on creating exceptional experiences for our engineers, by investing in development and tools, and placing them in the right places in the organisation.

We hired over 1,100 engineers this year and now have 5,185 engineers who bring valuable technology skills to CBA. We continue to invest in our technology graduate program with 206 graduates joining this year, of these 34% were women. Our graduates will help modernise our technology estate and use technologies like AI to enhance customer experience, while bringing diverse talent into the Bank. CBA also launched the 'AI for All' micro-learning series, which covers topics such as Generative AI, Deep Learning and Responsible AI. The series helps our people use AI safely and responsibly. We have over 15,000 module completions this year.

In partnership with Microsoft, H2O.ai and AWS, we continue to explore generative AI use cases across the organisation. This is an opportunity to work together with leading global technology partners, driving faster, safer and more accurate outcomes, that make it easier for our people to get work done.

Simpler, better foundations

Keeping the Bank strong, safe and resilient, and making it easier for our people to deliver value for customers.

Running a strong and safe bank

Strong and safe banks benefit our customers and the economy. We manage our balance sheet and capital conservatively, with the aim of being well positioned for a wide range of economic scenarios. This allows us to provide support and stability to customers during difficult times, while maintaining investment in our business and sustainable dividend payments for our shareholders.

The Bank takes a long-term disciplined approach to balance sheet and capital management. We carefully consider future impacts to funding, credit and liquidity needs. It is important that we lend responsibly, as well as maintain adequate provisions to protect shareholders from expected losses. Our balance sheet settings remain peer-leading, with a 77% deposit funding ratio and a conservative mix of short-term to long-term wholesale funding.

Maintaining stable capital, balance sheet and business mix positions is central to help us invest and grow, to meet customers' expectations of a bank now and into the future. We make considered technology and operational investments to keep the Bank strong and safe, simplify our operations and deliver superior digital experiences.

$2bn

investment spend in strategic priorities

77%

deposit funding ratio

Driving operational excellence

One in three Australians and one in four Australian businesses trust us with their banking. We work every day to deepen our relationship with our customers, by providing superior experiences and meeting their evolving needs and expectations. We are focused on improving the processes which have a key impact on our customers and making it easier for our people to serve them. It is important that we keep learning and continuously improving to deliver better customer outcomes. This year we invested in improving core operations, and preventing and reducing customer complaints. Driving process digitisation and removing complexity provides consistency, productivity and simplicity for our customers and people. These efforts led to a 39% decrease in core operations complaints compared to the prior year.

We have identified over 60 generative AI use cases to simplify operational processes and support our frontline employees to better serve customers. Our CommBank Gen.ai Studio brings Large Language Models (LLMs), both proprietary and open source, into a controlled environment. This allows us to harness data from over 4,500 documents to help frontline teams answer customer queries accurately and quickly. We also introduced ChatIT, our generative AI-enabled IT support chatbot to help our people find fast solutions to technology issues. With an average response time of 14 seconds, over 10,000 employees have interacted with ChatIT and positively rated the experience, allowing them to focus on more meaningful work sooner and easier.

We continue to build resilience in our systems, to deliver the consistent and reliable banking service our customers expect. Delivering uninterrupted access to retail online banking is a priority, for customers to make transfers, initiate payments and view accurate account information when needed. Our service availability for access to online banking platforms averaged 99.83%[1] for FY24, as per our RBA disclosures. We recognise the significant impact of any service disruption on our customers. In the event of outages, we prioritise quick remediation and perform technical post-mortems to identify root causes. This information helps us continuously improve to meet customer needs.

Becoming a simpler bank

We continue to focus on our core banking businesses in Australia and New Zealand. We completed the sale of our 99% shareholding in PT Bank Commonwealth in Indonesia in May 2024.

With more customers preferring digital and simpler banking, we are transitioning Bankwest to a digital bank. For customers in Western Australia who prefer to bank in person, we will still provide services by converting 15 Bankwest branches to CBA-branded branches, which will add to our existing 51 branches in the state.

+ **Learn more about our offerings and support for regional communities on page 37.**

Investing in risk management

Effective risk management requires our people to understand different perspectives, use appropriate judgment to mitigate risk, and deliver better outcomes for customers and shareholders. We continue to maintain the sound risk culture embedded through the Remedial Action Plan in response to the Australian Prudential Regulation Authority (APRA) Prudential Inquiry. Learnings from our past are shared with our people, creating a corporate memory to avoid similar mistakes in the future.

To improve our risk capability and control operations, we are using technology to deliver more consistent and secure experiences, and ultimately better outcomes for our customers. Through our controls assurance automation program, we have automated the testing of over 4,600 controls throughout our operations. This provides improved risk data quality and better understanding of our controls performance.

Cyber criminals may target the Bank to disrupt operations and access valuable data, including customers' personal information. The Bank invests in cyber protection for our systems and prevention capabilities in response to growing threats to our systems and to help better protect our customer information. We have also increased protection through measures such as authentication on more of our systems. The Bank also remains vigilant with respect to monitoring systems, services and activities to help with timely detection and response to any potential issues, including those that may originate from third parties.

+ **Learn more about our approach to risk management on pages 70–79.**

1 In addition, our service availability for 'make/receive account transfers – fast payments' and 'make/receive account transfers – next business day' measures were 100% in FY24 under the RBA methodology. See *Glossary* on pages 312–327 for source information.

Our commitment to sustainability

Environmental

Our approach is informed by our understanding of how environmental issues could impact our business and how our business activities can impact the environment.

Social

We seek to create a brighter future for all through the support we give to our people, customers and communities.

Governance

We aim to manage our business responsibly and transparently, upholding a high standard of governance to meet our obligations.

Our purpose of building a brighter future for all challenges us to consider how our business activities impact the environment, people and the broader economy. We recognise that our strategy, risk management and operations need to consider a broad range of sustainability issues.

Key activities in 2024	More information
- Completed a detailed Group Climate Risk Materiality Assessment to measure the climate impacts of two scenarios on each of the Bank's material risk types over the short, medium and long term. - Set six new sector-level financed emissions targets covering our transport and Australian commercial property sectors. We now have targets that account for 67% of our 2020 financed emissions. - We have continued to reduce our Scope 1 and 2 operational emissions target, with a 65% reduction compared to 2020.	+ See pages 26–29
- Positive employee engagement of 84% in our most recent survey. - Negotiated our Enterprise Agreement with more than 90% support from our people. - Maintained our Consumer and Institutional NPS leadership as the #1 ranked major bank. - Released our new Accessibility and Inclusion Strategy.	+ See pages 31–35 for our people + See pages 36–41 for customers + See pages 42–43 for communities
- Launched the Responsible AI toolkit to help our people safely and fairly embed AI models in our operations. - Jointly ranked #1 amongst global banks for leadership in Responsible AI, in the Evident AI Index. - Developed our Modern Slavery Strategy which aims to further enhance our due diligence, grievance and response and any associated remediation, and reporting. - Reached our supplier diversity spend target, by spending $22.7 million with First Nations suppliers across the business.	+ See pages 44–47

Our approach to sustainability

We continue to evolve and embed sustainability into our strategy and risk management practices, as well as updating policies, systems and processes to align to our sustainability priorities. International Sustainability Standards Board (ISSB) standards present an opportunity to further strengthen our existing sustainability reporting and our approach to managing material sustainability-related issues. In time, this will provide our stakeholders with more transparent, consistent and comparable sustainability-related information. This year we reviewed our stakeholder engagement approach and enhanced our materiality process. This allows us to obtain valuable stakeholder insights and to identify material sustainability-related topics to include in our reporting and decision making.

See our Stakeholder Engagement Approach at commbank.com.au/policies

Engaging with our stakeholders

Engaging meaningfully with our stakeholders helps us understand their needs and concerns, allowing us to respond in a way that considers their different views.

Proactive engagement with our diverse stakeholders to seek their different perspectives provides valuable insight for CBA's decision making. We aim to engage with and listen to key stakeholders who can significantly impact or be impacted by our business activities. Our Code of Conduct, which incorporates our Values, guides how we interact with our stakeholders.

By consistently improving our understanding of our customers' and stakeholders' expectations, we are better equipped to address their needs and concerns. Effective engagement with our stakeholders allows us to build relationships, increase community involvement and gain valuable insights into their views. We understand the importance of balancing different stakeholder needs to create long-term value for our stakeholders. Stakeholder needs and concerns are shared with relevant group forums or committees for consideration. Stakeholder feedback helps us identify key topics for disclosure and evaluate risks and opportunities for further consideration.

Stakeholder engagement and feedback informs many of our products and services, including the development of our customer loyalty program, CommBank Yello. We have also used feedback to improve and digitise the home–buying experience.

Stakeholder channels such as the CBA Community Council, Indigenous Advisory Council and Modern Slavery Advisory Council provide important connection points with relevant community groups. This year our council members have provided input on payment rules, our abuse in transaction description model, Indigenous customer support programs and our new Modern Slavery Strategy, with insights shared internally for consideration in operations.

Evolving community expectations and sustainability reporting requirements ask for a more robust understanding of our stakeholders' needs. Our stakeholder engagement approach will continue to develop. We aim to improve the sharing of stakeholder insights across the Bank to inform our operational and strategic priorities, and development of products and services.

Engaging with stakeholders is fundamental for our materiality assessments. It helps us identify key stakeholder topics and how stakeholders perceive CBA's impact on these topics. Transparent reporting on these topics enables stakeholders to understand how we are responding to their needs and concerns.

Learn more about how the Board engages with stakeholders on page 85.

Our stakeholders

Customers

17.6 million customers

How we engage and collaborate

We regularly connect with customers to understand their needs and obtain feedback. We engage through structured channels including in branches, contact centres, customer satisfaction surveys, complaints and feedback, focus groups and customer visits.

Stakeholder priorities

- Cost of living pressures
- Customer support and experience
- Financial inclusion and accessibility
- Fraud and scams
- Housing affordability
- Renewable energy and sustainable products
- Vulnerable customers

Our people

53,000+ employees

How we engage and collaborate

We regularly engage with our people to understand how they are feeling about work and their wellbeing. This also helps us understand their level of engagement. We conduct surveys and engage through employee forums, town halls and employee-led networks.

Stakeholder priorities

- Artificial intelligence
- Banking and payments
- Customer experience
- Diversity and inclusion
- Gender equality and pay
- Organisational behaviours
- Risk management

Community, industry groups and civil society

How we engage and collaborate

We engage with key representatives through community visits and regular Community Council meetings. We also regularly meet with and support industry body associations to gather and share views on key issues.

Stakeholder priorities

- Accessibility
- Climate change, nature and biodiversity
- Cost of living pressures
- Community impacts
- Customer support
- Financial wellbeing and abuse
- Regulation
- Vulnerable customers

Investors

830,000+ shareholders

How we engage and collaborate

We engage so that investors have the information needed to make investment decisions. In addition to our financial disclosures and other reporting, we connect through Annual General Meetings, investor and analyst meetings, briefings and shareholder correspondence.

Stakeholder priorities

- Climate change, nature and biodiversity
- Corporate governance and executive remuneration
- Cyber security and operational resilience
- Financial performance
- Modern slavery and human rights
- Operational performance and strategic execution
- Reputation and social license

Government and Regulators

How we engage and collaborate

We engage with government agencies, politicians and regulators in accordance with our group frameworks. This allows us to exchange views on a range of economic, financial industry and social issues that impact our customers, communities and activities.

Stakeholder priorities

- Banking and payments
- Climate change, nature and biodiversity
- Cost of living pressures
- Corporate governance
- Customer support
- Cyber security and operational resilience
- Financial performance
- Regulation
- Reputation and social license

Suppliers

3,900+ suppliers

How we engage and collaborate

We engage and collaborate with suppliers to deliver on strategic priorities that meet the needs of our stakeholders. Our engagement is informed by supplier risk assessments that prioritise mitigation of the risks that are most material for our customers and business.

Stakeholder priorities

- Climate change, nature and biodiversity
- Cyber security and operational resilience
- Inflation
- Modern slavery and human rights
- Privacy and data security
- Risk management
- Supplier diversity
- Supply chains and supplier risk

Progressing our materiality assessment

Our sustainability materiality assessment considers CBA's operating context and involves engaging key stakeholders that can impact or be impacted by CBA's activities. Based on stakeholders' views, shortlisted topics are prioritised by internal subject matter experts who rate the material topics' impact on the Australian economy, environment and people; CBA's ability to impact the material topics; as well as the potential impact on CBA's financial performance.

Our 2024 materiality assessment builds on the assessment performed in 2023. This year we updated our approach to consider the potential financial impact a topic may have on CBA or our ability to create value. We amended our prioritisation matrix used to rate material topics, resulting in a more informed rating. We also engaged directly with investor representatives to understand key topics for investors. The results of our materiality assessment were shared with the Board.

Our materiality assessment is informed by global frameworks including the Global Reporting Initiative. We aim to mature our process to determine the material issues to disclose under the requirements of the ISSB standards.

Our materiality process

1 Research and engagement to develop topic list

Reviewing our operating context, public documents and peer reporting to identify changes and initial topics.

Interviewing internal representatives for key stakeholders. This is supplemented with further research to compile a longlist of material topics.

2 Topic analysis, prioritisation and validation

Analysing material topics for frequency and importance and developing a shortlist. This list is prioritised by internal subject matter experts and rated to assess CBA's potential impact on the topic and its potential financial impact on CBA.

3 Topic validation and insight sharing

Prioritised topics are validated by senior leader reviews and grouped into material themes.

Materiality assessment overview, results and insights are shared across the Bank and with the Board.

4 Disclosure and reporting

Our annual reporting is guided by our material themes, helping us to address the most important stakeholder topics.

Understanding this year's material themes

Our 2024 sustainability materiality assessment showed strong consistency with the material topics and themes disclosed in our 2023 Annual Report. Climate change and climate transition continued to be important for all stakeholders, however our stakeholders acknowledged the limited impact that CBA can have on the issue in isolation. Cyber and cyber security, digital and digitisation, customer experience, and banking and payments were the highest rated topics in 2024. Material topics that increased in importance included cost of living, artificial intelligence and cyber security.

Considering the financial impact on CBA, the process also introduced several new material topics such as regulation, economic issues, and banking and payments. As a result, a new material theme was added this year – banking strategy, operations and operating context – to reflect the important impact these topics have on CBA and our stakeholders.

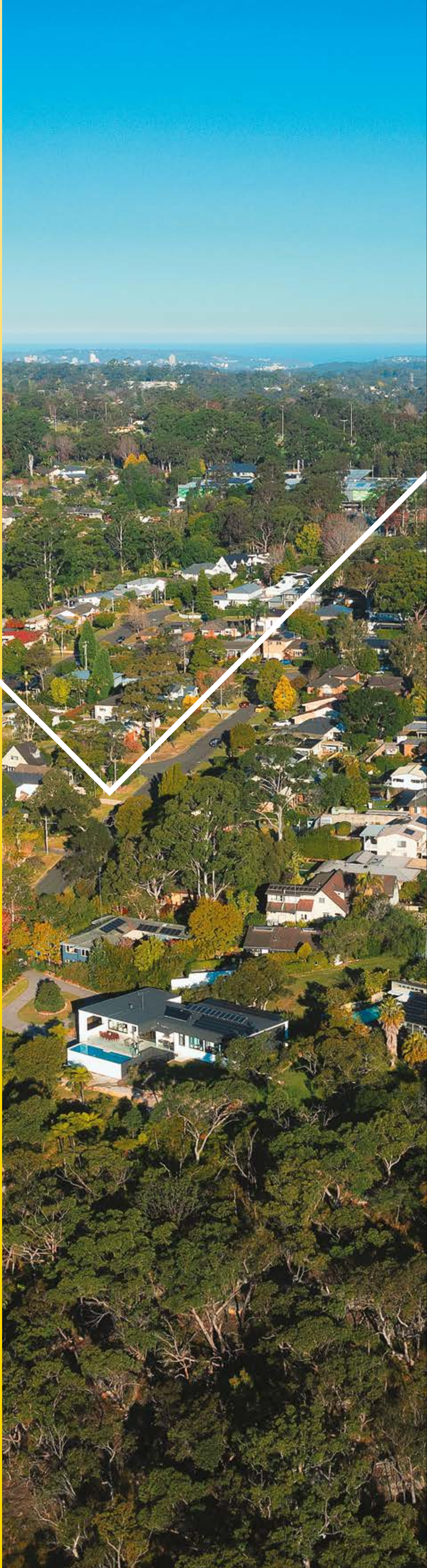
Our material themes are closely aligned to CBA's strategic priorities and material risks.

Our material themes are mapped to the material risks on pages 76–79.

Material themes

Material themes	Related topics	Our response
Customer support, experience and community impact	• Rising cost of living • Fraud and scams • Fair treatment of customers • Vulnerable customers • Customer experience • Customer complaint process • Accessible and inclusive banking, including financial literacy, wellbeing and inclusion, and access to banking	**See pages 10–19 and 36–47**
Engaged and supported workforce	• Employee wellbeing and mental health • Organisational behaviour • Culture and recognition • Employee development • Diversity, equity and inclusion, including women in leadership	**See pages 10–19 and 31–35**
Governance, culture and accountability	• Corporate Governance • Ethical conduct, business ethics and corporate behaviour • Reputation and social license • Modern slavery • Remuneration policies • Accountability	**See pages 10–19, 44–47 and 80–97**
Cyber security, privacy and data management	• Cyber security • Privacy • Data management	**See pages 10–19 and 46**
Digitisation, innovation and emerging technology	• Digitisation • Digital innovation • Emerging technologies • Artificial intelligence	**See pages 10–19 and 46**
Climate transition and nature	• Climate change and inclusive transition • Energy and renewable energy • Decarbonisation • Natural disasters • Nature and biodiversity	**See pages 10–19 and 26–29**
Banking strategy, operations and operating context	• Regulation and banking regulation • Risk management • Banking and payments • Sustainable products and services • Operational resilience and simplification of processes • Business operations and strategic execution • Macroeconomic issues • Competition	**See pages 10–19 and 70–79**

Environmental



Our approach is informed by our understanding of how environmental issues could impact our business and how our business activities could impact the environment.

Supporting our customers with access to banking services is highly dependent on our people and technology, meaning the direct impact of our operations on the environment is limited. Instead, we see our exposure to environmental risks and opportunities as more significantly concentrated in our lending to customers across a range of sectors. We recognise stakeholders expect us to consider the impact of our lending activities on the environment and we continue to take steps to reduce our operational emissions, and direct water and waste usage. Our Environmental and Social (E&S) Framework guides our approach to reducing our direct and indirect environmental impact and details our commitments.

Two years ago, we outlined our transition roadmap for progressively setting sector-level financed emissions targets in line with pathways that aim to limit global warming to 1.5°C. Setting and tracking progress against sector-level financed emissions targets helps us to contribute to the global goals of the Paris Agreement.

For definitions of key words and phrases in this section, such as financed emissions, see the *Glossary* on pages 312–327.

Our approach to managing climate change

Climate strategy

We remain committed to supporting Australia's transition to a net zero economy by 2050, by continuing to manage the risks and opportunities of climate change, supporting our customers and calling for an inclusive transition. This year's Climate Report provides a further update on our progress against our roadmap for progressively setting sector-level targets on financed emissions, and operational emissions targets.

To help direct our lending and financing activities, we apply our E&S Framework, credit policies, set sector-level financed emissions targets, and track progress towards our Sustainability Funding Target. For the past three years, we have been working to progressively set interim 2030 sector-level financed emissions targets. The objective of setting and tracking against these 2030 targets is to help us support Australia's transition to net zero by 2050 and meet our NZBA commitment. We are working towards these targets by taking steps that can help our customers reduce their emissions, re-balancing our portfolio towards less emissions-intensive customers and reducing our exposures to certain sectors. Our approach to setting and achieving our targets may evolve in the future as new data and methodologies emerge.

Our focus is on providing banking services, predominantly lending, to retail and business banking customers in Australia and New Zealand. A smaller portion of our lending is for large institutional banking customers. Decarbonising Australia's electricity grid remains the priority step needed for Australia to achieve net zero emissions by 2050 and is also a key factor in achieving the Bank's emissions targets.

Climate change is a collective challenge and we seek to engage with stakeholders to hear and understand their diverse views on this important issue. We aim to work closely with our stakeholders to find ways we can collectively support Australia's transition to a more prosperous, resilient and lower carbon future.

For more information, see the *Strategy* section of our 2024 Climate Report.

Governance

Effective governance enables the Board to oversee the Bank's management of climate-related risks and opportunities. The Board's responsibilities include considering the material environmental and social impacts of the Bank's activities. The Board monitors the environmental and social work program, which includes the development and delivery of CBA's climate-related targets. Once the Board has endorsed the Group strategy, the CEO is accountable for executing, prioritising and allocating resources to deliver the strategy. Oversight of climate-related opportunities is primarily a management responsibility with individual opportunities identified at the business unit level. Where appropriate, climate-related opportunities may be escalated to the appropriate management committee or the Board. Governance committees within the Bank support the Board's oversight and Executive Leadership Team's management of climate-related risks and opportunities. These processes are supported by the application of a range of internal policies, standards and procedures that govern the way we deliver our products and services.

For more information, see the *Governance* section of our 2024 Climate Report.

Our collective climate-related challenge

Climate change is a collective global challenge requiring coordinated action to limit global warming to 1.5°C. We acknowledge some of our customers, communities and regions will face greater social transition impacts and climate risks than others. Managing the trade-offs and tensions between different stakeholder groups is crucial for Australia's net zero transition, and policymakers and businesses should work collaboratively with regional and rural communities to ensure the success of the energy transition. Community participation and stakeholder engagement is critical and it is important stakeholders are engaged early, consistently and respectfully. We would welcome continued coordination and an agreed plan from Government to ensure Australia remains on track to achieve its targets.

We are supportive of careful planning that integrates renewable energy generation into Australia's electricity grid while maintaining grid reliability and affordability. We believe the Australian Energy Market Operator (AEMO) is well placed to develop a plan that effectively balances energy reliability and affordability with the nation's emissions reduction priorities.

As Australia's largest bank, we are well positioned to support retail and business customers with the purchase of commercially proven technology such as rooftop solar, batteries, and electric vehicles, where it is affordable for them. Our hope is to also see consumers benefit from lower energy costs as a result of energy efficiency upgrades to their homes. The costs of the transition need to be appropriately shared to enable all Australians to participate. Coordinated and targeted policy support is needed to deliver benefits to all consumers.

Risk management

Climate-related risks can have different impacts on our customers, people, communities and the Bank. Our risk approach helps us to better understand and manage these impacts.

Our Group Risk Management Framework outlines how we identify, assess and manage risk, including E&S risk. E&S risk includes climate change and nature-related impacts and represents drivers of material strategic, financial and non-financial risks to the Bank. The Board approved risk appetite informs the boundaries of risk taking to achieve the Bank's strategic priorities. We recognise the interconnection between nature and climate issues, and the need for Australia to have coordinated and collective action to maintain, enhance and restore nature and biodiversity. We continue to monitor developments under Australia's Nature Positive Plan, as well as the Australian Government's commitments in relation to the Kunming-Montreal Global Biodiversity Framework.

Our approach includes using tools and techniques to help us identify and assess the potential physical and transition risks from climate change. We have continued to mature our environmental risk management approach in line with evolving industry practices. This year, we have:

- Completed a Group Climate Risk Materiality Assessment to enhance our understanding of how climate-related risks could impact each of the Bank's material risk types over the short, medium and long term.
- Developed an ESG credit standard to set expectations for our bankers on how ESG risks are to be consistently considered in the credit risk assessment process when making lending decisions and through annual review processes.
- Developed a framework and criteria to assess alignment of client transition plans with well below 2°C, which is the minimum goal of the Paris Agreement.

For more information, see the *Risk* section of our 2024 Climate Report.

Metrics and targets

We have been progressively setting operational and sector-level financed emissions targets in line with pathways to net zero by 2050. The Board approved six new sector-level targets covering our transport and Australian commercial property sectors. We have now set targets that account for 67% of our 2020 financed emissions. We have decided to defer setting targets for the Australian agricultural sector at this time. To help us achieve our financed emissions targets and provide transparency to our stakeholders, we measure and report our financed emissions aligned to the Partnership for Carbon Accounting Financials (PCAF) Standard.

For information on the scope of our sector-level financed emissions targets, see *How to read this report* on page 3 of our 2024 Climate Report.

Financed emissions

Our financed emissions calculations cover 95% of our in-scope drawn lending exposure. We estimate our 2023 absolute financed emissions of our in-scope lending portfolio at 21.8 $MtCO_2$-e, broadly stable as compared to the restated 2022 absolute financed emissions estimate, representing a modest 0.2 $MtCO_2$-e or 1% reduction. Financed emissions are lagged due to customer emissions reporting cadences.

21.8 ↓

Financed emissions
$MtCO_2$-e

Sustainability Funding Target

Our Sustainability Funding Target (SFT) of $70 billion in cumulative funding by 2030 helps us as we seek to support growth in industries, asset types and activities that can have a positive impact on our economy and environment. As at 30 June 2024, we have provided $54.2 billion in cumulative funding towards our SFT.

ASB separately tracks and measures the funding they provide towards their SFT. ASB's SFT of NZ $6.5 billion in cumulative committed lending by 2030, against a 2022 baseline, seeks to support the climate transition of the New Zealand economy. In 2024, ASB provided a cumulative NZ $1.3 billion in funding against their target.

$54.2bn ↑

Cumulative funding towards CBA's SFT since June 2020

For more information, see the *Metrics and targets* section of our 2024 Climate Report.

Managing our operational environmental impacts

Reducing our operational impact

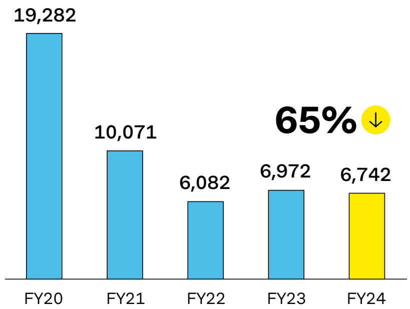
Our focus on monitoring and reducing our operational emissions remains a priority and we continue to undertake a range of initiatives, such as electrifying the Group's fleet by 2030. We have continued to reduce our Scope 1 and 2 operational emissions target, with a 65% reduction compared to 2020. As a last step, we offset residual emissions based on our currently reported boundary, which may evolve over time.

This year we updated our Scope 3 operational emissions target to a 32.7% reduction in absolute emissions by 2030, against our 2020 baseline. This target is aligned with limiting global warming to 1.5°C for all Scope 3 operational emissions categories included within our target, with the exception of air travel. This category remains at a well below 2°C trajectory due to limited availability of sustainable aviation fuel and zero emissions technologies. As at 30 June 2024, our Scope 3 operational emissions are tracking marginally under the updated target trajectory, with reductions supported primarily through freight- and waste-related initiatives. Emissions within a number of Scope 3 operational emissions categories included in our target have reduced, however we continue to see operational emissions normalising following COVID-19. Our air travel emissions have increased primarily due to greater demand for air travel, lack of alternative and reasonably fast transport and emissions factor changes that came into effect in 2023. Our focus now, is to expand our assessment of Scope 3 operational emissions in line with the Greenhouse Gas Protocol Scope 3 categories and engage with key suppliers to inform the assessment of our supply chain emissions.

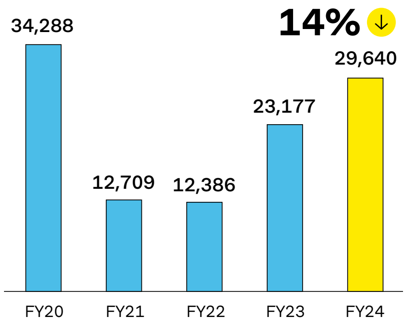
We are also aiming to identify options to redesign our branches and workplaces to be more resource efficient. This year we worked with an environmental consultant to undertake a review of the embodied carbon in our standard retail branch design to understand where and how we can further reduce emissions. Leveraging insights from this review can help us to redesign elements of our future branches, find lower carbon alternative materials and minimise the impact of emissions-intensive products.

For more information, see the *Metrics and targets* section of our 2024 Climate Report.

Scope 1 and 2 operational emissions[1]
Performance against target (tCO_2-e)



Scope 3 operational emissions[1]
Performance against target (tCO_2-e)



Partnering for sustainable sourcing

Our internal food and beverage team consider sustainability in their operations, connecting with local farmers and producers to create unique dishes that contain locally sourced or sustainably farmed ingredients. One of our partnerships supporting this focus is Bush to Bowl, a First Nations owned social enterprise. Bush to Bowl specialise in native and fresh produce, foraging and growing native plants themselves to provide our food and beverage teams with access to premium-quality products sourced sustainably. This year Bush to Bowl supplied CBA with 585kg of wild harvested produce, foraged locally from Garigal, Awabakal, Darkinjung and Gayemaygal Country. The social enterprise aims to create culturally safe spaces for First Nations peoples to work, share knowledge and connect, while developing the economic position of communities in the Bushfood industry.

1 For more information on progress against our operational emissions reduction targets, see page 75 of the 2024 Climate Report. For a reconciliation of our Scope 1, 2 and 3 operational emissions and those within our reduction targets, see page 113 of our 2024 Climate Report.

Social

We seek to create a brighter future for all, through the support we give to our people, customers and communities.

Our people

Employees that are supported and empowered by our values are more engaged, provide superior customer experiences and help deliver our strategy.

See pages 31–35

Customers

We are listening to our customers to improve their experience with us, and supporting them in all the ways we can.

See pages 36–41

Communities

We are committed to supporting our communities as we seek to build a brighter future for all.

See pages 42–43

Engaging our people and adapting our culture

Employees that are supported and empowered by our values are more engaged, provide superior customer experiences and help deliver our strategy.

A culture focused on positive customer outcomes

Our aspiration is to have a culture where our customers are at the centre of everything we do, and we build values, mindsets and behaviours to support this. Our Code of Conduct connects our values, the 'Should We?' test and key policies to our purpose, guiding our people on how to act and make decisions. Collectively, our culture empowers our people to make decisions that deliver the right outcomes for our customers and communities, as well as our business.

This year we made good progress on improving our people's understanding of what it means to obsess over customers. We continue to embed our leadership principles to help support leaders to create conditions for teams to thrive and deliver ambitious customer goals. We created the 'Leading Tomorrow' experience to support our people in successfully leading to deliver our strategy. At 30 June 2024, 472 of our most senior leaders had completed the training, developing new skills, practices and mindsets to help achieve our customer ambition. We are now in the process of cascading the program to our extended leadership team focusing on creating exceptional teams.

We encourage constructive challenge, exercising good judgement and taking risks we understand and can manage. New ways of working and organisation-wide quarterly planning and prioritisation are helping us deliver the highest impact outcomes for customers, sooner and safer.

We want our culture to foster reflection and learning, including from progress made under CBA's Prudential Inquiry Remedial Action Plan. This year we launched our corporate memory learning journey for new starters to share lessons our organisation has learnt and remind us what happens when we fail to understand the impact our actions have on customers.

The positive impact of investing in our culture is reflected in the views of our people. Our employee surveys indicate that feeling respected and taking time to listen to each other remain strengths in our workplace. Our people also continue to feel supported through difficult times at work. Maintaining an engaged and supported workforce is critical for us to deliver on our purpose and strategy, and continuously adapt to deliver superior customer outcomes.

Meaningful recognition

CBA's annual excellence awards celebrate people living our values and solving our customers' unmet needs. One of this year's award winners, Joseph Smith, challenged the status quo to streamline the home loan process for applications that are not yet eligible for digital mortgages. He focused on reducing the amount of physical documentation needed to be stored and handled by the Bank, creating a simpler and safer approach to digital documentation. Joseph's perseverance to make this change has enhanced the home loan customer experience while also creating efficiencies for our business.

Evaluating our culture

We continue to evaluate our culture to ensure we are aligning with our aspirational mindsets and behaviours. In addition to formal culture reviews, such as the Board risk culture assessment, we also monitor the impact of culture change initiatives through employee surveys, strategic metrics and focus group insights, as well as audit and whistleblower reports. Collectively, these assessments help us understand where there are opportunities to improve our culture, better manage our risks across the Bank and identify focus areas for individual teams.

Providing a safe and supportive workplace

We remain committed to fostering a work environment where everyone feels respected, safe and included. We continually evaluate our programs and processes to support this.

Evolving our approach to mental health and wellbeing

We are committed to creating a positive and supportive environment that helps our people be their best. We take an holistic approach, considering how we can help support all aspects of health and wellbeing through tools, learning resources and assistance for our people. We have also implemented a range of systems that help us proactively address psychological risk and promote psychological health and safety.

An important aspect of our wellbeing approach is the management of psychosocial hazards. How work is designed, organised and managed can impact the psychological health and safety of our people. Building on our existing management of traditional safety risks, we have enhanced our approach to managing psychosocial hazards through a dedicated framework, targeted assessments and embedded this within existing safety systems to record and test how we manage these hazards.

Education at all levels of the organisation is also important to help our people understand the individual actions they can take to identify and manage psychosocial hazards. Training and capability programs are available to our leaders, tailored to their specific responsibilities to help them navigate complex psychological health scenarios and understand the work-related factors they can influence and control to improve our people's experience of work. This investment in leader capabilities and systems that support early intervention are proven to reduce risk and improve individual health outcomes.

Fostering a safe and inclusive workplace

An inclusive environment where health, safety and wellbeing is promoted helps our people reach their full potential. It also reflects the right of all our people to work in an environment that is free from unlawful workplace conduct, such as discrimination, harassment, sexual or sex-based harassment, bullying and victimisation.

We have always taken our obligation to keep our people safe seriously, and changes to enhance the positive duty for organisations are aligned with work we have had underway for some time. A range of key programs and processes help us maintain a safe, respectful and inclusive workplace. These include our 'Respect lives here' initiative and updates to our health and safety management system to incorporate measures to address risks associated with unlawful and inappropriate workplace behaviour. As part of our prevention strategy, we are also enhancing our education and training programs to help people understand our expectations of appropriate workplace behaviour. This includes how to identify, report and address conduct-related issues.

The Bank promotes appropriate standards of conduct in accordance with our Code of Conduct at all times. We take appropriate disciplinary action in relation to any breaches of our Group Conduct Policy, the Code of Conduct or the Group's values, up to and including dismissal from employment.

Employee wellbeing support framework

With customers facing cost of living pressures, our frontline teams may be exposed to more customers experiencing vulnerability. To support our people, wellbeing considerations have been embedded in our processes for supporting customers in vulnerable circumstances. Our customer-facing teams are guided by the employee wellbeing support framework, which sets out prevention measures and support systems for our people to proactively manage psychological wellbeing risks when engaging with customers experiencing hardship and financial vulnerability.

Respect lives here training

Our 'Respect lives here' training is focused on building our organisational capability to prevent and respond to inappropriate behaviours, including through active bystander training. Resources are available to all employees, providing examples of respectful and disrespectful behaviours and the lived experiences of diverse people in the workplace. A new learning module launched in 2024, 'Preventing everyday sexism' explores the harm that everyday sexism has in the workplace and explains how to respond using the active bystander strategy. The completion rates are monitored by the Executive Leadership Team, who actively encourage their teams to complete the training. Since launch, 36,900 employees have completed this new learning module.

Feeling respected and included at work

Embedding diversity, equity and inclusion

Inclusion and respect are integral to how we live our values, meet the needs of our customers and deliver our strategy. As we work towards having a workforce which reflects the diversity of our customers and communities, we are focused on creating an environment where we embrace differences and celebrate the things we have in common.

Our 2024 Diversity, Equity and Inclusion (DEI) strategy is focused on holistic initiatives which strengthen respect and address the attitudes, behaviours and standards that can normalise disrespect and lead to inequality. We want employees to feel safe, supported and valued; have equitable opportunities to grow; and experience an inclusive culture that extends to our customers.

Our business unit DEI councils and six employee diversity networks support the execution of the DEI strategy by providing feedback and lived experience. This can inform employee and customer solutions, implementation of learning to support active bystander behaviour and raise awareness of days of significance. For example, our Enable network advocates for our people with disability, people who are neurodivergent and carers. This year the network supported the development and launch of our new Accessibility and Inclusion Strategy on International Day of People with Disability. These groups contribute to embed inclusive behaviours which help us make progress on our representation measures and employee engagement.

Our diversity goals

We continue to work towards our diversity goals to create a workplace that better reflects and supports the communities in which we live and work. We are making progress towards our goal of 47–50% gender equality in Executive Manager and above roles. We still have work to do to achieve our goal of 3% Aboriginal and/or Torres Strait Islander representation in our domestic workforce. This year we developed a new goal to track the cultural diversity of senior leaders, aiming for 40% cultural diversity for Executive Manager and above roles by 2028.

Gender equality	**44.9%** in Executive Manager and above roles	**47–50%** by 2025
Indigenous workforce (ancestry)	**1.2%** of domestic workforce	**3%** by 2026
Cultural representation	**37.0%** in Executive Manager and above roles	**40%** by 2028

Learn more about our commitment to DEI at commbank.com.au/diversity

Improving gender equality outcomes

The Bank has a sustained focus and commitment on improving gender equality outcomes. In Australia, 53.7% of our workforce are women. Women represent 44.9% of our leadership roles, and 68.3% of our customer service operational roles in Australian branches and contact centres. We have a lower proportion of women in senior roles and higher paying technical specialist roles, which is reflected in our Workplace Gender Equality Agency (WGEA) median gender pay gap of 27.6% and average gender pay gap of 22.3%, as at 31 March 2024. We recognise there is still more to do to reduce our gender pay gap across the Bank.

We are taking a range of actions to accelerate our progress. This includes regularly reviewing gender data in key people processes such as selection, performance and succession planning to mitigate any potential bias where leader discretion may have impacted promotions and progression. Group Executives and leadership teams receive tailored insights related to the gender pay gap, providing management oversight to help inform more targeted action. This year women represented 48.6% of all promotions and internal appointments to Manager and above roles. We continue to support talent pipelines, including through our graduate program and engagement with the community, to help encourage more women to pursue careers in technology.

For source information and definitions, see our *Glossary* on pages 312–327.

Learn more about our actions to accelerate the progression of women and our Gender equality action plan at commbank.com.au/diversity

Providing opportunities to learn and grow

Helping our people build future skills

We are focused on instilling a culture that never stops learning and values growth and development. We recognise in the rapidly changing world of work, we need to access the right skills at the right time to deliver better, sooner and safer for our customers. We also understand our people want to develop new and relevant skills, to enhance their abilities and career opportunities. Our ambition is to skill our people and communities for the future and support continual learning and development.

Our approach to upskilling and reskilling remains focused on the technical, behavioural and leadership skills required to deliver our strategy, manage our risks and ready our people for the future of work. Some of our technical reskilling programs include reskilling people to secure roles across risk, data and analytics, product ownership, business banking and customer service. We upskill and reskill our people through formal programs and accreditation, or via self-directed learning using resources such as our learning experience platform.

60%

reskilling conversion to hire within nine months of program completion

94%

retention in business banking analyst reskilling program

39%

of vacancies this year filled internally

Supporting community skilling

We see a role in helping communities build the right skills for the future economy through community skilling initiatives. This year we partnered with Tech Council Australia and Year 13 to deliver two national virtual work experience programs featuring diverse CBA talent across software engineering and data science. Year 13 offers a free and easily accessible program that allows young Australians to complete tasks and activities designed by industry professionals and relevant to in-demand careers, such as software engineering and data science. Through our partnership with Year 13 we have been able to reach over 700,000 young Australians, connecting our people to help build future skills.

Developing tech talent pipelines

We have continued to invest in attracting the next generation of technologists to CBA. This year we welcomed 206 new graduates.

Our graduates join our data science, engineering and cyber security teams in our Technology hubs around Australia. During the program, they will complete 12 months of formal learning as well as experiential on the job learning over three six-month rotations. They are provided with targeted technical learning and exposure that is aligned with both business demand and graduates' individual development plans and goals. Our graduates will play a key role in helping CBA modernise our technology estate and use technologies like AI to enhance the customer experience, and continue to bring diverse talent into the Bank.

We are also providing opportunities for our people to upskill in emerging technology areas, to build our future capability. We partnered with Amazon Web Services to launch the CloudUp for Her program, which had 1,300 participants.

Returning from career breaks

Our Career Comeback program is an opportunity for people to return to the workforce, bringing their wealth of experience to our business after taking a break of two years or more, for any reason. The 12-week program includes a comprehensive induction process, coaching, mentoring and networking opportunities to support the transition back to work. Upon completion of the program, participants may be eligible for a permanent position at the Bank.

"The training and invaluable support from mentors and peers through the program made me feel empowered and confident in my career again."

Pooja Sharma

Our people's experience

Listening to our people

Listening to our people about what is working and where we need to focus our efforts helps us to deliver the greatest impact for our customers, communities and shareholders. One way we listen to our people and their experiences is through Your Voice, which includes an annual culture deep dive, quarterly team surveys and fortnightly pulse surveys. We shifted from biannual surveys to quarterly rhythms to better align with our ways of working.

Your Voice provides leaders and teams with insights about culture, employee experience and the core behaviours to deliver better customer outcomes. People engagement was 84% in our most recent survey, similar to the previous result of 82% in September 2023, while navigating significant changes to how and where we work, including behavioural shifts and hybrid working.

People Engagement Index

84%	82%	84%
May 2024	September 2023	March 2023

For source information and definitions, see our *Glossary* on pages 312–327.

Financial wellbeing support for employees

Many Australians are feeling the pressure from the higher cost of living and we know it is also top of mind for our people. To make things easier, we created a cost of living support hub with a range of tools, tips and financial support options specifically for our people. In 2024 our financial wellbeing survey had 8,891 employee responses, nearly four times more than in 2022. Key themes included cost of living and economic pressures, remuneration, our employee benefit program and financial education content feedback. These results will inform how we engage and better support our employees with their financial wellbeing.

Managing our Enterprise Agreement and entitlements

The CBA Enterprise Agreement 2023 (EA) sets out the terms and conditions for more than 34,500 of our level 1 and 2 Australia-based employees. To better support the evolving needs of our people, the EA included greater flexibility in working hours, tiered pay increases of up to 13% across three years for eligible employees and more leave. We now offer up to 18 weeks paid parental leave, available to both parents, with no qualifying period and with greater flexibility in how this leave is taken. More than 90% of our people voted in favour of the new agreement.

We recognise the importance of ensuring our people are correctly paid their employee entitlements. Following our Group-wide review of employee entitlements in 2018, we have implemented controls to mitigate the risk of non-compliance with obligations under our EA and legislation. This includes assurance controls over a number of entitlement areas, such as overtime, personal leave and minimum salaries, to validate that they have been delivered in accordance with legislative requirements. If we discover a discrepancy, we aim to correct within a 60-day timeframe. Where appropriate, we also engage external firms to assist with compliance reviews and assurance. Compliance is overseen by the Non-Financial Risk Committee, who receive a people risk report detailing any identified discrepancies, root causes and remediation outcomes.

Supporting our customers

We are listening to our customers to improve their experience with us, and supporting them in all the ways we can.

Supporting in all the ways we can

We know many of our customers are making real sacrifices due to higher living costs and interest rates. We are committed to lead in the support we provide to our customers, through good times and bad.

As our customers continue to roll off fixed interest rates, we have a range of flexible options that can make it easier to manage repayments and refinance. We are also making it easier for customers to refinance their home loans with our digital refinancing application, and are proactively contacting customers at greater risk of falling into financial difficulty.

For those customers who are experiencing financial difficulty, we offer more flexible support options that are easier to access. These include customised payment arrangements, interest only payments and repayment deferrals, if required. Our hardship and extra care teams are trained to provide tailored and empathetic support to our customers. Customers can also request hardship assistance via NetBank and the CommBank app.

With customers experiencing vulnerability, we aim to provide thoughtful and relevant support. This year, we continued to embed the Group's procedure for identifying and supporting customers in vulnerable circumstances. The Group Monitoring Plan was developed to help our teams embed and demonstrate compliance with the procedure. Together, these frameworks aim to guide our people to better identify customers experiencing vulnerability, and provide fair and consistent support to those that need it. Over 38,000 of our people have also received training on supporting customers experiencing vulnerability.

We are working on innovative technology methods to detect instances of abuse for customers in potentially vulnerable circumstances. We are internally testing the ability of AI to assess transactions to identify potential power of attorney abuse instances. The test aims to detect conflicts with power of attorney agreements and send automatic notifications to related attorneys for awareness.

The Brighter side of banking

Our Brighter magazine, available at branches and on our website, provides practical financial content that educates, inspires and engages readers to plan for a better tomorrow. Each bimonthly edition includes personal finance insights, stories on individuals and businesses innovatively growing their wealth, and tips on how to make financial ideas a reality.

We also launched 'The Brighter Side' TV series this year, which invited Australians, including the CommBank Matildas and Neil Perry, to talk about their money habits and important money lessons they have learned.

Here to help

We consider customer needs and responsible lending principles when we design our products and services.

Learn more about our responsibility to customers in our operations on page 45.

App saving and spending tools	commbank.com.au/supportforyou
Cost of living hub	commbank.com.au/costofliving
Financial support options	commbank.com.au/hardship
Extra care and hardship team support	commbank.com.au/hardship

Reducing fraud and scams losses for customers and businesses

Fraud and scams continue to become more sophisticated. Strengthening the Australian ecosystem is crucial to making our country less attractive for scammers. We are playing our role in building national resilience to combat fraud and scams, by increasing education and providing new tools. We continue to add updated advice and learnings to CommBank Safe, sharing fraud and scams resilience education with customers, the community and small businesses. We are helping to upskill business customers by providing foundational cyber training, covering cyber defence strategies, supply chain risks and common types of scams for businesses.

This year, CBA customer losses due to scams have halved from the previous year. We have implemented measures to limit the outflow of fraud and scams occurring through cryptocurrency exchanges, by introducing declines on certain cryptocurrency exchanges, holding digital payments for 24 hours and implementing a $10,000 per customer monthly limit for cryptocurrency exchange payments. We have also introduced an investment scam transaction detection model, which supports existing scam detection tools to screen transactions in real-time and identify potential scams for our teams to investigate.

These new initiatives add to our existing security features, including NameCheck, CallerCheck and CustomerCheck for in-branch verification. While the prevalence of scams remains high for Australians, our anti-fraud and scams initiatives have collectively made a difference for customers.

See our resources to help protect customers at commbank.com.au/safe

Supporting regional businesses

We aim to listen to the unique experiences of our customers and contribute to the growth of Australia's regions. This year, our CEO and senior business bank leaders visited the Mid-North Coast of NSW, where the region is focused on economic and business development in key sectors such as healthcare, tourism and specialist manufacturing. CBA visited Birdon Group, a major maritime engineering group based in Port Macquarie, at their shipyard and discussed the important innovation and specialist manufacturing expertise on the Mid-North Coast.

Our regional commitment

We continue to support the regional Australian communities we serve. While the trend of our customers engaging with us digitally continues, we also know our branches are important, especially to those in regional communities. CBA continues to maintain the largest branch network in Australia and we reinforced this support with a CBA-branded regional branch closure moratorium until at least the end of 2026. Our branches in some regional locations have been adapted to meet customers' needs by servicing their local communities in the morning, before supporting customers via phone in the afternoon.

We are also improving our regional support for small and medium-sized businesses, engaged in commercial and agricultural sectors, while deepening our connection with regional towns. Our regional business bankers and product specialists are building more presence at their local branches. We have increased our events in regional areas and engagements with local councils, to build awareness of our business support offerings.

To meet our customers' evolving preferences, Bankwest will become a digital bank nationwide. We can now offer two distinct banking options to support customers' – a full-service banking experience through CBA, and a simpler, digital, broker-led experience through Bankwest. In regional Western Australia, 15 Bankwest branches will become CBA-branded branches, adding to the existing 19 CBA-branded branches, maintaining access to a full-service banking experience with CBA in these regions.

Measuring and improving our customers' experience

We aim to consistently provide superior customer experiences. To do this, we need highly engaged employees, and high-quality products and services that suit customers' needs.

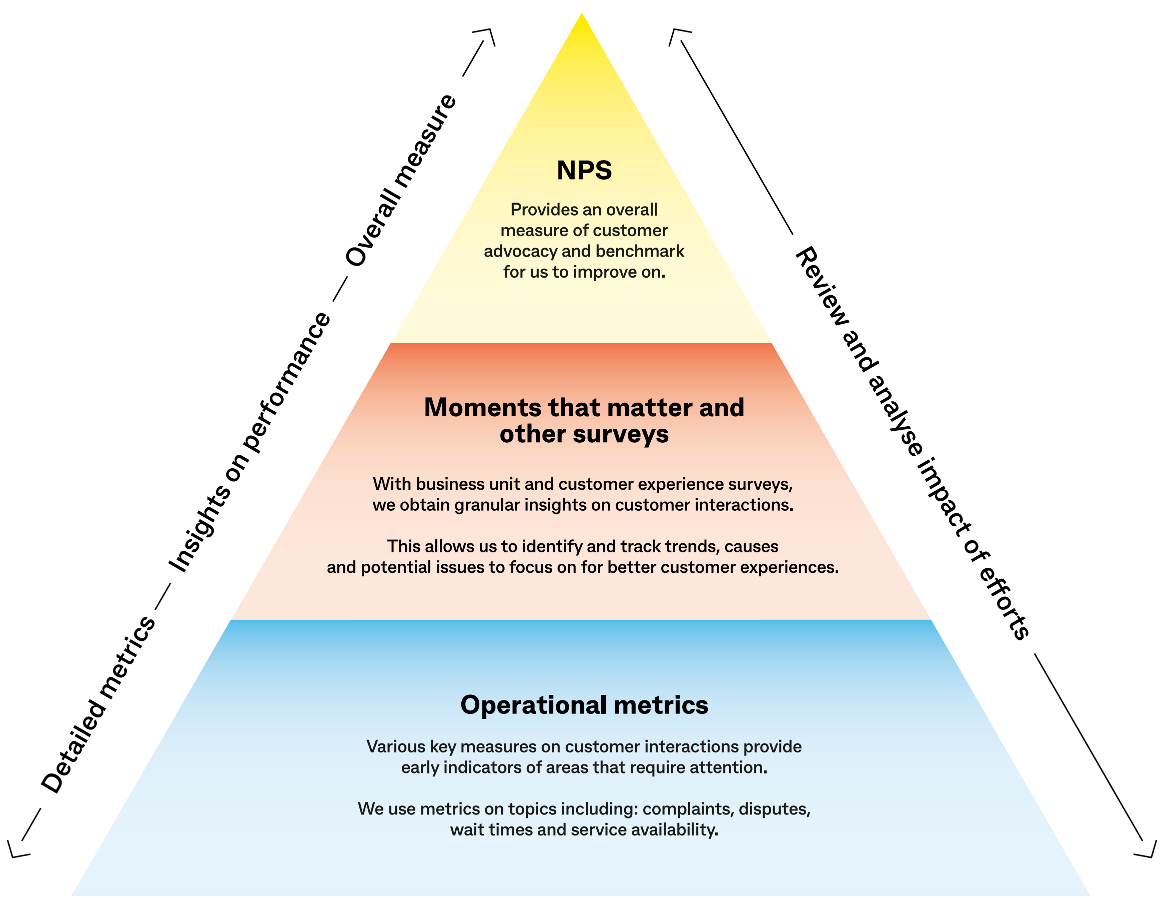
We seek customers' feedback as they bank with us. Where factors negatively impact our customers experience, we focus on understanding the underlying cause and improving it. Net Promoter Score (NPS) is a key measure we use to understand the quality of our customers' experience, giving insights on how we can strengthen relationships and nurture deeper connections and trust. NPS scores are externally syndicated, offering an independent perspective of how our customers see us and a goal for our organisation.

NPS is used in addition to direct customer feedback and operational metrics to measure our customers' experience regularly. We seek advice from our Community Council to better understand community expectations. We also track customer measures in line with key risk indicators for CBA. When negative trends are identified, we take action to enhance outcomes and uphold risk and performance standards.

We acknowledge that we still have more to do to improve customer experience. We are committed to embedding customer feedback, maturing our use of operational metrics and exploring new ways to elevate the customer experience with CBA.

Learn more about Board discussions of customer complaints on page 86.

Understanding customer experience



Fixing breakpoints for our customers

Our customers expect us to be simple and easy to bank with. While we aim to get things right every time, when things go wrong, how we respond can make a big difference to our customers. When customers take the time to make a complaint or provide feedback, it is an opportunity for us to listen, learn and make things right.

We are particularly focused on understanding our customers' experience related to significant interactions they share with CBA, such as obtaining a home loan or opening an account. These moments that matter are tracked through customer feedback to highlight bright spots to celebrate and improvement opportunities we can work on. We use supporting mechanisms such as customer focus groups and internal forums to assess feedback, monitor insights and understand the root causes of issues. These help us prioritise work and deliver more effective solutions sooner for customers.

For example, through our customer forums, we heard our customers' frustrations when they were unable to complete a task in their preferred channel. In response, we aim to provide simpler and more digitally-enabled processes to improve experiences and reduce complaints. Improving the processes for many of our products and services, including credit cards, transaction accounts and transaction disputes, also reduces the need to call or go to a branch. We are also creating a reimagined digital experience for customers to lodge, track and resolve their transaction disputes.

We implemented a real-time AI model that helps to better differentiate between complaints and feedback. We are also using AI to create greater efficiency in complaints, allowing our people to focus on more meaningful complaints resolution. AI is supporting us to generate complaint acknowledgement letters for customers, reducing the time to prepare a letter from 20 minutes to 13 seconds. These efficiencies allow us to enhance our focus on solving complaints and providing better outcomes for customers.

Our investment in process improvements such as complaints identification, digitisation and training is resulting in fewer complaints. We are tracking a 41% decrease in complaints at the Group level this financial year from the prior year.

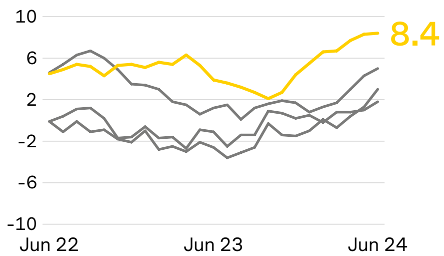
We aim to further improve processes to reduce breakpoints, complaints and improve our customers' experience.

NPS

We currently hold the #1 NPS ranking across major banks for Consumer, Digital and Institutional categories, and have held this ranking across all for 19 months. This year our Business NPS ranking has dropped to #2 after holding the #1 ranking for 28 consecutive months. This change highlights the importance of focusing on continuously improving our service and prioritising an even stronger focus on the customer in everything we do.

Consumer NPS

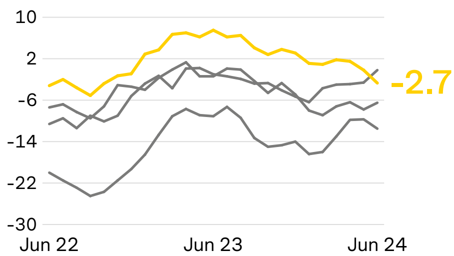
4.5 on FY23



Key — CBA — Peers (major banks)

Business NPS

10.2 on FY23



Key — CBA — Peers (major banks)

Using feedback for frictionless payments

Listening to customer feedback has allowed the Business Bank to make real-time payments better for our customers. We heard that payments were too slow and not meeting the evolving needs of businesses. Analysis of feedback identified low payment limits, fraud review and payment holds as some of the root causes of slow payments. Cross-functional teams acted quickly to increase CommBiz payment processing limits to $150 million, and we extended fraud monitoring hours of operation to remove payment blockers. Since implementing these changes, over $5 billion has been processed, providing a better customer experience.

OVERVIEW
CREATING VALUE
DIRECTORS' REPORT
FINANCIAL REPORT
ADDITIONAL INFORMATION

Supporting financial inclusion

As Australia's largest bank, it is important that we provide tailored and accessible solutions to promote the financial inclusion of all customers and communities.

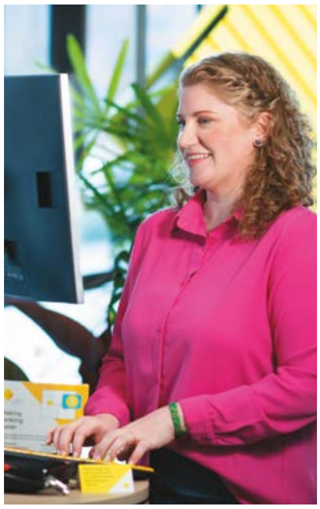
Our Accessibility and Inclusion Strategy

Most Australians have access to transaction banking. As we bank one in three Australians, our approach to inclusion aims to help customers – regardless of background, ability or circumstance – access and use our products and services with dignity and ease.

This year we refreshed our Accessibility and Inclusion Strategy and set our goal to deliver 'Dignity by Design'. Our co-designed strategy is informed by engagement with the communities we seek to positively impact. The strategy details our plan to design inclusive products, services, experiences and workplaces for our customers, people and communities.

We continue to evolve and improve our services for greater accessibility and inclusion by translating guides and documents into Easy English and languages other than English. We have completed extensive branch upgrades this year totalling $60 million which cater to a wide range of customer needs and provide dedicated interactive spaces for customers. Accessible branch features are supported by CBA's Equal Access Toolkit to provide an equitable branch experience for all customers. The toolkits were recognised by the Australian Good Design Awards and Australian Disability Network Confidence Awards for their positive impact on customers, while empowering our teams to deliver appropriate support.

Learn more about our strategy at commbank.com.au/accessibility



- Notches to help orient and differentiate cards for ATM use
- Increased font size and thickness to help read key details
- Tactile dots to further help with differentiation
- Contrasting colours and patterns to support low vision differentiation

Improving accessibility for our customers

This year we redesigned our bank cards with features to make them more accessible for all customers, especially those who are blind or have low vision. We worked with Vision Australia to conduct user testing of prototype cards with individuals experiencing blindness or low vision. We gathered insights on the challenges faced and how accessibility features can address them. Tester feedback helped inform our design choices and consideration of new features, such as increased font size and thickness, and tactile identification dots and notches. These changes have made our cards easier to use for many of our customers, especially those with blindness or low vision. By making more elements of the customer experience accessible, we can help more of our customers experience independence in their banking.

Improving kids' financial capability

Kit, a pocket money app for kids, aims to improve the financial capability of young people through fun and interactive learnings and challenges. Kit has released the 'Future of financial learning', a report that assesses children's financial knowledge, education and parental concerns about their financial wellbeing. The study highlighted that parents feel positive about embedding technology and gamification into financial capability learning, and are confident that technology can support young people's financial wellbeing and help improve resilience to scams.

In addition to the existing earning and saving features with parental controls, Kit has created gamified learning experiences called Money Quests. Kids complete mini-games and quizzes on topics such as spotting a scam, to earn rewards and get nudges that promote real-world behaviours, like setting up a smart savings goal. Kit has over 61,000 customers using the app.

Removing barriers to banking

Aligned with our purpose, we are committed to providing banking services for all Australians and helping them achieve their financial goals. We recognise that there are members of the Australian community who experience systemic barriers to banking and financial inclusion. We aim to provide equitable access to banking and take steps to understand and remove barriers that exist for our diverse customer base.

We seek to deliver products and services that can meet the diverse financial needs of our customers. In many cases, we use data to identify where we can better support customer cohorts, including those on government benefits, to encourage greater access to fee-free and low-cost products such as our Streamline Basic Account.

Improving financial inclusion for First Nations customers and communities remains a focus. Alongside our branch teams and Indigenous Customer Assistance Line, our First Nations Reach program was established to maintain and improve access to basic banking services for remote Indigenous communities. Our teams, supported by First Nations employees, have visited 14 of the most remote communities in Australia, including the Fitzroy Valley in the Kimberley Region. During visits, our people help open accounts, restore access to banking services, resolve identification issues and assist with fraud and other enquiries.

We are also committed to removing barriers for growing Indigenous businesses. Our Indigenous Business Banking team and Indigenous banking concierge, a dedicated contact line for Indigenous businesses, provide tailored support for First Nations business owners. Our concierge service provides tailored offerings of our business banking products, such as our working capital solutions, merchant and corporate card products, to help build Indigenous businesses.

We are fortunate to have around one in two new migrants to Australia trust us with their banking needs, and recognise the unique challenges they face in banking and financial wellbeing. In partnership with the Settlement Council of Australia, we launched the 'Banking is for everyone' initiative this year. The program is designed to develop the cultural competency of branch staff and increase the ability of migrant customers to bank confidently and independently.

To help improve the financial wellbeing of migrant and refugee customers, we conducted an internal review to find ways we can better support them, including those experiencing financial abuse or vulnerability more broadly. The CBA Community Council supported us to develop 12 recommendations to improve our products and services which we are currently actioning.

+ Learn more on how we are supporting communities on pages 42–43.

→ Learn more about our First Nations Reach program at commbank.com.au/firstnationsreach

Strengthening our communities

We are committed to supporting our communities as we seek to build a brighter future for all.

Extending our commitment to help end financial abuse

Our Next Chapter program is our long-term commitment to help address domestic and family violence (DFV) and financial abuse in Australia. Our Next Chapter team continues to provide free and confidential support to victim-survivors of DFV and financial abuse, no matter who they bank with. This year the Next Chapter team provided support through 21,215 individual interactions.

The Financial Independence Hub delivered by Good Shepherd Australia New Zealand and funded by CBA continues to provide free, confidential and ongoing support for people who have experienced financial abuse to help them feel more confident with money, regain control over their finances, and plan for the future. Support includes financial coaching and referrals to support services. Since inception in 2020, the Hub has supported 8,983 participants, and we expect to meet our aspiration of supporting over 10,000 people by 2025.

To help prevent more individuals from experiencing financial abuse, this year we made our abuse in transaction description AI model free for use by any bank in the world. Since launching our AI model in 2021, we have been able to detect and address over 1,500 cases each year of more severe forms of abuse. The model complements our automatic block, which has blocked nearly one million transactions that included offensive, threatening or abusive language over the past three years.

This year we brought together leaders from business, government and the DFV sector at the Financial Abuse Leadership Summit. We also launched Next Chapter Innovation, our program to support not-for-profit organisations delivering innovative responses to financial abuse recovery. Our five inaugural partners each received access to grants of $100,000 or $200,000, as well as expertise and mentoring from CBA leaders.

One of our inaugural Next Chapter Innovation partners is Afghan Women on the Move, who CBA is supporting to address the nuanced challenges of DFV and financial abuse in multicultural communities. By addressing language hurdles, encouraging connection and fostering support, their project empowers victim-survivors on their path to healing and stability.

Learn more about our Next Chapter commitment at commbank.com.au/nextchapter

Creating opportunities for women and girls in football

We launched the Growing Football Fund in partnership with Football Australia, to increase sporting inclusion and development opportunities for women and girls. The Fund has provided 121 grants to clubs and associations, supporting grassroots participation to attract and retain women in football. We have also supported the development of a coaches hub, sharing plans and coaching guidance for developing coaches. By increasing accessibility of opportunities for women and girls, we aim to inspire and develop the CommBank Matildas of tomorrow.

Engaging with First Nations communities

Our experience has taught us that engaging with First Nations peoples has improved the support we can provide First Nations employees, customers and communities.

We continue to build respectful and meaningful relationships with the First Nations communities we serve. Our goals to help create meaningful opportunities are outlined in our seventh Reconciliation Action Plan (RAP), focused on enhancing access to products and services, building community trust in our institutions, providing access to equal and meaningful career opportunities, and supporting First Nations business growth. Through these priorities we seek to build a brighter future for First Nations peoples.

As part of providing a compelling and supportive work environment, we seek to create and facilitate opportunities for First Nations peoples to access education and career pathways. This year we expanded our school scholarships to support 20 First Nations students complete their studies and help them achieve their personal and career goals.

In line with our commitment to support self-determination, our Indigenous Advisory Council, Indigenous Leadership Team and Aboriginal and Torres Strait Islander Community of Practice are important channels for us to engage with First Nations peoples on the decisions that affect them. These forums help inform the activities we undertake to support First Nations employees, customers and communities. This guidance continues to shape our reconciliation programs across the organisation and improve the services we provide First Nations people.

+ **Learn more about how we are removing barriers to banking for First Nations customers on page 41.**

+ **Learn more about our supplier diversity commitments on page 47.**

→ **Learn more about our reconciliation priorities in our RAP at commbank.com.au/reconciliation**

Supporting community organisations

Through contributions to the CommBank Staff Foundation, volunteering and other charitable and employee giving initiatives, our people's generosity has provided support to hundreds of organisations.

Our people are able to show their support to long-standing charitable partnerships including Can4Cancer, where almost 7,000 employees participated in 2023 to raise much-needed funds for cancer research. The Foundation also empowers our people to support organisations they care about through our Community Grants program.

CBA supports workplace giving and contributed $2 million to the CommBank Staff Foundation, who in total provided $3.1 million to organisations across Australia this year.

32%
of our people participated in workplace giving through the CommBank Staff Foundation

32
cancer research breakthroughs supported through Can4Cancer since 2014

61,500+
hours volunteered by our people

$2m
awarded in Community Grants to 201 community organisations

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Governance

We aim to manage our business responsibly and transparently, and uphold a high standard of governance to meet our obligations.

Effective governance is essential in delivering our strategy and provides the foundations to meet our obligations and stakeholder expectations. Since the APRA Prudential Inquiry, we have focused on our governance, culture and accountability. We continue to strengthen policies, systems and processes to deliver improved outcomes for stakeholders.

Given the significance of sustainability issues, the Board has responsibility for overseeing efforts to improve the experience and outcomes of CBA customers, monitoring our culture and considering the material environmental and social impacts of our activities. The Board oversees the Group's Risk Management Framework (RMF) and approves the Risk Appetite Statement (RAS), Code of Conduct, DEI Policy, E&S Framework and Policy, and Work Health & Safety policies.

CBA's Code of Conduct outlines the Board's expectations for how we achieve our purpose, live our values and deliver better customer outcomes. The 'Should We?' test guides our decision making and brings together our key policies and practices.

Our standards, policies and practices are embedded across our operations and all employees undertake compulsory and annual training on those deemed most relevant to their role. This helps support business decisions and fair customer and community outcomes.

+ **Learn more about our corporate governance framework and Board oversight on pages 80–97.**

Operating responsibly for our customers

As Australia's largest bank, we seek to offer all Australians the opportunity to access banking products which are appropriate to their needs.

To meet our regulatory obligations and deliver better customer outcomes, we apply our responsible lending guidelines in lending decisions and operations. We seek to provide suitable products and services to our customers and consider their financial circumstances before we lend to them. This may mean that we turn down a customer's application for credit due to the potential for indebtedness, which could result in a customer being worse off.

Retail customer-facing employees complete annual responsible lending training and assessments. We also periodically review, audit and assure our lending processes, controls and decisions. Where we are found to have not met obligations, we remediate and return the customer as closely as possible to the position they would have been in. We aim to provide customer education and information to promote financial wellbeing and assist customers experiencing financial difficulty. We also provide customers with information and disclosure, when required, through product terms and conditions, credit guides, key fact sheets and credit assessment summaries.

Where our products and services fall under design and distribution obligations, we have Target Market Determinations to provide information that helps customers align products to their needs and objectives.

We have a customer-focused approach to designing and managing relevant products. Our customer outcomes assessments elevate the customer voice, needs and circumstances, as well as community expectations. Considerations include seeking to protect customers experiencing vulnerability from poor outcomes, meeting accessibility needs, preventing financial abuse and delivering fair value.

Once a product is issued, we periodically monitor to check distribution is consistent with the target market and regulatory expectations, and to identify actual or potential poor customer outcomes.

Where children may use our products, we take further effort to embed safety and reduce harm for customers. This year Kit released their public commitment to child safety, detailing the processes that embed the National Principles for Child Safe Organisations to minimise the risk of abuse and misconduct. The policy, developed with input from Kit's Advisory Panel, sets our standards for working with children in Kit's operations.

Learn more about our responsible lending obligations and other policies at commbank.com.au/policies

Developing responsible products for kids

Kit's Advisory Panel has supported the responsible development and challenge of new features of the app, including the consideration of gamification and in-app rewards. The Advisory Panel is made up of experts in working with children and families, youth mental health and wellbeing, and financial capability fields, to advise on product development. The Panel guided and endorsed the development of Kit's new gamification features, considering gamification outcomes and reward points in the app. The advice and expertise of the Advisory Panel supports Kit to continue to develop and engage children to build financial literacy and capability safely.

Improving customer trust in banking

Safeguarding personal information

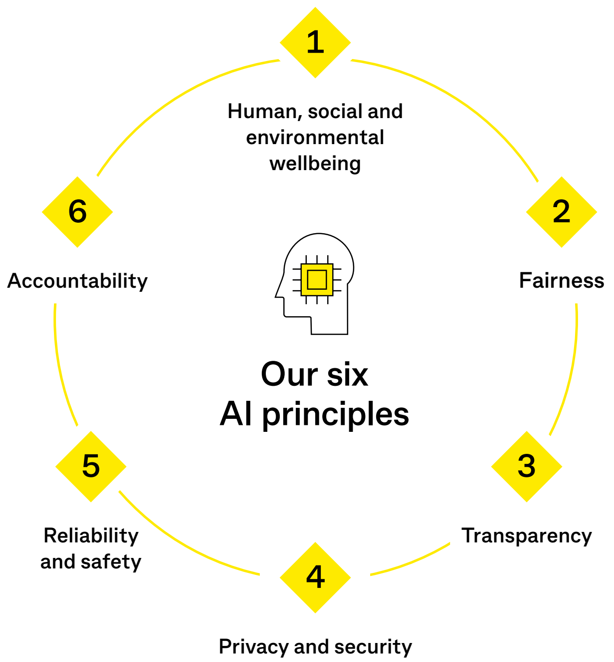
We recognise the information we hold increases the likelihood of targeted cyber attacks. Cyber security and privacy are important issues for our customers as threats continue to rise and escalate. Cyber security, and in particular system-level resilience to minimise disruptions and enhance the protection of customer and employee information, remain top priorities. We continuously review and evolve our internal processes and policies to keep pace with regulatory and technological advances. We periodically engage external firms and subject matter experts to review and provide feedback on our cyber strategic priorities. Our security teams are focused on understanding CBA's threat environment, the capability of our adversaries, and our own strengths and weaknesses. We also look to identify and mitigate potential weaknesses that eventuate through our suppliers, so we can limit the impact of cyber incidents and protect our customers.

Learn more about how we manage risk on pages 70–79.

Using AI responsibly

CBA applies a principles-based approach to the design, development, deployment and use of AI. Our policies and frameworks are in place to safely manage the pace of advancements in AI, and how regulatory and industry bodies continue to refine their positions on AI. To support the safe scaling of AI across CBA, we have a Responsible AI toolkit and guides, which assist our people to responsibly use AI and Generative AI models across the Bank.

Our Responsible AI toolkit helps our AI developers deliver responsible and ethical AI models at CBA. The toolkit contains guidance and examples to help with key modelling steps and assessing AI model fairness. In recognition of the transparency and diligence embedded within our AI approach, CBA was jointly ranked first in the world amongst global banks for leadership in Responsible AI, and sixth overall for AI maturity, in the Evident AI Index.



Privacy

We take our responsibility to protect the personal information and privacy of customers seriously. To help keep customer information safe, the Bank applies security and privacy controls around the collection and handling of personal information and maintains an internal Group Privacy Policy. The public Group Privacy Statement sets out how the Bank collects and handles personal information. For suppliers who collect or handle personal customer information, we take a risk-based approach to due diligence assessments to review their data and privacy governance, policies and incident response in line with our responsibilities. Through our delivery of commitments in the Privacy Enforceable Undertaking (EU) with the Office of the Australian Information Commissioner, we have worked to enhance our customer personal information management and completed all formal obligations under the EU in 2024. We acknowledge the challenges to keep our data and customers safe continue to grow and evolve, and work to meet regulatory and customer expectations.

See our Group Privacy Statement at commbank.com.au/privacy

2,247

phishing sites taken down this year

Combatting financial crime

As a financial institution, we have a role to play in detecting, deterring and disrupting financial crime. Supporting Australia's collaborative crime protection and working with regulators and law enforcement to protect the financial system from misuse by bad actors, is a continued focus.

This year we continued to uplift internal controls, policies and tools to better detect and deter financial crime. We implemented a generative AI-supported customer screening pilot to improve data collection and reduce manual processes. We also released a new cloud service which will streamline eight existing investigation processes into one unified and purpose-built system, to provide a single view of customer and transaction data.

Consolidating data sources provides significant efficiency gains by streamlining the investigation process. Removing manual work allows teams to focus on the identification of criminal activity and better manage active investigations.

See our financial crime commitments and policies at commbank.com.au/policies

Meeting community expectations

Respecting human rights

Our E&S Framework details our commitments to respect human rights. To meet our commitments, we have processes in place which seek to identify and consider potential human rights risks and impacts in our business operations and supply chains.

Our ESG risk assessment tool plays an important role in our commercial and corporate lending processes. The tool assists our bankers to identify and assess the ESG risks our customers are exposed to, the mitigating actions our customers take, and how lending aligns to the commitments made in our E&S Framework. This includes modern slavery and human rights risks. This year we refreshed the modern slavery due diligence questions used by Business Banking in the ESG risk assessment tool, to support the identification and mitigation of risks in customers' operations and supply chains. To support this, we also conducted training for bankers and credit risk teams, which included a focus on modern slavery risk.

Our approach to modern slavery risk management is informed by external experts on our Modern Slavery Advisory Council. This year the Advisory Council considered and supported our Group-wide modern slavery strategy, which aims to further enhance our modern slavery due diligence, grievance and response and any associated remediation, and reporting.

To assist in developing positive working relationships with First Nations stakeholders, we introduced the Human Rights of First Nations Stakeholder Grievance Process Framework, late last financial year. The process seeks to provide an avenue to raise directly with us, concerns regarding possible human rights impacts connected with CBA's business lending activities. No grievances were raised through this process this financial year.

See our Grievance Framework and Process at commbank.com.au/policies

Working with our suppliers

Suppliers help CBA achieve our purpose and strategic ambitions and we are committed to supporting the growth and prosperity of businesses that reflect our population. We are proud to contract with over 3,900 businesses, with 26 being First Nations businesses. We seek to provide greater economic participation and self-determination opportunities for First Nations businesses in urban and regional Australia. This year we appointed an Indigenous procurement Executive Manager to further support First Nations economic empowerment, through supplier spend and relationship development.

Indigenous-owned suppliers are providing the Bank with essential products and services. Baidam Solutions is an Indigenous-owned supplier that provides support to our cyber security teams to help protect customers. Our partnership with Baidam enables further Indigenous economic opportunities.

Our approach to tax

CBA is one of the largest taxpayers in Australia. We recognise the important contribution taxes make to support government assets and services.

Our approach to managing our tax affairs is in accordance with CBA's values, purpose and strategy. We seek to comply with prevailing tax laws in all jurisdictions that we operate in, and to maintain transparent and collaborative relationships with tax authorities.

See our Tax Transparency Code at commbank.com.au/reporting

Speaking up

We strive to create a work environment that promotes the right behaviours. Providing our SpeakUP services supports our people and external partners to raise concerns safely, including anonymously if needed. Support and protection are provided to whistleblowers under the Group Whistleblower Policy and applicable laws.

The Audit Committee and an executive committee receive periodic reporting on the operation of SpeakUP. This year, 331 reports were made to the SpeakUP Program, consistent with 2023. Of these reports, 65 were considered whistleblower cases.

Position on political donations

The Bank's external communication and engagement policy prohibits political donations in the form of cash or money.

However, we pay to attend political events and forums. This year, we spent $60,000 with the Australian Labor Party, $60,000 with the Liberal Party of Australia, and $12,000 with the National Party of Australia. Consistent with our regulatory obligations, these payments are disclosed to the Australian Electoral Commission.

Aligned with our commitment to reconciliation, we made a $2 million donation to Australians for Indigenous Constitutional Recognition and a $50,000 donation to the Uluru Dialogue. These contributions were declared to the Australian Electoral Commission as relevant payments under the referendum disclosure scheme.

Sustainability performance

Environmental

Sustainable financing	$bn	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Sustainability funding (cumulative)[1]		54.2	44.7	30.6	–	–
Renewable energy exposure[2]		6.3	4.8	4.2	–	–
ESG bond arrangement		18.6	8.6	13.6	7.9	9.5

Operational greenhouse gas emissions	tCO_2-e	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Group						
Market-based reporting		71,149	67,433	35,745	32,955	–
– Scope 1 emissions		7,258	7,891	6,667	8,768	–
– Scope 2 emissions[3]		33	12	0	1,812	–
– Selected Scope 3 emissions[4]		63,858	59,530	29,078	22,375	–
Location-based reporting		152,256	157,668	137,481	152,109	174,413
– Scope 1 emissions		7,258	7,891	6,667	8,768	12,757
– Scope 2 emissions		63,609	74,577	83,249	95,762	103,818
– Selected Scope 3 emissions[4]		81,389	75,200	47,565	47,579	57,838

Operational greenhouse gas emissions	tCO_2-e	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Australia						
Market-based reporting		56,891	50,852	27,372	24,080	–
– Scope 1 emissions		5,195	5,165	4,613	6,095	–
– Scope 2 emissions[3]		0	0	0	0	–
– Selected Scope 3 emissions[4]		51,696	45,687	22,759	17,985	–
Location-based reporting		131,269	128,888	118,517	136,319	159,898
– Scope 1 emissions		5,195	5,165	4,613	6,095	9,992
– Scope 2 emissions		58,312	62,366	72,658	87,035	96,262
– Selected Scope 3 emissions[4]		67,762	61,357	41,246	43,189	53,644

For definitions of metrics in this section, see *Glossary* on pages 312–327.

A more complete set of metrics is available for download at commbank.com.au/sustainabilityreporting

Assurance report

PwC has provided assurance on these metrics on pages 48–55, for the year ended 30 June 2024, unless otherwise indicated.

The PwC Assurance Report is provided on pages 56–59.

Operational greenhouse gas emissions	tCO_2-e	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
New Zealand[5]						
Market-based reporting		**4,024**	4,637	2,554	4,960	–
– Scope 1 emissions		**1,529**	1,807	1,469	2,189	–
– Scope 2 emissions[3]		**33**	12	0	1,812	–
– Selected Scope 3 emissions[4]		**2,462**	2,818	1,085	959	–
Location-based reporting		**5,066**	5,740	3,926	4,960	5,831
– Scope 1 emissions		**1,529**	1,807	1,469	2,189	2,277
– Scope 2 emissions		**1,075**	1,115	1,372	1,812	1,904
– Selected Scope 3 emissions[4]		**2,462**	2,818	1,085	959	1,650

Operational greenhouse gas emissions	tCO_2-e	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
India[6]						
Market-based reporting		**7,190**	–	–	–	–
– Scope 1 emissions		**318**	–	–	–	–
– Scope 2 emissions[3]		**0**	–	–	–	–
– Selected Scope 3 emissions[4]		**6,872**	–	–	–	–
Location-based reporting		**10,473**	–	–	–	–
– Scope 1 emissions		**318**	–	–	–	–
– Scope 2 emissions		**1,802**	–	–	–	–
– Selected Scope 3 emissions[4]		**8,353**	–	–	–	–

Operational greenhouse gas emissions	tCO_2-e	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Other overseas[7]						
Market-based reporting		**3,044**	11,944	5,819	3,915	–
– Scope 1 emissions		**216**	919	585	484	–
– Scope 2 emissions[3]		**0**	0	0	0	–
– Selected Scope 3 emissions[4]		**2,828**	11,025	5,234	3,431	–
Location-based reporting		**5,448**	23,040	15,038	10,830	8,684
– Scope 1 emissions		**216**	919	585	484	488
– Scope 2 emissions		**2,420**	11,096	9,219	6,915	5,652
– Selected Scope 3 emissions[4]		**2,812**	11,025	5,234	3,431	2,544

1 Included in the scope of PwC's limited assurance engagement on selected Sustainability Funding and Sector-level Glidepath Subject Matter for the Group's 2024 Climate Report.

2 The Group's total committed exposure as at the end of the reporting period. Renewable energy exposure includes pure-play renewables companies and diversified power generation customers where at least 90% of electricity generated is from renewable sources. We assess changes to customer classification using a rolling three-year generation average. Not assured by PwC.

3 Pending acquittal of energy attribute certificates for the reporting year. In FY23, ASB offsite ATMs were reclassified as Scope 2 and Renewable Energy Certificates (RECs) could not be purchased due to metering limitations.

4 Refers to reporting of selected Scope 3 emissions categories under the GHG Protocol. FY23 restated for overstatement in flight data, for Australia and New Zealand, reflecting duplication of entries from exchanged tickets and alignment of factors with Australia's Climate Active certification.

5 ASB is subject to a separate NZ mandatory disclosure regime and expects to publish a stand-alone climate report later this year. As such the equivalent numbers in ASB's own disclosures may change between the publication of CBA's 2024 Climate Report and ASB's 2024 climate-related disclosures.

6 Reported separately for first time in FY24. Prior period presentations included in 'Other overseas'.

7 India was excluded and reported separately from FY24. PT Bank Commonwealth (PTBC) is included up to 30 April 2024, after which time our divestment of the business was complete.

Environmental continued

Renewable electricity procurement	%	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Australia		**100**	100	100	100	100
New Zealand[1]		**97**	98	100	–	–
India[2]		**100**	100	100	100	–
Other overseas		**100**	100	100	100	–

Energy consumption – Australia	gigajoules	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Total fuel consumption		**69,793**	66,110	67,624	75,572	112,968
– Diesel stationary[3]		**6,888**	1,994	3,089	4,396	2,059
– Natural gas[3]		**1,345**	2,104	2,396	2,534	4,235
– Transport[3]		**61,560**	62,012	62,139	68,642	106,674
Electricity consumption – property and fleet[4]		**329,739**	332,563	344,268	399,800	445,040
Total renewable energy consumption		**329,739**	332,563	344,268	399,800	445,040
– Renewable electricity purchased		**322,936**	325,988	336,436	392,581	438,934
– Electricity generated from on-site solar panels		**6,803**	6,575	7,832	7,219	6,106
Total energy consumption (including electricity and fuel)		**399,532**	398,673	411,892	475,372	558,008

Water, waste and paper – Australia		30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Waste (Commercial and data centre operations)[5]	tonnes					
Landfill[3,6]		**418**	335	230	470	988
Recycled[3,6]		**157**	303	205	308	585
Secure paper recycled[3]		**123**	143	203	414	580
Total waste		**698**	781	638	1,192	2,153
Water (Commercial and data centre operations)[6]	kilolitres	**167,696**	152,791	105,172	129,494	177,047
Office paper usage (retail and commercial operations)	tonnes	**243**	284	293	343	483

1 New Zealand data excludes base building electricity consumption. In FY23, ASB offsite ATMs were reclassified as Scope 2 and RECs could not be purchased due to metering limitations.
2 Reported separately for the first time in FY24. India's 100% renewable electricity procurement, since FY21, was reported under 'Other overseas'.
3 Not assured by PwC.
4 Includes energy consumption from electric vehicle charging from FY24.
5 Data centre waste reported for the first time in FY24. Prior period presentations have not been restated.
6 In FY24, invoiced amounts contributed to 81% of waste to landfill data, 87% of waste recycled data and 89% of water usage. The remainder is estimated based on average tonnes of waste and kilolitres of water per m^2 of net lettable area.

Social – Our customers

Customers	#m	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Total customers[1]		**17.6**	17.1	16.6	16.7	17.3
– CBA customers		**14.3**	13.8	13.2	13.3	13.9
– Bankwest customers[1]		**1.2**	1.2	1.3	1.3	1.4
– ASB customers[1]		**2.1**	2.1	2.1	2.1	2.0
Digitally active customers[2]		**9.3**	8.7	8.0	7.6	7.4
– CommBank app customers[2]		**8.5**	7.8	6.9	6.4	6.1

Customer advocacy[1]	#	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Commonwealth Bank – Net Promoter Score						
Consumer NPS		**8.4**	3.9	4.5	0.8	(2.9)
– Rank		**1st**	1st	2nd	2nd	2nd
Online banking NPS		**12.0**	11.1	16.8	19.0	17.2
– Rank		**1st**	1st	1st	1st	1st
Mobile banking app NPS		**29.3**	26.2	30.7	30.0	28.6
– Rank		**1st**	1st	1st	1st	1st
Business NPS		**(2.7)**	7.5	(3.2)	(5.8)	(14.3)
– Rank		**2nd**	1st	1st	1st	3rd
Institutional NPS		**49.1**	52.3	36.5	44.0	34.8
– Rank		**1st**	1st	2nd	1st	1st
Bankwest – Net Promoter Score						
Consumer NPS		**3.6**	12.8	19.5	11.8	9.4
– Rank		**7th**	3rd	3rd	4th	3rd
ASB – Net Promoter Score						
Consumer NPS		**21.3**	23.6	29.5	32.5	32.0
– Rank		**3rd**	3rd	3rd	3rd	3rd
Business and rural banking NPS[3]		**5.2**	(0.5)	(7.4)	4.0	4.2
– Rank		**1st**	1st	1st	1st	1st

Customer complaints		30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Received[4]	#	**538,954**	921,855	984,493	1,211,808	1,182,699
– Resolved within five days	%	**90**	93	94	96	96
Escalated to an external dispute resolution (EDR) scheme[5]	#	**8,359**	6,871	5,384	5,419	6,455
– Privacy complaints	#	**156**	98	61	123	–

Cyber defence	#	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Phishing sites taken down[2]		**2,247**	2,275	1,806	–	–
Signals analysed for potential cyber threats[1]	ave per week (bn)	**274**	214	184	–	–

1 Not assured by PwC.
2 Assured for the first time in FY24.
3 NPS methodology changed in 2023. Prior years are not comparable.
4 Reduction in customer complaints driven by prevention initiatives and process improvements to better differentiate between complaints and customer feedback.
5 Increase partly driven by higher complaints related to disputed transactions, fraud, scams as well as complaints concerning the service provided in connection with financial products issued to customers.

Social – Our people

Employees		30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Total full-time equivalent (FTE)	#	**48,887**	49,454	48,906	45,833	43,585
– Australia[1]		**36,572**	36,697	38,153	37,245	36,330
– New Zealand (ASB)[1]		**5,983**	6,016	5,879	5,634	5,122
– India[1,2]		**5,630**	4,721	2,854	–	–
– Other[1,2,3]		**702**	2,020	2,020	2,954	2,133
Graduates		**348**	343	241	191	153
Headcount	#	**53,262**	53,754	53,056	49,922	48,167
Employee turnover – voluntary	%	**9.0**	11.2	14.8	11.0	10.1
Employee turnover – involuntary	%	**3.4**	2.4	2.1	1.9	4.2
Employment type (headcount)	#					
Full-time		**32,259**	32,228	32,303	31,112	32,178
Part-time		**6,755**	6,656	6,858	7,007	7,565
Casual		**880**	529	266	294	399

Safety and wellbeing		30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Lost time injury frequency rate[4]	rate	**0.23**	0.58	0.51	0.72	1.12
Absenteeism	days	**10.2**	9.2	8.7	7.8	8.4
Health, safety and wellbeing training[5]	#	**55,076**	56,814	59,575	51,926	49,385

People engagement and flexible working	%	May 24	Sep 23	Mar 23	Sep 22	Mar 22	Sep 21	Mar 21
People engagement index – CBA[6]		**84**	82	84	85	85	85	82
Employees working flexibly		**–**	81.0	–	84.9	–	84.9	–
Employees with caring responsibilities		**–**	59.5	–	59.4	–	56.6	–

Parental leave		30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Employees who have accessed parental leave[7]	#					
– Female employees		**1,281**	1,260	1,246	1,173	1,243
– Male employees		**1,031**	990	942	987	909
Employees who have returned from parental leave, and are still employed after 12 months[8]	%					
– Female employees		**86.7**	87.5	89.4	87.2	85.7
– Male employees		**89.2**	86.4	88.5	87.2	84.5

1 Not assured by PwC.
2 India-based employees reported under 'other' for periods prior to FY22.
3 Reduction reflects the divestment of PT Bank Commonwealth (PTBC) which was completed on 1 May 2024.
4 Reduction in FY24 is driven by preventative measures and early intervention which have resulted in less injuries that incur lost time.
5 The health, safety and wellbeing training number is higher than FTE as the training is assigned annually and to new employees.
6 People engagement index (PEI) was reduced from a five-item metric to a two-item metric in February 2024, to reduce the length of the Group's quarterly people and culture survey and time taken to complete. Internal and independent analysis was conducted to ensure the index remains reliable as a measure of engagement. Prior year numbers have been restated accordingly.
7 Prior year numbers have been restated to only capture parental leave events that began that year, and not double-count over multiple years.
8 Not assured by PwC. Reported for the last time in FY24. This metric can no longer be reported as, from 1 December 2023, CBA offers full-time and part-time CBA employees flexibility in how and when parental leave can be taken within two years of a child's birth or placement.

Employee training	hrs per employee	30 Jun 24 Total	30 Jun 24 Female	30 Jun 24 Male	30 Jun 23 Total	30 Jun 23 Female	30 Jun 23 Male
Executive Managers and above roles		**27.5**	**29.8**	**25.6**	22.5	24.4	21.1
Others		**25.8**	**27.7**	**23.7**	25.0	27.4	22.6
Average per employee		**25.9**	**27.8**	**23.8**	24.9	27.3	22.5

ESG training	#	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
ESG training completed (headcount)		**13,023**	13,552	2,911	6,240	1,560

Gender diversity	%	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Women in workforce		**53.7**	54.4	55.2	56.1	56.9
Women in Manager and above roles		**44.9**	45.1	45.5	45.2	45.0
Women in Executive Manager and above roles		**44.9**	44.0	43.1	41.7	41.2
Women in Senior Leadership (Group Executives)[1]		**41.7**	41.7	41.7	27.3	33.3

Gender pay equity (female to male base salary)	ratio	31 Mar 24	31 Mar 23	31 Mar 22	31 Mar 21	31 Mar 20
Executive General Manager		**0.98**	0.93	0.91	0.86	0.90
General Manager		**1.00**	0.98	0.99	0.99	1.00
Executive Manager		**0.98**	0.99	0.98	0.98	0.98
Manager/Professional		**0.98**	0.98	0.97	0.97	0.98
Team Member		**1.01**	1.01	1.01	1.00	1.00

Age diversity[2]	%	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
<25 years		**6.8**	6.5	7.0	7.1	7.9
25–34 years		**32.2**	32.9	32.3	30.7	30.8
35–44 years		**33.3**	32.9	32.5	32.5	31.9
45–54 years		**17.9**	18.2	18.6	19.9	19.6
55–64 years		**8.6**	8.2	8.1	8.6	8.6
65+ years		**1.2**	1.1	1.0	1.1	1.0

Cultural diversity[1]	%	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Executive Manager and above roles		**37.0**	36.0	–	–	–

Other diversity metrics	%	Sep 23	Sep 22	Sep 21	Sep 20	Oct 19
CBA Indigenous workforce (ancestry)		**1.2**	1.0	0.9	0.8	1.5
Employees living with a disability, chronic illness or other medical condition		**6.3**	7.6	7.1	6.5	8.7
Employees who identify as LGBTQIA+		**4.8**	5.1	4.8	4.9	3.3

Cultural diversity based on ancestry (Sep 2023)[1,2,3]	Cultural Diversity Index #	Australia, NZ, British, Irish %	Europe %	Asia %	Africa, Middle East %	Americas %	Indigenous, Pacific Islanders %
CBA overall	0.78	44	11	34	4	1	3
General Manager and above	0.64	65	17	11	3	2	2
Executive Manager and above	0.66	63	15	15	4	1	1
2021 Australian Census (ancestry)	0.65	64	11	16	4	1	4

1 Not assured by PwC.
2 Numbers may not sum to 100 due to rounding.
3 Reported for the last time in FY24 as the group has moved to a new diversity goal to achieve 40% cultural diversity representation in Executive Manager and above roles by 2028.

Social – Our communities

Community investment	$m	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Total community investment		**329.2**	264.0	239.0	247.4	250.5
– Cash contributions		**25.4**	27.1	30.0	37.5	57.5
– Value of time volunteering		**3.8**	2.5	0.7	1.2	0.7
– Forgone revenue		**274.2**	210.5	188.2	187.5	178.5
– Program management costs		**25.8**	23.9	20.1	21.2	13.8
Total community investment as a percentage of cash net profit before tax	%	**2.3**	1.8	1.8	2.0	2.4

Our commitment to end financial abuse	#	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Financial Independence Hub (participants supported)[1,2]		**4,505**	1,598	1,440	1,440	–
Next Chapter and Community Wellbeing (customer interactions)		**21,215**	20,560	17,107	–	–

Community reputation	#	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
RepTrak reputation score[1]		**65.8**	66.3	63.3	65.0	61.6

Indigenous community support		30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Indigenous cultural development (training completion rate)[3]	%	**40.4**	41.7	55.8	17.8	8.0
Indigenous Customer Assistance Line (calls received)	#	**260,004**	198,504	184,927	181,460	206,436
Australian Indigenous supplier spend	$'000	**22,654**	9,078	7,028	6,093	4,395
– Direct spend[4]		**22,200**	8,338	7,028	6,093	4,395
– Directed spend		**454**	740	–	–	–

1 Not assured by PwC.

2 FY24 increase is attributable to changes made in FY23 to broaden the support provided to participants of the Financial Independence Hub, as well as support provided under the Extended Care program which merged with the Financial Independence Hub during the year.

3 Prior periods have been restated to exclude other overseas and service providers to align with the reporting criteria.

4 Does not include identified corporate credit card spend of $86,093 in FY24 with Indigenous suppliers. Credit card spend is not assured by PwC.

Governance

Board composition[1]	#	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Total Directors		**9**	10	11	10	9
– Female		**4**	5	5	4	5
– Male		**5**	5	6	6	4
Independent Non-Executive Directors		**8**	9	10	9	8
Female Directors on Board	%	**44**	50	45	40	56

Group compliance training[2]	%	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Training completion rate – Code of Conduct		**99.9**	99.8	99.6	99.5	99.6
Training completion rate – mandatory learning		**99.9**	99.8	99.6	99.5	99.5

Conduct and whistleblowing	#	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Substantiated misconduct cases		**2,259**	1,122	1,071	1,825	1,851
– Sexual harassment/sex-based harassment[3]		**18**	11	5	2	10
– Discrimination[3]		**0**	0	1	0	0
– Harassment, bullying, victimisation[3]		**2**	3	0	0	3
– Fraud/theft[3]		**41**	47	23	25	27
– All other breach of role expectations, policy or process[3]		**2,198**	1,061	1,042	1,798	1,811
Misconduct cases resulting in termination		**180**	119	76	105	136
Conduct captured by The Banking Industry Conduct Background Check Protocol[3]		**71**	57	26	39	48
SpeakUP Program cases		**331**	331	317	335	284
– Whistleblower cases		**65**	81	96	123	103

Incidents and outages[4]	#	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20
Data breaches reported to the OAIC		**4**	5	3	6	12
Significant IT incidents		**4**	8	21	20	21

1 Numbers are actuals, not assured by PwC.
2 Training completion rates are not 100% as allocated training may be overdue. There are remuneration consequences for employees who do not meet their training obligations.
3 Reported for the first time in FY24. Not assured by PwC.
4 Assured for the first time in FY24.

To the Directors of Commonwealth Bank of Australia

Independent Assurance Report on Selected Sustainability Information for the Commonwealth Bank of Australia (the Bank) and its controlled entities (together the Group) in its 2024 Annual Report for the year ended 30 June 2024

The Board of Directors of the Commonwealth Bank of Australia engaged us to perform independent reasonable and limited assurance engagements, as applicable, in respect of selected Environmental, Social and Governance metrics (the **Selected Sustainability Information**), presented on pages 48 to 55 in the Commonwealth Bank of Australia Annual Report for the year ended 30 June 2024 (**the 2024 Annual Report**).

Specifically, we were engaged to:

- perform limited assurance on the Selected Sustainability Information, unless otherwise stated, in the 2024 Annual Report (the '**Selected Sustainability Information**^{LA}'); and
- perform reasonable assurance on the following Selected Sustainability Information in the 2024 Annual Report (the '**Selected Sustainability Information**^{RA}')

Selected Sustainability Information^{RA}
Greenhouse gas emissions – Scope 1 emissions (Location-based, Group)
Greenhouse gas emissions – Scope 2 emissions (Location-based, Group)
Greenhouse gas emissions – Scope 1 and 2 emissions (Location-based, Australia)
Greenhouse gas emissions – Scope 1 and 2 emissions (Location-based, New Zealand)
Total energy consumption – Australia (Total fuel consumption, Electricity consumption, Total energy consumption incl. fuel and electricity)

as at 30 June 2024 and the year/ period then ended, or as otherwise specified in the Selected Sustainability Information set out on pages 48 to 55 in the 2024 Annual Report.

Selected Sustainability Information and Criteria

The Criteria used by the Group to prepare the Selected Sustainability Information is set out within the Glossary on pages 312 to 327 in the 2024 Annual Report (the 'Criteria'). Specifically, the Criteria is identified within the Glossary by way of the following sentence: *This is the Criteria for the accompanying Selected Sustainability Information, assured by PwC to a limited or reasonable assurance level.*

We assessed the Selected Sustainability Information against the Criteria. The Selected Sustainability Information needs to be read and understood together with the Criteria, as at 30 June 2024 and the year/ period then ended, or as otherwise specified in the Selected Sustainability Information set out on pages 48 to 55 in the 2024 Annual Report.

Our assurance conclusion and opinion are with respect to the Selected Sustainability Information as at 30 June 2024 and/or for the year/period then ended (unless otherwise stated), and does not extend to information in respect of earlier periods or to any other information included in, or linked from, the 2024 Annual Report.

PricewaterhouseCoopers, ABN 52 780 433 757

One International Towers Sydney, Watermans Quay, Barangaroo NSW 2000, GPO BOX 2650 Sydney NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Responsibilities of Management

Management of the Group is responsible for the preparation of the Selected Sustainability Information in accordance with the Criteria. This responsibility includes:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the underlying Selected Sustainability Information;
- ensuring that those Criteria are relevant and appropriate to the Group and the intended users; and
- designing, implementing and maintaining systems, processes and internal controls relevant to the evaluation, measurement and preparation of the Selected Sustainability Information which is free from material misstatement, whether due to fraud or error, against the Criteria.

The maintenance and integrity of the Group's website is the responsibility of the Group's management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Sustainability Information or Criteria when presented on the Group's website.

Our independence and quality management

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our firm applies Australian Standard on Quality Management ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our responsibilities

Selected Sustainability Information^LA

Our responsibility is to express a conclusion on Selected Sustainability Information^LA, based on the limited assurance procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE 3000) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*. Those standards require that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Selected Sustainability Information^LA has not been prepared, in all material respects, in accordance with the Criteria, as at 30 June 2024 and the year/period then ended (unless otherwise stated).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

The procedures we performed in carrying out our limited assurance in respect of the Selected Sustainability Information^LA were based on our professional judgment and included:

- Reading the Selected Sustainability Information to determine whether it is in line with our overall knowledge of, and experience with, the Sustainability performance;
- Performing enquiries with respect to capturing, collating, calculating and reporting the Selected Sustainability Information;
- Assessing the appropriateness of selected estimates, assumptions and methodologies applied by management in the preparation of the Selected Sustainability Information;
- Calculating the arithmetic accuracy of a sample of calculations of the Selected Sustainability Information;
- Undertaking analytical procedures over the performance data utilised within the calculations and preparation of the Selected Sustainability Information; and
- Comparing the Selected Sustainability Information to relevant underlying sources on a sample basis.

pwc

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

The Selected Sustainability Information[LA] includes a deduction from Group's emissions for the year of 500 tonnes of CO_2-e relating to offsets. We have performed procedures as to whether these offsets were acquired during the year (or when actual emissions are unknown before the year end, until the issuance of the assurance report post year-end) and arrangements are in place for their surrender, as well as perform procedures over the calculation of net emissions. We have not, however, performed any procedures regarding the external providers of these offsets, and express no conclusion about whether the offsets have resulted, or will result, in a reduction of 500 tonnes of CO_2-e.

Selected Sustainability Information[RA]

Our responsibility is to express an opinion on the Selected Sustainability Information[RA] based on the procedures we have performed and the evidence we have obtained. We have conducted our reasonable assurance in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*. Those standards require that we plan and perform this engagement to obtain reasonable assurance about whether the Selected Sustainability Information[RA] has been prepared, in all material respects, in accordance with the Criteria, as at 30 June 2024 and for the year/period then ended (unless otherwise stated).

A reasonable assurance engagement involves performing procedures to obtain evidence about the Selected Sustainability Information[RA]. The nature, timing and extent of procedures selected depend on professional judgement, including the assessment of risks of material misstatement, whether due to fraud or error, in the Selected Sustainability Information[RA]. In making those risk assessments, we considered internal control relevant to the Group's preparation of the Group's Selected Sustainability Information[RA]. Our reasonable assurance engagement also included:

- Evaluating the design and implementation of controls relevant to the Selected Sustainability Information[RA];
- Performing procedures on location at the Group's significant facilities on a sample basis; and
- Use of larger sample sizes for substantive procedures undertaken on a sample basis.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error, or non-compliance may occur and not be detected.

A reasonable or limited assurance engagement is not designed to detect all misstatements in the Selected Sustainability Information or instances of non-compliance of the Selected Sustainability Information with the Criteria, as a limited assurance engagement is limited primarily to making enquiries of the Group's management and applying analytical procedures; and limited/reasonable assurance engagement procedures are not performed continuously throughout the period and procedures are undertaken on a test basis.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time. In addition, greenhouse gas quantification is subject to inherent uncertainty because of evolving knowledge and information used in estimating emissions factors and the values needed to combine emissions of different gases.

The assurance conclusion and opinion expressed in this report have been formed on the above basis.

Limited assurance conclusion

Based on the procedures we have performed, as described under 'Our responsibilities' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Sustainability Information[LA] has not been prepared, in all material respects, in accordance with the Criteria as at 30 June 2024 and the year/ period then ended, or as otherwise specified in the Selected Sustainability Information set out on pages 48 to 55 in the 2024 Annual Report.

Emphasis of matter – Estimation of 'Selected Scope 3 emissions'

The estimation of 'Selected Scope 3 emissions' reported by the Group comprises selected sources of operational Scope 3 emissions only.

We draw attention to the Glossary of terms on pages 312 to 327 in the 2024 Annual Report which sets out these assumptions and data sources for different Scope 3 emissions sources. Our conclusion is not modified in respect of this matter.

Reasonable assurance opinion

In our opinion, in all material respects, the Group has prepared the Selected Sustainability Information[RA], in accordance with the Criteria as at 30 June 2024 and the year/period then ended, or as otherwise specified in the Selected Sustainability Information set out on pages 48 to 55 in the 2024 Annual Report.

Use and distribution of our report

We were engaged by the Board of Directors of the Commonwealth Bank of Australia to prepare this independent assurance report having regard to the criteria specified by the Group and set out in this report. This report was prepared solely for the Directors of the Commonwealth Bank of Australia for the purpose of providing limited or reasonable assurance, as applicable, in respect of the Selected Sustainability Information as at 30 June 2024 and the period/year then ended (unless otherwise stated) within the 2024 Annual Report and may not be suitable for any other purpose.

We accept no duty, responsibility, or liability to anyone other than the Group in connection with this report or to the Group for the consequences of using or relying on it for a purpose other than that referred to above. We make no representation concerning the appropriateness of this report for anyone other than the Group and if anyone other than the Group chooses to use or rely on it, they do so at their own risk.

This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute and even if we consent to anyone other than the Group receiving or using this report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Elizabeth O'Brien

Elizabeth O'Brien
Partner

Sydney
14 August 2024

Financial performance[1]

Our continued focus on supporting customers, disciplined operational and strategic execution has delivered solid financial performance for the 2024 financial year.

Net profit after tax

$9,481m

Statutory NPAT

↓ 6% on FY23

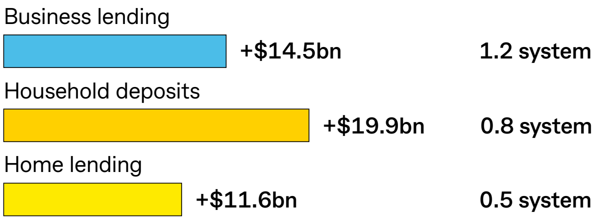
$9,836m

Cash NPAT

↓ 2% on FY23

Net profit after tax (NPAT) was supported by volume growth in core businesses. The reduction in NPAT was driven by the impact of inflationary increases in our operating expenses, partly offset by lower loan impairment expense.

Volume growth in core business[2]



Common Equity Tier 1 capital ratio

12.3%

APRA (Level 2)

↑ 10bpts on FY23

The Group returned $8 billion to shareholders through dividends and buy-backs and remains in a strong capital position, well in excess of the minimum regulatory requirements.

Dividend

$4.65

Per share, fully franked

↑ 3% on FY23

The full year dividend was supported by the Group's continued strong operational and financial performance. The final dividend was $2.50 per share, fully franked. The interim dividend was $2.15 per share, fully franked.

Net interest margin (NIM)

1.99%

↓ 8bpts on FY23

Group NIM decreased driven by intense competition for home loans and customers switching to higher yield term deposits.

Loan impairment and credit provisions

$802m

↓ 28% on FY23

1.66%

Provision coverage ratio[3]

Loan impairment expense decreased reflecting our robust credit origination and underwriting practices, rising house prices and customer resilience in the face of higher interest rates.

We maintained a strong provision coverage ratio of 1.66% reflecting our cautious approach to managing risks while the level of uncertainty in the economic outlook remains high.

1 All information in this section is presented on a continuing operations basis, unless stated otherwise. Comparative information has been restated. For further details refer to Note 1.1 in the *Financial report* on pages 143–145.

2 As reported in RBA Lending and Credit Aggregates (Home Lending and Business Lending) and APRA Monthly ADI Statistics (Household Deposits). CBA Business Lending multiple estimate is based on Business Banking growth rate (excluding Institutional Banking and Markets) over published APRA Total Business Lending Data (excluding estimated Institutional Lending balances).

3 Total provisions as a percentage of credit risk weighted assets.

Delivering for shareholders

Many Australians rely on the dividends and related franking credits that they receive to support their income. We aim to deliver sustainable dividends for our 830,000 shareholders. By maintaining strong organic performance and prudent balance sheet settings, we are able to fund balance sheet growth, invest for the future and pay a sustainable dividend over the long term. We have increased our dividend payout ratio benefitting more than 13 million Australians who own CBA shares directly or through their superannuation holding.

830,000+

shareholders hold CBA shares directly, over 13 million hold CBA shares through their superannuation

76%

Australian ownership

49%

direct ownership by retail shareholders

$8bn

returned to shareholders as dividends and share buy-backs during FY24

$3,618

dividend amount related to FY24 for the average retail shareholder

Dividends

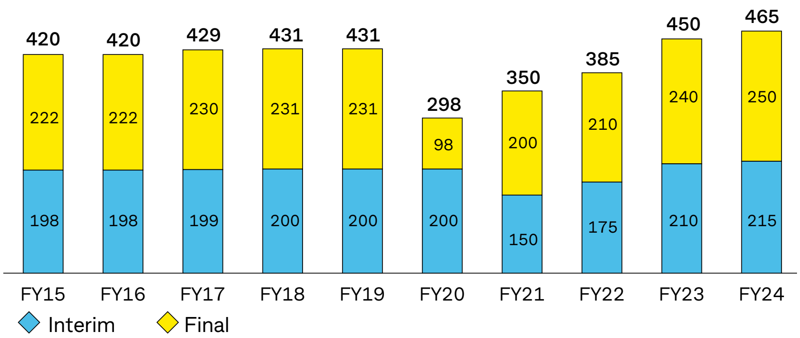
The final dividend of $2.50 per share reflects the Bank's strong capital position. Our aim is to deliver sector-leading returns and a sustainable dividend. To deliver sustainable dividends we seek to:

- Generate organic capital through cash NPAT;
- Target a full-year payout ratio of 70-80% of cash NPAT; and
- Maximise the use of our franking account by paying fully franked dividends.

The final dividend payout ratio was 79% of the Bank's cash earnings for the full financial year. Including the interim dividend of $2.15 per share, the full year dividend was $4.65 per share, fully franked.

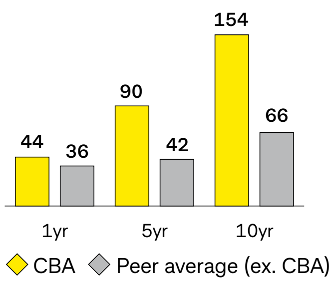
The Dividend Reinvestment Plan (DRP) continues to be offered to shareholders. No discount will be applied to shares allocated under the plan for the final dividend. The DRP is anticipated to be satisfied in full by an on-market purchase of shares.

Dividend per share (cents)



Total shareholder return (TSR)

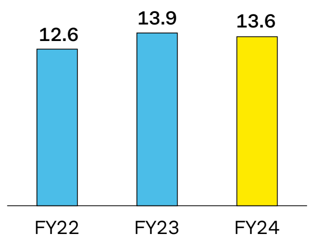
(%)



TSR combines both share price appreciation and dividends paid. It shows the total return to shareholders over time.

Return on equity (ROE)

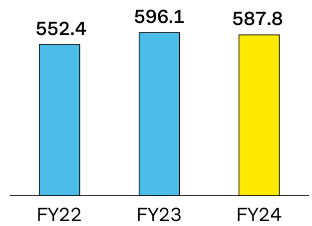
Cash, continuing operations (%)



ROE measures the Bank's profitability. It represents the net profit generated as a percentage of the equity shareholders have invested.

Earnings per share (EPS)

Cash, continuing operations (cents)



EPS measures the Bank's earnings growth. It is calculated by dividing net profit after tax by the number of shares on issue.

Group financial performance

Our result reflects our customer focus and disciplined strategic and operational execution. We have continued to profitably grow business lending, home lending and deposits, while managing our costs in an inflationary environment.

Group profit

Cash NPAT

$9,836m

FY23 $10,072m

Statutory NPAT

$9,481m

FY23 $10,096m

Cash NPAT decreased 2% reflecting the impact of inflation on operating expenses, partly offset by lower loan impairment expense.

Cash NPAT is management's preferred measure of the Group's financial performance. It excludes non-cash items that are non-recurring in nature and not considered representative of the Group's ongoing financial performance.

Statutory NPAT includes non-cash items.

For details and a reconciliation between statutory and cash NPAT, refer to page 98 in the *Directors' report*.

	FY24	FY23	% change
Net interest income	22,824	23,056	▼ 1%
Other operating income	4,350	4,079	▲ 7%
Total operating income	**27,174**	27,135	–
Operating expenses	(12,218)	(11,858)	▲ 3%
Loan impairment expense	(802)	(1,108)	▼ 28%
Net profit before tax	**14,154**	14,169	–
Tax expense	(4,318)	(4,097)	▲ 5%
Net profit after tax – cash basis	**9,836**	10,072	▼ 2%

Operating income

Operating income

Cash basis

$27,174m

FY23 $27,135m

Net interest margin

1.99%

FY23 2.07%

Net interest income decreased 1%, driven by lower net interest margin, partly offset by volume growth in home and business lending.

Net interest margin (NIM) is an important measure of our financial performance. It represents the return on our interest earning assets (e.g. home loans) after accounting for the costs of funding these assets (e.g. deposits).

NIM decreased 8 basis points primarily driven by intense competition for home loans and customers switching to higher yielding term deposits.

Other operating income increased 7%. The key drivers were:

- Increased foreign exchange and cards income due to higher transaction volumes;
- Higher retail, business and institutional lending fee income driven by lending volume growth; and
- Improved markets trading income.

Partly offset by:

- Lower equities income due to reduced trading volumes.

Operating expenses

Operating expenses

Cash basis

$12,218m

FY23 $11,858m

Full-time equivalent staff

48,887

FY23 49,454

Cost-to-income ratio

Cash basis

45.0%

FY23 43.7%

Operating expenses increased 3% to $12,218 million in FY24.

Staff costs increased 4% driven by wage inflation and higher average full-time equivalent staff.

The staff increases were due to additional resources for the delivery of our strategic priorities as we continue to reduce reliance on external vendors and enhance our internal technology engineering, fraud and scams prevention, and cyber security capabilities.

Occupancy and equipment expenses increased 5% primarily driven by increased office attendance, relocation costs and inflation.

Information technology expenses increased 9% primarily due to higher amortisation, increased software licensing and infrastructure costs, including increased cloud computing volumes, and inflation.

Other expenses decreased 1% to $1,461 million.

For more details on operating expenses refer to Note 2.4 on pages 156–157 in the *Financial report*.

For more details on remediation provisions refer to Note 7.1 on pages 206–212 in the *Financial report*.

	FY24	FY23	% change
Staff costs	7,448	7,177	▲ 4%
Occupancy and equipment	995	950	▲ 5%
Information technology services	2,225	2,036	▲ 9%
Other expenses	1,461	1,483	▼ 1%
Underlying operating expenses – cash basis	12,129	11,646	▲ 4%
Restructuring and one-off item [1]	89	212	▼ 58%
Total operating expenses	12,218	11,858	▲ 3%

1 FY24 includes $89 million of restructuring costs. FY23 includes $212 million of restructuring costs and a one-off regulatory levy provision.

Tax expense

Tax expense

Cash basis

$4,318m

FY23 $4,097m

Income tax expense for the year increased 5% mainly due to higher hybrid capital distributions that are non-deductible for tax purposes. The effective tax rate for the year was 30.5%. This is above the Australian company tax rate of 30% primarily as a result of expenses non-deductible for tax purposes.

For more details on tax expense refer to Note 2.5 on pages 158–160 in the *Financial report*.

Provisions and credit quality

Loan impairment

Loan impairment

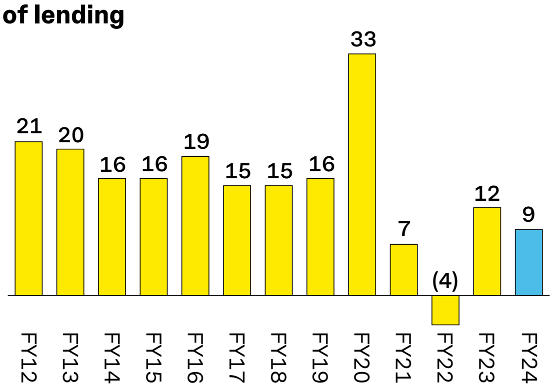
$802m

FY23 $1,108m

Loan impairment reflects changes in our estimates of expected loan losses, as well as bad debts incurred during the year net of any recoveries. The loan loss rate measures loan impairment as a percentage of average gross loans and acceptances.

Loan impairment expense decreased 28% reflecting our robust credit origination and underwriting practices, rising house prices and customer resilience in the face of higher interest rates.

Loan loss rate (bpts) as a percentage of lending

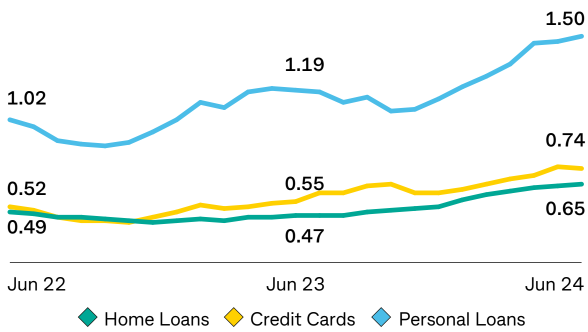


Portfolio credit quality

Consumer arrears show the proportion of our consumer credit portfolio where customers have fallen behind on their contractual loan repayments.

Consumer arrears increased reflecting the impact of higher interest rates and cost of living pressures on household disposable incomes. Our home lending portfolio remains well-secured and the majority of home lending customers remain in advance of scheduled repayments.

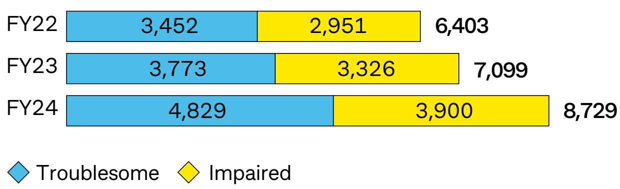
Consumer arrears > 90 days (%)



Troublesome and impaired assets include loans where customers are experiencing financial difficulties that could result in credit losses for the Group and loans to customers not meeting their repayment obligations such as loans in default.

The increase in troublesome and impaired assets to $8,729 million from $7,099 million in FY23, was primarily driven by downgrades of a small number of single name exposures across a few sectors and restructures and arrears in the home lending portfolio. The majority of impaired home loans are well secured.

Troublesome and impaired assets ($m)



Loan impairment provisions

Our total impairment provisions remained relatively stable at $6,135 million increasing slightly from $5,950 million in FY23.

The Group maintains a cautious approach to managing risks, as the level of uncertainty in the economic outlook remains high. Provisioning coverage remains strong with the provision coverage ratio at 1.66%.

Total impairment provisions ($m)

1 Ratio of total provisions to credit risk weighted assets.

Balance sheet strength

Balance sheet strength is critical to our ability to support our customers, invest for future and deliver sustainable returns for our shareholders. Our capital, liquidity and funding metrics remained strong during FY24. The strength of our balance sheet means the Bank is well positioned to continue supporting our customers and the broader Australian economy while delivering sustainable returns to our shareholders.

Capital

Common Equity Tier 1 capital ratio

12.3%

APRA (Level 2)

FY23 12.2%

The Group has a strong capital position with a Common Equity Tier 1 (CET1) capital ratio of 12.3% as at 30 June 2024, well in excess of the minimum regulatory requirement of 10.25%. This represents a $9.8 billion surplus to the APRA minimum regulatory requirement.

The Bank's CET1 ratio was supported by strong organic capital generation from earnings.

On 9 August 2023, the Group announced its intention to undertake a $1 billion on-market share buy-back. As at 30 June 2024, the Group has successfully completed $0.3 billion of the buy-back.

The strong capital position and our progress on executing our strategy means we are well placed to continue to support our customers, manage ongoing uncertainties and continue returning excess capital to shareholders.

The Bank is an Authorised Deposit-taking Institution (ADI) regulated by APRA.

To ensure banks hold sufficient capital to protect deposit holders against unexpected losses, APRA sets minimum capital requirements for ADIs based on the Basel Committee on Banking Supervision guidelines. These requirements influence the Bank's ability to pay dividends.

Funding and liquidity

Deposit funding ratio

77%

FY23 75%

Liquidity coverage ratio

136%

FY23 131%

Net stable funding ratio

116%

FY23 124%

The **deposit funding ratio** represents the proportion of total funding made up of customer deposits. Customer deposits are considered the most stable source of funding. The strength of our banking business has allowed us to maintain the highest share of stable household deposits in Australia. Ensuring we are well funded has been critical to our ability to continue supporting our customers and helping the Australian economy recover.

The Group continued to satisfy a significant portion of its funding requirements from customer deposits, accounting for 77% of total funding, with customers continuing to increase retail and business deposits.

The **liquidity coverage ratio (LCR)** represents the level of high quality liquid assets available to meet short-term obligations in a liquidity stress scenario. The Group's average LCR for the quarter ended 30 June 2024 was 136% which was significantly above the minimum regulatory requirement of 100%.

The **net stable funding ratio (NSFR)** shows to what extent our long term assets are covered by stable sources of funding. The Group's NSFR as at 30 June 2024 was 116% remaining well above the regulatory minimum of 100%.

Business unit performance

Retail Banking Services

Cash NPAT

$5,355m

FY23 $5,581m

Contribution to Group profit

54%

Net interest margin

2.51%

FY23 2.70%

Brands

Commonwealth Bank

bankwest

unloan BUILT BY

Retail Banking Services (RBS) provides simple and convenient 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. RBS also includes the retail banking activities conducted under the Bankwest and Unloan brands.

Financial performance[1]

Cash net profit after tax was $5,355 million, a decrease of $226 million or 4% on FY23. The result was driven by lower total operating income, an increase in operating expenses and a reduction in loan impairment expense. Total operating income reduced $380 million or 3% reflecting lower home lending, deposit and consumer finance margins mainly due to competition, partly offset by volume growth in lending and deposits, and higher earnings on equity. Operating expenses increased $187 million or 4%, driven by inflation, higher staff cost from investment in contact centre and scams management resources, higher amortisation and technology spend, partly offset by productivity initiatives including workforce and branch optimisation. Investment spend focused on product and service innovation, digital enhancements, the CommBank Yello loyalty program, home buying process optimisation, reducing scam losses and complying with regulations including Open Banking. Loan impairment expense decreased $270 million or 46% due to rising house prices and lower expected losses within consumer finance, partly offset by ongoing cost of living pressures.

Operating performance

RBS' strategy remains focused on deepening and broadening our customer relationships with distinct and differentiated propositions, giving customers more reasons to bank with us.

Our Main Financial Institution (MFI) share increased to 35.5%, remaining at #1. We also continued to grow our leading MFI share of young adults and migrants. Our customer advocacy and satisfaction has improved with RBS being #1 in NPS among the major banks.

Retail transaction accounts have grown by 5% and we have also seen good growth in household deposits. We continue to focus on disciplined and targeted lending growth to generate sustainable returns. RBS has maintained leading market share in home lending and deposits.

We remain focused on supporting our customers, including customers impacted by fraud and scams, and customers experiencing mortgage stress given the high interest rate environment. RBS continues to reimagine banking to anticipate our customers' needs to deliver more rewarding and personalised experiences. This included the launch of our new loyalty rewards program, CommBank Yello, in November 2023 with over 5 million retail customers now actively engaged.

To help customers take advantage of energy efficiency opportunities we offer a range of products and incentives, including our Green Loan, Green Home Offer and Personal Loan Offer which can be used to purchase eligible electric or hybrid vehicles. This year, we introduced InstalPay to help our customers install solar panels and batteries in their homes.

1 Excludes the General Insurance business which was sold on 30 September 2022.

Business Banking

Cash NPAT

$3,774m

FY23 $3,624

Contribution to Group profit

38%

Net interest margin

3.43%

FY23 3.53%

Brands

Commonwealth Bank

CommSec

bankwest

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

Financial performance

Cash net profit after tax was $3,774 million, an increase of $150 million or 4% on FY23. The result was driven by higher total operating income and a reduction in loan impairment expense, partly offset by an increase in operating expenses. Total operating income increased $296 million or 4% reflecting improved deposit margins and earnings on equity from the rising rate environment and continued lending volume growth, partly offset by lower lending margins reflecting competitive pricing. Operating expenses increased $137 million or 5% driven by inflation and higher technology spend, additional customer facing staff and investment in product offerings. Investment spend primarily focused on further enhancing customer experience through reimagining products and services, system modernisation, digitisation and automation. Loan impairment expense decreased $55 million or 11% due to lower specific provisions charges, partly offset by higher collective provisions. Provision coverage remains above pre-COVID levels reflecting the impact of higher interest rates and ongoing inflationary pressures.

Operating performance

BB is Australia's leading business banking franchise with one in four businesses calling us their main financial institution. Our strategy aims to build deeper relationships with our customers through the strength of our transaction banking offering.

Our MFI share increased to 25.5% and our leading deposit market share demonstrates the strength of the franchise. The Business NPS ranking remained strong through the year. We continue to focus on differentiating and improving customer experience, supporting Australian businesses, offering innovative products and services, and creating superior digital experiences.

We now have 1.25 million transaction accounts, growing by 9% this year. BB delivered strong performance with business lending growth of 11% or $14.7 billion across key sectors. We have a strong deposit funding ratio of around 90%.

Our focus is on deepening customer relationships from our lead in transaction banking. With tailored offerings such as our Smart payments solutions (e.g. in Health, Hospitality, and Real Estate), over 90% of business loans are attached to a transaction banking relationship. Additionally, we enable flexible access to capital through short-notice interest-earning accounts (including the new Flexi Business Investment Account), as well as working capital solutions such as Stream.

To support customers transition their business in line with Australia's climate ambitions, we offer a range of products and services that can support and incentivise our customers, including our Business Green Loan and Green Vehicle and Equipment Finance. Our Green Buildings Tool helps business customers identify actions they could take to improve energy efficiency and reduce the emissions of their commercial buildings. In addition, the Sustainability Action Tool, available through Netbank, CommBank app, and CBA website, surfaces relevant actions and resources on sustainability to small and medium businesses.

Institutional Banking and Markets

Cash NPAT

$1,097m

FY23 $1,048m

Contribution to Group profit

11%

Net interest margin[1]

1.62%

FY23 1.44%

Brands

Commonwealth Bank

CommBank iQ

Powered by | quantium

Institutional Banking and Markets (IB&M) provides domestic and global financing and banking services to large corporate, institutional and government clients. This includes access to debt capital markets, risk management, transaction banking, sustainable finance, structured and working capital solutions, and tailored research and data analytics.

Financial performance

Cash net profit after tax was $1,097 million, an increase of $49 million or 5% on FY23. The result was driven by an increase in total operating income, partly offset by higher operating expenses and a reduction in loan impairment benefit. Total operating income increased $82 million or 3% driven by higher earnings on deposits and equity, increased sales volumes in fixed income, and higher fees from increased volume of lending facilities, partly offset by lower institutional lending and leasing margins, lower fixed income and rates trading income, and non-recurrence of prior year gains from asset sales in Structured Asset Finance. Operating expenses rose $32 million or 3% due to inflation, investment in business and operations resources and volume driven operations costs, partly offset by lower technology costs and productivity initiatives. Investment spend primarily focused on strategic initiatives and continuing to strengthen operational risk, compliance and regulatory frameworks. Higher collective provisions contributed to a $32 million decrease in loan impairment benefit, as forward looking adjustments and non-recurrence of prior year provision releases were partly offset by higher write-backs, recoveries and lower individual provisions for single name exposures.

Operating performance

IB&M plays an important role as a source of funding for the Group, with a strategy focused on deepening relationships with large corporate, institutional and government clients.

Excluding the impact of pooled facilities, lending volumes have increased driven by growth in the asset backed lending portfolio while maintaining an efficient risk weighted assets profile. Lending margins remain under pressure due to the higher funding cost environment. Deposit balances have increased driven by transaction and saving deposits with margins benefiting from the higher rate environment. With stable investment deposits, IB&M now contributes around $66 billion of net deposit funding to the Group.

Markets revenue, excluding derivative valuation adjustments, was slightly lower, mainly in fixed income driven by lower trading gains partially offset by higher sales volumes, with a stable performance in the commodities and carbon business.

IB&M continued to focus on building Australia's future economy and supporting our clients' transition to net zero. This included assisting in 82 sustainable finance transactions across loans and bonds this year, as well as deepening our involvement in key global carbon markets through investment and strategic partnerships, with the aim of supporting Australia's voluntary carbon market and our clients in line with IB&M's strategy.

1 Net interest margin in Institutional Banking and Markets excludes Markets.

New Zealand

Cash NPAT

$1,194m

FY23 $1,320m

Contribution to Group profit

12%

Net interest margin[1]

2.23%

FY23 2.39%

Brands

New Zealand includes the businesses operating under the ASB brand. ASB is dedicated to accelerating progress for all New Zealanders. We provide everyday banking, lending, insurance and wealth management products and services to individuals and businesses across the country.

Financial performance

Cash net profit after tax was $1,194 million, a decrease of $126 million or 10% on FY23. Total operating income decreased $116 million or 4% driven by a decrease in net interest margin. Operating expenses increased $49 million or 4% reflecting higher technology costs from increased software licensing and amortisation, wage inflation and increased costs to prevent fraud and scams, and enhance our financial crime capability. Investment spend continues to focus on regulatory compliance, customer experience initiatives and enhancing technology platforms. Loan impairment expense increased $5 million or 8% driven by higher individually assessed provisions in the business portfolio and write-offs in the consumer finance portfolio.

Operating performance

ASB home and business & rural lending grew by 1% in a competitive, low growth New Zealand market, while deposits grew by 5% as customers took advantage of higher yielding term deposits.

While deposit customers continue to benefit from higher interest rates in New Zealand, it is a challenging environment for borrowers and ASB has been proactively reaching out to business and personal lending customers to provide support. The vast majority are still managing well.

ASB has established a range of initiatives this year to help improve New Zealand's productivity and support social and environmental transformation. This included an Accelerated Housing Fund to support affordable, social and Māori housing development, ASB Access to help supercharge high potential food and fibre exporters, and lending for initiatives to improve business productivity.

ASB entered into a partnership with Rewiring Aotearoa to investigate barriers and opportunities around the conversion of NZ homes and farms to renewable energy. Additionally, it launched a Clean Tech Fund for early-stage companies focused on reducing emissions and improving use of natural resources, and invested in AgriZeroNZ to help farmers reduce agricultural emissions and ensure the future competitiveness and profitability of the industry.

ASB continues to invest in preventing fraud and scams. In FY24 ASB invested almost $100 million to protect customers against fraud, scams, financial and cyber crime. ASB launched a 24/7 fraud and scams phone line for customers, and is investing in an ongoing campaign to upskill all New Zealanders about fraud and scams.

1 Net interest margin is ASB Bank only and is calculated in New Zealand dollar.

Managing our risks

Effective risk management is about understanding different perspectives and using appropriate judgement, to make risk decisions that deliver better outcomes for customers and the community.

Effective risk management enables us to fulfil our purpose of building a brighter future for all. From helping people buy a home or start and grow a business, we take risks we understand and can manage, to support our customers in achieving their goals. We need to be adaptive to the changing landscape of threats and opportunities and take the right risks, with a strong emphasis on customer outcomes, resilience, security and safety.

CBA's embedded Risk Management Framework (RMF), together with a strong culture and Code of Conduct, empowers our people to confidently manage risks and opportunities. This enables the Board, Executive Leadership Team (ELT) and our people to make informed risk decisions that support the delivery of our strategy and better customer outcomes, within risk appetite.

The Bank's operating environment is varied and dynamic. This introduces new risks and opportunities and affects our risk priorities.

Key considerations for risk this year:

Macroeconomic uncertainty and cost of living pressures

The Bank's financial performance is closely linked to local and global economic performance. Economic growth in Australia has slowed over the past year and is at its weakest rate in 30 years, outside of the COVID-19 pandemic. However, unemployment remains well below pre-pandemic levels. The higher interest rate environment combined with inflationary pressures has increased stress for some households while others are lowering spending and saving to manage pressures. Limited housing supply and strong demand is pushing up home and rental prices, creating more challenges for younger Australians and renters. We must carefully manage capital and credit settings to continue supporting our customers and the economy.

Escalating fraud, scams and cybercrime

Fraud, scams and cybercrime continue to cause significant harm to Australians, with the number of scam reports increasing by 18.5% in 2023. Rapid advances in new technologies including AI, continue to affect the threat landscape, leading to persistent targeting of individuals and organisations of all sizes.

While scam losses in Australia decreased from $3.1 billion in 2022 to just over $2.7 billion in 2023, anti-scam efforts across governments, regulators, digital platforms, telcos, banks and other industries need to continue, to better protect Australians. We continue to invest in technology capabilities to detect, prevent and respond to fraud and scams. We are focused on proactive collaboration with industry and government partners, to increase national resilience and further reduce the impact of fraud, scams and cyber attacks on customers and the community.

Environmental and social expectations

Decarbonising Australia's electricity grid remains the priority step needed to achieve Australia's and the Bank's emissions targets. CBA plays a role in helping our customers transition to a net zero future and to build resilience to climate change impacts. The transition, and increasingly frequent and severe weather events, is expected to impact the livelihoods and wealth equality of Australians in some regions. This is potentially heightened by declining insurance affordability, high energy prices and expected job losses in regions reliant on fossil fuels. We are committed to engaging with government and communities on solutions that support an inclusive transition.

Increasingly complex geopolitical environment

Conflicts in Europe and the Middle East have led to increased market volatility, with the US election expected to deliver further policy uncertainty. Competition between the US and China is challenging the global financial system, creating disruption to cross-border allocation of capital, payment systems, critical minerals and technology standards. Australia's banking system capital and liquidity requirements and CBA's prudent capital management help us to manage financial risks from geopolitical instability, and continue to support customers and the Australian economy. CBA focuses on responses to disruption events, including those that impact third party providers, to maintain appropriate resilience of critical operations. This includes building internal capabilities and participating in Australian government initiatives to strengthen national critical infrastructure, digital identities, security and resilience.

Competition intensity

Competition remains from both existing and new competitors, including non-traditional competitors. In payments, digital wallets are continuing to grow rapidly in customer uptake and breadth of services. Maintaining our leading main financial institution positions, requires us to continue delivering superior customer experiences, including personalised digital offerings, while maximising the value of local branches and contact centres.

Capability and culture

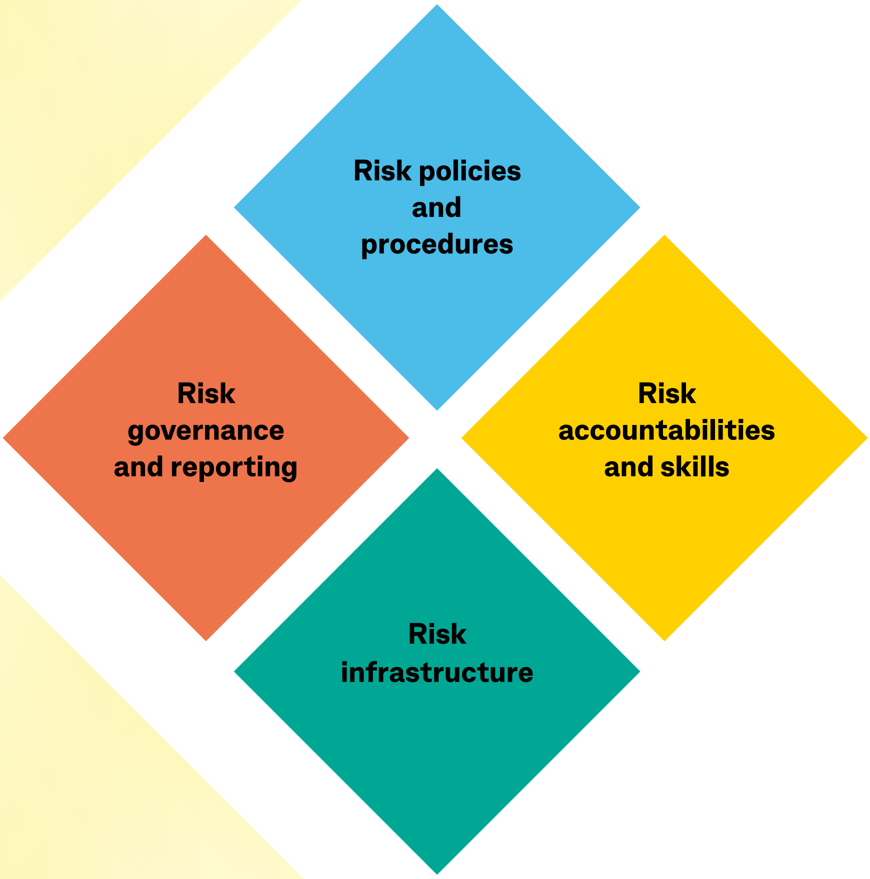
The progression of technologies including AI, changing customer expectations and rapidly evolving risks require leaders, employees and partners with new and different skill sets. These include engineering, technology, environment, data and analytics. We continue to upskill our people with the most relevant skills and recruit to enhance our capabilities. In recent years, we have transformed our culture to take measured risks we understand and can manage, ask 'Should We?' when making decisions, and challenge the status quo to prioritise better outcomes for our customers.

Our approach to risk

Our RMF comprises the systems, structures, policies, processes and people that identify, measure, evaluate, monitor, report and control or mitigate both internal and external sources of material risk, within the Board-approved Risk Appetite Statement (RAS). The RAS sets the level of risk the Bank must operate within to deliver our strategy. The RMF includes material risks we must monitor and manage, and outlines our approach to assessing emerging risks.

Risk framework enablers

The risk framework enablers allow us to effectively identify, assess, record, manage and monitor our material risks.



Risk culture

Our risk culture reflects beliefs and behaviours within the Bank that determine how risks are identified, measured, governed and acted upon. To maintain and improve our risk culture, CBA conducts a series of assessment and response mechanisms. These include the Board risk culture assessment, where the Board and senior management form a view of the Bank's risk culture; the Group risk culture response plan, to address identified focus areas and business unit risk culture self-reflections, where leadership teams identify and prioritise focus areas to improve risk culture.

Risk policies and procedures

Our risk policies and procedures outline the principles and practices to be used in identifying and assessing our material risks, and translate the RAS into our daily business activities.

Risk governance and reporting

The Board provides the highest level of the Bank's risk governance and is ultimately responsible for the oversight and operation of the RMF by management. Supporting the Board are the Risk and Compliance, Audit, Nominations, and People and Remuneration Committees, as well as specific management committees overseeing material risks. Regular management information is provided which allows material risk positions to be monitored against the RAS and policy limits.

Risk accountabilities and skills

The Three Lines of Accountability model organises our accountabilities to manage the Bank's risks through separation of roles from those that own and manage the risks; develop risk frameworks and the RAS; and provide independent assurance over how effectively risks are being managed. The Three Lines of Accountability includes skilled employees within each line and is also supported by risk capability, performance and remuneration frameworks.

Risk infrastructure

Our risk infrastructure provides the systems, tools, models and data required for the effective management of our material risks.

+ For more detailed information on the Group RMF and risk types, refer to Note 9 in the *Financial report* on pages 223–264.

Setting our risk appetite

CBA is committed to establishing a culture of disciplined risk management, and our RAS sets the foundation and expectations to deliver long-term value for our customers, people, communities and shareholders.

The RAS is reviewed and approved annually by the Board in line with operating context, and adapted to new and changing risks present in our operations. This year, in response to the risks and opportunities of AI, a new appetite measure was introduced to provide transparency and governance of the Bank's use of AI. The Board-approved RAS helps embed a culture focused on disciplined risk management that enables smart risk taking. The RAS also includes key risk indicators for our material risks, which provide signals for building levels of risk, encourage management to take action and avoid a breach of appetite. In addition to governance of RAS performance through Board and management level committees, our Group policies, procedures, delegation and limits translate and embed the RAS into our daily business activities.

Stress testing

Stress testing is an important risk management tool that is integrated across the organisation. Stress testing enables the Board and senior management to better understand, quantify and manage risks. It informs how we may respond to risk events occurring, and any potential weaknesses in our actions during a crisis. The results of these tests are important in strengthening our risk management approaches. Stress testing results also inform our risk appetite and aid us in identifying the acceptable levels of risk we will assume in our operations.

During 2024, CBA performed stress testing on different economic and idiosyncratic scenarios to assess and inform capital and liquidity management. The results highlighted the resilience of the Bank's balance sheet to multiple adverse scenarios. CBA also performs targeted stress testing across credit risk portfolios, liquidity cash flows, market risk, operational risk events and climate scenarios.

Our risk types

The Bank is exposed to many risks through our products and services. We categorise these into underlying risk types – strategic, financial and non-financial risks – based on the nature of their impacts. The Board approves the risk types of the RMF, which establishes the risks that require management and control processes.

Risk types

Strategic

Risks related to value destruction or less-than-planned value creation, due to changes in the internal or external operating environment, such as emerging technologies, macroeconomic conditions, the regulatory or political environment and changes in societal expectations.

- Capability and culture
- Capital adequacy
- Environmental and social
- Reputation

Financial

Risks arising from financial transactions the Bank is exposed to through customer credit products, changes in market rates or prices, or the inability to meet our financial obligations when they fall due.

Credit risks

- Non-retail credit
- Retail credit

Market risks

- Non-traded market
- Traded market

Liquidity risks

Non-financial

Risks arising from inadequate or failed internal processes, people or systems, including the failure to act in accordance with laws and regulations.

Compliance Risks

- Conduct
- Financial crime compliance
- Privacy
- Regulation and licensing

Operational risks

- Accounting and Tax
- Artificial intelligence
- Business disruption
- Cyber security
- Data management
- Fraud and scams
- Legal
- Model
- People
- Third parties
- Transaction processing
- Technology

Material risks

Our material risks are those the Bank is placing extra focus on mitigating, due to their potential to materially impact the Bank, our customers, shareholders and the community, now or in the future.

- **Financial risk (including credit, market and liquidity risks)**
- **Cyber security**
- **Fraud and scams**
- **Environmental and social**
- **Capability and culture**
- **Privacy and data management**
- **Artificial intelligence**
- **Financial crime compliance**
- **Business disruption**
- **Regulatory compliance**

Our emerging risks

We look ahead to consider risks that may challenge us in the future and to uphold the risk management standards expected by our customers, communities and shareholders.

Emerging risks are risks that newly develop, or which exist but are constantly evolving, with the potential to impact the Bank and our customers in the medium to longer term (>12 months), but require action now to minimise their future impact. Emerging risks are most often driven by new trends in our operating environment, such as competition, new technologies or evolving customer expectations.

Our emerging risk profile is updated annually through a qualitative and quantitative review process with the ELT and the Board, and is aligned with the annual review of the Group's Strategy. The emerging risk profile also assesses the adequacy of the Bank's mitigating strategies to prevent these emerging risks from materially impacting the Bank. Where we may have limited ability to influence certain emerging risks, it may be more challenging to implement mitigating actions.

Key emerging risk themes

Macroeconomic	Geopolitical tensions and conflict
	Macroeconomic uncertainty
Political and regulatory	Accelerated regulatory reform
Competition	Business model disruption from competitors
	Financial system disruption from other competitors
	Tokenisation, blockchain and stablecoins
Technology, workforce and resilience	Cloud migration
	Future skills competition
	Generative AI
	Growing sophistication of cyber threats
	Quantum computing
Customer expectations	Business model disruption from societal expectations
	Housing affordability
Environmental	Australian energy transition
	Financial impacts of extreme weather events
	Societal impacts of extreme weather events
Social	Human rights and modern slavery
	New infectious diseases

Our material risks

Our material risks are those the Bank is placing extra focus on mitigating, due to their potential to materially impact the Bank, our customers, shareholders and the community, now and in the future.

Risk context | **Our response**

Financial risk

Risk type: F

Material themes:

Macroeconomic pressures and the rising cost of living could negatively impact financial risk. The slowdown in economic growth could lead to market volatility, increased unemployment and an increase in the number of borrowers' unable to meet their financial commitments with the Bank.

- Credit settings, pricing and the credit profile of our customers are routinely assessed in light of changing and emerging risks. Our loan loss provisions are carefully managed to help ensure provisions are appropriate.
- We help ensure that the Bank's balance sheet settings remain conservative, with a high proportion of funding from customer deposits and excess liquidity. We perform stress tests to help ensure we are well prepared for a range of economic scenarios.

+ Learn more about how we are supporting our customers on pages 36–41.

+ Learn more about our financial risk management on pages 223–264 of Note 9 in the *Financial report*.

Cyber security

Risk type: N

Material themes:

Cyber attacks continue to pose a significant threat of disruption and loss of confidential data. These attacks have grown in both severity and frequency, driven by high-value targets and new technologies available to cyber criminals. The Bank is acutely aware of the destabilising impact a cyber attack could have.

- We invest in people, process and technological capabilities to help defend our systems against cyber attacks.
- We test ourselves in simulations to help improve the Bank's response and recovery capability.
- We remain focused on strengthening system-level resilience, which includes collaboration with industry bodies and the Government's National Office of Cyber Security.

+ Learn more about our approach to cyber security on page 46.

Fraud and scams

Risk type: N

Material themes:

The acceleration of new technologies in recent years has allowed for more innovation and digitisation, but has also been used by criminals to perpetrate increasingly sophisticated fraud and scams against customers.

- Initiatives across the Bank are focused on enhancing our ability to detect, prevent and recover losses from fraud and scams on our customers. Examples of anti-scam initiatives and features include CallerCheck, NameCheck, CustomerCheck and our partnership with Telstra to help protect customers from phone scams and our leading stance on cryptocurrency safeguards.
- Our CommBank Safe webpage provides education and awareness tools to help customers protect themselves from fraud and scams. Research indicates that while Australians have become more concerned about scams over the past 12 months, over eight in ten people say they are confident in their ability to recognise a scam.

+ Learn more about how we are helping customers protect themselves on page 37.

Risk context		Our response
Environmental and social Risk type: S Material themes:	More frequent and severe weather events and longer-term shifts in climate patterns could result in the Bank's assets, including those held as collateral, being impaired. Assets in certain industries could also lose value from not aligning with the transition to new technologies, regulations or consumer trends. Our reputation could also be impacted by inadequate environmental and social commitments and progress towards them, including financing and engaging with organisations that do not meet stakeholder expectations.	• The Board and ELT oversee the strategic approach to addressing environmental and social risks and opportunities. We offer a range of tools that can help our customers build their resilience to the impacts from climate events. • The Bank uses scenario analysis and the Group Climate Risk Materiality Assessment to better understand the climate-related impacts on our material risk types. We also continue to enhance our tools, data and methodologies across a range of business processes to better identify, assess and manage environmental and social risks to both our customers and the Bank. **Learn more about our climate risk management on pages 48–61 of the 2024 Climate Report.**
Capability and culture Risk type: S Material themes:	We require people with the right skills and values to deliver exceptional customer experiences and effectively execute on our strategy. Competition for these skills remains high as they are sought after in various industries, locally and globally.	• We have embedded a 'skills-led' approach to talent acquisition and the development of our people. Our strategic workforce planning processes inform our capability needs to build, buy and partner for. • We develop and deliver learning and development programs targeting key skills such as AI, human–centred design and upskilling of critical job families including engineers and product owners. • As part of our diversity, equity and inclusion strategy, we set goals to advance gender and cultural representation across leadership roles. • Initiatives are in place to further embed our culture of using sound judgement and prioritising the voice of the customer. As part of performance reviews, our people are assessed against our values and on how effectively they managed risk within their role. **Learn more about capability and culture on pages 31–35.**

Risk type:

F Financial

N Non-financial

S Strategic

Material themes:

Customer support, experience and community impact

Engaged and supported workforce

Governance, culture and accountability

Cyber security, privacy and data management

Digitisation, innovation and emerging technology

Climate transition and nature

Banking strategy, execution and operating context

Learn more about our material themes on pages 24–25.

For more detailed information on all of the Bank's material risks, refer to Note 9 in the *Financial report* on pages 223–264.

Material risks continued

Risk context | **Our response**

Privacy and data management

Risk type:

Material themes:

We are conscious of the trust our customers place in us to collect, handle, and protect their personal information in a manner consistent with our obligations and customer expectations. Quality data is critical in enabling us to support our customers' needs and make business decisions.

- We continue to improve privacy processes and capability across the Bank to achieve compliance in all jurisdictions we operate.
- Through our data management framework, we are continuing to manage and improve the tools and processes that enable CBA to manage the quality of our data, and retain and dispose of data appropriately.
- We have policies and standards in place to manage customer records and the appropriate handling of customers' personal information.

Learn more about our approach to data privacy on page 46.

Artificial intelligence

Risk type:

Material themes:

CBA continues to focus on the use of responsible AI to efficiently solve problems, better anticipate customer expectations, and deliver more timely and personalised customer experiences. Recent advances in AI could enable significant enhancements to customer experience and process simplification, but we are mindful of the need to appropriately manage potential risks.

- We continue to mature our suite of risk policies, procedures, tools and reporting to try and ensure the development and use of AI is appropriately governed.
- When AI is used in our operations, all existing risk management practices continue to apply.
- CBA continues to be an industry representative on the National AI Centre's Responsible AI think tank, supporting the government through consultation on the safe, ethical and responsible use of AI solutions.

Learn more about our approach to AI on page 46.

Financial crime compliance

Risk type:

Material themes:

Banks have a critical role in protecting our customers, the community, and the integrity of the financial system from financial crimes. The Bank is required to comply with legislation targeting financial crime activities globally, including: Sanctions, Anti-Money Laundering and Counter Terrorism Financing (AML/CTF), Anti-Bribery and Corruption, and Anti-Tax Evasion Facilitation.

- 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, and additional enhancements of systems and processes may be required.
- We continue to invest in risk assessment tools, data and processes to better understand and detect financial crime risks. This includes a financial investment in Global Screening Services, a payments screening specialist.
- We work closely with AUSTRAC and international regulators, law enforcement bodies and the Fintel Alliance to detect and deter financial crimes.
- We have initiatives to build capability on the frontlines to help in identifying criminal activity.
- We continue to partner with Griffith University on the Academy of Excellence in Financial Crime Investigation and Compliance program, to build sustainable career paths in financial crime risk management.

Learn more about how we combat financial crime on page 46.

Risk context		Our response
Business disruption Risk type: N Material themes:	The Bank operates across a range of locations, supported by a complex technology infrastructure. Operational disruption events could occur due to internal technology issues, including potential cyber security events, the loss of service providers, loss of availability of our people or workplaces, or natural disasters. Such disruptions can materially impact our ability to serve customers, damage our reputation, and can result in financial losses and regulatory penalties.	• We constantly monitor the health of our technology systems and perform security risk reviews, threat monitoring, and business continuity planning for a range of disruptions scenarios. • We implement supplier governance mechanisms to identify and manage the risk of service provider disruptions. • The Bank has a robust and flexible crisis management framework and regularly completes exercises to ensure a coordinated response to disruption incidents. • We are enhancing our approach to operational risk, business continuity and service provider management to better protect our critical operations from disruption risk events, and to support compliance with the new APRA Prudential Standard CPS 230 *Operational Risk Management*, which is effective from 1 July 2025.
Regulatory compliance Risk type: N Material themes:	The Bank is required to comply with the increasing volume, complexity and global reach of laws, regulations, rules, licence conditions, industry standards and codes, and statements of regulatory policy. Failure to comply can result in negative outcomes to customers, severe penalties and adverse impacts to the Bank's financial results and reputation.	• Our regulatory engagement standard drives engagement with regulators in an open, honest and transparent manner. • The Bank assesses the impacts of regulatory change and embeds new requirements into practices, systems and processes. • Compliance policies and procedures are in place. Employees are assigned mandatory compliance training to help ensure awareness of key obligations relevant to their role. • Our Compliance Management Framework requires the identification, documentation and monitoring of compliance arrangements and key controls. • All employees are subject to a risk assessment as part of annual performance reviews.

Risk type:

- F Financial
- N Non-financial
- S Strategic

Material themes:

- Customer support, experience and community impact
- Engaged and supported workforce
- Governance, culture and accountability
- Cyber security, privacy and data management
- Digitisation, innovation and emerging technology
- Climate transition and nature
- Banking strategy, execution and operating context

+ **Learn more about our material themes on pages 24–25.**

+ **For more detailed information on all of the Bank's material risks, refer to Note 9 in the *Financial report* on pages 223–264.**

Our approach to corporate governance

Many Australians are worried about financial security as the economy slows and cost of living pressures continue. When I meet stakeholders around the country, I am reminded of our purpose, to build a brighter future for all, and the role CBA plays in supporting a more prosperous, sustainable and resilient economy.

Our purpose guides us on how to best serve our customers. By consistently meeting our customers' needs and seeking to serve the national interest, we aim to build enduring customer relationships. We are committed to keeping the Bank strong and safe so we can support our customers, communities and the economy through the cycle. By supporting customers to buy a house, save for the future or start or grow a business, we aim to improve living standards for all Australians.

Board and strategic priorities

Australians continue to face challenges, such as persistent inflation, cost of living pressures, geopolitical uncertainty and fraud and scams. The Board engages with key stakeholders to understand their priorities, listen to their views and ideas on how CBA can further support them. Stakeholders have different priorities and expectations. It is the Board's responsibility to weigh views, test the suitability of the Bank's strategic goals over the long term, balance outcomes for stakeholders and deliver sustainable returns to shareholders.

This year, we spent considerable time deliberating whether our strategy serves our purpose, business model resilience, areas for sustainable growth, our culture, customer support and strategic planning for the next decade.

Learn more about the Bank's strategy on pages 10–19.

Supporting customers and the broader economy

We recognise that rising cost of living impacts are being felt unevenly. The Board monitors a range of customer-related areas to deliver fairness and transparency in the support we are providing. During the year, the Board reviewed the Bank's support for customers in vulnerable circumstances.

We receive reports on customer feedback and view operational metrics such as complaints, disputes, wait times and service availability. This information helps us identify and resolve issues to improve customer experience. While we have more work to do, our aim is to create a culture where our people consistently try to make our customer experience better. In order to be there for our customers, we also need to take care of our people. The Board has been especially interested in work that helps our people offer empathetic customer service, while also looking after our peoples' wellbeing.

Learn more about how we are focused on supporting our customers on pages 36–41.

Managing key risks

The Board establishes the strategic objectives and risk appetite for the Bank. The Risk & Compliance Committee and the Audit Committee support a program of work to inform the Board. Annually, the Board assesses the maturity of key risk types and ensures the Risk Management Framework (RMF) aligns with external factors, business plans, and strategic priorities. Our Risk Management Declaration to APRA allows the Board to reflect on the framework's effectiveness and make necessary adjustments. It is through this process that we are able to continually identify which risk types require further improvement.

CBA operates in a highly competitive market, with a high number of regulatory obligations and community expectations. As such, the Bank aims to continually improve how it serves its customers, maintains service resilience and keeps the Bank safe. We continue to look for ways we can deliver sustainable banking services that meet the needs of our retail and business customers.

The Board acknowledges continued stakeholder interest in our lending activities' impact on the environment. Our Environmental and Social (E&S) Framework outlines our environmental commitments. We are progressively setting operational and sector-level financed emissions targets in line with pathways to net zero by 2050. We now have financed emissions targets on sectors that account for 67% of the Bank's 2020 financed emissions, and our roadmap outlines the steps we intend to take to meet our commitments. Regular updates on the Bank's progress on climate targets are provided to the Board to assist our oversight of how we are playing our role to support a coordinated, reliable, affordable and inclusive transition for Australia.

Learn more about how the Bank manages risk on pages 70–79.

Governance, culture and accountability

Maintaining a high standard of governance is essential in delivering on our strategy and ensuring that we do right by our customers and communities.

The Board sets the tone for the Bank's culture and supports management in promoting the right mindsets and behaviours. Positively, our most recent organisational culture assessment shows our peoples' continued progress in placing customers at the centre of all we do to deliver positive customer outcomes.

Attracting and retaining talent with the right skills at all levels is needed to deliver our strategic ambitions. Through our People & Remuneration Committee (PRC), we monitor and prioritise building a highly capable workforce while progressing our diversity and inclusion goals.

CBA's Executive Leadership Team (ELT) is highly regarded and has delivered good performance through consistent strategic and operational execution. Our executive remuneration framework seeks to attract and retain exceptional talent, align with and deliver sustainable long-term shareholder returns and meet regulatory requirements. It is imperative that we hold our executive team accountable for their actions, that their remuneration rewards positive outcomes and is adjusted for poor outcomes. Concurrent meetings bring together the PRC, Audit Committee, Risk & Compliance Committee and Nominations Committee members to thoroughly review and discuss performance over the year – reflecting on achievement of strategic priorities, risk management and living our values. Information presented at these meetings, such as risk scorecards, conduct reviews, key risk issues, internal audit findings and financial performance evaluations, inform decisions on both collective and individual remuneration impacts.

Board effectiveness

We remain committed to ensuring the Board functions effectively, including how it allocates its time and how it is constituted. This year, I retired from my other ASX-listed Board appointment to allow me to dedicate my time to my responsibilities as Chair of CBA.

Both Board and management succession planning takes a considerable amount of time and dedication. Board succession planning is essential for replacing departed skills, enhancing existing capabilities and preparing for future possibilities. My aim is to achieve a balanced mix of skills, experience and perspectives. The Board requires a varied range of skills and experience, from banking and customer experience to technology, regulation and risk, as well as operational expertise in running large businesses, financial decision making, supporting people and culture, understanding remuneration frameworks, leadership values and behaviours. The skills matrix helps inform where the Board may require renewal. This year, I spent considerable time meeting with potential candidates to learn more about their experience and availability to inform future plans.

Continuous education forms an important role in enabling directors with diverse experience and backgrounds to participate effectively in Board decisions. All Directors are required to complete mandatory training and this year attended targeted education sessions on topics such as the Financial Accountability Regime, cloud technology, artificial intelligence and nature resilience and risk.

Learn more about our approach to Board composition, renewal and skills on pages 88–89.

Closing

As the Chair of CBA, I'd like to extend my personal thanks to my diligent fellow Directors who are focused on the Bank's stability and safety, our dedicated people who want to improve our customers' experience with CBA, our loyal customers and communities and our supportive shareholders.

CBA is well positioned for the future, to continue supporting our customers, communities and the nation. By executing our strategy, we aim to contribute to a more prosperous, sustainable and resilient future for Australia.

Paul O'Malley
Chair

Our corporate governance framework

The Board oversees the Bank's corporate governance framework. It is responsible for providing leadership and strategic guidance, and overseeing management and delivery of the Group's purpose.

We are committed to continuously improving our governance practices, seeking to ensure they are aligned with our business and stakeholders' needs. Effective corporate governance is key to the Bank's ability to deliver on our purpose and strategy.

CBA's corporate governance framework seeks to provide clear guidance on how authority is exercised and oversight is provided. The key components of our corporate governance framework, including key functions of the Board, its Committees and the ELT are shown below.

Board

Provides leadership and strategic guidance, and oversees management and delivery of the Group's purpose.

Audit Committee

Review and oversight of the financial reporting process, the audit process and internal controls and compliance.

Nominations Committee

Review and oversight of Board and Committee composition, Non-Executive Director appointment and renewal and CEO succession planning.

Risk & Compliance Committee

Review and oversight of risks impacting the Group and the Risk Management Framework.

People & Remuneration Committee

Review and oversight of people and remuneration-related policies, frameworks and practices.

Independent assurance and advice including internal and external audit

Oversee

Chief Executive Officer

Responsible for the day-to-day management of CBA and execution of the Group's strategic priorities.

Executive Leadership Team

Responsible for making specific recommendations to the CEO and agreeing common actions addressing strategy, business performance, people leadership and culture, and risk and compliance management and control. May establish committees to assist it in carrying out its functions.

Chair:
Chief Executive Officer

Financial Risk Committee

Assists and advises the CEO on the Group's financial risks in accordance with the Risk Appetite Statement (RAS) and Risk Management Approach (RMA).

Chair:
Chief Risk Officer

Non-Financial Risk Committee

Assists and advises the CEO on the governance, optimisation and effective management of the Group's non-financial risks in accordance with the RAS and RMA.

Chair:
Chief Executive Officer

Asset and Liability Committee

Optimises actual and strategic balance sheet settings and effective management of the Group's non-traded market risk, structural foreign exchange risk, liquidity, funding and capital.

Chair:
Chief Financial Officer

Risk & Remuneration Review Committee

Supports the Group Chief Risk Officer to advise the CEO and the Board on the inclusion of risk considerations in determining remuneration outcomes across the Group.

Chair:
Chief Risk Officer

Learn more about our approach to governing climate-related risks and opportunities in the *Governance* section of our 2024 Climate Report.

Our Board in action

Board planning and agenda setting

In this financial year, the Board held 12 meetings. These included six multi-day Board and Committee meetings with structured, standing agendas and six shorter Board meetings. Two strategy sessions were also held as part of the multi-day Board meetings. Outside of Board meetings, various directors met with directors and senior executives of Commonwealth Bank of Australia (Europe) N.V. and the CBA London Branch and also completed operational site visits to India and New Zealand.

So that the Board and Committees' time is used efficiently and discussions reflect the Bank's priorities, agendas are reviewed by the respective Chairs, in consultation with the Group Company Secretary and CEO. CBA uses forward planners to provide the Board and Committees with a comprehensive view of the planned agendas and an opportunity to actively adjust, as priorities change.

The Board also retains flexibility for ad hoc matters to be discussed at meetings where appropriate.

Steps are taken to facilitate effective communication between management and the Board ahead of Board and Committee meetings. These include responsible management providing input into certain agenda items and attending pre-meetings between Chairs and the Group Company Secretary. After the meetings, actions for follow up are shared so that requests of management are clear.

To promote effective decision making and a consistent approach for writing papers, training on Board and Committee paper writing was offered to authors across the Bank throughout the course of the year.

Learn more about the key areas of Board consideration on pages 86–87.

Overseeing the delivery of our strategy

The Board's primary purpose includes the provision of leadership and strategic guidance. Our governance practices play an essential role in providing oversight of the Bank's operations and contribute to the development of our strategy.

The Board is responsible for endorsing the strategic and business unit plans and approving the financial plans which incorporate strategic and other perspectives to be implemented by management. The different ways in which the Board oversees the Group's strategy are explained below.

Board meetings

Strategy is regularly discussed at Board meetings.

Progress against strategic objectives forms part of the updates provided to the Board by senior executives, including the CEO. Specific stand-alone agenda items relating to strategic matters are also discussed at each multi-day Board meeting. The topics discussed throughout the year include the Business Plan and reports from management on customers, business performance, competition, regulation, mergers and acquisitions, environmental strategy and technology strategy.

Board Committees

A number of the Committees assist the Board in its oversight.

For example, the Risk & Compliance Committee is responsible for reviewing and endorsing the Strategic Risk Management Policy to the Board for approval. The Policy sets out the requirements for identifying, monitoring, reporting and responding on strategic risks originating from changes in the Bank's external and internal operating environments and from the implementation of the Group's strategy. Another example is the Audit Committee, which is required to assess the independence of the external auditor annually. This year, after reviewing key assessment considerations, the Committee resolved that the external auditor be assessed as independent.

Strategy deep dives

The Board held two strategy deep dives this financial year.

These were opportunities for the Board to reflect on the Group Strategy considering the complex external environment, review where good progress has been made against Group priorities and where there are opportunities to do more.

Topics at the December strategy session included business model resilience and artificial intelligence.

Linking strategy and purpose was a key theme of the April Strategy session. The Board and management also discussed competition, trust, culture and growth.

Board activities

The Board discusses a range of topics where they are responsible for oversight. Significant agenda items at the six multi-day Board meetings in the 2024 financial year are included in the table below. Agenda items may consist of several consolidated issues considered by the Board.

		Board meetings					
Category	**Agenda item**	**Aug 23**	**Oct 23**	**Dec 23**	**Feb 24**	**Apr 24**	**Jun 24**
Strategy	Strategic matters	●	●	●	●	●	●
	Mergers and acquisitions	●	●	●	●	●	●
	Business plan	●					●
Environmental & social	Environmental and social matters	●	●	●		●	●
Customer & communities	Complaints			●		●	●
	Trust, reputation and brand	●		●	●	●	●
	Customer remediation		●	●			●
Organisation & people	Health, safety and wellbeing	●	●	●	●	●	●
	Capability and culture			●	●	●	
External	Economic report	●	●	●	●	●	●
	Investor relations		●	●		●	●
Business performance	Management reports	●	●	●	●	●	●
Financial risks & reporting	Dividend recommendation and capital update	●			●		
	Funding and liquidity	●	●	●	●	●	●
	Capital management	●	●	●	●	●	●
Non-financial risks	Non-Financial Risk Committee report	●	●	●	●	●	●
	Insurance program		●		●		
Legal & regulatory	Legal and regulatory	●	●	●	●	●	●
	Meetings with regulators [1]	●				●	●
Governance & policy	Board evaluation and charter	●					●
	Policies	●	●	●	●	●	●
	Corporate governance	●	●	●	●	●	●

The table broadly reflects the topics considered by the Board during this financial year but is not exhaustive.

Committee matters	Aug 23	Oct 23	Dec 23	Feb 24	Apr 24	Jun 24
Committee updates, reports and recommendations	●	●	●	●	●	●
Concurrent meeting – remuneration and performance outcomes for senior executives				●		●

1 Meetings with regulators may be adjacent to Board meetings.

Approach to stakeholder engagement

Stakeholder engagement is an important aspect of Board decision making. Meeting with internal and external stakeholders builds a better understanding of diverse views and needs, and helps identify areas of opportunity and risk for the Bank.

Stakeholders		Board activities
Customers	The Board has an ongoing commitment to ensuring the customer experience is central in decision making, and that customer needs are being met through the Bank's strategy.	• As part of the Board's ongoing commitment to better understanding customer needs, the Directors met with Queensland customers to hear about their experiences and challenges.
Our people	The Board actively monitors the Bank's culture, seeking to ensure the lived experience of our people aligns with CBA's purpose and values, and that they are supported and skilled for the future.	• The Board approved updates to the Code of Conduct and reviewed CBA's people strategy and progress in building capability, long-term careers and reskilling opportunities. • Board members attended an event with high-performing team members thanking them for their work.
Community	The Board recognises that in order to deliver long-term sustainable outcomes for our stakeholders, we must understand the expectations of, and impact on, the communities in which we operate.	• The Board considered and discussed external perspectives on CBA's brand, reputation and level of trust in the community. The Board also considered the progress of the Bank's social impact program, which focuses on people, customers and community.
Investors	The Board places high importance on overseeing the execution of the strategy and understanding what impacts investor sentiment, so that we remain well positioned to deliver sustainable long-term value for shareholders.	• The Board heard relevant views on investor sentiment from an external investor perspective. • To better understand key themes, the Chair met with 38 investors including proxy advisors ahead of CBA's 2023 AGM.
Government and regulators	The Board is focused on ensuring meaningful engagement with both governments and regulators, to continue building constructive relationships.	• The Board regularly engages with regulators such as ASIC, APRA, AUSTRAC, the Australian Financial Complaints Authority and the Banking Code Compliance Committee to discuss key industry issues. • The Board also met with senior Federal Ministers and Shadow Ministers to better understand top of mind matters.
Partners and suppliers	The Board recognises the important role suppliers play in helping us deliver our strategy, and support CBA's investment in strategic partnerships.	• The Bank is focused on providing enhanced customer benefits through increased implementation of AI and cyber security initiatives. The Board actively engaged with key suppliers, such as Microsoft, to better understand and support these initiatives.

Hearing directly from customers

In their continuous effort to better understand customer needs, the Board met with customers in Brisbane to listen and gather insights about their experiences. In December 2023, the Board visited customers in Brisbane in different sectors such as manufacturers of steel, glass and electrical equipment and a property group.

The Board learnt about the different business needs, how some had grown into internationally recognised organisations exporting their products globally, while others were leading in innovation in their respective sectors. With the support of CBA, these businesses are actively contributing to Australia's economic growth.

Key areas of Board discussion during 2024

Fair treatment of customers

The Board actively monitored a range of customer-related topics and initiatives this financial year. Key activities included:

- Monitoring the progress of customer remediation initiatives.
- Reviewing reporting on CBA's performance on trust, reputation and brand, considering the link between trust and advocacy, and the Bank's broader contribution to the community.
- Monitoring the progress of the Bank's social impact program outcomes and priority goals for this financial year, including the focus on helping to prevent domestic and family violence and financial abuse.
- Receiving reports on customer complaints.

Spotlight

Customer complaints

The Board received regular reports on customer complaints and the actions underway to improve complaint handling and prevention. This included reports on trends in complaint volumes, the operating context and complaint demographics, as well as a deep dive on the support the Bank provides for customers in vulnerable circumstances. There continues to be a high level of scrutiny on how the Bank deals with scam-related complaints.

Key stakeholders:

Customers | Our people | Government and regulators

Material themes:

Customer support, experience and community impact

People and culture

The Board regularly addresses a range of people and culture-related topics and issues.
Key activities included:

- Approving changes to the Code of Conduct.
- Considering the 2023 Organisational Culture Assessment progress report.
- Receiving updates on workplace misconduct governance, trends, risks and operations, including matters of significance under the SpeakUP Program.
- Considering and discussing reports related to health, safety and wellbeing, including incident trends, material investigations and assurance activity.
- Reviewing and approving the Diversity, Equity and Inclusion strategy.
- Reviewing the Group's remuneration strategies and remuneration outcomes for the CEO, the CEO's direct reports and other specified roles.

Spotlight

Respect at work

The Respect@Work legislation was one of the topics included in the Annual Director's Duties Training held during this financial year. The training emphasised the legislation's focus on actively preventing workplace sexual harassment, sex discrimination and other relevant unlawful conduct.

Key stakeholders:

Our people | Investors | Government and regulators

Material themes:

Engaged and supported workforce | Governance, culture and accountability

Strategy and business performance

Strategy is a standing agenda item on each multi-day Board meeting. Key activities included:

- Considering and approving the proposed FY24–26 Business Plan and consideration of the draft Group FY25–27 Business Plan.
- Reviewing key strategic initiatives such as the Bank's technology strategy, ways of working update, the Bank's climate strategy and the annual funding strategy.
- Receiving regular updates on merger and acquisition activity.
- Receiving regular reports from the CEO and Group executives on business performance.
- Attending two Board strategy sessions.

Spotlight

Artificial intelligence

This year the Board has spent time building a greater understanding of artificial intelligence (AI), including the Bank's approach to risk, governance and opportunities, particularly in the context of generative AI. It benefited from education sessions on AI and considered a report on AI Safety Governance. The Board also approved the Group Artificial Intelligence Policy, which supports the safe and responsible use of AI.

Key stakeholders:

Customers | Our people | Investors | Government and regulators

Material themes:

Cyber security, privacy and data management | Digitisation, innovation and emerging technology

Banking strategy, execution and operating context

Financial oversight

The Board remains focused on operational excellence and driving growth in its core banking businesses, as well as prudent balance sheet and capital management. Key activities included:

- Monitoring the Bank's operating performance.
- Approving the FY23 full year and FY24 half year financial results.
- Approving the FY23 final dividend and the FY24 interim dividend.
- Receiving and considering regular reports from management in relation to the Bank's funding, capital management and liquidity positions.
- Noting and discussing simplification and cost strategies.

Spotlight

Balance sheet resilience

This year, the Risk & Compliance Committee supported the Board in its focus on capital adequacy and balance sheet resilience, seeking to ensure that the Bank is prepared for a wide range of economic scenarios. The Board received regular updates from management regarding the Group's capital, funding, and liquidity risks and balance sheet considerations in the current economic environment, as well as reviewing and approving the Group's capital policies.

Key stakeholders:

Customers | Investors | Government and regulators

Material themes:

Banking strategy, execution and operating context

Risk management

The Board's focus included the management of financial risks such as funding and liquidity, capital adequacy and non-financial risks, including fraud and scams, privacy and financial crime compliance risk. Key activities included:

- Approving the Group's Risk Management Approach.
- Overseeing the Bank's RMF and its operation by management, including receiving regular reports on financial and non-financial risk.
- Monitoring the Bank's risk culture.
- Approving changes to the Risk Appetite Statement.
- Approving revised risk-related policies including the Group Dealing with Related Entities Policy and the Business Continuity Management Policy.
- Noting and discussing the key outcomes of the renewal of the Bank's insurance program.

Spotlight

Fraud and scams

Given the harm caused by fraud and scams, the Risk & Compliance Committee supported the Board in considering the implementation of processes to reduce customer susceptibility to scams, and the steps taken to respond to the increased incidents of scam-related complaints. This included the implementation of in-app behavioural security and deployment of CallerCheck and CustomerCheck for customer ID verification.

Key stakeholders:

Customers | Investors | Government and regulators

Material themes:

Customer support, experience and community impact | Cyber security, privacy and data management

Environmental and social

The Board is responsible for considering the environmental and social impact of the Group's activities and overseeing adherence to the E&S Framework and climate-related policies. Key activities included:

- Receiving regular reports on the Bank's E&S program, including priorities for the year.
- Receiving reports on updates to CBA's E&S strategy.
- Receiving updates on the Bank's program for the implementation of the International Sustainability Standards Board's Standards.
- Considering the FY24 climate change disclosures.
- Considering CBA's assurance plan for E&S risk.
- Approving the FY23 Modern Slavery Statement.
- Considering updates on the Bank's social impact, including the Reconciliation Action Plan, community support and the CommBank Foundation.

Spotlight

Australia's transition pathways

Two years ago, we outlined our transition roadmap for progressively setting sector-level financed emissions targets in line with pathways that aim to limit global warming to 1.5°C. Setting and tracking progress against sector-level financed emissions targets to help the Bank contribute to the global goals of the Paris Agreement. The Board approved six new sector-level targets covering our transport and Australian commercial property sectors.

Key stakeholders:

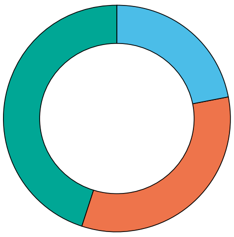
Customers | Community | Investors | Government and regulators | Partners and suppliers

Material themes:

Climate transition and nature | Customer support, experience and community impact

Board performance, composition and renewal

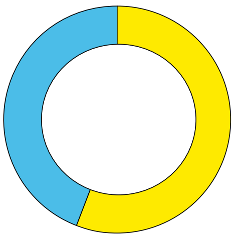
Board tenure



0–1 years	0%
1–3 years	22%
3–6 years	33%
6–9 years	45%

As at the date of this report, the numbers have been rounded to ensure that the total adds to 100%

Board diversity



Male	56%
Female	44%

The Board recognises the value of having an appropriate mix of skills, experience and diversity to support sound decision making.

As at 30 June 2024, the Board had nine Directors: eight independent Non-Executive Directors and the CEO. With the assistance of the Nominations Committee, the Board regularly reviews its size and composition and considers a number of factors including independence, skills, experience and diversity of views.

Board performance evaluation

Continuously monitoring and improving its performance and the performance of its Committees and individual Directors remains important to the Board. Under its Charter, the Board is required to annually assess both its performance and that of its Directors. The Board has processes in place to conduct these performance assessments. An independent external performance evaluation of the Board and its Committees is conducted at least once every three years. An independent external performance evaluation was held in 2024, with the results made available to the Board in August 2024.

Board renewal

Board renewal and orderly transitions are important for ensuring effective and sustainable Board performance. The Board Skills Matrix (Matrix) frames the ongoing Board renewal process, so the prescribed skills and experience are present within the Board and address the Bank's existing and emerging business and governance issues.

In this financial year, the only change to the Board's composition was the resignation of Genevieve Bell AO, effective 31 October 2023, following her appointment as the Vice Chancellor and President of the Australian National University.

Lyn Cobley was appointed as a member of the Risk & Compliance Committee and the Audit Committee, with effect from 1 October 2023.

Board education and training

Providing Directors with opportunities to enhance their skills and knowledge is essential for them to perform their role effectively.

The induction program for new Non-Executive Directors is customised to their skills and experience. It is reviewed annually by the Nominations Committee. In 2024, it was reframed as a multi-stage process in which reference material and presentations are delivered progressively.

The Nominations Committee reviews the Board continuing education program annually. The Committee seeks to ensure there is appropriate continuing education opportunities for Directors individually and collectively, to develop and maintain the skills and knowledge which supports the Board's decision making.

Annual Directors' duties training is provided to the Board and all directors of Group subsidiaries. Directors are subject to the Group Mandatory Learning Policy, which requires them to complete training on Group policies. This financial year, topics included were financial crime compliance, privacy, information security, Code of Conduct and conflicts of interest.

The Board also attended several targeted education sessions this year on topics such as the Financial Accountability Regime, AI and nature resilience and risk.

Board skills and experience

Frequent and deliberate consideration is given to diversity of thought, background, experience and skills. Each year the Directors, including the Chair, self-assess their individual skills and experience. This assessment informs the Matrix, which sets out the skills and experience considered essential for effective decision making. At the Bank, the self-assessment ratings and Matrix are reviewed and discussed by the Nominations Committee and approved by the Board.

Board skills and experience

The Matrix is considered in the context of our external environment and strategic priorities and is used to inform areas of Board continuing education, as well as guide the ongoing Board renewal process.

Skills and experience		Relevance to CBA
Leadership 9	Held senior leadership role such as CEO or similar position in an organisation of significant size or complexity.	Setting strategy and evaluating the performance of senior leaders.
Financial services 6 3	Experience in the financial services sector and regulation, including retail and commercial banking services and adjacent sectors.	Appreciation of the operational landscape, opportunities and challenges in the sector.
Financial acumen 7 1 1	Proficiency in financial accounting and reporting, capital management and/or actuarial experience.	Assessing complex financial and capital management initiatives.
Strategy and global perspective 9	Experience in leading, developing or executing strategic business objectives, including bringing to bear a global perspective.	Reviewing and setting the organisational strategy in a global context.
Governance 7 2	Experience as a Non-Executive Director of a listed entity (Australia or overseas) and/or understanding of legal and regulatory frameworks underpinning corporate governance principles.	Understanding local and offshore legal and regulatory frameworks to effectively perform the role of Director.
Risk management 7 2	Experience in identifying, assessing and monitoring systemic, existing and emerging financial and non-financial risks.	Monitoring risk appetite, assessing the overall risk profile and adapting to emerging trends.
Digital and technology 2 5 2	Experience in technology, use of data and analytics, digital transformation and innovation and their impacts on customer experience and cyber security and other technology risks.	Supporting the Bank's digital strategy.
Enhanced customer outcomes 6 3	Understanding of the changing needs of customers with a focus on improving their financial wellbeing and enhancing their experience.	Providing constructive challenge to ensure customer needs are met.
Stakeholder engagement 7 2	Experience in building and maintaining trusted and collaborative relationships with governments, regulators and/or community partners.	Ensuring an effective engagement program with regulators and other stakeholders is in place.
People and culture 8 1	Understanding organisational culture, succession planning, and remuneration and reward frameworks.	Overseeing the culture of the Group and upholding the Code of Conduct.
Environment and social 4 5	Understanding the potential risks and opportunities from an environmental and social perspective.	Influencing sustainable practices, policies and decisions that support environmental and social outcomes.

High competency, knowledge and experience Practised or direct experience Awareness

Skills matrices for each of the Board Committees have also been developed to evaluate the suitability of skills.

Board of Directors

A strong, diverse team with a broad and complementary mix of skills and experience.

Paul O'Malley

BCom, M.App Finance, ACA

Chair and Independent Non-Executive Director

Appointed: 1 January 2019, Chair from 10 August 2022

Board Committees: ◈ ◆ ◆ ◆

Age: 60 years **Residence:** Melbourne, Australia

Contribution to the Board

Paul has broad executive leadership and operational experience. He served as Managing Director and Chief Executive Officer of BlueScope Steel Ltd for 10 years, after joining the company as Chief Financial Officer. Previously, he was the Chief Executive Officer of TXU Energy, a subsidiary of TXU Corp based in Dallas, Texas. Paul has a strong background in finance and accounting, having worked in investment banking and audit. Paul is a former Director of the Worldsteel Association, Chair of its Nominating Committee, and Trustee of the Melbourne Cricket Ground Trust.

Current external appointments

Nil.

Directorships of other listed entities in the last three years

Coles Group Limited (October 2020–October 2023).

Matt Comyn

BAv, MCom, EMBA, GMP

Managing Director and Chief Executive Officer

Appointed: 9 April 2018

Age: 48 years **Residence:** Sydney, Australia

Contribution to the Board

Matt has over 23 years' experience in banking across business, institutional and retail, and has held a number of senior leadership roles since joining the Bank in 1999. From 2012, until Matt's appointment as Chief Executive Officer, he was Group Executive Retail Banking Services and led the development of digital products and services for the Bank. Between 2006 and 2010, Matt was Managing Director of the Bank's online share trading business, CommSec, overseeing a significant modernisation of its technology platform, and growing market share and profitability.

Current external appointments

Director of the Business Council of Australia and Financial Markets Foundation for Children.

Directorships of other listed entities in the last three years

Nil.

Committees

◆ Nominations ◆ Audit ◆ Risk & Compliance ◆ People & Remuneration ◈ Committee Chair

Genevieve Bell AO retired as a Non-Executive Director on 31 October 2023.

Lyn Cobley

BEc, GAICD
Independent Non-Executive Director

Appointed: 1 October 2022

Board Committees:

Age: 61 years **Residence:** Sydney, Australia

Contribution to the Board

Lyn is an experienced banking and financial services leader with over 30 years' experience in senior positions at Australian and global banks. During her career, Lyn was the CEO of Westpac Institutional Bank, Group Treasurer of Commonwealth Bank of Australia, as well as holding senior positions at Barclays Capital and Citibank Ltd. In these roles, Lyn developed extensive knowledge of financial markets, managing through uncertainty, and creating greater balance sheet strength and resilience to support customers and stakeholders.

Current external appointments

Council member and Chair of the finance and facilities committee at Macquarie University, and an Advisory Member, EXL APAC Advisory Council.

Directorships of other listed entities in the last three years

Nil.

Julie Galbo

LLM, Executive Management Program (INSEAD)
Independent Non-Executive Director

Appointed: 1 September 2021

Board Committees:

Age: 53 years **Residence:** Copenhagen, Denmark

Contribution to the Board

Julie is an experienced financial services professional with substantial banking, strategy, risk and regulatory experience. She brings more than 20 years' experience as an Executive and a Director in major European financial services organisations. Julie held a number of leadership positions with Nordea Bank Abp, including the role of Group Chief Risk Officer. She served with the Danish Financial Services Authority, as Deputy Director General, and served on the Management Board of the European Securities and Markets Authority. Julie is the former Chairman of the board of Fundamental Fondsmæglerselskab A/S.

Current external appointments

Chairperson of Gro Capital, and a Senior Advisor to the European Union Global AML/CFT Facility.

Directorships of other listed entities in the last three years

Trifork AG (November 2020–present), Velliv A/S (March 2021–March 2023), UniCredit SpA (April 2024–present), and DNB Bank ASA (June 2020–April 2024).

Peter Harmer

Harvard Advanced Management Program
Independent Non-Executive Director

Appointed: 1 March 2021

Board Committees:

Age: 63 years **Residence:** Sydney, Australia

Contribution to the Board

Peter brings a diversity of thought in the areas of risk, customer perspectives and environmental, social and governance practices. He has significant experience in customer service and innovation within the insurance segment and financial services, and a deep understanding of environmental principles. Peter was previously Managing Director and Chief Executive Officer of Insurance Australia Group Ltd (IAG). Peter joined IAG in 2010 and held a number of senior roles.

Current external appointments

Director of Lawcover Insurance Pty Ltd, a member of the Bain Advisory Council, and an Advisory Member, EXL APAC Advisory Council.

Directorships of other listed entities in the last three years

nib holdings ltd (July 2021–present), and AUB Group Limited (July 2021–present).

Board of Directors continued

Simon Moutter

BSc, BE (Hons), ME

Independent Non-Executive Director

Appointed: 1 September 2020

Board Committees:

Age: 64 years **Residence:** Auckland, New Zealand

Contribution to the Board

Simon has extensive leadership experience in technology, process effectiveness and business strategy. Simon was Managing Director of Spark New Zealand, where he held this position for seven years until 2019. He is also a former Chief Executive Officer of Auckland International Airport and has previously held senior management roles in telecommunications and energy companies.

Current external appointments

Chair of Kainga Ora, Housing New Zealand Ltd and Housing New Zealand Build Ltd, and Chair of three privately owned businesses – Smart Environmental Group Ltd, Les Mills International Ltd, and Designer Wardrobe Ltd.

Directorships of other listed entities in the last three years

Nil.

Mary Padbury

BA LLB (Hons), GAICD

Independent Non-Executive Director

Appointed: 14 June 2016

Board Committees:

Age: 65 years **Residence:** Melbourne, Australia

Contribution to the Board

Mary is an intellectual property and trade practices lawyer with over 35 years' international legal, governance and technology experience. Mary served as the Chairman of Ashurst Australia before its full merger with Ashurst LLP, and was the global Vice Chairman of the post-merger firm. She retired as a Partner of Ashurst at the end of April 2018.

Current external appointments

Chairman of the Macfarlane Burnet Institute for Medical Research and Public Health Ltd, Board member of the Brandenburg Ensemble (Australian Brandenburg Orchestra), the Richmond Football Club, and its wholly owned subsidiary, Aligned Leisure Pty Ltd.

Directorships of other listed entities in the last three years

Nil.

Anne Templeman-Jones

BCom, EMBA, MRM, CA, FAICD

Independent Non-Executive Director

Appointed: 5 March 2018

Board Committees:

Age: 63 years **Residence:** Sydney, Australia

Contribution to the Board

Anne is an experienced listed company director and chair with substantial enterprise risk, governance and strategy experience in banking and financial services, engineering services in the energy sector, pharmaceuticals and manufacturing. During her 30-year executive career, Anne held senior leadership positions in corporate and private banking including Westpac Banking Corporation, ANZ and Bank of Singapore. She is the former Chairman of Commonwealth Bank's financial advice companies.

Current external appointments

Non-Executive Director of the Cyber Security Research Centre Ltd, New South Wales Treasury Corporation, and director of the Australia-Israel Chamber of Commerce New South Wales Division.

Directorships of other listed entities in the last three years

Metals Acquisition Limited (22 July 2024–present), Worley Ltd (November 2017–July 2024), Trifork AG (April 2022–present), Blackmores Ltd (Chair: October 2020–November 2022), and G.U.D. Holdings Ltd (August 2015–August 2021).

Rob Whitfield AM

BCom, Grad Dip Banking, Grad Dip Fin, AMP, SF Fin, FAICD

Independent Non-Executive Director

Appointed: 4 September 2017

Board Committees:

Age: 59 years **Residence:** Sydney, Australia

Contribution to the Board

Rob has extensive leadership experience across banking, finance and risk in both the private and public sectors. During Rob's 30 year executive career with Westpac Banking Corporation he held a number of senior leadership positions, including CEO of Westpac Institutional Bank, Chief Risk Officer and Group Treasurer. Rob is a former Chair and Director of New South Wales Treasury Corporation, former Secretary of NSW Treasury, and former Secretary of NSW Industrial Relations.

Current external appointments

Member of the Council of the Australian National University (effective from 1 July 2024).

Directorships of other listed entities in the last three years

GPT Group (May 2020–May 2024) and Transurban Ltd (November 2020–present).

Executive Leadership Team

Alan Docherty

Group Chief Financial Officer

Appointed: October 2018

Priorities: Alan is responsible for the Group's finance, treasury, tax, investor relations, environmental strategy, property and procurement functions. His priorities are ensuring his teams provide accurate, independent and objective analysis to drive sound decision making and performance, managing balance sheet settings in a sustainable and conservative manner, and delivering capital generation that supports better outcomes for all stakeholders.

Experience: Alan joined the Bank in 2003 and has held numerous senior roles within finance and treasury. He started his career with PwC's Financial Services practice in the UK before joining Arthur Andersen in Australia. Alan is a member of the Institute of Chartered Accountants of Scotland.

Andrew Hinchliff

Group Executive, Institutional Banking and Markets

Appointed: August 2018

Priorities: Andrew is responsible for serving the banking and finance needs of large corporates, governments and institutions in Australia and select international markets. IB&M provides a full range of financial markets, capital raising, sustainable finance, transactional banking, and risk management solutions and services. His priority is to ensure that IB&M helps customers build Australia's future economy by leveraging its international network, capital, capabilities, data and analytics.

Experience: Andrew joined the Bank in 2015 as Executive General Manager, Global Markets. His career in investment banking spans more than 20 years having held various leadership positions with Goldman Sachs and Credit Suisse First Boston in London, New York and Australia.

Sian Lewis

Group Executive, Human Resources

Appointed: August 2018

Priorities: Sian is focused on helping the Bank ensure that CBA's culture is anchored in our values of Care, Courage and Commitment, that our people and communities are skilling for the future, we are offering the very best experience for employees and we are a workplace of choice for key talent. She is also committed to promoting employee wellbeing, and strengthening and supporting a diverse and inclusive workforce.

Experience: Sian joined the Bank in 2014 and was Executive General Manager, Direct Channels prior to her current role. Previously, Sian spent nine years at Westpac, in retail and commercial banking, marketing and call centre teams. Sian also spent 10 years in senior HR consulting roles in the UK and two years in Australia consulting to APRA.

David Cohen ceased as Deputy Chief Executive Officer effective 31 December 2023.

Carmel Mulhern ceased as Group General Counsel and Group Executive, Legal & Group Secretariat effective 31 August 2023.

Monique Macleod

Group Executive, Marketing and Corporate Affairs

Appointed: September 2021

Priorities: Monique is responsible for bringing together the Bank's marketing, branding, stakeholder insights, government relations, communications and social impact functions. Her priorities are to guide how we engage with customers, communicate with stakeholders and the broader community, and manage reputational issues.

Experience: Monique joined the Bank in 2011 and was the Chief Marketing Officer prior to her current role. Monique has more than 20 years' experience building brands for global clients through her career at leading communication agencies McCann-Erickson WorldGroup, DDB and Ogilvy and Mather.

Stuart Munro

Group Executive, Group Strategy

Appointed: March 2024

Priorities: Stuart is responsible for supporting the CBA Board and Executive Leadership Team in developing the Group's strategy. To support execution of the strategy, he is also responsible for mergers and acquisitions, business development, strategic divestments, and x15, the Bank's venture building business.

Experience: Stuart joined the Bank in 2012 and has held senior roles across Group Strategy, Retail Banking Services, and International Financial Services. Prior to joining CBA, Stuart held various roles at McKinsey & Co. in London, New York and Sydney where he served leading financial services companies and other institutions on a range of strategy-related topics.

Gavin Munroe

Group Chief Information Officer and Group Executive, Technology

Appointed: November 2022

Priorities: Gavin is responsible for the Group's technology strategy and its implementation. This includes ownership of digital delivery, data and analytics, AI and Gen AI strategy, technology and technology infrastructure, as well as safeguarding the Bank. His priority is to provide a seamless and personalised digital banking experience for our customers.

Experience: Gavin has over 20 years' experience in financial services. Prior to joining the Bank in 2022, he was Global Chief Information Officer for Wealth and Personal Banking at HSBC. He has held other senior roles at Bank of America, Merrill Lynch, Synechron, Wachovia and Saxon.

Executive Leadership Team continued

Karen O'Flynn

Group General Counsel and Group Executive, Legal & Group Secretariat

Appointed: September 2023

Priorities: Karen is responsible for the Group's legal, corporate governance, Financial Accountability Regime Supervisory and SpeakUP teams. In addition to advising the CEO and Board, her priorities include supporting her teams in delivering sound advice which assists the Group in executing its strategy.

Experience: Karen joined the Commonwealth Bank in September 2023. Prior to joining the Commonwealth Bank, Karen was a Partner of Clayton Utz for 28 years, where she held a number of leadership positions including Chair of the Clayton Utz Board from 2020 to 2023.

Vittoria Shortt

Chief Executive and Managing Director, ASB Bank Ltd

Appointed: February 2018

Priorities: Vittoria is responsible for leading the Group's New Zealand banking business, operating under the ASB brand. Her priorities are to provide leading customer experiences and outcomes, harnessing new technology to provide innovative solutions, and delivering programs that have a significant positive impact for New Zealanders.

Experience: Vittoria joined the Bank in 2002 and has held various executive and senior leadership positions, including Group Executive Marketing and Strategy, Chief Marketing Officer of CBA, and Chief Executive Retail at Bankwest. Vittoria started her career in corporate finance and mergers and acquisitions with Deloitte and Carter Holt Harvey.

Angus Sullivan

Group Executive, Retail Banking Services

Appointed: July 2018

Priorities: Angus is responsible for providing market-leading services to the retail customers of CBA and Bankwest. His priorities are to deliver exceptional customer service and outcomes, global best digital experiences, technology and innovation in retail products and services.

Experience: Angus joined the Bank in 2012 as Executive General Manager, Group Strategy and has held a number of senior positions in the retail bank across products, payments and the branch network. Previously, he was a Partner at McKinsey & Co. in New York, specialising in retail and commercial banking, wealth management, payments and general insurance.

Sinead Taylor

Chief Operations Officer

Appointed: October 2021

Priorities: Sinead is responsible for all banking, markets and Group regulatory operations across CBA. Her priorities are to deliver exceptional customer experiences through operational excellence.

Experience: Sinead has over 20 years banking experience leading teams to deliver exceptional customer outcomes. Prior to her current role, Sinead spent two years as Executive General Manager of Bankwest, following six years in leadership roles across the business and retail bank. Sinead has held a number of other executive roles at CBA in Global Markets, Strategy, Marketing, Business and Corporate Banking. Prior to CBA, Sinead managed strategy and marketing teams for top tier professional service firms in the UK and Australia and has worked in publishing, radio production and broadcasting.

Mike Vacy-Lyle

Group Executive, Business Banking

Appointed: February 2020

Priorities: Mike is responsible for serving the banking needs of business, corporate and agribusiness customers, and for the Bank's online equities trading platform, CommSec. Mike's focus is on extending the Bank's business banking and payments capabilities, and on making banking simpler and better for customers by providing market-leading service, products and technology.

Experience: Prior to joining the Bank in 2020, Mike was Chief Executive Officer of FNB Commercial Banking in South Africa. He spent almost 20 years working at FNB Commercial Banking holding various roles across finance, pricing, product, capital management, sales and relationship management.

Nigel Williams

Group Chief Risk Officer

Appointed: November 2018

Priorities: Nigel is focused on ensuring our people manage risk well to maintain the trust placed in the Group by our customers, shareholders and the community. He is accountable for ensuring the effective governance and management of all risk types – including credit, operational, compliance, liquidity, financial crime and insurance risk.

Experience: Nigel has over 35 years of international banking experience, having held directorships and executive business and risk management leadership roles. Prior to joining the Bank in 2018, Nigel was the Chief Risk Officer at ANZ.

OVERVIEW
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ADDITIONAL INFORMATION

Directors' report

The Directors of the Commonwealth Bank of Australia present their report, together with the Financial report of the Commonwealth Bank of Australia (the Bank) and of the Group, being the Bank and its controlled entities, for the year ended 30 June 2024.

Principal activities

We serve more than 17 million customers with a focus on providing retail and commercial banking services predominantly in Australia, and in New Zealand through our subsidiary ASB. Our products and services are provided through our divisions, Retail Banking Services, Business Banking, Institutional Banking and Markets, and ASB New Zealand.

+ **A review of the divisional operations and their results for the financial year ended 30 June 2024 can be found on pages 66–69.**

Simpler, better foundations

We have undertaken and completed a number of transactions that are consistent with our strategy to focus on our core banking business.

On 1 May 2024, the Group completed the sale of its 99% shareholding in PT Bank Commonwealth (PTBC) to PT Bank OCBC NISP TbK (OCBC Indonesia), a subsidiary of Oversea Chinese Banking Corp (OCBC).

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

+ **For further details, refer to Note 1.1 and Note 11.3 in the *Financial report* on pages 143 and 279, respectively.**

Operating and financial review

The Operating and financial review section includes the information below as well as the information in the *Overview* section on pages 2–9, *Creating Value* section on pages 10–97 and *Financial performance* section on pages 60–69.

Group profit

The Group's statutory net profit after tax for the financial year ended 30 June 2024 was $9,394 million, a decrease of $604 million or 6% on the prior year. Statutory net profit after tax from continuing operations for the financial year ended 30 June 2024 was $9,481 million, a decrease of $615 million or 6% on the prior year. The decrease was driven by a 2% reduction in total operating income and a 2% increase in operating expenses, partly offset by a 28% decrease in loan impairment expense.

Statutory net profit after tax complies with the requirements of the *Corporations Act 2001* (Cth), Australian Accounting Standards and International Financial Reporting Standards (IFRS). The cash net profit after tax is management's preferred measure of the Group's financial performance. It excludes items that are non-recurring in nature and are not considered representative of the Group's ongoing financial performance (non-cash items). We use the cash net profit after tax to present a clear and consistent view of our financial performance from period to period.

The Group's cash net profit after tax including discontinued operations for the year ended 30 June 2024 was $9,847 million, a decrease of $243 million or 2% on the prior year. Excluding discontinued operations, cash net profit after tax for the year ended 30 June 2024 was $9,836 million, a decrease of $236 million or 2% on the prior year. For further detail on the drivers of cash net profit after tax, refer to the *Financial performance* section on pages 60–69.

Cash to statutory profit reconciliation

Statutory net profit after tax includes the following non-cash items:

	Continuing operations[1]		Total including discontinued operations[1]	
	FY24	FY23	FY24	FY23
Net profit after tax – cash basis	**9,836**	10,072	**9,847**	10,090
(Loss)/gain on acquisition, disposal, closure and demerger of businesses and associates (classified as discontinued operations)	**(372)**	32	**(470)**	(84)
Hedging and IFRS volatility	**17**	(8)	**17**	(8)
Net profit after tax – statutory basis	**9,481**	10,096	**9,394**	9,998

1 Comparative information has been revised to reflect the change detailed in Note 1.1 in the *Financial report*.

Non-cash items include:

- **(Loss)/gain on acquisition, disposal, closure and demerger of businesses and associates (classified as discontinued operations):** Gains and losses on these transactions are inclusive of foreign exchange impacts, impairments, restructuring, separation and transaction costs and cover both controlled businesses and associates classified as discontinued operations.
- **Hedging and IFRS volatility:** Hedging and IFRS volatility represents timing differences between fair value movements on qualifying economic hedges and the underlying exposure. To qualify as an economic hedge, the terms and/or risk profile must match or be substantially the same as the underlying exposure.

Assets and liabilities

Home loans increased $12 billion or 2%, reflecting our continued focus on retaining existing customers in a highly competitive market coupled with strong growth in our new digital-only proprietary offering Unloan.

Business and corporate loans increased $5 billion or 2% driven by growth in Business Banking reflecting diversified growth across a number of industries.

Deposits increased $18 billion or 2%, primarily driven by continued growth in savings and investment deposits reflecting greater customer demand for higher yielding deposits.

Debt issues increased $22 billion or 18% reflecting funding requirements following the maturity of the RBA Term Funding Facility.

	As at[1]		
Total Group assets and liabilities ($m)	**30 Jun 24**	**30 Jun 23**	**% change**
Home loans	**664,701**	652,218	▲ 2%
Consumer finance	**16,762**	17,042	▼ 2%
Business and corporate loans	**266,025**	261,512	▲ 2%
Total Group lending	**947,488**	930,772	▲ 2%
Other assets (including held for sale)	**306,588**	321,651	▼ 5%
Total assets	**1,254,076**	1,252,423	–
Deposits	**881,621**	863,295	▲ 2%
Debt issues	**144,530**	122,267	▲ 18%
Term funding from central banks	**4,228**	54,220	▼ 92%
Other liabilities	**150,609**	141,008	▲ 7%
Total liabilities	**1,180,988**	1,180,790	–

1 Comparative information has been revised to reflect the change detailed in Note 1.1 in the *Financial report*.

Further information and analysis of the financial performance of the Group for the financial year ended 30 June 2024 can be found in the *Financial performance* section on pages 60–69 of this Annual Report. Details on our risk management processes, material risks and approach to managing them, including a description of the material trends in our current external operating context and more information on our business strategies can be found in the *Overview* (pages 2–9), *Creating Value* section (pages 10–79), including the *Managing our risks* section (pages 70–79) of this Annual Report.

Other than the information included in the operating and financial review and throughout this Annual Report by cross reference, information on other likely developments, business strategies and prospects for future financial years of the Group's operations has not been included in this report as it would be likely to result in unreasonable prejudice to the Group.

Dividends

Details of dividends paid and dividends determined are outlined in Note 8.4 in the *Financial report* on pages 221–222.

Directors' report (continued)

Litigation and regulatory matters

A number of litigation proceedings against the Group are continuing. The proceedings include the defence of seven class actions. These include two separate shareholder class action proceedings (judgment was determined in CBA's favour on 10 May 2024 and the applicants have filed an appeal from that judgment), two class actions in relation to superannuation products, two class actions related to financial advice (one of which had an initial trial in March 2024 with judgment reserved), as well as a class action commenced in New Zealand against ASB Bank regarding disclosure of loan variations.

There are also ongoing matters where 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, regulators or other bodies may impose, or apply to a Court for, fines and/or other sanctions, or may require remediation. The Group is also party to certain enforceable undertakings and one compliance program with a regulator and continues to receive various notices and requests for information from its regulators as part of both industry-wide and Group-specific reviews.

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.

The Board continues to monitor each of these proceedings and investigations. The Group also continues to engage with its regulators and other bodies in relation to the matters under investigation.

+ **For further information about some of the more significant litigation and regulatory matters referred to above, refer to Note 7.1 in the *Financial report* on pages 208–212.**

Change in state of affairs

The significant changes in the state of affairs of the Group during the financial year are:

- Changes in the nature of principal activities outlined in the *Simpler, better foundations* section on page 98.
- Changes to the Board as outlined in the *Our approach to corporate governance* section on pages 80–97.

Events subsequent to reporting date

The Directors have determined a fully franked final dividend of 250 cents per share amounting to $4,184 million. The Bank expects the Dividend Reinvestment Plan (DRP) for the final dividend for the year ended 30 June 2024 will be satisfied in full by an on-market purchase of shares of approximately $560 million.

On 14 August 2024, the Bank announced a 12 month extension of the on-market share buy-back of up to $1 billion of shares announced on 9 August 2023 (of which $282 million was completed during the year ended 30 June 2024). The Bank reserves the right to vary, suspend or terminate the buy-back at any time.

The Directors are not aware of any other matter or circumstance that has occurred since 30 June 2024, that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Environmental reporting

We are subject to the Federal Government's National Greenhouse and Energy Reporting (NGER) scheme. The scheme makes it mandatory for controlling corporations to report annually on greenhouse gas emissions, energy production and energy consumption, if they exceed certain threshold levels. Our NGER submission is independently audited and submitted before the deadline to ensure that the Group meets the NGER requirements.

We do not believe that we are subject to any other significant environmental reporting regulations under the law of the Commonwealth or of a State or Territory of Australia.

+ **For more information on our voluntary environmental reporting, see the *Environmental* section on pages 26–29 and our *Sustainability performance* on pages 48–50. For further detail on our approach to climate change, refer to our 2024 Climate Report.**

Modern slavery reporting

We are subject to *Australia's Modern Slavery Act 2018* (Cth) and as required by that legislation, we published our 2023 Modern Slavery Statement (Statement) in December 2023. The Statement outlines the actions taken by the Group to identify, assess and mitigate modern slavery and human trafficking risks in our operations and supply chain, over the financial year ended 30 June 2023. This disclosure builds upon our annual reporting for the *UK Modern Slavery Act 2015*, having published our first Modern Slavery and Human Trafficking Statement in 2016. We remain focused on this critical issue and will continue to report in line with legislative requirements.

→ **For further detail on our disclosures, refer to our Modern Slavery and Human Trafficking statement at commbank.com.au/sustainabilityreporting**

Directors and Directors' meetings

The Board of the Commonwealth Bank of Australia met 12 times during the year ended 30 June 2024. In addition, Directors attended Board strategy sessions and special purpose committee meetings during the year.

The following table includes:

- names of the Directors holding office at any time during, or since the end of, the financial year; and
- the number of scheduled and unscheduled Board and Board Committee meetings held during the financial year for which each Director was a member of the Board or relevant Board Committee and eligible to attend, and the number of meetings attended by each Director.

All Directors may attend Board Committee meetings (with the exception of the Nominations Committee) even if they are not a member of the relevant Committee. The table below excludes the attendance of those Directors who attended meetings of Board Committees of which they are not a member.

	Board				Committees									
	Scheduled meetings		Unscheduled meetings[1]		Risk & Compliance		Audit		People & Remuneration		Nominations		Concurrent	
	Held[2]	Attended	Held[3]	Attended	Held[2]	Attended	Held[2]	Attended	Held[2]	Attended	Held[2]	Attended	Held[4]	Attended
Director														
Paul O'Malley	9	9	3	3	7	7	8	8	7	7	6	6	2	2
Matt Comyn	9	9	3	3										
Genevieve Bell AO[5]	2	2	3	2					3	3	2	2		
Lyn Cobley[6]	9	9	3	3	5	5	6	6					2	2
Julie Galbo	9	9	3	3	7	7	8	8					2	2
Peter Harmer[7]	9	9	3	3			8	8	7	7	4	4	2	2
Simon Moutter	9	9	3	3	7	7			7	7			2	2
Mary Padbury	9	9	3	3					7	7	6	6	2	2
Anne Templeman-Jones	9	9	3	3	7	7	8	8					2	2
Rob Whitfield AM	9	9	3	3	7	7	8	8			6	6	2	2

1 Out of cycle Board meetings typically called for a special purpose that do not form part of the Board approved yearly planner.
2 The number of scheduled meetings held during the time the Director was a member of the Board or of the relevant committee.
3 The number of unscheduled meetings held during the time the Director was a member of the Board.
4 The number of concurrent meetings of the four Board Committees held during the time the Director was a member of the relevant Committee.
5 Genevieve Bell retired effective 31 October 2023.
6 Lyn Cobley was appointed as a member of the Audit and the Risk & Compliance Committees on 1 October 2023.
7 Peter Harmer was appointed as a member of the Nominations Committee on 1 November 2023.

+ Details of current Directors, their experience, qualifications, directorships of other listed entities and any special responsibilities (including Board Committee memberships) and other external appointments, are set out in the *Our approach to corporate governance* section on pages 80–97.

Directors' report (continued)

Options and share rights outstanding

There are no options over Bank shares on issue as at the date of this report. As at the date of this report, there are 1,031,251 share rights outstanding in relation to Bank ordinary shares and no employee options. Holders of outstanding share rights in relation to the Bank's ordinary shares do not have any rights under the share rights to participate in any share issue or interest of the Bank.

Directors' interests in contracts

A number of Directors have given written notices stating that they hold office in specified companies and accordingly are to be regarded as having an interest in any contract or proposed contract that may be made between the Group and any of those companies.

Directors' and officers' indemnity and insurance

Constitution

The Directors, as named on pages 90–93 of this report, and the Company Secretaries of the Bank, referred to below, are indemnified under the Constitution of the Commonwealth Bank of Australia (the Constitution), as are all current and former Directors and Executive Officers of the Bank (as defined in the Constitution).

The indemnity extends to such other officers or former officers of the Bank, or of its related bodies corporate, as the CBA Board in each case determines (each, including the Directors and Company Secretaries, is defined as an 'Officer' for the purpose of this section).

The Officers are indemnified by the Bank on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by the Officer as an officer of the Bank or of a related body corporate.

Deeds of indemnity

An individual deed of indemnity, on substantially the same terms as those provided in the Constitution, has been provided to each Director and Company Secretary of the Bank, the Australian based non-executive directors and company secretaries of CBA subsidiaries and to each Group Executive.

The Bank has also executed an indemnity deed poll, which provides indemnification to certain other officers on substantially the same terms as those provided in the Constitution. The Bank's Directors, and other individuals described in the preceding paragraph, rely on the terms of their individual deed of indemnity and not the indemnity deed poll.

The Deed Poll has been executed by the Bank in favour of each:

- secretary and senior manager of the Bank;
- director, secretary or senior manager of a related body corporate of the Bank;
- person who, at the request of the Bank or a related body corporate, acts as Director, secretary or senior manager of a body corporate which is not a related body corporate of the Bank (in which case the indemnity operates only in excess of protection provided by that body corporate); and
- person who, at the request of a related body corporate of the Bank, acts as a member of the compliance committee of a registered scheme for which the related body corporate of the Bank is the responsible entity.

In the case of a subsidiary or partly-owned subsidiary of the Bank, where a director, company secretary or a senior manager of that entity holds such a position as a nominee of or due to being nominated by an entity which is not a related body corporate of the Bank, the indemnity deed poll will not apply to that person unless the Bank's CEO has certified that the indemnity will apply to that person.

Insurance

The Bank has, during the financial year, paid an insurance premium in respect of a Directors' and Officers' liability and company reimbursement insurance policy for the benefit of the Bank and persons defined in the insurance policy who include Directors, Company Secretaries, Officers and certain employees of the Bank and related bodies corporate. The insurance is appropriate pursuant to section 199B of the *Corporations Act 2001* (Cth). In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy, including the nature of the liability insured against and the amount of the premium.

Proceedings on behalf of the Bank

No application has been made under section 237 of the *Corporations Act 2001* (Cth) in respect of the Bank, and there are no proceedings that a person has brought or intervened in on behalf of the Bank under that section.

Rounding and presentation of amounts

Commonwealth Bank is an entity to which *ASIC Corporations Instrument 2016/191 (Instrument)* dated 24 March 2016, relating to the rounding of amounts in Directors' reports and Financial reports, applies. Pursuant to this Instrument, amounts in this Directors' report and the accompanying financial report have been rounded to the nearest million dollars, unless indicated otherwise.

Company secretaries

Karen O'Flynn was appointed Company Secretary of the Bank on 1 September 2023. Karen is also the Bank's Group General Counsel and Group Executive, Legal & Group Secretariat and her experience is set out on page 96.
Qualifications: BA, LLB.

Vicki Clarkson was appointed Company Secretary of the Bank on 3 March 2022. Vicki has extensive listed company experience. Prior to joining the Bank, Vicki held senior legal, corporate governance and company secretary roles at Bank of Queensland, Aurizon Holdings Limited, Flight Centre Limited and Shine Corporate Ltd. Vicki is a member of the Governance Institute of Australia's Legislative Review Committee.
Qualifications: BA, LLB, Grad. Dip. Legal Practice, Grad. Dip. Corp. Gov, FGIA, GAICD, FCIS.

Remuneration report

Dear Shareholder

In the 2024 financial year, we supported our customers and communities while delivering sustainable returns to shareholders, as reflected in our remuneration outcomes.

In this section

Remuneration overview	106
1. Variable remuneration outcomes for the financial year ended 30 June 2024	115
2. Executive remuneration framework in detail	117
3. Executive KMP statutory remuneration	122
4. Risk and remuneration adjustments	128
5. Non-Executive Director arrangements	129
6. Loans and other transactions	132

On behalf of the Board, I am pleased to present the 2024 Remuneration Report.

For the 2024 financial year, our drive for sustainable performance has underpinned shareholder outcomes, made gains in consumer customer advocacy, delivered positive people and cultural outcomes and a strong reputation score, as measured by RepTrak.

As a Board, we ensure executive remuneration outcomes reflect an appropriate balance of financial and non-financial performance, backed by sound risk management. We made adjustments to scorecard weightings for the 2024 financial year, increasing the weighting on shareholder measures to 50% for the CEO and a number of our Executive Leadership Team (ELT) while maintaining a material weighting on non-financial performance.

In addition, the Board commissioned an independent review of financial target setting in the 2024 financial year to evaluate market practice. We have also continued to evolve our governance approach to support robust and balanced challenge of performance and risk outcomes at our concurrent meeting, with an elevated focus on the behaviours that drive positive risk outcomes.

Financial performance

The Group Cash Net Profit After Tax (NPAT) performance was above target at $9,847 million, and our Profit After Capital Charge (PACC) outcome was below target at $5,558 million. The Bank's capital position remains well above Australian Prudential Regulatory Authority (APRA) requirements for resilience, safety and confidence.

Total Shareholder Return (TSR) over the period 1 July 2020 to 30 June 2024 was 112.22%.

Additional detail on our TSR peer groups can be found in the 2021 Remuneration Report.

Our results demonstrate disciplined execution of our strategic priorities, and we are well positioned to meet our customers' needs while also investing for the future.

The Board closely monitored macroeconomic factors and the Group's financial performance throughout the 2024 financial year, and modified our approach to setting 'Threshold' and 'Above Expectations' performance targets following the independent review to ensure financial targets are stretching and appropriate for the market context in which they are set.

Non-financial performance

We believe that lead indicators of sustainable future performance and value creation are essential to assessing and rewarding executives, consistent with APRA's position on non-financial measures.

Most importantly, during the 2024 financial year, we maintained our top ranking relative to the other major banks in Consumer and Institutional categories as measured by net promoter score (NPS).

Our corporate reputation, as measured independently by RepTrak, remains strong relative to our peers.

+ Additional detail on our performance outcomes can be found on page 110.

Gender pay gap and improving representation

Our organisation-wide median gender pay gap of 29.9% was published by the Workplace Gender Equality Agency (WGEA) for the first time this year, and reflects many factors influencing the gender pay gap more broadly, including the types of roles performed by women, the seniority of those roles and the composition of the workforce. On an aggregate level, we have achieved gender pay equity on a 'like for like basis' – that is men and women are paid equally for performing the same or comparable work. We remain dedicated to closing the gender pay gap and promoting gender equality. We are continuing to advance gender representation across leadership roles, and work with various external bodies to support more women to enter the workforce to help diversify Australia's talent pool.

+ Additional detail on our diversity, equity and inclusion activities can be found on page 33.

Remuneration framework

For the 2024 financial year, the Board adjusted the ELT's short-term variable remuneration (STVR) scorecard weightings to create an appropriate balance of individual and collective measures, and reduce the number of performance measures to ensure a tighter focus on measurable outcomes. For the CEO and Group Executives of our customer-facing businesses and the Financial Services, Technology and Operations support units, financial measures in the STVR scorecard were increased from 40% to 50%.

During the year, the Board undertook a review and streamlined the concurrent meetings of the Board Committees. A thorough review of risk matters is undertaken incorporating input by the Group Chief Risk Officer and Group Auditor with consideration of both positive and negative risk behaviours and outcomes, including remuneration consequences where justified. This is consistent with the Group's commitment to do the right thing for our customers, people, communities and shareholders.

For the 2024 financial year, progress against the Environment & Social framework has been incorporated into our risk and reputation modifier.

The Board considered significant risk matters, executive accountability and remuneration adjustments during the 2024 financial year. No upward or downward adjustments were made to Executive STVR due to reputation or risk-related matters.

+ Additional detail on risk and remuneration adjustments can be found on page 128.

Performance and remuneration outcomes

The Board considered financial and non-financial performance outcomes both in the context of the 2024 financial year and over a multi-year period and approved:

- Executive KMP received no fixed remuneration increases in the 2024 financial year.
- FY24 STVR outcomes ranging between 77% and 84% of maximum, with no downward adjustments for risk matters.
- FY24 long-term alignment remuneration (LTAR) grants awarded with no reduction, consistent with the design and objective to reinforce individual people & leadership and strategy execution performance. Final outcomes will be assessed prior to vesting on 30 June 2027.
- Vesting of the FY21 LTAR award for the first time since its introduction in the 2021 financial year. The vesting outcome was not reduced following Board review of Executive conduct and risk outcomes.
- The FY21 long-term variable remuneration (LTVR) performance outcome of 100%, which reflects TSR performance of 85th and 87.5th percentile over the long term relative to the two comparator groups. The performance rights are not released to the CEO and Group Executives until the end of the relevant holding period.

FY24 realised remuneration for the CEO and Group Executives incorporates deferred STVR and the FY20 LTVR vesting at 92.5% on relative TSR, employee engagement and trust and reputation performance over the four-year period ending 30 June 2023 (92.1% for CEO ASB), as reported in our 2023 financial year Remuneration Report. The face value of the LTVR award at vesting was 24.28% higher than at the start of the performance period due to the increase in share price during the period (from $82.57 at allocation to $102.62). The TSR over this same period was 42.87%.

+ Additional detail on executive remuneration outcomes can be found on pages 110–111.

Non-Executive Director fees

The Board determined to increase base fees for Board members (not including the Board Chair) by 7.4%, effective 1 January 2024 to reflect external market movements. This was the first increase to base fees for Board members since the 2015 financial year. There was no change to other Board fees or the Board fee pool.

+ Additional detail on the Directors' fees is provided on page 129.

Looking forward

As the Bank continues to make progress on building tomorrow's bank today for our customers, our priorities as a People & Remuneration Committee remain committed to ensuring our people and remuneration strategies and practices continue to attract and retain the best talent, motivate our people to deliver long-term sustainable performance and reward them for doing the right thing.

We recognise that closing the gender pay gap requires a long term commitment across the Bank and partnerships with government, industry, education providers and community groups to support more girls and women to participate in the workforce with skills highly sought after in the Australian market.

The Board continues to monitor our remuneration framework to ensure it remains fit for purpose, delivers on our remuneration principles, including to attract and retain exceptional talent, and reflects stakeholder perspectives.

I invite you to read the Remuneration Report and welcome your feedback.

Simon Moutter
People & Remuneration Committee Chair

OVERVIEW
CREATING VALUE
DIRECTORS' REPORT
FINANCIAL REPORT
ADDITIONAL INFORMATION

Our Executive remuneration framework

Designed to attract and retain exceptional talent, align with and deliver sustainable shareholder returns and meet regulatory requirements.

Our remuneration principles

- Aligned with shareholder value creation
- Market competitive to attract and retain exceptional talent
- Reward sustainable outperformance
- Recognise the role of non-financial drivers in longer-term value creation
- Simple and transparent
- Reflect the Group's strategy and values

Fixed Remuneration (FR)

Purpose

Provides market competitive remuneration to attract and retain high quality talent while reflecting role scope and accountabilities.

Description

Base remuneration and superannuation (or KiwiSaver for the CEO ASB), reviewed annually against relevant comparator group remuneration benchmarks.

For further information please see page 117.

Mix

FR: 30%	STVR	LTAR	LTVR

Instrument and deferral

CEO

Cash
100%

Year 1

Group Executives and CEO ASB

Cash
100%

Year 1

Short-Term Variable Remuneration (STVR)

Purpose

Varies remuneration outcomes in line with annual performance achievement, with material weighting to financial and non-financial outcomes across shareholder, customer, people & leadership and strategy execution measures.

Description

Target opportunity of 75% of FR with maximum opportunity of 94% of FR (125% of target STVR), based on balanced performance scorecard, risk scorecard and values assessment.

For further information please see page 117.

Mix

FR	CASH: 14%	SHARES: 14%	LTAR	LTVR

CEO

Cash 50%	Deferred shares 25%	25%
Year 1	Year 2	Year 3

Group Executives and CEO ASB

Cash 50%	Deferred shares 25%	25%
Year 1	Year 2	Year 3

Subject to in-year adjustments, malus and clawback. Refer to page 117.

Mandatory Shareholding Requirement (MSR)

Our MSR promotes alignment of the interests of the CEO and Group Executives with those of shareholders and supports sustained long-term value creation for the Group.

The CEO must accumulate CBA shares equal to 300% of FR, and Group Executives and the CEO ASB must accumulate shares equal to 200% of FR. All Executives have a five-year period from the date of their appointment to their respective roles, or from the date their FR increases by 15% or greater, to meet their MSR.

+ **Further details on Executive KMP shareholdings are provided on pages 112–113.**

MSR as a proportion of FR

3x
Group CEO

2x
Group Executive and CEO ASB

Long-Term Alignment Remuneration (LTAR)

Purpose

Drives collective focus on increasing the value of CBA over time, and individual focus on people & leadership and strategy execution.

Description

Maximum opportunity of 70% of FR (subject to pre-grant and pre-vest assessments, and restriction period) which considers future financial factors and individual non-financial performance of people & leadership and strategy execution.

+ **For further information please see pages 118–119.**

Mix

FR	STVR	LTAR: 21%	LTVR

CEO

Restricted share units

50% Year 4 ◇ | 50% Year 5 ◇

Group Executives and CEO ASB

Restricted share units

100% Year 4 ◇

Long-Term Variable Remuneration (LTVR)

Purpose

Varies remuneration outcomes in line with longer-term performance measures, with a focus on relative shareholder returns to support sustainable long-term shareholder value.

Description

Maximum opportunity of 70% of FR. Assessed on relative TSR, measured against two equally-weighted comparator groups: a general ASX peer group and a financial services peer group, subject to a holding period after a four-year performance period.

+ **For further information please see pages 120–121.**

Mix

FR	STVR	LTAR	LTVR: 21%

CEO

Performance period: Year 4 ◆ Holding period: Years 5 and 6

Group Executives and CEO ASB

Performance period: Year 4 ◆ Holding period: Year 5

Subject to malus and clawback. Refer to pages 118 and 120.

◇ Pre-vest assessment.

◆ Performance assessment.

Our Executive Key Management Personnel

The table below outlines the Executives who were Key Management Personnel (KMP) for the year ended 30 June 2024, including each individual's appointment and cessation date where applicable. KMP are defined as persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity.

Name	Position	Appointment Date	Cessation Date	Term as KMP
CEO				
Matt Comyn	Managing Director and Chief Executive Officer	9 April 2018	–	Full year
Current Group Executives and CEO ASB				
Alan Docherty	Group Chief Financial Officer	15 October 2018	–	Full year
Andrew Hinchliff	Group Executive, Institutional Banking and Markets	1 August 2018	–	Full year
Sian Lewis	Group Executive, Human Resources	1 August 2018	–	Full year
Gavin Munroe	Group Chief Information Officer	14 November 2022	–	Full year
Vittoria Shortt	Chief Executive Officer and Managing Director of ASB (CEO ASB)	3 February 2018	–	Full year
Angus Sullivan	Group Executive, Retail Banking Services	1 July 2018	–	Full year
Mike Vacy-Lyle	Group Executive, Business Banking	31 January 2020	–	Full year
Nigel Williams	Group Chief Risk Officer	5 November 2018	–	Full year
Former Group Executive				
David Cohen	Deputy Chief Executive Officer	5 November 2018	31 December 2023	Part year

Executive KMP exit

David Cohen ceased his KMP role effective 31 December 2023 by mutual agreement as announced to the market on 22 November 2023. David's exit arrangements were in accordance with his employment contract, applicable law and Group Remuneration Policy. Upon his exit, David received a contractual severance payment [1]. No payments were made in lieu of notice of termination.

David is eligible for a pro-rated FY24 STVR award, pro-rated FY24 LTAR award and pro-rated FY24 LTVR award. The pro-rated STVR deferral is in cash and aligned to the requirements of the Financial Accountability Regime (FAR) [2]. As a good leaver, unvested deferred awards remain on-foot [3] to be vested per the original vesting schedule to allow for the review of, and adjustment for, risk or conduct in the future if required, subject to Board discretion.

1 David Cohen's contractual severance pay is part of grandfathered arrangements where Group Executives were eligible for severance payments of six months' base remuneration if their employment is terminated by the Group, other than for misconduct or unsatisfactory performance.

2 Under FAR, deferred remuneration obligations under the Banking Executive Accountability Regime (BEAR) continue to apply to remuneration arrangements in place prior to the first financial year that begins after 15 September 2024. In line with BEAR, any payment determined and paid in the ordinary course is subject to performance and Board risk and reputation review and is paid 60% in cash with the remaining 40% deferred as cash, vesting at least four years after the decision is made to make the relevant award.

3 No accelerated or automatic vesting upon ceasing employment. The on-foot deferred awards will be assessed in the ordinary course at the end of the vesting period related to each award (as applicable). Final deferred award outcomes will be subject to performance (where applicable), and Board risk and reputation review. Deferred awards continue to be subject to malus and clawback.

Remuneration governance

CBA's remuneration governance framework

CBA Board

Board Committees	People & Remuneration Committee	Risk & Compliance Committee	Audit Committee	Nominations Committee
Concurrent meetings are held to determine CEO and Group Executive risk, performance and remuneration outcomes.	Oversees CBA's remuneration framework and assists the Board to ensure the Group's remuneration strategy, policies and practices are appropriate and effective.	Advises the People & Remuneration Committee of material risk matters which may impact collective and/or individual remuneration outcomes.	Assesses and advises the People & Remuneration Committee of any audit matters which may impact collective and/or individual remuneration outcomes.	Considers and reviews matters relevant to evaluating the performance of the CEO and reports the evaluation to the People & Remuneration Committee and the Board.

Risk & Remuneration Review Committee

Management committee that advises the Group CRO on material risk matters, including any that may impact remuneration outcomes for Executive General Managers and below levels.

Independent Remuneration Consultant

The People & Remuneration Committee may engage external advisors to provide information to assist the Committee in making remuneration decisions.

People & Remuneration Committee and Board oversight

The People & Remuneration Committee is the governing body for developing, monitoring and assessing the remuneration strategy and framework across CBA on behalf of the Board, ensuring that these are appropriate and effective. The role of the People & Remuneration Committee is to review, challenge, assess and, as appropriate, endorse the recommendations made by management for Board approval. The Board reviews, challenges, applies judgement and, as appropriate, approves the People & Remuneration Committee's recommendations.

The People & Remuneration Committee met formally seven times during the 2024 financial year with the following members (as at 30 June 2024): Simon Moutter (Chair), Peter Harmer, Paul O'Malley, Mary Padbury and Genevieve Bell (up until 31 October 2023). The responsibilities of the People & Remuneration Committee are outlined in its Charter, which is reviewed annually.

The Charter is available at commbank.com.au/peopleandremuneration

As part of the performance and risk review, and to support the determination of remuneration outcomes for the CEO and Group Executives, the People & Remuneration Committee meets concurrently with the Risk & Compliance, Audit, and Nominations Committees in February and June. These concurrent meetings provide an opportunity for the Committees to review and discuss relevant risk and audit matters that may warrant consideration in the People & Remuneration Committee's determination of remuneration outcomes. Information provided to the concurrent meetings supports determination of collective and/or individual remuneration adjustments and includes risk scorecard outcomes for the CEO and Group Executives, details of material risk matters presented by the Group CRO and outcomes of internal audit reviews conducted during the year presented by the Group Auditor.

The concurrent meeting process was reviewed during the 2024 financial year to consider the appropriate meeting structure to support the determination of appropriate remuneration outcomes and meet regulatory requirements. Following the review, the concurrent meeting agenda was streamlined to primarily focus on key risk and audit matters relevant to the CEO and each Group Executive's performance and remuneration outcomes to ensure due consideration is given to both exceptional and poor risk and audit outcomes and the context in which those outcomes occurred.

The Risk & Remuneration Review Committee, a management committee that advises the Group CRO, oversees assessment of accountability for material risk matters, including those impacting CBA's reputation, and application of remuneration adjustments as appropriate for employees at and below the Executive General Manager level.

In line with New Zealand regulatory requirements, the performance and remuneration arrangements and outcomes for the CEO ASB are determined and approved by the Board of ASB.

External advisors

During the 2024 financial year, external advisors were engaged to provide information to the People & Remuneration Committee to assist with making remuneration decisions. The People & Remuneration Committee did not seek or receive any remuneration recommendations from external advisors in the 2024 financial year.

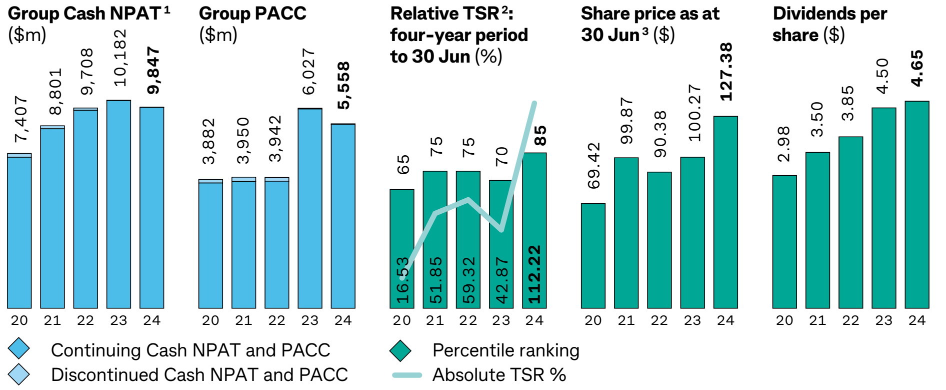
Group performance and remuneration

Our remuneration outcomes, including STVR, LTAR and LTVR, reflect sustained performance across both financial and non-financial measures. The graphs and table below illustrate the relationship between Executive remuneration outcomes and the Group's performance over the past five financial years.

Measures

Financial

Executive remuneration outcomes reflect sustained financial performance, with consistent operational execution and value delivery for shareholders. Financial targets are set by the Board considering Group strategic priorities, the economic environment and market expectations. Following a review, the method for setting financial performance targets for FY24 was adjusted to reflect better market practices.



1 Restated as disclosed in Note 1.1 in the financial statements.

2 Percentile ranking relative to general ASX peer group. The percentile ranking relative to the financial services peer group was 87.5 for FY24.

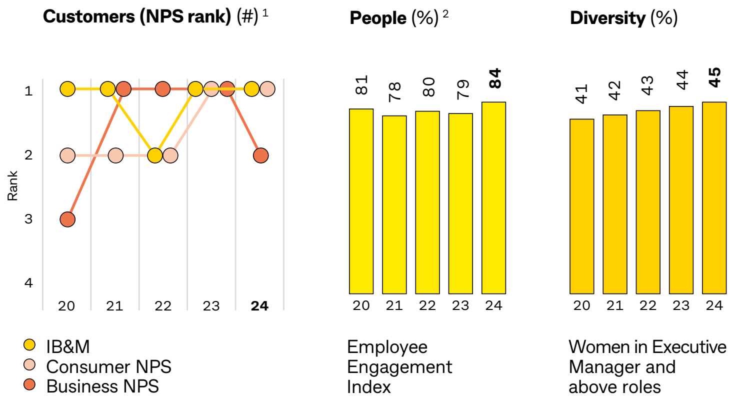
3 CBA opening share price 1 July 2019 was $83.50.

Non-financial

Executive remuneration outcomes reflect non-financial performance in customer, people and leadership, strategy execution, risk and reputation and values.

Targets are set to maintain or increase a leading position relative to peers or absolute NPS levels. This supports alignment with shareholder interests as we advance our strategic priorities and create sustainable value for our customers, people and shareholders. Focusing on non-financial performance (in addition to financial performance) ensures compliance with APRA Prudential Standard CPS 511 requirements.

+ Further details can be found on page 115.



1 Represents June NPS outcome for the relevant year.

2 FY24 outcomes reflect a revised survey format. Refer to Sustainability Performance on page 52 for further details.

Executive KMP remuneration

Remuneration outcomes	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23	30 Jun 24
Fixed remuneration (FR) increase[1] (average %)	1.3%	5.1%[2]	3.6%	1.3%	**0%**
STVR outcome (average % of maximum)	60%	85%[3]	85%	88%	**81%**
LTAR vesting outcome (% of maximum)	n/a	n/a	n/a	n/a	**100%**[4]
LTVR performance outcome (% of maximum)	84%	87.5%	100%	92.5%	**100%**[4]

1 Average increases for Key Management Personnel (KMP) excluding promotions.
2 Increased FR in combination with the reduced total remuneration opportunity and rebalanced pay-mix. Underlying FR average increase 1.4%.
3 Maximum STVR opportunity reduced from 150% to 125% of target for 2021 financial year impacting year-on-year comparisons of STVR outcome as a % of maximum.
4 The FY21 LTAR is the first LTAR grant under the executive remuneration framework introduced in FY21.

FY24 remuneration at a glance

CEO remuneration

Matt Comyn was appointed to the CEO role effective 9 April 2018. For the 2024 financial year, the CEO:
- Did not receive an increase to fixed remuneration and total target remuneration remained unchanged.
- Received variable remuneration relating to performance over the five-year period from 1 July 2019 to 30 June 2024.

Variable remuneration		Outcome[1]	Performance Period
Cash STVR	50% of FY24 Award	79%	1 July 2023 to 30 June 2024
Deferred STVR	25% of FY22 Award	87%	1 July 2021 to 30 June 2022
	25% of FY21 Award	87%	1 July 2020 to 30 June 2021
LTVR	100% of FY20 Award	92.5%	1 July 2019 to 30 June 2023

- Outcomes reflect performance (as a % of maximum) against financial and non-financial measures.
- FY24 total received remuneration is $8.98 million with 72% ($6.48 million) of total remuneration relating to performance, including awards deferred into equity from prior performance periods. See page 114 for further detail.
- Share price growth on deferred awards contributed $1.10 million or 12% of FY24 total remuneration received[2].
- FY24 statutory remuneration is $7.17 million, which reflects the accounting value of Matt Comyn's awards prepared in line with Australian Accounting Standards. See pages 122–123 for further detail.

1 STVR outcome reflects % of maximum performance opportunity. LTVR outcome reflects % of maximum vesting opportunity.
2 The market value of FY22 deferred STVR shares at grant was $96.05 and $101.35 at vesting. The market value of FY21 deferred STVR shares at grant was $101.00 and $101.35 at vesting. The market value of the FY20 LTVR performance rights at grant was $80.34 and $104.47 at vesting.

FY24 outcomes

Short-term variable remuneration (STVR)

CEO remuneration
STVR % of maximum **78.6%**

Group Executives (GEs) and CEO ASB remuneration
STVR % of maximum
76.7% to **83.6%**

Long-term alignment remuneration (LTAR)

The LTAR vested for the first time with no reduction.

CEO: 50% of the FY21 LTAR grant remains in restriction until 30 June 2025.

GEs and CEO ASB: restriction period ends 30 June 2024 for the FY21 LTAR grant.

Long-term variable remuneration (LTVR)

FY21 LTVR reached the end of its performance period on 30 June 2024.

Performance outcome: 100%

CEO: Performance rights are subject to a further holding period – 50% for two years and 50% for three years (to 30 June 2026 and 30 June 2027 respectively).

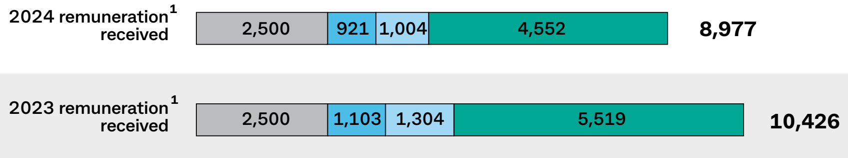
GEs and CEO ASB: Performance rights are subject to a further holding period – 50% for one year and 50% for two years (to 30 June 2025 and 30 June 2026 respectively).

Executive KMP remuneration snapshot

The Executive KMP remuneration snapshot provides details of remuneration received[1] during the financial years ended 30 June 2024 and 30 June 2023. This differs from the statutory remuneration table on pages 122–123, which presents remuneration in accordance with accounting standards (i.e. on an accruals basis). The basis of preparation is noted on page 114, excluding any one-off awards.

Matt Comyn Managing Director and Chief Executive Officer ($000)

Term as KMP: full year



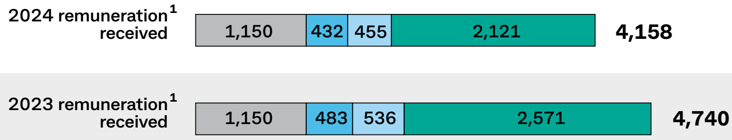
Progress against minimum shareholding requirement
Meets

964%
Current shareholding

300%
Shareholding requirement

Alan Docherty Group Chief Financial Officer ($000)

Term as KMP: full year



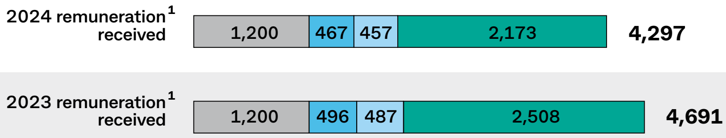
Progress against minimum shareholding requirement
Meets

873%
Current shareholding

200%
Shareholding requirement

Andrew Hinchliff Group Executive, Institutional Banking and Markets ($000)

Term as KMP: full year



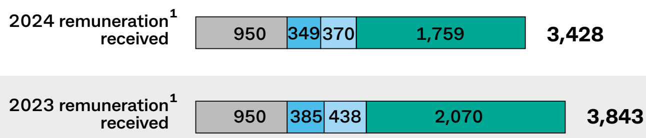
Progress against minimum shareholding requirement
Meets

723%
Current shareholding

200%
Shareholding requirement

Sian Lewis Group Executive, Human Resources ($000)

Term as KMP: full year



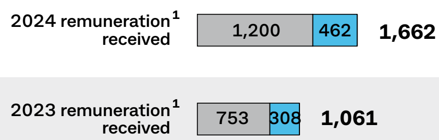
Progress against minimum shareholding requirement
Meets

564%
Current shareholding

200%
Shareholding requirement

Gavin Munroe Group Chief Information Officer ($000)

Term as KMP: full year



Progress against minimum shareholding requirement
On track

197%
Current shareholding

200%
Shareholding requirement

Key FR STVR – Cash STVR – Deferred LTVR

1 Both 2024 and 2023 refer to the relevant financial year, and include fixed remuneration received, STVR cash portion paid, and equity awards which have vested during the year, including deferred STVR and LTVR awards. For 2024 this relates to the 2020 LTVR and for 2023 it relates to the 2019 LTVR.

2024 remuneration received includes vesting of the FY20 LTVR award. As reported in 2023, the FY20 LTVR award vested at 92.5% reflecting sustained strong financial and non-financial performance for the period from 1 July 2019 to 30 June 2023 being: relative TSR at the 70th percentile, Employee Engagement of 84% and RepTrak score of 100th percentile (peer group made up of 16 largest consumer facing ASX companies for CBA and 13 companies being the four largest financial institutions in New Zealand and nine largest New Zealand institutions for ASB. The positive TSR gateway was met for non-financial performance measures; CBA's absolute TSR for the four-year performance period to 30 June 2023 was 42.87%.

Vittoria Shortt Chief Executive Officer and Managing Director of ASB ($000)

Term as KMP: full year

	FR	STVR – Cash	STVR – Deferred	LTVR	Total
2024 remuneration received[1,2]	1,067	416	1,239	1,990	**4,712**
2023 remuneration received[1,2]	1,056	420	462		**1,938**

Progress against minimum shareholding requirement
Meets

1,049%
Current shareholding

200%
Shareholding requirement

Angus Sullivan Group Executive, Retail Banking Services ($000)

Term as KMP: full year

	FR	STVR – Cash	STVR – Deferred	LTVR	Total
2024 remuneration received[1]	1,300	509	534	2,276	**4,619**
2023 remuneration received[1]	1,300	542	699	2,634	**5,175**

Progress against minimum shareholding requirement
Meets

656%
Current shareholding

200%
Shareholding requirement

Mike Vacy-Lyle Group Executive, Business Banking ($000)

Term as KMP: full year

	FR	STVR – Cash	STVR – Deferred	LTVR	Total
2024 remuneration received[1]	1,225	455	504	2,276	**4,460**
2023 remuneration received[1]	1,225	574	381		**2,180**

Progress against minimum shareholding requirement
Meets

890%
Current shareholding

200%
Shareholding requirement

Nigel Williams Group Chief Risk Officer ($000)

Term as KMP: full year

	FR	STVR – Cash	STVR – Deferred	LTVR	Total
2024 remuneration received[1]	1,450	521	556	2,500	**5,027**
2023 remuneration received[1]	1,450	571	647	3,031	**5,699**

Progress against minimum shareholding requirement
Meets

568%
Current shareholding

200%
Shareholding requirement

Key FR · STVR – Cash · STVR – Deferred · LTVR

2 New Zealand dollar amounts have been converted to Australian dollars. For the CEO ASB, the FY20 LTVR award vested at 92.12% with trust and reputation at 88.46%.

Remuneration report (continued)

Remuneration received during the year by Executive KMP

The remuneration outcomes table below provides a summary of the remuneration received by the Executives in their KMP roles during the financial year ended 30 June 2024. It complements the Executive KMP remuneration snapshots on pages 112–113, which present remuneration received, and is prepared in accordance with the basis of preparation noted below, including any one-off awards. All remuneration presented in this report is in Australian dollars.

		Fixed remuneration a	Cash STVR b	Total cash payments c = a + b	Deferred awards [1] d	Total remuneration received e = c + d	Previous years' awards forfeited or lapsed f
CEO							
Matt Comyn	**30 Jun 24**	**2,500,000**	**920,860**	**3,420,860**	**5,556,027**	**8,976,887**	**(369,022)**
	30 Jun 23	2,500,000	1,102,500	3,602,500	6,823,244	10,425,744	–
Current Group Executives and CEO ASB							
Alan Docherty	**30 Jun 24**	**1,150,000**	**432,264**	**1,582,264**	**2,575,643**	**4,157,907**	**(171,889)**
	30 Jun 23	1,150,000	483,000	1,633,000	3,107,769	4,740,769	–
Andrew Hinchliff	**30 Jun 24**	**1,200,000**	**467,280**	**1,667,280**	**2,629,590**	**4,296,870**	**(176,096)**
	30 Jun 23	1,200,000	496,350	1,696,350	2,994,968	4,691,318	–
Sian Lewis	**30 Jun 24**	**950,000**	**349,072**	**1,299,072**	**2,128,793**	**3,427,865**	**(142,539)**
	30 Jun 23	950,000	384,750	1,334,750	2,507,407	3,842,157	–
Gavin Munroe	**30 Jun 24**	**1,200,000**	**462,308**	**1,662,308**	**154,152**	**1,816,460**	**–**
	30 Jun 23	752,877	307,739	1,060,616	465,937	1,526,553	–
Vittoria Shortt [2]	**30 Jun 24**	**1,067,320**	**416,255**	**1,483,575**	**3,228,387**	**4,711,962**	**(170,247)**
	30 Jun 23	1,055,838	419,696	1,475,534	462,068	1,937,602	–
Angus Sullivan	**30 Jun 24**	**1,300,000**	**509,218**	**1,809,218**	**2,810,144**	**4,619,362**	**(184,511)**
	30 Jun 23	1,300,000	542,100	1,842,100	3,332,837	5,174,937	–
Mike Vacy-Lyle	**30 Jun 24**	**1,225,000**	**455,425**	**1,680,425**	**2,780,290**	**4,460,715**	**(184,511)**
	30 Jun 23	1,225,000	574,219	1,799,219	381,145	2,180,364	–
Nigel Williams	**30 Jun 24**	**1,450,000**	**521,402**	**1,971,402**	**3,056,226**	**5,027,628**	**(202,675)**
	30 Jun 23	1,450,000	570,938	2,020,938	3,678,469	5,699,407	–
Former Group Executive							
David Cohen [3]	**30 Jun 24**	**628,415**	**290,521**	**918,937**	**2,990,309**	**3,909,246**	**(201,238)**
	30 Jun 23	1,250,000	430,313	1,680,313	3,582,379	5,262,692	–

1 For Gavin Munroe this represents the portion of his cash and equity one-off awards which vested in the 2024 financial year. Gavin commenced as a KMP on 14 November 2022, FY23 remuneration reflects time in role.

2 Vittoria Shortt has an additional payment of $12,488 of KiwiSaver payable on her cash STVR component (FY23 amount was $12,591). Vittoria's remuneration is paid in New Zealand dollars. The values shown are impacted by movements in exchange rates.

3 David Cohen ceased being a KMP on 31 December 2023 and his remuneration reflects the time he was a KMP.

Basis of preparation

Cash payments	(a) **Fixed remuneration:** Base remuneration plus superannuation paid for the period as KMP. For the CEO ASB, contributions are made in line with the KiwiSaver employer contribution requirements. (b) **Cash STVR:** • For 2024: 50% of the 2024 financial year STVR (relates to performance during the 12 months to 30 June 2024). • For 2023: 50% of the 2023 financial year STVR (relates to performance during the 12 months to 30 June 2023).
Vesting of prior year awards	(d) **Deferred awards:** The value of all deferred awards that vested during the period as KMP. The value for equity awards shown is based on the volume weighted average closing price (VWACP) of the Group's ordinary shares over the five trading days preceding the vesting date. For the 2024 financial year, the awards vested values include: • the tranche of deferred STVR from the 2022 and 2021 financial years and 2019 financial year for the CEO ASB; • the 2020 LTVR award; and • one-off equity and one-off cash awards.
Awards forfeited or lapsed	(f) **Previous years' awards forfeited or lapsed:** The value of all unvested deferred equity awards that were forfeited or lapsed during the 2024 financial year as the performance or risk and reputation conditions were not met. The value shown is based on VWACP of the Group's ordinary shares over the five trading days preceding the date of forfeiture or lapse.

1. Variable remuneration outcomes for the financial year ended 30 June 2024

CEO short-term variable remuneration (STVR) performance outcomes

Reflective of Group financial and non-financial performance, the CEO's 2024 financial year STVR outcome is: 78.6% of maximum (98.2% of target).

Measure, rationale and commentary	Weight	Scorecard result: Threshold 50%	Scorecard result: Target 100%	Scorecard result: Above Expectations 125%	% of STVR maximum
Shareholder Delivery of disciplined financial performance with a continued focus on execution of the Group's strategic priorities in a challenging economic landscape: • Group cash NPAT – above Target (Actual: $9,847 million)	25%	9,272	9,672	10,072	22.2%
• Group underlying PACC – below Target (Actual: $5,558 million).	25%	5,253	5,889	6,525	14.8%
Customer NPS outcomes for Consumer, Business and Institutional customers, with reference to complaints remediation: • Consumer and IB&M NPS ranked #1 against major bank peers for 12 months, with BB holding #1 position for 11 months, declining to #2 in June.	15%				10.8%
People & Leadership Group Leadership measure results: • Employee engagement remains high at 84% • Overall improvement on the identification, assessment and activation of talent across the Group • Developing critical capabilities and building a diverse culture with 45% women in leadership roles.	10%				8.8%
Strategy Execution Strong progress on the delivery of Group strategic priorities, including: • Policy leadership and continued advocacy and engagement with government on issues including AI, scams and payments reform • Ongoing innovation of products and services with achievement of #1 NPS for Consumer mobile and Business digital apps • Technology strategy implementation enabling improvements in platforms, stability and resilience; deployment of applications at scale and speed while maintaining systems availability for customers • Progress in line with our sustainability commitments • Industry leading risk management practices, disciplined capital management and strengthened balance sheet settings.	25%				22.0%
Overall CEO scorecard STVR outcome					78.6%

Risk and reputation assessment • Leadership of risk culture • Progress against the Environmental & Social framework • Risk and Reputation: RepTrak Score	Fully met	No adjustment
Values assessment • Demonstrated all individual and leadership guidelines within the Group's Values • Continued to provide national industry leadership	Exceptionally demonstrated	No adjustment

Overall CEO STVR scorecard outcome	**78.6%**

Executive short-term variable remuneration (STVR) performance outcomes

The following table provides the 2024 financial year STVR outcomes for Executives for the period they were KMP. The minimum potential outcome is zero.

			STVR actual				
	STVR target $	STVR maximum $	Total $	Cash[1] $	Deferred $	STVR actual as a % of STVR target[2] %	STVR actual as a % of STVR maximum[2] %
CEO							
Matt Comyn	1,875,000	2,343,750	1,841,719	920,860	920,859	98%	79%
Current Group Executives and CEO ASB							
Alan Docherty	862,500	1,078,125	864,527	432,264	432,263	100%	80%
Andrew Hinchliff	900,000	1,125,000	934,560	467,280	467,280	104%	83%
Sian Lewis	712,500	890,625	698,143	349,072	349,071	98%	78%
Gavin Munroe	900,000	1,125,000	924,615	462,308	462,307	103%	82%
Vittoria Shortt[3]	800,490	1,000,613	832,510	416,255	416,255	104%	83%
Angus Sullivan	975,000	1,218,750	1,018,436	509,218	509,218	104%	84%
Mike Vacy-Lyle	918,750	1,148,438	910,849	455,425	455,424	99%	79%
Nigel Williams	1,087,500	1,359,375	1,042,804	521,402	521,402	96%	77%
Former Group Executive							
David Cohen[4]	471,311	589,139	484,202	290,521	193,681	103%	82%

1 Cash amounts will be paid in or around September 2024 for Australian-based Executives.
2 The percentage of 2024 financial year STVR forfeited (as a % of STVR target and maximum respectively): Matt Comyn 2% and 21%, Alan Docherty 0% and 20%, Andrew Hinchliff 0% and 17%, Sian Lewis 2% and 22%, Gavin Munroe 0% and 18%, Vittoria Shortt 0% and 17%, Angus Sullivan 0% and 16%, Mike Vacy-Lyle 1% and 21%, Nigel Williams 4% and 23%, David Cohen 0% and 18%.
3 Vittoria Shortt's remuneration is paid in New Zealand dollars. The values shown are impacted by movements in exchange rates.
4 David Cohen ceased being a KMP on 31 December 2023 and his remuneration reflects the time he was KMP. The deferred portion of David Cohen's 2024 STVR was deferred into cash in line with the Financial Accountability Regime (FAR) requirements.

Long-term alignment remuneration (LTAR) pre-grant assessment outcomes

The 2024 financial year LTAR awards were granted with no downward adjustment. The CEO LTAR is delivered in two equal tranches and is subject to a pre-vest assessment at the end of a four and five-year restriction period ending 30 June 2027 and 30 June 2028 respectively. The LTAR for Group Executives and CEO ASB is subject to a pre-vest assessment at the end of a four-year restriction period ending 30 June 2027.

The following table outlines the pre-grant assessment criteria and outcomes.

Pre-grant assessment	Outcome
Forward-looking financial considerations	Met
Threshold level individual non-financial performance	Met
Board discretion to adjust grant value downwards	No adjustment
Pre-grant assessment outcome	No downward adjustment

+ Refer to page 119 for LTAR pre-grant assessment.

Long-term variable remuneration (LTVR) performance outcomes

The 2021 financial year LTVR award reached the end of its four-year performance period on 30 June 2024. The performance outcome was 100% for the CEO and Group Executives, including CEO ASB. CBA's performance outcome for the general ASX peer group was 100% and the financial services peer group was 100%. The performance rights that remain after performance test are subject to further holding periods for the CEO and Group Executives (including CEO ASB).

Performance measure	Percentage	Percentile ranking	Performance outcome
Relative TSR (general ASX peer group)	50%	85th percentile ranking relative to the peer group	100%
Relative TSR (financial services peer group)	50%	87.5th percentile ranking relative to the peer group	100%

→ Refer to page 99 of the 2021 Remuneration Report for the 2021 financial year LTVR award general ASX and financial services peer groups.

2. Executive remuneration framework in detail

Fixed remuneration

Fixed remuneration (FR) comprises base remuneration (i.e. cash salary) and superannuation (KiwiSaver for the CEO ASB).

FR is delivered in accordance with contractual terms and conditions of employment and is reviewed annually against relevant comparator group remuneration benchmarks. As part of the benchmark, the Group's size, scale and complexity relative to the comparator group are considered.

Short-term variable remuneration (STVR)

The table below outlines key features of the 2024 financial year STVR award for the CEO and all Executives. Refer to page 127 for treatment of STVR on cessation of employment.

Features	Approach
Purpose	Varies remuneration outcomes in line with annual performance achievement, with material weighting to financial and non-financial outcomes across shareholder, customer, people & leadership and strategy execution measures, incorporating both risk scorecard and values assessments. Recognises both the 'what' and the 'how' of performance.
Participants	CEO, Group Executives and CEO ASB
Opportunity	Target STVR: 75% of FR Maximum STVR: 94% of FR (125% of target STVR)
Performance measures and weightings	Individual STVR outcomes are determined on the basis of Group (or ASB for the CEO ASB) performance and individual performance through a balanced scorecard. The performance measures comprise a mix of financial and non-financial metrics linked to Group and business unit targets, aligned to the Group's strategy with the weightings varied by role. More information on the CEO's STVR scorecard can be found on page 115.
Risk and values assessment	Performance outcomes determined through assessment of the balanced scorecard are subject to the following gate/modifiers: • **Risk and Reputation**[4]**:** the Board[5] has discretion where appropriate to adjust Executive STVR outcomes through the Executive risk scorecard. Executive risk scorecard assessments include consideration of: risk culture and leadership; risk strategy/appetite; incidents and issues; the risk and control environment; and risk milestones. The Risk and Reputation modifier also includes consideration of Trust and Reputation outcomes that may warrant an adjustment to the Risk and Reputation assessment. In FY24, progress against the Environment & Social Framework (E&S) was introduced to the Risk and Reputation modifier to provide a more direct link to remuneration. • **Values:** the Board[5] has the discretion to adjust Executive STVR outcomes on the basis of an assessment of behaviours aligned with our Group values, where appropriate.
Calculation of awards	STVR awards for all Executives are calculated as follows: Opportunity: Fixed remuneration $ x Target STVR opportunity % x Scorecard outcome: Performance result %[6] x Risk and Reputation and Values assessment: Risk and Reputation result x Values result = Final outcome: Value of adjusted STVR award $
Deferral	50% of the STVR award is deferred and delivered in deferred shares that vest in equal tranches over one and two years. Deferred STVR shares have rights to dividends paid during the deferral period. All deferred STVR awards are subject to Board[5] risk and reputation review prior to vesting and continuous service. The Board also retains discretion to apply malus or clawback if considered appropriate.

Performance measures and weightings:

	Financial	Non-financial (including customer, leadership and strategy)
CEO and business unit Group Executives[1]	50%	50%
Support unit[2] Group Executives	40%–50%	50%–60%
Group CRO	20%	80%
CEO ASB[3]	50%	50%

1 Excluding support unit Group Executives, Group CRO and CEO ASB.
2 Includes Financial Services, Group Strategy, Human Resources, Legal and Group Secretariat, Marketing and Corporate Affairs, Operations and Technology.
3 The Financial category comprise a Risk and climate measure.
4 For the CEO ASB reputation is not included in the modifier as it is contained in the Customer measures of the scorecard.
5 'Board' is to be read as ASB Board in respect of discretion for the CEO ASB's STVR outcomes.
6 The Board retains discretion to adjust scorecard outcomes.

Remuneration report (continued)

Long-term alignment remuneration (LTAR)

The table below outlines key features of the 2024 financial year LTAR for the Executives. Refer to page 127 for treatment of LTAR on cessation of employment. The LTAR was introduced in the 2021 financial year to retain an appropriate focus on both financial and non-financial outcomes and drive collective absolute focus on the value of the Group over time. The LTAR is subject to pre-grant and pre-vest assessments.

Feature	Approach
Purpose	Drives collective focus on increasing the value of CBA over time, and individual focus on sustained leadership and strategy execution performance. The LTAR pre-grant and pre-vest assessments are designed to focus the Executives on non-financial performance, in particular leadership and strategy.
Participants	CEO, Group Executives and CEO ASB
Opportunity	Maximum opportunity of 70% of fixed remuneration (FR). The minimum potential outcome is zero.
Restriction period	CEO: Subject to a four and five-year restriction period, 50% from 1 July 2023 to 30 June 2027 and 50% to 30 June 2028. Group Executives and CEO ASB: Subject to a four-year restriction period from 1 July 2023 to 30 June 2027.
Pre-grant assessment	The LTAR award value is subject to a pre-grant assessment with downward adjustments applied to reflect material issues. The assessment considers future financial factors and individual non-financial performance of people & leadership and strategy execution.
Pre-vest assessment	The LTAR award is subject to a pre-vest assessment with potential for downward adjustments applied based on an assessment of non-financial performance over the restriction period. The assessment considers leadership and strategy performance and adjustments will be made for significant failures resulting in adverse material impacts taking into consideration the participants' actions or response to any matters identified.
Instrument	The LTAR award is granted as restricted share units (RSUs). Each RSU entitles the participant to receive one CBA share (or cash equivalent as determined by the Board) subject to the pre-vest assessment, malus review and continuous service prior to vesting.
Maximum face value allocation approach	The number of RSUs granted is calculated as follows for the Executives: FR $ (at time of grant) x 70% ÷ Share price $ (no discount applied) = Number of RSUs The share price used was the volume weighted average closing price of CBA's ordinary shares over the five trading days up to and including 1 July 2023 ($99.19).
Dividends and/or dividend equivalents	For every RSU that ultimately vests following the end of the restriction period and pre-vest assessment, the Executive will receive a payment equal to dividends paid by CBA over the restriction period/s in relation to the vested RSUs. Participants will not receive any franking credits or value in lieu of franking credits.
Board discretion	The Board has discretion to determine that some or all of unvested awards will lapse in certain circumstances (malus) or apply clawback (repayments) to vested LTAR awards, including where, in the opinion of the Board: • Vesting is not justified or supportable, having regard to the Executive's performance and/or conduct, the performance of the business unit or function (as relevant having regard to the participant's accountability or role), or overall Group performance. • There is a significant failure of financial or non-financial risk management, breach of accountability, fitness and propriety or compliance obligations. • Vesting will impact on the financial soundness of the Group or a member of the Group. • The Group is required or entitled to reclaim remuneration or reduce an Executive's remuneration outcome under law, regulation or Group policy. • A significant unexpected or unintended consequence or outcome has occurred which impacts the Group, including where original expected performance outcomes have not been realised.

LTAR – performance assessments

The following diagram illustrates the LTAR pre-grant and pre-vest assessments process to support robust decision making when granting and vesting LTAR awards to Executives.

Step 1 | Step 2 | Step 3 | Step 4

Forward-looking financial considerations

Determine if any adjustment required as a result of material forward-looking financial considerations.

- Non-formulaic trigger to Board discretion
- Likely to impact all participants

Elements for consideration

Key financial metrics are used to determine the forward-looking financial assessment for the LTAR award, and may include, but are not limited to, share price, dividend forecast, capital and other shareholder measures as set out in the CEO scorecard (refer to page 115).

Assessment outcomes	Impact
If no material issues identified	No adjustment
If potential material issues identified	Consider whether LTAR grant should be adjusted downwards

Step 1 | **Step 2** | Step 3 | Step 4

Threshold level individual non-financial performance

Determine if adjustment required as a result of individual contribution to non-financial performance outcomes relating to strategy and leadership.

- Formulaic trigger to consider if Board discretion is warranted
- Review on an individual level

Elements for consideration

- Leadership performance outcome for prior year's STVR scorecard
- Strategy Execution performance outcomes for prior year's STVR scorecard
- Thresholds set based on historical analysis, triggering discretionary overlay where outcomes are poor

STVR scorecard outcomes for Leadership or Strategy (non-financial)	Impact
Outcome >70% of Target	No adjustment
Outcome between 50% and 70% of Target	Consider whether LTAR grant should be adjusted downwards by up to 20%
Outcome <50% of Target (i.e. Below Threshold)	Consider whether LTAR grant should be made

Step 1 | Step 2 | **Step 3** | Step 4

Board discretion to adjust grant value downwards based on Steps 1 and 2

Board to undertake assessment and apply judgement based on Steps 1 and 2.

- Non-formulaic Board determination
- May apply to select or all participants

Elements for consideration

Non-exhaustive list of issues for Board consideration and application of discretion may include:

- Broader assessment of non-financial performance not captured by STVR scorecard triggers
- Relevant context for prior year performance
- Historical and potential future performance
- Whether performance outcome is already appropriately impacting other elements of remuneration (e.g. STVR and LTVR)

Step 1 | Step 2 | Step 3 | **Step 4**

Pre-vest assessment

Determine if any adjustments required based on a look-back review over the LTAR restricted period.

- Non-formulaic Board determination
- Review on an individual level

Elements for consideration

- Significant failures and resultant material adverse impacts in people & leadership
- Relevant context including the Board-endorsed strategy and leadership expectations
- Executive actions and/or response to any matters identified in Step 4, with consideration of external/internal operating context
- Adequate reflection of matters across the remuneration framework (e.g. STVR, LTAR pre-grant, deferred awards) over the relevant period

Inputs to support Board discretionary assessment

- Pre-grant LTAR assessments over the relevant period
- Board strategy reviews
- Indicators of People & Leadership
- Any other inputs as relevant

Remuneration report (continued)

Long-term variable remuneration (LTVR)

The table below outlines key features of the 2024 financial year LTVR for the Executives. Refer to page 127 for treatment of LTVR on cessation of employment.

Features	Approach
Purpose	Varies remuneration outcomes in line with longer-term performance achievement, with a focus on relative shareholder returns to support sustainable shareholder value over time.
Participants	CEO, Group Executives and CEO ASB
Opportunity	The maximum face value of LTVR that can be granted for the Executives is 70% of fixed remuneration (FR). The minimum potential outcome is zero.
Performance period	Subject to relative Total Shareholder Return (TSR) performance over four years from 1 July 2023 to 30 June 2027.
Holding period	• CEO: performance rights that vest after performance testing (vested performance rights) will be exercised into ordinary CBA shares, which remain subject to a further two-year holding period (to 30 June 2029). • Group Executives: vested performance rights will be exercised into ordinary CBA shares, which remain subject to a further one-year holding period (to 30 June 2028). • CEO ASB: performance rights remain subject to a further one-year holding period (to 30 June 2028).
Performance measures and weightings	• 50% measured against a general ASX peer group. • 50% measured against a financial services peer group.
Instrument	Performance rights – each right entitles the participant to receive one CBA share, subject to vesting conditions.
Maximum face value allocation approach	The number of performance rights granted to Executives is calculated as follows: FR $ (at time of grant) x 70% ÷ Share price $ (no discount applied) = Number of performance rights The share price used was the volume weighted average closing price of CBA's ordinary shares over the five trading days up to and including 1 July 2023 ($99.19).
Dividends and/or dividend equivalents	Performance rights do not receive dividends (or dividend equivalent payments) in relation to the performance period. CEO and Group Executives: Restricted Shares subject to the holding period have rights to dividends paid during the holding period. CEO ASB: For every Performance Right retained during the Holding Period (following performance testing), the CEO ASB will be entitled to receive a payment equal to dividends paid by CBA (not including the value of franking credits).
Board discretion	The Board has discretion to determine that some or all of the unvested awards will lapse in certain circumstances (malus) or apply clawback (repayments) to vested LTVR awards, including where, in the opinion of the Board: • Vesting is not justified or supportable, having regard to the Executive's performance and/or conduct, the performance of the business unit or function (as relevant having regard to the participant's accountability or role), or overall Group performance. • A significant failure of financial or non-financial risk management, breach of accountability, fitness and propriety or compliance obligations. • Vesting will impact on the financial soundness of the Group or a member of the Group. • The Group is required or entitled to reclaim remuneration or reduce an Executive's remuneration outcome under law, regulation or Group policy. • A significant unexpected or unintended consequence or outcome has occurred which impacts the Group, including where original expected performance outcomes have not been realised.

Performance measures	Approach

Relative TSR

- Relative TSR provides a robust and easily quantifiable performance measure with strong alignment to shareholder value.
- TSR measures share price movement, dividends paid and any return of capital over a specific period.
- Relative TSR compares the ranking of CBA's TSR over the performance period with the TSR of other companies in a peer group.

Performance measure framework

Under the LTVR, performance rights are tested at year four and are subject to a further holding restriction. For the CEO and Group Executives, the performance rights will vest and be exercised to ordinary CBA shares subject to the holding period. For the CEO ASB, the performance rights will vest after the holding period has expired subject to vesting conditions.

Peer group ranking	Percentage of award subject to holding period
At the 75th percentile or higher	100%
Between the median and 75th percentile	Pro-rata from 50% to 100%
At the median	50%
Below the median	0%

Calculation of results

Each company in the peer group will be given a percentile ranking based on the growth in its TSR over the four-year performance period. TSR outcomes are calculated by an external provider.

TSR relative to a general ASX peer group

- The peer group is made up of the 20 largest companies on the ASX by market capitalisation at the beginning of the performance period, excluding resources companies and CBA. This cross-industry peer group has been chosen as it represents the typical portfolio of companies in which CBA's shareholders invest, and so provides relevant benchmarks for measuring CBA's TSR.
- The peer group at the beginning of the performance period for the relative TSR performance measure comprised (in alphabetic order):
  - ANZ Group Holdings Limited
  - Aristocrat Leisure Limited
  - Brambles Limited
  - Coles Group Limited
  - CSL Limited
  - Goodman Group
  - James Hardie Industries PLC
  - Macquarie Group Limited
  - National Australia Bank Limited
  - QBE Insurance Group Limited
  - REA Group Ltd
  - Sonic Healthcare Limited
  - Suncorp Group Limited
  - Telstra Group Limited
  - Transurban Group
  - Wesfarmers Limited
  - Westpac Banking Corporation
  - WiseTech Global Limited
  - Woolworths Group Limited
  - Xero Limited

A reserve bench company will be substituted (in order of market capitalisation as at the beginning of the performance period) into the peer group when a peer group company ceases to be listed on the ASX as a result of an acquisition, merger or other relevant corporate action or delisting. The reserve bench (in order of market capitalisation) comprised: Cochlear Limited, Origin Energy Limited, Computershare Limited, Insurance Australia Group Limited and ResMed Inc.

TSR relative to a financial services peer group

- The peer group is made up of the eight most comparable financial services companies listed on the ASX at the beginning of the performance period.
- The financial services peer group at the beginning of the performance period for the relative TSR performance measure comprised:

- AMP Limited
- ANZ Group Holdings Limited
- Bank of Queensland Limited
- Bendigo and Adelaide Bank Limited
- Macquarie Group Limited
- National Australia Bank Limited
- Suncorp Group Limited
- Westpac Banking Corporation

There is no reserve bench for this peer group.

The companies comprising each peer group are subject to change at the Board's discretion.

3. Executive KMP statutory remuneration

Executive statutory remuneration accounting expense

The following statutory table details the statutory accounting expense of all remuneration-related items for Executive KMP. This includes remuneration costs in relation to both the 2023 and 2024 financial years. The table is different from the remuneration outcomes table on page 114, which shows the remuneration received in the 2024 financial year rather than the accrual accounting amounts determined in accordance with the Australian Accounting Standards. The table has been prepared and audited against the relevant Australian Accounting Standards. Refer to the footnotes below the table for more detail on each remuneration component.

		Short-term benefits				
		Base remuneration [1,2] $	Non-monetary [3] $	Cash STVR (at risk) [4] $	Deferred STVR (at risk) [5] $	Other [6,9] $
CEO						
Matt Comyn	30 Jun 24	2,472,601	74,604	920,860	–	(29,421)
	30 Jun 23	2,474,708	70,526	1,102,500	–	9,031
Current Group Executives and CEO ASB						
Alan Docherty	30 Jun 24	1,122,601	17,842	432,264	–	(55,844)
	30 Jun 23	1,124,708	16,654	483,000	–	8,599
Andrew Hinchliff	30 Jun 24	1,172,601	18,716	467,280	–	8,918
	30 Jun 23	1,174,708	18,431	496,350	–	(16,208)
Sian Lewis	30 Jun 24	922,601	15,690	349,072	–	(13,716)
	30 Jun 23	924,708	14,277	384,750	–	(7,134)
Gavin Munroe [7]	30 Jun 24	1,200,000	6,931	462,308	–	700,447
	30 Jun 23	752,876	1,684	307,739	–	660,474
Vittoria Shortt [8]	30 Jun 24	1,036,233	11,084	416,255	–	89,980
	30 Jun 23	1,025,086	10,697	419,696	–	28,010
Angus Sullivan	30 Jun 24	1,272,601	6,931	509,218	–	(54,336)
	30 Jun 23	1,274,708	6,691	542,100	–	(90,641)
Mike Vacy-Lyle	30 Jun 24	1,197,601	17,842	455,425	–	(6,840)
	30 Jun 23	1,199,708	16,654	574,219	–	(26,605)
Nigel Williams	30 Jun 24	1,422,601	18,716	521,402	–	(27,183)
	30 Jun 23	1,424,708	18,431	570,938	–	(30,131)
Former Group Executive						
David Cohen [9,10]	30 Jun 24	614,641	8,820	290,521	193,681	550,402
	30 Jun 23	1,224,708	16,654	430,313	–	(9,672)

1 Base remuneration together with superannuation (post-employment benefit), or KiwiSaver for the CEO ASB, comprises fixed remuneration.
2 Total cost of salary, including cash salary, short-term compensated absences (including other leave benefits) and any salary sacrificed benefits for the period in the KMP role.
3 Cost of car parking (including associated fringe benefits tax). For Matt Comyn, this also includes costs in relation to a motor vehicle benefit.
4 KiwiSaver is payable on the CEO ASB's cash STVR.
5 The deferred portion of David Cohen's 2024 STVR was deferred into cash in line with the Financial Accountability Regime (FAR) requirements.
6 Includes company-funded benefits (including associated fringe benefits tax where applicable) and the net change in accrued annual leave. For Gavin Munroe this also includes costs relating to a housing allowance and the FY24 expense for his one-off award provided in compensation for awards foregone from his previous employer.
7 Gavin Munroe commenced as a KMP on 14 November 2022, FY23 remuneration reflects time in role. Gavin has elected to receive cash in lieu of employer superannuation contributions as the criteria have been met per the terms of his visa.
8 For Vittoria Shortt, remuneration was paid in New Zealand dollars. The values shown are impacted by movements in exchange rates.
9 David Cohen ceased as KMP on 31 December 2023 and remuneration reflects time he was a KMP. Value under 'Other' for David includes a payment of $611,301 for FY24 relating to his termination benefit in line with grandfathered contractual severance conditions and none for the prior financial year.
10 The equity values for David Cohen reflect the acceleration of the unvested awards he retained at cessation of employment, relating to the FY22 STVR (tranche 2), FY23 STVR (tranches 1 and 2), FY22, FY23 and FY24 LTAR and FY21 (tranches 1 and 2), FY22 (tranches 1 and 2), FY23 and FY24 LTVR awards. These amounts would have otherwise been included in future year disclosures and relate to awards that will be assessed in the ordinary course at the end of the respective vesting periods and may not vest.

Post-employment benefits	Long-term benefits	Share-based payments			
Superannuation [11] $	Long-term [12] $	Deferred equity (at risk) [13] $	LTAR equity (at risk) $	LTVR equity (at risk) [14, 15] $	Total statutory remuneration [16] $
27,399	**65,095**	**1,011,765**	**1,631,088**	**994,499**	**7,168,490**
25,292	72,192	1,042,000	1,225,609	1,320,015	7,341,873
27,399	**38,253**	**458,842**	**834,969**	**458,125**	**3,334,451**
25,292	29,886	464,801	627,732	611,202	3,391,874
27,399	**58,866**	**474,762**	**848,394**	**465,526**	**3,542,462**
25,292	52,103	465,288	632,142	619,741	3,467,847
27,399	**48,828**	**367,412**	**690,759**	**379,000**	**2,787,045**
25,292	36,959	372,977	519,556	505,922	2,777,307
–	**8,751**	**466,464**	**379,710**	**266,072**	**3,490,683**
–	3,633	415,344	149,837	140,058	2,431,645
43,575	**39,416**	**440,374**	**776,451**	**549,213**	**3,402,581**
43,343	38,101	540,269	586,172	596,076	3,287,450
27,399	**45,140**	**522,635**	**962,090**	**527,269**	**3,818,947**
25,292	27,942	530,182	727,809	684,812	3,728,895
27,399	**20,147**	**511,652**	**891,458**	**489,205**	**3,603,889**
25,292	13,741	520,007	670,686	747,434	3,741,136
27,399	**33,203**	**545,207**	**1,073,117**	**588,100**	**4,202,562**
25,292	23,440	553,852	811,817	759,642	4,157,989
13,774	**15,504**	**423,059**	**1,862,150**	**1,035,358**	**5,007,910**
25,292	31,740	468,851	699,836	695,477	3,583,199

11 Superannuation contributions for Vittoria Shortt are made in line with the KiwiSaver employer contribution requirements (this includes the additional payment of $12,488 payable on her cash STVR component).

12 Long service leave entitlements accrued during the year as well as the impact of changes to long service leave valuation assumptions, which are determined in line with Australian Accounting Standards.

13 The value of deferred equity awards is allocated from the start of the performance period to vesting date. Deferred 2024 financial year STVR is expensed over the vesting period commencing 1 July 2023. For Gavin Munroe this also includes the expense for Gavin's one-off equity awards.

14 2024 financial year expense for the 2021, 2022, 2023 and 2024 financial year LTVR awards.

15 The value of LTVR awards is allocated over each year in the performance period.

16 The percentage of 2024 financial year remuneration related to performance was: Matt Comyn 64%, Alan Docherty 66%, Andrew Hinchliff 64%, Sian Lewis 64%, Gavin Munroe 45%, Vittoria Shortt 64%, Angus Sullivan 66%, Mike Vacy-Lyle 65%, Nigel Williams 65% and David Cohen 76%.

Remuneration report (continued)

Movement in Executive shares and other securities during the 2024 financial year

The table below details the value and number of all equity awards that were granted or vested to or forfeited by Executives during their time in a KMP role in the 2024 financial year. It also shows the number of previous years' awards that were vested, forfeited or lapsed, and the movement in ordinary shareholdings for each individual during the 2024 financial year.

		Balance 1 Jul 23	Acquired/granted as remuneration during the 2024 financial year[2]		Awards vested during 2024 financial year[3]		Net change other[4]	Balance 30 Jun 24[5]
	Equity Class[1]	Units	Units	$	Units	$	Units	Units
CEO								
Matt Comyn	Ordinary	95,844	–	–	54,279	–	(54,643)	95,480
	Deferred STVR shares	15,163	10,894	1,102,582	9,918	1,003,702	–	16,139
	LTAR restricted share units	60,012	17,642	1,802,130	–	–	–	77,654
	LTVR performance rights	107,969	17,642	944,023	44,361	4,552,326	(3,596)	77,654
Current Group Executives and CEO ASB								
Alan Docherty[6]	Ordinary	34,637	–	–	25,161	–	(23,910)	35,888
	Deferred STVR shares	6,899	4,773	483,075	4,492	454,590	–	7,180
	LTAR restricted share units	27,676	8,115	828,947	–	–	–	35,791
	LTVR performance rights	50,020	8,114	434,180	20,669	2,121,053	(1,675)	35,790
Andrew Hinchliff	Ordinary	24,520	–	–	25,687	–	(25,687)	24,520
	Deferred STVR shares	6,830	4,905	496,435	4,514	456,817	–	7,221
	LTAR restricted share units	27,889	8,468	865,006	–	–	–	36,357
	LTVR performance rights	50,777	8,468	453,123	21,173	2,172,773	(1,716)	36,356
Sian Lewis	Ordinary	3,640	–	–	20,795	–	(17,687)	6,748
	Deferred STVR shares	5,562	3,802	384,800	3,655	369,886	–	5,709
	LTAR restricted share units	22,916	6,704	684,814	–	–	–	29,620
	LTVR performance rights	41,443	6,704	358,731	17,140	1,758,907	(1,389)	29,618
Gavin Munroe	Ordinary	1,219	–	–	690	–	(345)	1,564
	Deferred STVR shares	n/a	3,041	307,780	–	–	–	3,041
	LTAR restricted share units	5,731	8,468	865,006	–	–	–	14,199
	LTVR performance rights	9,134	8,468	453,123	–	–	–	17,602
	Deferred one-off shares	3,451	–	–	690	81,938	–	2,761
Vittoria Shortt	Ordinary	45,094	–	–	31,629	–	(28,500)	48,223
	Deferred STVR shares	14,458	4,147	419,718	12,240	1,238,688	–	6,365
	LTAR restricted share units	25,888	7,451	761,120	–	–	–	33,339
	LTVR performance rights	46,934	7,450	398,650	19,389	1,989,699	(1,659)	33,336
Angus Sullivan	Ordinary	12,242	–	–	27,457	–	(22,180)	17,519
	Deferred STVR shares	7,889	5,357	542,182	5,277	534,032	–	7,969
	LTAR restricted share units	32,263	9,174	937,124	–	–	–	41,437
	LTVR performance rights	56,240	9,174	490,901	22,180	2,276,112	(1,798)	41,436
Mike Vacy-Lyle	Ordinary	11,914	–	–	27,162	–	–	39,076
	Deferred STVR shares	7,564	5,674	574,266	4,982	504,178	–	8,256
	LTAR restricted share units	29,589	8,645	883,087	–	–	–	38,234
	LTVR performance rights	53,566	8,644	462,540	22,180	2,276,112	(1,798)	38,232
Nigel Williams	Ordinary	40,000	–	–	29,858	–	(59,858)	10,000
	Deferred STVR shares	8,272	5,642	571,027	5,494	555,993	–	8,420
	LTAR restricted share units	35,987	10,232	1,045,199	–	–	–	46,219
	LTVR performance rights	62,325	10,232	547,514	24,364	2,500,234	(1,975)	46,218
Former Group Executive								
David Cohen[7]	Ordinary	96,007	–	–	29,209	–	(8,282)	n/a
	Deferred STVR shares	7,533	4,252	430,345	5,013	507,316	–	n/a
	LTAR restricted share units	31,023	4,410	450,482	–	–	–	n/a
	LTVR performance rights	57,179	4,410	235,979	24,196	2,482,994	(1,961)	n/a
	PERLS	626	–	–	–	–	–	n/a

1 Ordinary shares include all CBA shares held by the Executive's close family members or entities over which the Executive or their close family member has, either directly or indirectly control, joint control, or significant influence. Deferred STVR shares represents STVR previously awarded under the executive arrangements in prior years. LTVR performance rights are subject to performance hurdles. LTAR restricted share units granted from 2023 financial year are subject to a pre-vest assessment. The maximum potential value for unvested awards are subject to CBA share price at time of vesting.
2 Represents the maximum number of equity awards that may vest to each Executive in respect of their time as KMP. The values represent the fair value at grant date. The minimum potential value for the equity awards is zero. Approval was given for the issue of the CEO's 2024 financial year LTAR and LTVR awards under ASX Listing Rule 10.14 at the 2023 Annual General Meeting.
3 Awards that vested include the 2020 financial year LTVR award vested at 92.5% (granted 18 November 2019) and 92.1% for the CEO ASB, deferred STVR awards vested at 100% (tranches granted 1 September 2021 and 1 September 2022 and deferred FY19 STVR for the CEO ASB) and one-off awards vested at 100% (granted 14 November 2022) that vested during time in KMP role. The value of the awards vested is calculated using VWACP for the five trading days preceding the vesting date. Executives received one ordinary share in respect of each LTVR performance right that vested during the financial year.
4 Net change other incorporates changes resulting from purchases (sales) of ordinary shares or forfeitures of the FY20 LTVR performance rights (granted 18 November 2019) during the year.
5 Deferred STVR shares, LTAR restricted share units, LTVR performance rights and deferred one-off shares are unvested as at 30 June 2024.
6 Opening balance has been revised from 35,270 to 34,637 to include a correction to CBA ordinary shares.
7 Share movements for David Cohen reflect the duration of the year that he was a KMP. Opening balance has been revised from 96,104 to 96,007 to include a correction to CBA ordinary shares.

Overview of unvested equity awards

All awards are subject to continued employment, Board risk and reputation review, and malus and clawback provisions. Details of minimum and maximum of the potential values of the awards granted in respect of previous years can be found in CBA's previous remuneration reports which are available at commbank.com.au/investors.

Equity plan	Participants	Grant date	Start date[1]	End date[2]	Measures and conditions
FY22 STVR	**CEO & GEs (incl. CEO ASB)**	1 Sep 22	1 Jul 21	1 Sep 24	Two tranches vesting equally one and two years after grant date.
FY23 STVR		1 Sep 23	1 Jul 22	1 Sep 25	
FY21 LTVR	**CEO**	16 Nov 20	1 Jul 20	30 Jun 27	Two tranches with performance measured after four years being: • 50% TSR ranking relative to general ASX peer group • 50% TSR ranking relative to financial services peer group A further holding period of two and three years is applied for the CEO, and one and two years for the Group Executives and CEO ASB.
	GE (incl. CEO ASB)	16 Nov 20	1 Jul 20	30 Jun 26	
FY22 LTVR	**CEO**	18 Nov 21	1 Jul 21	30 Jun 28	
	GE (incl. CEO ASB)	18 Nov 21	1 Jul 21	30 Jun 27	
FY23 LTVR	**CEO**	16 Nov 22	1 Jul 22	30 Jun 28	Two tranches with performance measured after four years being: • 50% TSR ranking relative to general ASX peer group • 50% TSR ranking relative to financial services peer group A further holding period of two years is applied for the CEO, and one year for the Group Executives and CEO ASB.
	GE (incl. CEO ASB)	16 Nov 22	1 Jul 22	30 Jun 27	
FY24 LTVR	**CEO**	15 Nov 23	1 Jul 23	30 Jun 29	
	GE (incl. CEO ASB)	15 Nov 23	1 Jul 23	30 Jun 28	
FY21 LTAR	**CEO**	16 Nov 20	1 Jul 20	30 Jun 25	Two tranches for each LTAR award vesting equally four and five years after start date, subject to pre-vest assessment for FY23 and FY24 awards.
FY22 LTAR		18 Nov 21	1 Jul 21	30 Jun 26	
FY23 LTAR		16 Nov 22	1 Jul 22	30 Jun 27	
FY24 LTAR		15 Nov 23	1 Jul 23	30 Jun 28	
FY22 LTAR	**GE (incl. CEO ASB)**	18 Nov 21	1 Jul 21	30 Jun 25	One tranche vesting four years after start date, subject to pre-vest assessment for FY23 and FY24 awards.
FY23 LTAR		16 Nov 22	1 Jul 22	30 Jun 26	
FY24 LTAR		15 Nov 23	1 Jul 23	30 Jun 27	
One-off equity	**Gavin Munroe**	14 Nov 22	n/a	8 Mar 28	Awards for compensation foregone from previous employer with four tranches remaining with vesting subject to service.

1 Start date refers to performance start date.
2 End date refers to the end of the restriction or holding period as applicable.

Remuneration report (continued)

Details for awards granted in the 2024 financial year

In the 2024 financial year, a face value allocation approach was used to determine the number of restricted share units granted under the LTAR (refer to page 118) and performance rights granted under the LTVR (refer to page 120). The table below is provided in accordance with statutory requirements. The fair value of LTVR grants has been calculated using a Monte Carlo simulation method. No amount is payable by Executives on the issue or vesting of the restricted share units and performance rights of the LTAR or LTVR awards respectively. As these awards are automatically exercised, they do not have an expiry date.

Equity plan	Performance measure	Grant date	Fair value $	Weighting	Assessment period end/final vesting date	End of holding period
FY23 STVR deferred shares	Service	1 Sep 23	101.21	100%	1 Sep 25	n/a
FY24 LTAR restricted share units (CEO)	Service and pre-vest assessment	15 Nov 23	102.15	50%	30 Jun 27	n/a
				50%	30 Jun 28	n/a
FY24 LTAR restricted share units (Group Executives and CEO ASB)	Service and pre-vest assessment	15 Nov 23	102.15	100%	30 Jun 27	n/a
FY24 LTVR performance rights (CEO)	Relative TSR (General ASX peer group)	15 Nov 23	55.98	50%	30 Jun 27	30 Jun 29
	Relative TSR (Financial Services peer group)		51.04	50%		
FY24 LTVR performance rights (Group Executives and CEO ASB)	Relative TSR (General ASX peer group)	15 Nov 23	55.98	50%	30 Jun 27	30 Jun 28
	Relative TSR (Financial Services peer group)		51.04	50%		

Hedging policy

Employees are prohibited from hedging, or otherwise limiting, their economic exposure to equity price risk in relation to unvested equity-linked remuneration issued under any Group equity arrangement. CBA Board Directors, the CEO, Group Executives and their Associates must not hedge their exposure to vested Group Securities. Breaches of this requirement may result in disciplinary action, including the forfeiture and/or lapsing of unvested awards. Further details of hedging restrictions are set out in the Group Securities Trading Policy.

The Group Securities Trading Policy is available at commbank.com.au/corporategovernance

Executive employment arrangements

The table below provides the employment arrangements for Executives.

Contract term	CEO	Group Executives	CEO ASB
Contract type[1]	Permanent	Permanent	Permanent
Notice period	12 months	Six months	Six months
Severance	n/a[2]	n/a[2]	12 months[2]

STVR treatment on termination

In general, unless otherwise determined by the Board (or ASB Board in respect of the CEO ASB) and subject to law:

- In the case of resignation or termination for cause before the end of the restriction period, any deferred shares will be forfeited and the Executive will not be eligible to be considered for an STVR award for that year.
- Where an Executive's exit is related to any other reason (i.e. retrenchment, retirement, ill-health separation, mutual agreement or death), the Executive remains eligible (unless the Board determines otherwise) to be considered for an STVR award with regard to actual performance against performance measures (as determined by the Board in the ordinary course following the end of the performance period).
- Where an Executive's exit is related to any other reason (e.g. retrenchment, retirement, ill-health separation, mutual agreement or death), unvested deferred STVR shares will remain on-foot and will vest in the ordinary course, subject to the terms and conditions of the award other than those relating to continuity of employment.

LTAR treatment on termination

In general, unless otherwise determined by the Board and subject to law:

- In the case of resignation or termination for cause before the end of the restriction period, any restricted share units will lapse.
- Where an Executive's exit is related to any other reason (i.e. retrenchment, retirement, ill-health separation, mutual agreement or death), the restricted share units will remain on-foot and will vest in the ordinary course subject to the terms and conditions (other than those relating to continuity of employment).

LTVR treatment on termination

In general, unless otherwise determined by the Board:

- In the case of resignation or termination for cause, any performance rights will lapse.
- Where an Executive's exit is related to any other reason (i.e. retrenchment, retirement, ill-health separation, mutual agreement or death), any unvested LTVR awards continue on-foot with performance measured at the end of the performance period related to each award (and with the award otherwise remaining subject to all terms and conditions other than those relating to continuity of employment).

Executives who are terminated for cause during the holding period will forfeit all performance rights or ordinary CBA shares (as applicable) subject to the holding period. Where an Executive ceases for any other reason during the holding period, outstanding ordinary CBA shares or performance rights (as applicable) will continue to remain on-foot for the original holding period(s).

1 Contracts for permanent employment continue until notice is given by either party.

2 Contractual severance pay is not offered in the CEO and Group Executive employment arrangements. The CEO and Group Executives (excluding CEO ASB) remain entitled to statutory redundancy pay if retrenched. For the CEO ASB, contractual arrangements would apply, allowing for minimum 12 months' base salary (inclusive of notice) or a maximum of 64 weeks in accordance with ASB Policy.

4. Risk and remuneration adjustments

CBA's risk assessment processes and remuneration framework are designed to promote accountability for taking risks we can understand and manage, to be adaptive to the changing landscape of threats and opportunities and to support taking the right risks, with a strong emphasis on customer outcomes, resilience, security and safety.

The remuneration adjustments made in the 2023, 2022 and 2021 financial years provided below include senior leaders (the Executive Leadership Team, Executive General Managers and General Managers) and all other employees eligible for a performance review. The figures below have been reported to the Board in October for the respective financial year.

	2023 financial year	2022 financial year	2021 financial year
Employees rated 'exceptionally managed' for risk[1]	542 employees	588 employees	463 employees
Positive risk-related adjustments to senior leaders' STVR	*20*	*24*	*21*
Positive risk-related adjustments for all other employees	*521*	*557*	*429*
Employees rated 'partially met' or 'not met' for risk[1]	1,499 employees	1,918 employees	2,258 employees
Downward risk-related adjustments to senior leaders' STVR	*9*	*20*	*25*
Downward risk-related adjustments for all other employees	*1,475*	*1,893*	*2,205*

1 The figures for both positive and downward risk-related adjustments above do not total the number of employees rated 'exceptionally managed' and 'partially met' or 'not met' for risk due to employee movements (including exits) between the time of performance review and finalised STVR outcomes.

CBA recognises and rewards a cohort of employees rated 'exceptionally managed' for managing risk in a way that brings our purpose and values to life. Everyday risk recognition continues to be incorporated in the Group-wide recognition platform, providing our people with the ability to recognise positive risk behaviours.

In the 2023 financial year, 95.3% of employees were assessed as fully meeting risk expectations in their roles (93.8% in 2022).

STVR outcomes have been reduced by a minimum of 10% for 'partially met' ratings since the 2019 financial year and ranged up to 100% reduction for 'not met' risk ratings.

During the 2024 financial year, CBA's consequence management processes identified 2,259 instances of substantiated misconduct, with 180 resulting in termination. A review of the consequence management framework was also completed to identify opportunities for enhancement and ensure the framework remains robust and aligned to CBA's risk culture.

Risk assessment in performance and remuneration

CBA's performance and remuneration frameworks support and promote taking risks we can understand and manage holding employees individually and collectively accountable for managing role-related risks and compliance with the Group's Code of Conduct, including policies such as Group Mandatory Learning.

Group-wide risk assessment guidance including examples is continually enhanced to set clear expectations of managing risks for both employees and managers, and to help people leaders consistently assess risk behaviours and outcomes, determine the appropriate level of STVR adjustments for not fully meeting expectations, and document the reasons for their assessment.

Executive Leadership Team risk assessments continue to be supported by Executive Risk Scorecards, independent assessment by the Chief Risk Officer, and the Committees meet concurrently as part of the interim and annual performance assessment processes.

Comprehensive reporting is provided to the Board to support its oversight of risk assessment and remuneration outcomes and to inform the Board's guidance for the annual performance and remuneration review.

Malus and clawback

- Malus (the ability to lapse/forfeit or reduce vesting of deferred variable remuneration) and clawback (the repayment of variable remuneration that has been paid or vested) are embedded within our consequence management framework.
- Malus is applied to unvested deferred variable remuneration in relation to poor risk outcomes and/or misconduct. No malus was applied during the 2023 financial year.
- To the extent in-year adjustments or malus are insufficient to satisfy remuneration consequences determined by the Board, clawback may be applied to the variable remuneration awarded to the CEO, GEs, and other regulated roles of the Group in line with prudential requirements.
- The time horizon of application has also been aligned to the APRA Prudential Standard CPS 511, i.e. in general, the Board may exercise clawback in relation to applicable roles for at least two years from the date of payment or vesting, including where the employment or engagement of the person has ceased.

5. Non-Executive Director arrangements

The table below outlines the Non-Executive Directors for the financial year ended 30 June 2024. Non-Executive Directors are required to hold CBA shares equivalent to 100% of Board Chair fees for the Chair and 100% of Board member fees for Non-Executive Directors. This is to be accumulated within five years commencing the later of 1 July 2019 or date of appointment, valued with reference to the prevailing CBA share price at the relevant accumulation commencement date. This is also the starting date for compliance with the revised MSR within five years. Progress against the MSR for each individual is shown in the table below.

Name	Position	Term as KMP	Current shareholding [1]	Progress against MSR and deadline
Chair				
Paul O'Malley	Chair	Full year	87%	On track, 10 August 2027
Current Non-Executive Directors				
Lyn Cobley	Director	Full year	122%	Meets
Julie Galbo	Director	Full year	61%	On track, 1 September 2026
Peter Harmer	Director	Full year	100%	Meets
Simon Moutter	Director	Full year	115%	Meets
Mary Padbury	Director	Full year	166%	Meets
Anne Templeman-Jones	Director	Full year	102%	Meets
Rob Whitfield AM	Director	Full year	128%	Meets
Former Non-Executive Director				
Genevieve Bell AO [2]	Director	Part year	n/a	n/a

1 The percentage shown represents the individual's percentage of CBA shares as a proportion of their individual base fees.
2 Genevieve Bell AO retired as Non-Executive Director on 31 October 2023.

Non-Executive Director fees

Non-Executive Directors receive fees as compensation for their work on the Board and the associated Committees on which they serve. Non-Executive Directors do not receive any performance-related remuneration. The total amount of Non-Executive Directors' fees is capped at a maximum fee pool that is approved by shareholders. The current fee pool is $4.75 million, which was approved by shareholders at CBA's 2015 Annual General Meeting on 17 November 2015.

Fees are reviewed and recommended to the Board at least every two years. The fees were reviewed in the 2024 financial year and as a result, Board member fees increased to $260,000 (from $242,000) from 1 January 2024 to maintain relative competitive alignment with peers. Fees are inclusive of base fees and statutory superannuation. The Chair does not receive separate Committee fees.

The following table outlines the Non-Executive Directors' fees for the Board and the Committees for the periods 1 July 2023 to 31 December 2023 and 1 January 2024 to 30 June 2024.

	Fees effective 1 July 2023		Fees effective 1 January 2024	
Board/Committee	Chair $	Member $	Chair $	Member $
Board	890,000	242,000	890,000	260,000
Audit Committee	70,000	35,000	70,000	35,000
Risk & Compliance Committee	70,000	35,000	70,000	35,000
People & Remuneration Committee	70,000	35,000	70,000	35,000
Nominations Committee [1]	–	12,500	–	12,500
United Kingdom Remuneration Assurance Committee (UK RAC) [2]	30,000	18,000	30,000	18,000

1 The Chair of the Board is also the Chair of the Nominations Committee; no additional fee is paid for this.
2 Board members who also serve as members of the UK RAC receive fees in relation to this service, and these fees are set appropriately below fees for UK RAC independent members given a small portion of UK RAC matters overlap with People & Remuneration Committee matters.

Remuneration report (continued)

Non-Executive Director statutory remuneration

The statutory table below details individual statutory remuneration for the Non-Executive Directors for both the 2023 and 2024 financial years. The table has been prepared and audited against the relevant Australian Accounting Standards. Refer to the footnotes below the table for more detail on each remuneration component.

	Short-term benefits	Post-employment benefits	Share-based payments	
	Cash [1] $	Superannuation [2] $	Non-Executive Directors' Share Plan [3] $	Total statutory remuneration $
Chair				
Paul O'Malley				
30 Jun 24	**883,055**	**27,399**	**–**	**910,454**
30 Jun 23	823,826	25,292	–	849,118
Current Non-Executive Directors				
Lyn Cobley				
30 Jun 24	**276,393**	**26,068**	**–**	**302,461**
30 Jun 23	163,800	17,203	–	181,003
Julie Galbo				
30 Jun 24	**312,088**	**27,399**	**4,190**	**343,677**
30 Jun 23	279,231	24,788	48,023	352,042
Peter Harmer				
30 Jun 24	**301,025**	**27,399**	**–**	**328,424**
30 Jun 23	286,931	25,292	–	312,224
Simon Moutter [4]				
30 Jun 24	**345,507**	**27,399**	**–**	**372,906**
30 Jun 23	330,518	25,292	–	355,810
Mary Padbury				
30 Jun 24	**230,101**	**27,152**	**40,360**	**297,613**
30 Jun 23	224,829	25,292	39,586	289,707
Anne Templeman-Jones				
30 Jun 24	**300,719**	**27,399**	**26,838**	**354,956**
30 Jun 23	295,916	25,292	26,440	347,648
Rob Whitfield AM				
30 Jun 24	**288,398**	**27,399**	**51,716**	**367,513**
30 Jun 23	283,441	25,292	51,024	359,757
Former Non-Executive Director				
Genevieve Bell AO [5]				
30 Jun 24	**85,471**	**9,574**	**3,001**	**98,046**
30 Jun 23	222,676	25,292	41,739	289,707

1 Cash includes Board and Committee fees received as cash, as well as the provision of additional benefits (including associated fringe benefits tax).
2 Superannuation contributions are capped at the superannuation maximum contributions base as prescribed under the Superannuation Guarantee legislation.
3 The values shown in the table represent the post-tax portion of fees received as shares under the Non-Executive Directors' Share Plan (NEDSP). The NEDSP facilitates the pre-tax (to a maximum of $5,000 p.a.) and/or post-tax application of fees to the acquisition of shares. Shares under the NEDSP are granted on current share price at grant date.
4 Simon Moutter has provided consulting services to the ASB Banking Limited Technology Advisory Group (ASB TAG) during the year. He received payment (NZ$50,000 per annum) for these additional services; however, these amounts have not been included in the table above as they were not related to his role and have no bearing on his remuneration as a Director of the Commonwealth Bank of Australia.
5 Genevieve Bell AO retired as Non-Executive Director on 31 October 2023.

Shares and other securities held by Non-Executive Directors

Details of the shareholdings and other securities as well as interests in registered schemes made available by CBA, or a related body corporate of CBA held by Non-Executive Directors (or close family members or entities controlled, jointly controlled, or significantly influenced by them, or any entity over which any of the aforementioned hold significant voting power) are set out below relating to time in KMP role. All shares were acquired by Non-Executive Directors on normal terms and conditions or through the Non-Executive Directors' Share Plan (NEDSP). Other securities acquired by Non-Executive Directors were on normal terms and conditions.

	Class	Balance 1 Jul 2023	Acquired [1]	Net change other [2]	Balance 30 Jun 2024
Chair					
Paul O'Malley	Ordinary	7,630	–	–	7,630
Current Non-Executive Directors					
Lyn Cobley	Ordinary	3,040	1,000	(840)	3,200
	PERLS [3]	2,904	–	(1,100)	1,804
Julie Galbo	Ordinary	1,020	449	–	1,469
Peter Harmer	Ordinary	2,933	–	–	2,933
Simon Moutter	Ordinary	4,000	–	–	4,000
Mary Padbury	Ordinary	4,307	553	–	4,860
Anne Templeman-Jones	Ordinary	2,506	469	–	2,975
Rob Whitfield AM	Ordinary	3,221	537	–	3,758
Former Non-Executive Director					
Genevieve Bell AO [4]	Ordinary	2,086	134	–	n/a
	PERLS [3]	1,020	–	–	n/a

1 Incorporates shares and other securities acquired during the year. In the 2024 financial year, under the NEDSP, Julie Galbo acquired 147 shares, Mary Padbury acquired 429 shares, Anne Templeman-Jones acquired 301 shares, Rob Whitfield acquired 537 shares and Genevieve Bell acquired 134 shares. No PERLS were acquired during the year.

2 Net change other incorporates changes resulting from other transfers of securities.

3 Includes cumulative holdings of PERLS securities issued by the Group.

4 Genevieve Bell AO retired as Non-Executive Director on 31 October 2023.

6. Loans and other transactions

Loans to KMP

All loans to KMP (including close family members or entities controlled, jointly controlled, or significantly influenced by them, or any entities over which any of those family members or entities held significant voting power) have been made in the ordinary course of business on normal commercial terms and conditions no more favourable than those given to other employees, including the term of the loan, security required and the interest rate (which may be fixed or variable). No loans were written down during the period.

Total loans to KMP

	$
Opening balance (1 July 2023) [1]	16,611,831
Closing balance (30 June 2024) [2]	17,357,264
Interest charged (during 2024 financial year)	473,103

1 Opening balance at 1 July 2023 has been revised due to transactions being adjusted during the reporting period and correction to a loan amount.
2 The aggregate loan amount at the end of the reporting period includes loans issued to 15 KMP and their related parties.

Loans to KMP exceeding $100,000 in aggregate during the 2024 financial year

	Balance 1 Jul 2023 [1] $	Interest charged $	Interest not charged $	Write-off $	Balance 30 Jun 2024 $	Highest balance in period [2] $
Alan Docherty	2,567,204	129,997	–	–	4,420,206	4,945,211
Andrew Hinchliff	4,261,150	83,021	–	–	4,005,838	4,285,311
Angus Sullivan	3,834,762	44,489	–	–	4,275,011	4,884,072
Mike Vacy-Lyle	3,861,216	149,576	–	–	2,793,291	4,058,432
Vittoria Shortt	1,918,120	62,265	–	–	1,695,567	2,107,290
Total	**16,442,453**	**469,348**	**–**	**–**	**17,189,912**	**20,280,316**

1 Opening balances at 1 July 2023 have been revised due to transactions being adjusted during the reporting period and correction to a loan amount.
2 Represents the sum of highest balances outstanding at any point during the 2024 financial year for each individual loan held by the KMP and their related parties.

Other transactions of KMP

Financial instrument transactions

Financial instrument transactions (other than loans and shares disclosed within this report) with KMP, their close family members and entities controlled or significantly influenced by them, occur in the ordinary course of business on normal commercial terms and conditions no more favourable than those given to other employees.

All such financial instrument transactions that have occurred between entities within the Group and KMP, their close family members and entities controlled or significantly influenced by them, were in the nature of normal personal banking and deposit transactions.

Transactions other than financial instrument transactions

All other transactions with KMP, their close family members, related entities and other related parties are conducted in the ordinary course of business on normal commercial terms and conditions no more favourable than those given to other employees and customers. These transactions principally involve the provision of financial and investment services by entities not controlled by the Group.

Dividend Equivalent Payment Accrual

Liability owing on dividend equivalent payments for the FY21, FY22, FY23 and FY24 long-term variable remuneration (LTAR) awards accumulated over the restriction period was $4,066,510 as at 30 June 2024. Details of the LTAR can be found on page 118.

Directors' report (continued)

Non-audit services

Amounts paid or payable to PricewaterhouseCoopers (PwC) for audit, review, assurance and non-audit services provided during the year, are set out in Note 12.3 to the *Financial report* on page 284.

Auditor's Independence Declaration

We have obtained an independence declaration from our external auditor as presented on page 134.

Auditor independence

The operation of the Group External Auditor Services Policy assists in ensuring the independence of the Group's external auditor.

The Audit Committee has considered the provision, during the year, of non-audit services by PwC, and has concluded that the provision of those services did not compromise the auditor independence requirements of the *Corporations Act 2001* (Cth).

The Audit Committee is satisfied that the provision of the non-audit services by PwC during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth).

The Directors have considered the provision of non-audit services by PwC for the year ended 30 June 2024 and are satisfied that, in accordance with the advice received from the Board Audit Committee, such services are compatible with the general standard of independence for auditors and did not compromise the auditor independence requirements of the *Corporations Act 2001* (Cth). The reasons for this are as follows:

- the effective operation of the Group External Auditor Services Policy during the year to restrict the nature of non-audit services engagements, to prohibit certain services and to require Board Audit Committee pre-approval for all such engagements; and
- the relative quantum of fees paid for non-audit services compared to the quantum for audit and audit-related services was appropriate.

The above Directors' statements are in accordance with the advice received from the Audit Committee.

Incorporation of additional material

The following sections form part of this report and should be read in conjunction:

- the *Our approach to corporate governance* section on pages 80–97;
- information on Directors' shareholdings, share rights and options on pages 124 and 131;
- the *Remuneration report* can be found on pages 104–132;
- dividend information can be found in Note 8.4 to the *Financial report* on pages 221–222;
- non-audit services information can be found in Note 12.3 to the *Financial report* on page 284; and
- the external auditor's independence declaration on page 134.

This Directors' report is made in accordance with a resolution of the Directors.

Paul O'Malley
Chairman

Matt Comyn
Managing Director and Chief Executive Officer

14 August 2024

Auditor's Independence Declaration

As lead auditor for the audit of the Commonwealth Bank of Australia for the year ended 30 June 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 audit; and

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

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

Elizabeth O'Brien
Partner
PricewaterhouseCoopers

Sydney
14 August 2024

PricewaterhouseCoopers, ABN 52 780 433 757

One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, Sydney NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

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Income Statements

For the year ended 30 June 2024

		Group [1]			Bank	
		30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 24	30 Jun 23
	Note	$M	$M	$M	$M	$M
Interest income:						
Effective interest income	2.1	**57,397**	43,182	23,987	**52,396**	38,954
Other interest income	2.1	**3,647**	1,293	306	**3,710**	1,332
Interest expense	2.1	**(38,220)**	(21,419)	(4,820)	**(36,223)**	(20,270)
Net interest income		**22,824**	23,056	19,473	**19,883**	20,016
Net other operating income [2]	2.3	**4,097**	4,372	5,373	**4,219**	4,812
Total net operating income before operating expenses and impairment		**26,921**	27,428	24,846	**24,102**	24,828
Operating expenses	2.4	**(12,337)**	(12,079)	(11,609)	**(11,130)**	(11,072)
Loan impairment (expense)/benefit	3.2	**(802)**	(1,108)	357	**(715)**	(1,021)
Net profit before income tax		**13,782**	14,241	13,594	**12,257**	12,735
Income tax expense	2.5	**(4,301)**	(4,145)	(4,002)	**(3,644)**	(3,455)
Net profit after income tax from continuing operations		**9,481**	10,096	9,592	**8,613**	9,280
Net (loss)/profit after income tax from discontinued operations	11.3	**(87)**	(98)	1,098	**–**	–
Net profit after income tax		**9,394**	9,998	10,690	**8,613**	9,280

1 Comparative information has been revised to reflect the change detailed in Note 1.1.
2 Net other operating income is presented net of directly attributable fees and commission expenses, depreciation and impairment charges.

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

Earnings per share for profit attributable to equity holders of the Bank for the year:

	Group [1]		
	30 Jun 24	30 Jun 23	30 Jun 22
	Cents per share		
Earnings per share from continuing operations:			
Basic	**566.6**	597.5	557.0
Diluted	**562.7**	584.2	537.1
Earnings per share:			
Basic	**561.4**	591.7	620.7
Diluted	**557.8**	578.7	597.0

1 Comparative information has been revised to reflect the change detailed in Note 1.1.

Statements of Comprehensive Income

For the year ended 30 June 2024

	Group [1]			Bank [1]	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 22 $M	30 Jun 24 $M	30 Jun 23 $M
Net profit after income tax for the period from continuing operations	**9,481**	10,096	9,592	**8,613**	9,280
Other comprehensive income/(expense):					
Items that may be reclassified subsequently to profit/(loss):					
Foreign currency translation reserve net of tax	**(35)**	229	(281)	**–**	33
Gains/(losses) on cash flow hedging instruments net of tax	**310**	(961)	(1,326)	**733**	(896)
Losses on debt investment securities at fair value through other comprehensive income net of tax	**(464)**	(229)	(508)	**(463)**	(203)
Total of items that may be reclassified	**(189)**	(961)	(2,115)	**270**	(1,066)
Items that will not be reclassified to profit/(loss):					
Actuarial (losses)/gains from defined benefit superannuation plans net of tax	**(168)**	(12)	76	**(166)**	(12)
Gains/(losses) on equity investment securities at fair value through other comprehensive income net of tax	**310**	(430)	(2,199)	**310**	(412)
Revaluation of properties net of tax	**15**	19	30	**14**	24
Total of items that will not be reclassified	**157**	(423)	(2,093)	**158**	(400)
Other comprehensive (expense)/income net of income tax from continuing operations	**(32)**	(1,384)	(4,208)	**428**	(1,466)
Total comprehensive income for the period from continuing operations:	**9,449**	8,712	5,384	**9,041**	7,814
Net (loss)/profit after income tax from discontinued operations	**(87)**	(98)	1,098	**–**	–
Total comprehensive income for the period attributable to equity holders of the Bank	**9,362**	8,614	6,482	**9,041**	7,814

1 Comparative information has been revised to reflect the change detailed in Note 1.1.

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

		Group		
		30 Jun 24	30 Jun 23	30 Jun 22
	Note	Cents per share		
Dividends per share attributable to shareholders of the Bank:				
Ordinary shares	8.4	**465**	450	385

Balance Sheets

As at 30 June 2024

		Group [1]		Bank [1]	
		30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	Note	$M	$M	$M	$M
Assets					
Cash and liquid assets	5.1	**83,080**	116,619	**78,255**	108,367
Receivables from financial institutions	5.2	**5,862**	6,079	**5,428**	5,422
Assets at fair value through income statement	5.3	**79,033**	67,627	**79,194**	67,641
Derivative assets	5.4	**18,058**	23,945	**19,797**	25,585
Investment securities:					
At amortised cost	5.5	**1,239**	2,032	**1,239**	2,032
At fair value through other comprehensive income	5.5	**96,774**	84,671	**87,847**	77,831
Assets held for sale	11.3	**870**	5	**3**	5
Loans and other receivables	3.1	**942,210**	926,082	**834,024**	816,140
Shares in and loans to controlled entities	11.2	**–**	–	**58,228**	54,636
Property, plant and equipment	6.1	**3,676**	4,950	**3,331**	3,549
Investments in associates and joint ventures	11.1	**1,671**	1,827	**951**	1,066
Intangible assets	6.2	**7,600**	7,393	**4,581**	4,340
Deferred tax assets	2.5	**3,771**	3,811	**3,443**	3,640
Other assets	6.3	**10,232**	7,382	**9,609**	6,799
Total assets		**1,254,076**	1,252,423	**1,185,930**	1,177,053
Liabilities					
Deposits and other public borrowings	4.1	**882,922**	864,995	**802,882**	786,267
Payables to financial institutions	5.2	**24,633**	21,910	**24,136**	21,266
Liabilities at fair value through income statement	4.2	**47,341**	40,103	**46,911**	39,148
Derivative liabilities	5.4	**18,850**	25,347	**20,040**	26,728
Due to controlled entities		**–**	–	**48,158**	42,586
Current tax liabilities		**503**	671	**363**	442
Deferred tax liabilities	2.5	**111**	88	**111**	88
Provisions	7.1	**2,908**	3,013	**2,681**	2,818
Term funding from central banks	4.4	**4,228**	54,220	**–**	49,637
Debt issues	4.3	**144,530**	122,267	**120,834**	95,893
Bills payable and other liabilities	7.2	**19,024**	15,578	**18,102**	14,932
		1,145,050	1,148,192	**1,084,218**	1,079,805
Loan capital	8.2	**35,938**	32,598	**35,931**	32,587
Total liabilities		**1,180,988**	1,180,790	**1,120,149**	1,112,392
Net assets		**73,088**	71,633	**65,781**	64,661
Shareholders' equity					
Ordinary share capital	8.3	**33,635**	33,913	**33,652**	33,949
Reserves	8.3	**(2,147)**	(2,295)	**(1,757)**	(2,363)
Retained profits	8.3	**41,600**	40,010	**33,886**	33,075
Shareholders' equity attributable to equity holders of the Bank		**73,088**	71,628	**65,781**	64,661
Non-controlling interests		**–**	5	**–**	–
Total Shareholders' equity		**73,088**	71,633	**65,781**	64,661

1 Comparative information has been revised to reflect the change detailed in Note 1.1.

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

Statements of Changes in Equity

For the year ended 30 June 2024

	Group					
	Ordinary share capital $M	Reserves $M	Retained profits $M	Total $M	Non-controlling interests $M	Total shareholders' equity $M
As at 30 June 2022	36,467	(460)	36,826	**72,833**	5	**72,838**
Prior period change [1]	–	(458)	305	**(153)**	–	**(153)**
Revised opening balance	36,467	(918)	37,131	**72,680**	5	**72,685**
Net profit after income tax from continuing operations [1]	–	–	10,096	**10,096**	–	**10,096**
Net loss after income tax from discontinued operations	–	–	(98)	**(98)**	–	**(98)**
Net other comprehensive expense from continuing operations [1]	–	(1,372)	(12)	**(1,384)**	–	**(1,384)**
Total comprehensive (expense)/income for the period [1]	–	(1,372)	9,986	**8,614**	–	**8,614**
Transactions with equity holders in their capacity as equity holders:						
Share buy-backs [2]	(2,533)	–	–	**(2,533)**	–	**(2,533)**
Dividends paid on ordinary shares	–	–	(7,117)	**(7,117)**	–	**(7,117)**
Share-based payments	–	5	–	**5**	–	**5**
Purchase of treasury shares	(101)	–	–	**(101)**	–	**(101)**
Sale and vesting of treasury shares	80	–	–	**80**	–	**80**
Other changes	–	(10)	10	**–**	–	**–**
As at 30 June 2023	33,913	(2,295)	40,010	**71,628**	5	**71,633**
Net profit after income tax from continuing operations	–	–	9,481	**9,481**	–	**9,481**
Net loss after income tax from discontinued operations	–	–	(87)	**(87)**	–	**(87)**
Net other comprehensive income/(expense) from continuing operations	–	136	(168)	**(32)**	–	**(32)**
Total comprehensive income for the period	–	136	9,226	**9,362**	–	**9,362**
Transactions with equity holders in their capacity as equity holders:						
Share buy-backs [3]	(282)	–	–	**(282)**	–	**(282)**
Dividends paid on ordinary shares	–	–	(7,623)	**(7,623)**	–	**(7,623)**
Share-based payments	–	(1)	–	**(1)**	–	**(1)**
Purchase of treasury shares	(80)	–	–	**(80)**	–	**(80)**
Sale and vesting of treasury shares	84	–	–	**84**	–	**84**
Other changes	–	13	(13)	**–**	(5)	**(5)**
As at 30 June 2024	33,635	(2,147)	41,600	**73,088**	–	**73,088**

1 Comparative information has been revised to reflect the change detailed in Note 1.1.
2 On 15 February 2023, the Group announced its intention to undertake an on-market share buy-back of up to $1 billion of CBA ordinary shares in addition to the $2 billion announcement on 9 February 2022. During the year ended 30 June 2023, the Group completed the previously announced $3 billion on-market buy-backs and bought back a total of 25,369,084 ordinary shares ($2,532 million) at an average price of $99.81. The Group recognised $1 million in transaction costs in relation to the buy-backs. The shares bought back were subsequently cancelled.
3 On 9 August 2023, the Group announced its intention to conduct a further on-market share buy-back of up to $1 billion of CBA ordinary shares, with 2,588,964 ordinary shares bought back at an average price of $108.84 ($282 million) during the year ended 30 June 2024. The shares bought back were subsequently cancelled.

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

Statements of Changes in Equity (continued)

For the year ended 30 June 2024

	Bank			
	Ordinary share capital $M	Reserves $M	Retained profits $M	Total $M
As at 30 June 2022	36,491	(544)	30,177	**66,124**
Prior period change [1]	–	(359)	736	**377**
Revised opening balance	36,491	(903)	30,913	**66,501**
Net profit after income tax from continuing operations	–	–	9,280	**9,280**
Net other comprehensive expense from continuing operations [1]	–	(1,454)	(12)	**(1,466)**
Total comprehensive (expense)/income for the period [1]	–	(1,454)	9,268	**7,814**
Transactions with equity holders in their capacity as equity holders:				
Share buy-backs [2]	(2,533)	–	–	**(2,533)**
Dividends paid on ordinary shares	–	–	(7,117)	**(7,117)**
Share-based payments	–	5	–	**5**
Purchase of treasury shares	(64)	–	–	**(64)**
Sale and vesting of treasury shares	55	–	–	**55**
Other changes	–	(11)	11	**–**
As at 30 June 2023	33,949	(2,363)	33,075	**64,661**
Net profit after income tax from continuing operations	–	–	8,613	**8,613**
Net other comprehensive income/(expense) from continuing operations	–	594	(166)	**428**
Total comprehensive income for the period	–	594	8,447	**9,041**
Transactions with equity holders in their capacity as equity holders:				
Share buy-backs [3]	(282)	–	–	**(282)**
Dividends paid on ordinary shares	–	–	(7,623)	**(7,623)**
Share-based payments	–	(1)	–	**(1)**
Purchase of treasury shares	(66)	–	–	**(66)**
Sale and vesting of treasury shares	51	–	–	**51**
Other changes	–	13	(13)	**–**
As at 30 June 2024	33,652	(1,757)	33,886	**65,781**

1 Comparative information has been revised to reflect the change detailed in Note 1.1.

2 On 15 February 2023, the Group announced its intention to undertake an on-market share buy-back of up to $1 billion of CBA ordinary shares in addition to the $2 billion announcement on 9 February 2022. During the year ended 30 June 2023, the Group completed the previously announced $3 billion on-market buy-backs and bought back a total of 25,369,084 ordinary shares ($2,532 million) at an average price of $99.81. The Group recognised $1 million in transaction costs in relation to the buy-backs. The shares bought back were subsequently cancelled.

3 On 9 August 2023, the Group announced its intention to conduct a further on-market share buy-back of up to $1 billion of CBA ordinary shares, with 2,588,964 ordinary shares bought back at an average price of $108.84 ($282 million) during the year ended 30 June 2024. The shares bought back were subsequently cancelled.

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

Statements of Cash Flows

For the year ended 30 June 2024

	Note	Group [1,2] 30 Jun 24 $M	Group [1,2] 30 Jun 23 $M	Group [1,2] 30 Jun 22 $M	Bank [1] 30 Jun 24 $M	Bank [1] 30 Jun 23 $M
Cash flows from operating activities						
Interest received		**59,431**	43,286	24,744	**54,469**	39,016
Interest paid		**(34,843)**	(18,212)	(4,432)	**(32,893)**	(17,561)
Other operating income received		**3,548**	3,240	3,562	**2,816**	2,737
Expenses paid		**(10,951)**	(11,207)	(11,027)	**(9,858)**	(10,245)
Income taxes paid		**(4,308)**	(3,871)	(3,530)	**(3,677)**	(3,332)
Insurance business:						
Investment income		**–**	–	(6)	**–**	–
Premiums received [3]		**–**	183	698	**–**	–
Policy payments and commission expense [3]		**–**	(208)	(620)	**–**	–
Cash flows from operating activities before changes in operating assets and liabilities		**12,877**	13,211	9,389	**10,857**	10,615
Changes in operating assets and liabilities arising from cash flow movements						
Movement in investment securities:						
Purchases		**(71,318)**	(34,641)	(34,472)	**(64,836)**	(31,963)
Proceeds		**60,055**	30,050	34,957	**55,832**	27,256
Net (increase)/decrease in assets at fair value through income statement		**(11,000)**	(36,874)	14,587	**(11,296)**	(36,344)
Net increase in loans and other receivables		**(25,475)**	(46,102)	(68,250)	**(26,025)**	(43,598)
Net (increase)/decrease in receivables from financial institutions		**(9)**	1,230	(1,747)	**29**	1,116
Net (increase)/decrease in securities purchased under agreements to resell at amortised cost		**(26,207)**	34,690	(29,888)	**(25,609)**	34,431
Net increase in other assets		**(532)**	(943)	(795)	**(531)**	(624)
Net increase in deposits and other public borrowings		**22,542**	38,385	79,739	**19,775**	35,157
Net increase/(decrease) in payables to financial institutions		**2,801**	(5,258)	7,425	**2,947**	(5,126)
Net increase/(decrease) in securities sold under agreements to repurchase at amortised cost		**3,168**	(34,996)	13,846	**3,079**	(35,019)
Net increase/(decrease) in other liabilities at fair value through income statement		**7,494**	32,814	(1,516)	**8,053**	33,098
Net (decrease)/increase in other liabilities		**(19)**	44	(35)	**(87)**	24
Changes in operating assets and liabilities arising from cash flow movements		**(38,500)**	(21,601)	13,851	**(38,669)**	(21,592)
Net cash (used in)/provided by operating activities	12.2 (a)	**(25,623)**	(8,390)	23,240	**(27,812)**	(10,977)

1 It should be noted that the Group does not use these accounting Statements of Cash Flows in the internal management of its liquidity positions.
2 Comparative information includes discontinued operations. For the cash flows from discontinued operations, refer to Note 11.3.
3 Represents gross premiums and policy payments before splitting between policyholders and shareholders.

Statements of Cash Flows (continued)

For the year ended 30 June 2024

	Note	Group [1 2]			Bank [1]	
		30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 24	30 Jun 23
	Note	$M	$M	$M	$M	$M
Cash flows from investing activities						
Cash outflows from acquisitions of controlled entities (net of cash acquired)		**(9)**	–	–	**–**	–
Cash inflows from disposals of associates and joint ventures		**–**	–	1,789	**–**	–
Cash outflows from acquisitions of associates and joint ventures		**(25)**	(41)	(256)	**(25)**	(37)
Cash inflows from disposal of controlled entities (net of cash disposed of)		**123**	567	1,975	**188**	–
Dividends received		**94**	95	30	**1,126**	1,233
Net cashflows received from controlled entities [3]		**–**	–	–	**1,595**	3,292
Proceeds from sales of property, plant and equipment		**25**	74	108	**8**	41
Purchases of property, plant and equipment		**(401)**	(683)	(231)	**(344)**	(349)
Purchases of intangible assets		**(921)**	(885)	(746)	**(826)**	(769)
Net cash (used in)/provided by investing activities		**(1,114)**	(873)	2,669	**1,722**	3,411
Cash flows from financing activities						
Share buy-backs		**(282)**	(2,533)	(6,471)	**(282)**	(2,533)
Dividends paid (excluding Dividend Reinvestment Plan)		**(7,623)**	(7,117)	(6,535)	**(7,623)**	(7,117)
Proceeds from issuance of debt securities		**52,455**	51,833	61,921	**46,738**	43,462
Redemption of debt securities		**(30,910)**	(49,329)	(45,879)	**(22,194)**	(39,641)
(Maturity of)/proceeds from term funding from central banks		**(49,957)**	(598)	2,951	**(49,637)**	(1,500)
Purchases of treasury shares		**(80)**	(101)	(76)	**(66)**	(64)
Sales of treasury shares		**–**	–	48	**–**	–
Proceeds from issuance of loan capital		**5,155**	7,665	6,815	**5,151**	7,673
Redemption of loan capital		**(1,590)**	(3,043)	(6,540)	**(1,590)**	(3,043)
Payments for the principal portion of lease liabilities		**(420)**	(525)	(523)	**(397)**	(470)
Net cash (used in)/provided by financing activities		**(33,252)**	(3,748)	5,711	**(29,900)**	(3,233)
Net (decrease)/increase in cash and cash equivalents		**(59,989)**	(13,011)	31,620	**(55,990)**	(10,799)
Effect of foreign exchange rates on cash and cash equivalents		**138**	828	355	**156**	279
Cash and cash equivalents at beginning of year		**107,172**	119,355	87,380	**98,730**	109,250
Cash and cash equivalents at end of year	12.2 (b)	**47,321**	107,172	119,355	**42,896**	98,730

1 It should be noted that the Group does not use these accounting Statements of Cash Flows in the internal management of its liquidity positions.
2 Comparative information includes discontinued operations. For the cash flows from discontinued operations, refer to Note 11.3.
3 Amounts received from/(paid to) controlled entities are presented in line with how they are managed and settled.

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2024

1 Overview

1.1 General information, basis of accounting, changes in accounting policies and future accounting developments

General information

The Financial Report of the Commonwealth Bank of Australia (the Bank) and the Bank and its subsidiaries (the Group) for the year ended 30 June 2024, was approved and authorised for issue by the Board of Directors on 14 August 2024. The Directors have the power to amend and reissue the financial statements.

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, NSW 2000, Australia.

The Financial Report includes the consolidated and standalone financial statements of the Group and the Bank, respectively. Notes accompanying the financial statements, the consolidated entity disclosure statement and the Directors' declaration form part of the Financial Report.

On 1 May 2024, the Group completed the sale of its 99% shareholding in PT Bank Commonwealth (PTBC) to PT Bank OCBC NISP Tbk (OCBC Indonesia), a subsidiary of Oversea-Chinese Banking Corporation Limited (OCBC).

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

Basis of accounting

The Financial Report:

- is a general purpose financial report;
- has been prepared in accordance with the Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- has been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth);
- is presented in Australian dollars, which is the Bank's functional and presentation currency, with all values rounded to the nearest million dollars ($M) in accordance with *ASIC Corporations Instrument 2016/191* unless otherwise indicated;
- includes foreign currency transactions that are translated into the functional currency, using the exchange rates prevailing at the date of each transaction;
- has been prepared on a going concern basis using a historical cost basis, except for certain assets and liabilities (including derivative instruments) measured at fair value;
- presents assets and liabilities on the face of the Balance Sheets in decreasing order of liquidity;
- where required, presents restated comparative information for consistency with the current year's presentation in the Financial Report; and
- contains accounting policies that have been consistently applied to all periods presented, unless otherwise stated.

Changes in comparatives

Discontinued operations

The financial results of businesses reclassified as discontinued operations are excluded from the results of the continuing operations and presented as a single line item net profit/(loss) after income tax from discontinued operations in the Income Statement, and other comprehensive income/(expense) net of income tax from discontinued operations in the Statement of Comprehensive Income.

The Income Statements and the Statements of Comprehensive Income for comparative periods are also restated. Assets and liabilities of discontinued operations subject to disposal have been presented on the Balance Sheet separately as assets and liabilities held for sale. The Balance Sheet is not restated when a business is reclassified as a discontinued operation.

Re-segmentation

During the year ended 30 June 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 costs to support units. 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 2.7 for further information.

1.1 General information, basis of accounting, changes in accounting policies and future accounting developments (continued)

Prior period adjustments

During the year ended 30 June 2024, management reassessed the classification of the Group's investment in Qilu Bank in accordance with AASB 128 *Investments in Associates and Joint Ventures* and concluded that the Group lost significant influence over financial and operating policy decision making at the time of the Qilu Bank Initial Public Offering in June 2021. This change has been applied retrospectively.

For the Group, the comparative information has been revised as follows:

- A decrease in investments in associates as at 30 June 2023 and 2022 of $1,021 million and $957 million, respectively;
- An increase in investments at fair value through other comprehensive income as at 30 June 2023 and 2022 of $599 million and $779 million, respectively;
- A decrease in deferred tax liabilities as at 30 June 2023 and 2022 of $50 million and $25 million, respectively;
- A decrease in net other operating income for the years ended 30 June 2023 and 2022 of $102 million and $90 million, respectively;
- A decrease in income tax expense for the years ended 30 June 2023 and 2022 of $10 million and $9 million, respectively;
- A decrease in investment securities revaluation reserve as at 30 June 2023 and 2022 of $535 million and $370 million, respectively;
- A decrease in foreign currency translation reserve as at 30 June 2023 and 2022 of $50 million and $88 million, respectively;
- An increase in opening retained earnings as at 1 July 2022 for the Group of $305 million;
- A decrease in basic earnings per share and basic earnings per share from continuing operations for the years ended 30 June 2023 and 2022 of 5.5 cents per share and 4.7 cents per share, respectively; and
- A decrease in diluted earnings per share and diluted earnings per share from continuing operations for the years ended 30 June 2023 and 2022 of 5.1 cents per share and 4.4 cents per share, respectively.

For the Bank, the comparative information has been revised as follows:

- A decrease in investments in associates as at 30 June 2023 and 2022 of $364 million and $360 million, respectively;
- An increase in investments at fair value through other comprehensive income as at 30 June 2023 and 2022 of $599 million and $779 million, respectively;
- An increase in deferred tax liabilities as at 30 June 2023 and 2022 of $24 million and $42 million, respectively;
- A decrease in investment securities revaluation reserve as at 30 June 2023 and 2022 of $525 million and $359 million, respectively; and
- An increase in opening retained earnings as at 1 July 2022 of $736 million.

Adoption of new or amended accounting standards and future accounting developments

International Tax Reform – Pillar Two Model Rules

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released Global Anti-Base Erosion (GLoBE) Model rules ("Pillar Two"), introducing new 'top-up' taxing mechanisms for multinational enterprises (MNEs) that fall within the rules. MNEs will be liable to pay a top-up tax reflecting the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate.

As at 30 June 2024, Pillar Two draft legislation has been released in Australia but not yet been enacted. Certain jurisdictions in which the Group operates have enacted or substantively enacted Pillar Two legislation. The legislation will be effective for the Group for the financial year beginning 1 July 2024.

In June 2023, the Australian Accounting Standards Board (AASB) issued AASB 2023-2 to amend AASB 112 *Income Taxes* in order to address Pillar Two. It introduced a mandatory temporary exception from recognising and disclosing Pillar Two deferred taxes, which has been adopted by the Group.

The Group has performed an assessment of the potential exposure to Pillar Two income taxes. The Group does not operate in jurisdictions that have a headline corporate tax rate of less than 15% and does not expect to pay any Pillar Two top-up taxes. In the unlikely event that Pillar Two taxes become payable, the Group does not expect the impact to be material.

Notes to the Financial Statements

For the year ended 30 June 2024

1.1 General information, basis of accounting, changes in accounting policies and future accounting developments (continued)

Multinational Tax Transparency – Disclosure of Subsidiaries

During the year ended 30 June 2024, the *Corporations Act 2001* (Cth) was amended to introduce new mandatory annual disclosures for public companies required to prepare consolidated financial statements. The amendments were made as part of the Government's commitment to protect the integrity of the Australian tax system and improve tax transparency. The new disclosures include names, legal structures, locations of incorporation or formation, and tax residency status of consolidated entities. The new disclosure requirement is effective for the year ended 30 June 2024. The Group's consolidated entity disclosure statement is provided on pages 286 – 288 of this Financial Report.

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 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.

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.

The Performance section provides details of the main contributors to the Group's returns and analysis of its financial performance by business segments and geographical regions.

2.1 Net interest income

	Group			Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 22 $M	30 Jun 24 $M	30 Jun 23 $M
Interest income					
Effective interest income:					
Loans and other receivables	**46,895**	35,820	23,173	**40,228**	31,416
Other financial institutions	**290**	206	20	**258**	197
Cash and liquid assets	**4,831**	4,115	254	**4,438**	3,794
Investment securities:					
At amortised cost	**83**	101	49	**84**	101
At fair value through other comprehensive income	**5,298**	2,940	491	**4,781**	2,620
Controlled entities	**–**	–	–	**2,607**	826
Total effective interest income	**57,397**	43,182	23,987	**52,396**	38,954
Other interest income:					
Assets at fair value through income statement	**3,539**	1,190	201	**3,539**	1,190
Controlled entities	**–**	–	–	**72**	48
Other	**108**	103	105	**99**	94
Total other interest income	**3,647**	1,293	306	**3,710**	1,332
Total interest income	**61,044**	44,475	24,293	**56,106**	40,286
Interest expense					
Deposits	**23,993**	12,726	2,420	**21,334**	11,493
Other financial institutions	**1,228**	844	94	**1,168**	784
Liabilities at fair value through income statement	**2,064**	634	105	**2,035**	645
Term funding from central banks	**278**	257	99	**37**	80
Debt issues	**7,822**	4,873	997	**6,491**	3,574
Loan capital	**2,326**	1,615	687	**2,329**	1,616
Lease liabilities	**82**	77	75	**71**	67
Bank levy	**427**	393	343	**427**	393
Controlled entities	**–**	–	–	**2,331**	1,618
Total interest expense	**38,220**	21,419	4,820	**36,223**	20,270
Net interest income	**22,824**	23,056	19,473	**19,883**	20,016

Notes to the Financial Statements

For the year ended 30 June 2024

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 (OCI), 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 the effective interest rate and are recognised in net interest income.

Interest income on finance leases is recognised 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 premium/discounts.

Interest expense also includes payments made under a liquidity facility arrangement with the Reserve Bank of Australia, the Major Bank Levy (Bank Levy) expense and other financing charges.

2.2 Average balances and related interest

The following information has been produced using statutory Balance Sheet and Income Statement categories. The tables below 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 the years ended 30 June 2024, 30 June 2023 and 30 June 2022. Interest is accounted for based on product yield. Where assets or liabilities are hedged, the amounts are shown net of the hedge, but individual items not separately hedged may be affected by movements in exchange rates and interest rates. The overseas component comprises overseas branches of the Bank and overseas domiciled controlled entities of the Group. Non-accrual loans are included in interest earning assets under loans and other receivables. During the year ended 30 June 2024, the official cash rate in Australia increased by 25 basis points to 4.35% while the official cash rate in New Zealand remained at 5.5% on a spot basis (2023: 325 basis points increase for Australia and 350 basis points increase for New Zealand; 2022: 75 basis points increase for Australia and 175 basis points increase for New Zealand).

	Group								
	30 Jun 24			30 Jun 23			30 Jun 22		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate	Average balance	Interest	Average rate
Interest earning assets	$M	$M	%	$M	$M	%	$M	$M	%
Cash and liquid assets									
Australia	**75,988**	**3,243**	**4.3**	103,720	2,942	2.8	95,587	103	0.1
Overseas	**28,768**	**1,588**	**5.5**	38,346	1,173	3.1	32,004	151	0.5
Receivables from financial institutions									
Australia	**2,280**	**79**	**3.5**	2,590	49	1.9	2,617	(5)	(0.2)
Overseas	**3,545**	**211**	**6.0**	4,793	157	3.3	3,197	25	0.8
Assets at fair value through income statement:									
Australia	**48,665**	**2,023**	**4.2**	27,956	831	3.0	20,610	205	1.0
Overseas	**28,799**	**1,516**	**5.3**	13,609	359	2.6	3,618	(4)	(0.1)
Investment securities:									
At amortised cost									
Australia	**1,627**	**83**	**5.1**	2,601	101	3.9	3,938	49	1.2
At fair value through OCI									
Australia	**78,795**	**3,963**	**5.0**	64,014	2,211	3.5	64,453	345	0.5
Overseas	**23,162**	**1,335**	**5.8**	17,024	729	4.3	16,344	146	0.9
Loans and other receivables									
Australia [1]	**734,774**	**39,550**	**5.4**	720,419	30,160	4.2	667,934	19,460	2.9
Overseas	**117,954**	**7,453**	**6.3**	116,182	5,763	5.0	116,608	3,818	3.3
Total interest earning assets and interest income	**1,144,357**	**61,044**	**5.3**	1,111,254	44,475	4.0	1,026,910	24,293	2.4

1 Net of average mortgage offset balances that are included in non-interest earning assets. Average mortgage offset balances for the year ended 30 June 2024 was $74,730 million (30 June 2023: $69,717 million; 30 June 2022: $64,748 million). While under the accounting standards loans and other receivables balances are required to be presented on gross basis, they are presented net of mortgage offset balances for the calculation of customer interest payments and the Group's net interest margin.

Notes to the Financial Statements
For the year ended 30 June 2024

2.2 Average balances and related interest (continued)

	Group [1]		
	Average balance		
	30 Jun 24	30 Jun 23	30 Jun 22
Non-interest earning assets	**$M**	**$M**	**$M**
Property, plant and equipment			
Australia	**3,794**	4,431	4,468
Overseas	**816**	426	486
Other assets			
Australia [2]	**102,099**	100,862	109,671
Overseas	**20,823**	21,663	9,728
Provisions for impairment			
Australia	**(5,171)**	(4,748)	(4,032)
Overseas	**(648)**	(652)	(724)
Total non-interest earning assets	**121,713**	121,982	119,597
Assets held for sale			
Australia	**44**	466	2,094
Overseas	**626**	–	–
Total assets	**1,266,740**	1,233,702	1,148,601
Percentage of total assets applicable to overseas operations (%)	**17.7**	17.1	15.8

1 Comparative information has been revised to reflect the change detailed in Note 1.1.

2 For the purpose of reconciling total average assets, other assets include average mortgage offset balances as these balances are excluded from the average interest earning assets. Average mortgage offset balances for the year ended 30 June 2024 were $74,730 million (30 June 2023: $69,717 million; 30 June 2022: $64,748 million).

Notes to the Financial Statements

For the year ended 30 June 2024

2.2 Average balances and related interest (continued)

	Group								
	30 Jun 24			30 Jun 23			30 Jun 22		
Interest bearing liabilities	**Average balance $M**	**Interest $M**	**Average rate %**	**Average balance $M**	**Interest $M**	**Average rate %**	**Average balance $M**	**Interest $M**	**Average rate %**
Time deposits									
Australia [1]	**204,049**	**8,848**	**4.3**	189,801	4,172	2.2	157,909	1,061	0.7
Overseas	**64,700**	**3,132**	**4.8**	67,262	2,776	4.1	59,344	597	1.0
Saving deposits									
Australia [1]	**231,475**	**6,203**	**2.7**	210,296	2,625	1.2	202,729	299	0.1
Overseas	**19,131**	**619**	**3.2**	20,350	162	0.8	23,040	106	0.5
Other demand deposits									
Australia	**157,319**	**4,853**	**3.1**	166,953	2,806	1.7	157,998	293	0.2
Overseas	**12,405**	**338**	**2.7**	13,078	185	1.4	13,955	64	0.5
Payables to financial institutions									
Australia	**11,804**	**530**	**4.5**	10,542	410	3.9	12,221	36	0.3
Overseas	**12,705**	**698**	**5.5**	12,657	434	3.4	10,000	58	0.6
Liabilities at fair value through income statement									
Australia	**15,726**	**875**	**5.6**	10,510	370	3.5	3,834	96	2.5
Overseas	**29,717**	**1,189**	**4.0**	11,797	264	2.2	4,255	9	0.2
Term funding from central banks									
Australia	**32,746**	**37**	**0.1**	51,118	80	0.2	51,137	80	0.2
Overseas	**4,499**	**241**	**5.4**	4,481	177	4.0	2,016	19	0.9
Debt issues									
Australia	**115,428**	**6,462**	**5.6**	96,999	4,077	4.2	94,418	703	0.7
Overseas	**23,214**	**1,360**	**5.9**	20,475	796	3.9	16,651	294	1.8
Loan capital									
Australia	**33,987**	**2,326**	**6.8**	28,305	1,562	5.5	24,329	557	2.3
Overseas	**–**	**–**	**–**	1,252	53	4.2	4,861	130	2.7
Lease liabilities									
Australia	**2,328**	**69**	**3.0**	2,530	65	2.6	2,707	64	2.4
Overseas	**233**	**13**	**5.6**	260	12	4.6	291	11	3.8
Bank levy									
Australia	**–**	**427**	**–**	–	393	–	–	343	–
Total interest bearing liabilities and interest expense	**971,466**	**38,220**	**3.9**	918,666	21,419	2.3	841,695	4,820	0.6

1 Net of average mortgage offset balances that are included in non-interest bearing liabilities.

Notes to the Financial Statements
For the year ended 30 June 2024

2.2 Average balances and related interest (continued)

	Group [1]		
	Average balance		
	30 Jun 24	30 Jun 23	30 Jun 22
Non-interest bearing liabilities	**$M**	**$M**	**$M**
Deposits not bearing interest			
Australia [2]	**176,298**	191,151	184,771
Overseas	**9,331**	10,891	12,370
Other liabilities			
Australia	**21,696**	23,764	24,943
Overseas	**14,941**	16,598	8,508
Total non-interest bearing liabilities	**222,266**	242,404	230,592
Liabilities held for sale			
Australia	**–**	419	1,071
Overseas	**488**	–	–
Total liabilities	**1,194,220**	1,161,489	1,073,358
Shareholders' equity	**72,520**	72,213	75,243
Total liabilities and Shareholders' equity	**1,266,740**	1,233,702	1,148,601
Percentage of total liabilities applicable to overseas operations (%)	**16.0**	15.4	14.5

1 Comparative information has been revised to reflect the change detailed in Note 1.1.
2 Includes average mortgage offset balances.

Notes to the Financial Statements

For the year ended 30 June 2024

2.2 Average balances and related interest (continued)

Changes in net interest income: volume and rate analysis

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 changes 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. Volume and rate variance for total interest earning assets and interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

	June 2024 vs June 2023			June 2023 vs June 2022		
Changes in net interest income: Volume and rate analysis	**Volume $M**	**Rate $M**	**Total $M**	**Volume $M**	**Rate $M**	**Total $M**
Interest earning assets						
Cash and liquid assets						
Australia	**(1,184)**	**1,485**	**301**	231	2,608	2,839
Overseas	**(529)**	**944**	**415**	194	828	1,022
Receivables from financial institutions						
Australia	**(11)**	**41**	**30**	(1)	55	54
Overseas	**(74)**	**128**	**54**	52	80	132
Assets at fair value through income statement:						
At amortised cost						
Australia	**861**	**331**	**1,192**	218	408	626
Overseas	**800**	**357**	**1,157**	264	99	363
Investment securities:						
At amortised cost						
Australia	**(50)**	**32**	**(18)**	(52)	104	52
At fair value through OCI						
Australia	**743**	**1,009**	**1,752**	(15)	1,881	1,866
Overseas	**354**	**252**	**606**	29	554	583
Loans and other receivables						
Australia	**773**	**8,617**	**9,390**	2,197	8,503	10,700
Overseas	**112**	**1,578**	**1,690**	(21)	1,966	1,945
Changes in interest income	**1,766**	**14,803**	**16,569**	3,376	16,806	20,182

Notes to the Financial Statements

For the year ended 30 June 2024

2.2 Average balances and related interest (continued)

Changes in net interest income: Volume and rate analysis	June 2024 vs June 2023 Volume $M	Rate $M	Total $M	June 2023 vs June 2022 Volume $M	Rate $M	Total $M
Interest bearing liabilities and loan capital						
Time deposits						
Australia	**618**	**4,058**	**4,676**	701	2,410	3,111
Overseas	**(124)**	**480**	**356**	327	1,852	2,179
Saving deposits						
Australia	**568**	**3,010**	**3,578**	94	2,232	2,326
Overseas	**(39)**	**496**	**457**	(21)	77	56
Other demand deposits						
Australia	**(297)**	**2,344**	**2,047**	151	2,362	2,513
Overseas	**(18)**	**171**	**153**	(12)	133	121
Payables to financial institutions						
Australia	**57**	**63**	**120**	(65)	439	374
Overseas	**3**	**261**	**264**	91	285	376
Liabilities at fair value through income statement						
Australia	**290**	**215**	**505**	235	39	274
Overseas	**717**	**208**	**925**	169	86	255
Term funding from central banks						
Australia	**(21)**	**(22)**	**(43)**	–	–	–
Overseas	**1**	**63**	**64**	97	61	158
Debt issues						
Australia	**1,032**	**1,353**	**2,385**	108	3,266	3,374
Overseas	**160**	**404**	**564**	149	353	502
Loan capital						
Australia	**389**	**375**	**764**	219	786	1,005
Overseas	**(53)**	**–**	**(53)**	(153)	76	(77)
Lease liabilities						
Australia	**(6)**	**10**	**4**	(5)	6	1
Overseas	**(2)**	**3**	**1**	(1)	2	1
Bank levy						
Australia	**–**	**34**	**34**	–	50	50
Changes in interest expense	**2,077**	**14,724**	**16,801**	1,795	14,804	16,599
Changes in net interest income	**660**	**(892)**	**(232)**	1,750	1,833	3,583

Notes to the Financial Statements

For the year ended 30 June 2024

2.3 Net other operating income

	Group [1]			Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 22 $M	30 Jun 24 $M	30 Jun 23 $M
Commission income	**2,451**	2,297	2,309	**1,999**	1,826
Commission expense [2]	**(335)**	(317)	(231)	**(281)**	(265)
Net commission income	**2,116**	1,980	2,078	**1,718**	1,561
Lending fees	**821**	753	736	**773**	719
Trading income	**1,125**	1,095	806	**1,020**	989
Net (loss)/gain on non-trading financial instruments [3]	**(118)**	268	420	**(401)**	11
Net (loss)/gain on sale of property, plant and equipment	**(2)**	(4)	12	**(4)**	(4)
Net (loss)/gain from hedging ineffectiveness	**(33)**	1	4	**(13)**	38
Dividends – Controlled entities	**–**	–	–	**1,033**	1,139
Dividends	**55**	55	28	**93**	94
Share of results of associates and joint ventures net of impairment [4]	**(95)**	(19)	894	**(140)**	(8)
Net insurance and funds management income	**111**	82	208	**–**	–
Other [5] [6]	**117**	161	187	**140**	273
Total net other operating income	**4,097**	4,372	5,373	**4,219**	4,812

1 Comparative information has been revised to reflect the change detailed in Note 1.1.
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 and losses on non-trading derivatives that are held for risk management purposes and gains and losses on disposal of businesses not classified as discontinued operations. For details on disposals of businesses, refer to Note 11.3.
4 The year ended 30 June 2022 includes a pre-tax gain of $516 million arising from the partial disposal of the Group's 10% interest in Bank of Hangzhou and the reclassification of the retained 5.6% interest to investment securities at fair value through other comprehensive income.
5 The year ended 30 June 2024 includes depreciation of $58 million in relation to assets held as lessor by the Group (30 June 2023: $63 million; 30 June 2022: $61 million). Includes depreciation of $4 million in relation to assets held for lease as lessor by the Bank (30 June 2023: $3 million).
6 The year ended 30 June 2024 includes a $50 million loss on reclassification of certain assets held as lessor to assets held for sale and remeasurement to fair value less costs to sell. The years ended 30 June 2023 and 2022 include an impairment loss of $6 million and an impairment reversal of $68 million, respectively, recognised by the Group in relation to certain aircraft owned by the Group and leased to various airlines. The impairment loss was driven by the impact of COVID-19 on the aviation sector.

Notes to the Financial Statements
For the year ended 30 June 2024

2.3 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.

Trading income 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.

Net gain/(loss) on non-trading financial instruments includes 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 gain/(loss) on the disposal of property, plant and equipment is the difference between proceeds received and its carrying value.

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

Dividend income on non-trading equity investments is recognised on the ex-dividend date or when the right to receive payment is established.

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.

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.

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.

2.4 Operating expenses

	Group [1]			Bank [1]	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 22 $M	30 Jun 24 $M	30 Jun 23 $M
Staff expenses					
Salaries and related on-costs	**6,757**	6,563	5,955	**5,693**	5,614
Share-based compensation	**130**	123	111	**129**	122
Superannuation	**601**	553	516	**563**	519
Total staff expenses	**7,488**	7,239	6,582	**6,385**	6,255
Occupancy and equipment expenses					
Lease expenses [2]	**160**	159	141	**147**	151
Depreciation of property, plant and equipment	**623**	602	640	**534**	522
Other occupancy expenses	**212**	189	197	**181**	159
Total occupancy and equipment expenses	**995**	950	978	**862**	832
Information technology services					
System development and support	**998**	1,068	990	**890**	988
Infrastructure and support	**300**	331	335	**272**	298
Communications	**110**	129	156	**98**	115
Amortisation and write-offs of software assets	**685**	395	761	**585**	308
IT equipment depreciation	**132**	113	117	**113**	91
Total information technology services	**2,225**	2,036	2,359	**1,958**	1,800
Other expenses					
Postage and stationery	**145**	138	131	**133**	130
Transaction processing and market data	**107**	93	94	**84**	73
Fees and commissions:					
Professional fees	**410**	403	495	**360**	363
Other	**92**	92	127	**83**	82
Advertising and marketing	**297**	262	227	**248**	217
Non-lending losses	**208**	274	292	**177**	277
Impairment of investments in subsidiaries	**–**	–	–	**8**	103
Other	**251**	371	143	**595**	599
Total other expenses	**1,510**	1,633	1,509	**1,688**	1,844
Operating expenses before separation and transaction costs	**12,218**	11,858	11,428	**10,893**	10,731
Separation and transaction costs	**119**	221	181	**237**	341
Total operating expenses	**12,337**	12,079	11,609	**11,130**	11,072

1 Comparative information has been restated to conform to presentation in the current period.
2 The year ended 30 June 2024 includes rentals of $32 million in relation to short-term leases and low value leases (30 June 2023: $56 million; 30 June 2022: $59 million), and variable lease payments based on usage or performance of $3 million (30 June 2023: $5 million; 30 June 2022: $11 million).

Notes to the Financial Statements
For the year ended 30 June 2024

2.4 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 immediately 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, 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.

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

Notes to the Financial Statements

For the year ended 30 June 2024

2.5 Income tax expense

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

	Group [1]			Bank	
	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 24	30 Jun 23
	$M	$M	$M	$M	$M
Profit before income tax	**13,782**	14,241	13,594	**12,257**	12,735
Prima facie income tax at 30%	**4,135**	4,272	4,078	**3,677**	3,821
Effect of amounts which are non-deductible/ (assessable) in calculating taxable income:					
Taxation offsets and other dividend adjustments	**–**	–	–	**(330)**	(362)
Offshore tax rate differential	**(99)**	(63)	(47)	**(63)**	(25)
Offshore banking unit	**–**	(52)	(47)	**–**	(33)
Effect of change in tax rates	**(4)**	(6)	17	**(4)**	(6)
Income tax over provided in previous years	**–**	(178)	(40)	**(5)**	(150)
Impact of divestments	**100**	19	60	**141**	6
Hybrid capital distributions	**163**	112	53	**163**	112
Other	**6**	41	(72)	**65**	92
Total income tax expense	**4,301**	4,145	4,002	**3,644**	3,455
Effective tax rate (%)	**31.2**	29.1	29.4	**29.7**	27.1

1 Comparative information has been revised to reflect the change detailed in Note 1.1.

	Group [1]			Bank	
Income tax expense attributable to profit from ordinary activities	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 24	30 Jun 23
	$M	$M	$M	$M	$M
Australia					
Current tax expense	**3,497**	3,583	3,045	**3,386**	3,436
Deferred tax expense/(benefit)	**144**	(128)	204	**147**	(109)
Total Australia	**3,641**	3,455	3,249	**3,533**	3,327
Overseas					
Current tax expense	**666**	697	727	**116**	116
Deferred tax (benefit)/expense	**(6)**	(7)	26	**(5)**	12
Total overseas	**660**	690	753	**111**	128
Income tax expense attributable to profit from ordinary activities	**4,301**	4,145	4,002	**3,644**	3,455

1 Comparative information has been revised to reflect the change detailed in Note 1.1.

Notes to the Financial Statements
For the year ended 30 June 2024

2.5 Income tax expense (continued)

	Group [1]			Bank [1]	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 22 $M	30 Jun 24 $M	30 Jun 23 $M
Deferred tax asset balances comprise temporary differences attributable to:					
Amounts recognised in the income statement:					
Lease liabilities	**760**	841	894	**709**	781
Provision for employee benefits	**579**	575	561	**536**	529
Provisions for impairment on loans and other receivables	**1,791**	1,729	1,500	**1,618**	1,563
Other provisions not tax deductible until expense incurred	**428**	579	779	**409**	542
Defined benefit superannuation plan	**356**	364	385	**356**	364
Unearned income	**127**	147	172	**126**	147
Intangible assets	**191**	219	240	**190**	219
Other	**112**	148	164	**48**	72
Total amount recognised in the income statement	**4,344**	4,602	4,695	**3,992**	4,217
Amounts recognised directly in other comprehensive income:					
Cash flow hedge reserve	**640**	859	431	**525**	842
Other reserves	**348**	271	78	**349**	271
Total amount recognised directly in other comprehensive income	**988**	1,130	509	**874**	1,113
Total deferred tax assets (before set off)	**5,332**	5,732	5,204	**4,866**	5,330
Set off to tax	**(1,561)**	(1,921)	(2,031)	**(1,423)**	(1,690)
Net deferred tax assets	**3,771**	3,811	3,173	**3,443**	3,640
Deferred tax liability balances comprise temporary differences attributable to:					
Amounts recognised in the income statement:					
Right-of-use assets	**639**	729	783	**589**	676
Lease financing relating to lessor activities	**117**	103	155	**82**	75
Intangible assets	**56**	57	56	**56**	56
Financial instruments	**27**	22	15	**8**	8
Investments in associates	**171**	170	340	**170**	169
Other	**61**	88	48	**34**	38
Total amount recognised in the income statement	**1,071**	1,169	1,397	**939**	1,022
Amounts recognised directly in other comprehensive income:					
Revaluation of properties	**109**	99	94	**109**	104
Foreign currency translation reserve	**–**	2	2	**–**	–
Cash flow hedge reserve	**7**	81	46	**1**	2
Defined benefit superannuation plan	**474**	546	546	**474**	546
Investment securities revaluation reserve	**11**	112	71	**11**	104
Total amount recognised directly in other comprehensive income	**601**	840	759	**595**	756
Total deferred tax liabilities (before set off)	**1,672**	2,009	2,156	**1,534**	1,778
Set off to tax	**(1,561)**	(1,921)	(2,031)	**(1,423)**	(1,690)
Net deferred tax liabilities	**111**	88	125	**111**	88

1 Comparative information has been revised to reflect the change detailed in Note 1.1.

Notes to the Financial Statements

For the year ended 30 June 2024

2.5 Income tax expense (continued)

Unrecognised deferred tax assets and liabilities

As at 30 June 2024, the Group and the Bank had unrecognised deferred tax assets relating to unused tax losses of $22 million (30 June 2023: $58 million). The Group and the Bank had unrecognised deferred tax assets relating to unused capital losses of $20 million (30 June 2023: nil). Deferred tax assets have not been recognised in respect of these losses because it is not considered probable that future taxable profit would be available against which they can be realised.

As at 30 June 2024, the Group had unrecognised deferred tax liabilities relating to undistributed profits of subsidiaries of $12 million (30 June 2023: $6 million).

Tax consolidation

The amount receivable by the Bank under the tax funding agreement was $93 million as at 30 June 2024 (30 June 2023: $190 million). This balance is included in “Other assets” in the Bank’s Balance Sheet.

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 and 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.

Notes to the Financial Statements
For the year ended 30 June 2024

2.6 Earnings per share

	Group [1,2]		
	30 Jun 24	30 Jun 23	30 Jun 22
Earnings per ordinary share [3]	Cents per share		
Earnings per share from continuing operations:			
Basic	**566.6**	597.5	557.0
Diluted	**562.7**	584.2	537.1
Earnings per share:			
Basic	**561.4**	591.7	620.7
Diluted	**557.8**	578.7	597.0

1 Comparative information has been revised to reflect the change detailed in Note 1.1.
2 The difference between earnings per share from continuing operations and earnings per share represents earnings per share from discontinued operations.
3 EPS calculations are based on actual amounts prior to rounding to the nearest million.

	Group [1]		
Reconciliation of earnings from continuing operations used in calculation of earnings per share	30 Jun 24 $M	30 Jun 23 $M	30 Jun 22 $M
Profit after income tax from continuing operations	**9,481**	10,096	9,592
Continuing operations earnings used in calculation of basic earnings per share	**9,481**	10,096	9,592
Add: Profit impact of assumed conversions of loan capital	**559**	418	252
Continuing operations earnings used in calculation of fully diluted earnings per share	**10,040**	10,514	9,844
Reconciliation of earnings used in calculation of earnings per share			
Continuing operations earnings used in calculation of basic earnings per share	**9,481**	10,096	9,592
Discontinued operations earnings used in calculation of basic earnings per share	**(87)**	(98)	1,098
Earnings used in calculation of basic earnings per share	**9,394**	9,998	10,690
Add: Profit impact of assumed conversions of loan capital	**559**	418	252
Earnings used in calculation of fully diluted earnings per share	**9,953**	10,416	10,942

	Number of shares (in millions)		
	30 Jun 24	30 Jun 23	30 Jun 22
Weighted average number of ordinary shares used in calculation of basic earnings per share	**1,673**	1,690	1,722
Effect of dilutive securities – executive share plans and convertible loan capital instruments	**111**	110	111
Weighted average number of ordinary shares used in calculation of fully diluted earnings per share	**1,784**	1,800	1,833

1 Comparative information has been revised to reflect the change detailed in Note 1.1.

ACCOUNTING POLICIES

Basic earnings per share (EPS) amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the Bank by the weighted average number of ordinary shares on issue during the year, adjusted for any bonus element included in ordinary shares issued and excluding treasury shares held.

Diluted EPS is basic EPS adjusted for the impact of all securities on issue that can convert to CBA ordinary shares and would dilute basic EPS on conversion. It is calculated by dividing net profit attributable to ordinary equity holders of the Bank (after adding back interest on convertible loan capital instruments) by the weighted average number of ordinary shares outstanding during the year (as calculated under basic earnings per share adjusted for the effects of dilutive convertible loan capital instruments and shares issuable under executive share plans).

2.7 Financial reporting by segments

The principal activities of the Group are carried out in the business segments described below. These segments are based on the distribution channels through which customer relationships are managed.

During the year ended 30 June 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 units 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.

The Group's primary sources of revenue are interest and fee income (Retail Banking Services, Business Banking, Institutional Banking and Markets, New Zealand) and funds management income (New Zealand).

Revenues and expenses occurring between segments are subject to transfer pricing arrangements. All intra-group transactions are eliminated on consolidation.

Business segments are managed on the basis of net profit after income tax ("cash basis"). Management uses "cash basis" to assess performance and it provides the basis for the determination of the Bank's dividends. The "cash basis" presents the Group's underlying operating results, excluding a number of items that introduce volatility and/or one-off distortions of the Group's current period performance. These items, such as hedging and IFRS volatility, are calculated consistently year on year and do not discriminate between positive and negative adjustments.

(i) Retail Banking Services

Retail Banking Services provides banking products and services to personal and private bank customers helping them to manage their everyday banking needs, buy a home or invest for the future. Retail Banking Services also includes the financial results of retail banking activities provided under the Bankwest and Unloan brands.

(ii) Business Banking

Business Banking serves the banking needs of business, corporate and agribusiness customers across the full range of financial services solutions. It also provides equities trading and margin lending services through the CommSec business. Business Banking also includes the financial results of business banking activities conducted under the Bankwest brand.

(iii) Institutional Banking and Markets

Institutional Banking and Markets provides a full range of domestic and global financing and banking services to large corporate, institutional and government clients. These services include access to 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.

(iv) New Zealand

New Zealand includes the banking and funds management businesses operating in New Zealand 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.

(v) Corporate Centre and Other

Corporate Centre and Other include 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 Group-wide elimination entries arising on consolidation.

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 Pty Limited, Superannuation and Investments Hold Co Pty Limited as well as the strategic investments in x15ventures. On 1 May 2024, the Group completed the sale of its 99% shareholding in PTBC to OCBC.

Treasury is primarily focused on the management of the Bank's interest rate risk, funding and liquidity requirements, and management of the Bank's capital.

Notes to the Financial Statements

For the year ended 30 June 2024

2.7 Financial reporting by segments (continued)

	30 June 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	11,119	7,511	1,434	2,491	269	**22,824**
Other operating income:						
Net commission income	1,292	391	196	223	14	**2,116**
Lending fees	233	332	228	28	–	**821**
Trading and other income	146	339	648	183	97	**1,413**
Total other operating income	1,671	1,062	1,072	434	111	**4,350**
Total operating income	12,790	8,573	2,506	2,925	380	**27,174**
Operating expenses	(4,802)	(2,743)	(1,088)	(1,203)	(2,382)	**(12,218)**
Loan impairment (expense)/benefit	(317)	(437)	4	(64)	12	**(802)**
Net profit/(loss) before tax	7,671	5,393	1,422	1,658	(1,990)	**14,154**
Corporate tax (expense)/benefit	(2,316)	(1,619)	(325)	(464)	406	**(4,318)**
Net profit/(loss) after tax from continuing operations – "cash basis"	5,355	3,774	1,097	1,194	(1,584)	**9,836**
Net profit after tax from discontinued operations	–	–	–	–	11	**11**
Net profit/(loss) after tax – "cash basis" [1]	5,355	3,774	1,097	1,194	(1,573)	**9,847**
Loss on acquisition, disposal, closure and demerger of businesses	–	–	(37)	–	(433)	**(470)**
Hedging and IFRS volatility	–	–	–	151	(134)	**17**
Net profit/(loss) after tax – "statutory basis"	5,355	3,774	1,060	1,345	(2,140)	**9,394**
Additional information						
Amortisation and depreciation	(225)	(106)	(46)	(151)	(912)	**(1,440)**
Balance Sheet						
Total assets	524,897	244,738	188,299	116,496	179,646	**1,254,076**
Total liabilities	390,912	218,908	250,402	103,720	217,046	**1,180,988**

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.

Notes to the Financial Statements
For the year ended 30 June 2024

2.7 Financial reporting by segments (continued)

	30 June 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	11,697	7,248	1,443	2,617	51	**23,056**
Other operating income:						
Net commission income	1,156	415	200	220	(11)	**1,980**
Lending fees	206	311	206	28	2	**753**
Trading and other income	70	303	575	176	222	**1,346**
Total other operating income	1,432	1,029	981	424	213	**4,079**
Total operating income	13,129	8,277	2,424	3,041	264	**27,135**
Operating expenses	(4,629)	(2,606)	(1,056)	(1,154)	(2,413)	**(11,858)**
Loan impairment (expense)/benefit	(587)	(492)	36	(59)	(6)	**(1,108)**
Net profit/(loss) before tax	7,913	5,179	1,404	1,828	(2,155)	**14,169**
Corporate tax (expense)/benefit	(2,371)	(1,555)	(356)	(508)	693	**(4,097)**
Net profit/(loss) after tax from continuing operations – "cash basis"	5,542	3,624	1,048	1,320	(1,462)	**10,072**
Net profit after tax from discontinued operations	–	–	–	–	18	**18**
Net profit/(loss) after tax – "cash basis" [2]	5,542	3,624	1,048	1,320	(1,444)	**10,090**
Gain/(loss) on acquisition, disposal, closure and demerger of businesses	181	–	–	–	(265)	**(84)**
Hedging and IFRS volatility	–	–	–	(204)	196	**(8)**
Net profit/(loss) after tax – "statutory basis"	5,723	3,624	1,048	1,116	(1,513)	**9,998**
Additional information						
Amortisation and depreciation	(165)	(75)	(46)	(140)	(684)	**(1,110)**
Balance Sheet						
Total assets	510,645	230,201	190,627	116,686	204,264	**1,252,423**
Total liabilities	369,297	217,236	244,781	104,575	244,901	**1,180,790**

1 Comparative information has been revised 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.

Notes to the Financial Statements
For the year ended 30 June 2024

2.7 Financial reporting by segments (continued)

	30 June 2022 [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	9,903	5,546	1,566	2,334	124	**19,473**
Other operating income:						
Net commission income	1,062	588	177	218	33	**2,078**
Lending fees	204	286	209	37	–	**736**
Trading and other income	233	222	376	242	1,239	**2,312**
Total other operating income	1,499	1,096	762	497	1,272	**5,126**
Total operating income	11,402	6,642	2,328	2,831	1,396	**24,599**
Operating expenses	(4,422)	(2,609)	(995)	(1,042)	(2,360)	**(11,428)**
Loan impairment benefit/(expense)	409	(114)	111	(37)	(12)	**357**
Net profit/(loss) before tax	7,389	3,919	1,444	1,752	(976)	**13,528**
Corporate tax (expense)/benefit	(2,195)	(1,185)	(376)	(487)	229	**(4,014)**
Net profit/(loss) after tax from continuing operations – "cash basis"	5,194	2,734	1,068	1,265	(747)	**9,514**
Net profit after tax from discontinued operations	–	–	–	–	113	**113**
Net profit/(loss) after tax – "cash basis" [2]	5,194	2,734	1,068	1,265	(634)	**9,627**
(Loss)/gain on acquisition, disposal, closure and demerger of businesses	(130)	20	–	–	1,065	**955**
Hedging and IFRS volatility	–	–	–	(536)	644	**108**
Net profit after tax – "statutory basis"	5,064	2,754	1,068	729	1,075	**10,690**

1 Comparative information has been revised 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.

Notes to the Financial Statements

For the year ended 30 June 2024

2.7 Financial reporting by segments (continued)

	Group [1] [2]					
Geographical Information	**30 Jun 24**		**30 Jun 23**		**30 Jun 22**	
Financial performance and position	**$M**	**%**	**$M**	**%**	**$M**	**%**
Income						
Australia	**22,225**	**82.6**	23,035	84.0	21,031	84.7
New Zealand	**3,402**	**12.6**	3,367	12.3	2,969	11.9
Other locations [3]	**1,294**	**4.8**	1,026	3.7	846	3.4
Total income	**26,921**	**100.0**	27,428	100.0	24,846	100.0
Non-current assets [4]						
Australia	**12,075**	**93.3**	12,717	89.7	12,653	92.8
New Zealand	**752**	**5.8**	776	5.5	753	5.5
Other locations [3]	**120**	**0.9**	677	4.8	224	1.7
Total non-current assets	**12,947**	**100.0**	14,170	100.0	13,630	100.0

1 Comparative information has been revised to reflect the change detailed in Note 1.1.
2 Information is presented on a continuing operations basis.
3 Other locations include: United Kingdom, the Netherlands, United States, Japan, Singapore, Hong Kong, Indonesia, China and India.
4 Non-current assets include property, plant and equipment, investments in associates and joint ventures, and intangibles.

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

ACCOUNTING POLICIES

Operating segments are reported based on the Group's organisational and management structure. Senior management review the Group's internal reporting based on 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.

Notes to the Financial Statements

For the year ended 30 June 2024

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

		Group		Bank	
		30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	Note	$M	$M	$M	$M
Australia					
Overdrafts		**15,570**	26,218	**15,570**	26,218
Home loans [1] [2]		**596,346**	583,827	**589,614**	576,057
Credit card outstandings		**8,559**	9,052	**8,559**	9,052
Lease financing		**4,324**	3,451	**4,129**	3,266
Term loans and other lending		**207,535**	193,446	**207,453**	193,389
Total Australia		**832,334**	815,994	**825,325**	807,982
Overseas					
Overdrafts		**884**	1,044	**160**	135
Home loans [1] [2]		**68,355**	68,391	**82**	130
Credit card outstandings		**866**	880	**–**	–
Term loans and other lending		**47,509**	46,942	**15,574**	14,442
Total Overseas		**117,614**	117,257	**15,816**	14,707
Gross loans and other receivables		**949,948**	933,251	**841,141**	822,689
Less:					
Provisions for loan impairment:	3.2				
Collective provisions		**(5,200)**	(5,037)	**(4,700)**	(4,519)
Individually assessed provisions		**(712)**	(754)	**(621)**	(677)
Unearned income:					
Terms loans		**(1,363)**	(1,089)	**(1,363)**	(1,088)
Lease financing		**(463)**	(289)	**(433)**	(265)
		(7,738)	(7,169)	**(7,117)**	(6,549)
Net loans and other receivables		**942,210**	926,082	**834,024**	816,140

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

Based on behavioural terms and current market conditions, the amounts expected to be repaid within 12 months of the balance sheet date are $220,847 million (30 June 2023: $217,835 million) for the Group, and $200,686 million (30 June 2023: $198,545 million) for the Bank.

3.1 Loans and other receivables (continued)

ACCOUNTING POLICIES

Loans and other receivables include overdrafts, home loans, credit cards, other personal lending and term loans. These financial assets are held within a business model with an objective 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 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.

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 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 contractual maturities.

Notes to the Financial Statements

For the year ended 30 June 2024

3.1 Loans and other receivables (continued)

Contractual maturity tables

	Group Maturity Period at 30 June 2024				
	Maturing 1 year or less	Maturing between 1 and 5 years	Maturing between 5 and 15 years	Maturing after 15 years	Total
Industry/sector	**$M**	**$M**	**$M**	**$M**	**$M**
Australia					
Sovereign	10,342	687	488	250	**11,767**
Agriculture	5,494	12,744	161	47	**18,446**
Bank and other financial	16,876	3,106	138	49	**20,169**
Construction	1,872	4,235	335	139	**6,581**
Consumer	18,338	57,920	180,802	352,856	**609,916**
Other commercial and industrial	53,598	103,666	6,110	2,081	**165,455**
Total Australia	**106,520**	**182,358**	**188,034**	**355,422**	**832,334**
Overseas					
Sovereign	176	–	–	–	**176**
Agriculture	5,221	4,110	561	246	**10,138**
Bank and other financial	4,523	2,986	12	10	**7,531**
Construction	214	277	114	193	**798**
Consumer	5,023	7,247	21,876	36,584	**70,730**
Other commercial and industrial	16,233	7,473	2,819	1,716	**28,241**
Total Overseas	**31,390**	**22,093**	**25,382**	**38,749**	**117,614**
Gross loans and other receivables	**137,910**	**204,451**	**213,416**	**394,171**	**949,948**

	Maturing 1 year or less	Maturing between 1 and 5 years	Maturing between 5 and 15 years	Maturing after 15 years	Total
Interest rate	**$M**	**$M**	**$M**	**$M**	**$M**
Australia	87,058	163,835	162,529	310,278	**723,700**
Overseas	27,647	14,255	4,076	3,694	**49,672**
Total variable interest rates	**114,705**	**178,090**	**166,605**	**313,972**	**773,372**
Australia	19,462	18,523	25,505	45,144	**108,634**
Overseas	3,743	7,838	21,306	35,055	**67,942**
Total fixed interest rates [1]	**23,205**	**26,361**	**46,811**	**80,199**	**176,576**
Gross loans and other receivables	**137,910**	**204,451**	**213,416**	**394,171**	**949,948**

1 For fixed interest rate loans, the information is presented on the basis of contractual maturity rather than the expiry of the fixed rate period.

Notes to the Financial Statements

For the year ended 30 June 2024

3.1 Loans and other receivables (continued)

	Group				
	Maturity Period at 30 June 2023				
	Maturing 1 year or less	Maturing between 1 and 5 years	Maturing between 5 and 15 years	Maturing after 15 years	Total
Industry/sector	**$M**	**$M**	**$M**	**$M**	**$M**
Australia					
Sovereign	23,149	644	466	277	**24,536**
Agriculture	4,297	11,378	255	33	**15,963**
Bank and other financial	16,055	4,539	56	48	**20,698**
Construction	1,523	4,141	349	140	**6,153**
Consumer	20,681	58,499	177,525	340,127	**596,832**
Other commercial and industrial	42,123	101,179	6,609	1,901	**151,812**
Total Australia	**107,828**	**180,380**	**185,260**	**342,526**	**815,994**
Overseas					
Sovereign	501	–	–	–	**501**
Agriculture	5,129	4,220	614	223	**10,186**
Bank and other financial	5,176	2,181	13	13	**7,383**
Construction	224	289	96	196	**805**
Consumer	5,281	7,486	21,106	37,001	**70,874**
Other commercial and industrial	16,727	6,733	2,536	1,512	**27,508**
Total Overseas	**33,038**	**20,909**	**24,365**	**38,945**	**117,257**
Gross loans and other receivables	**140,866**	**201,289**	**209,625**	**381,471**	**933,251**

	Maturing 1 year or less	Maturing between 1 and 5 years	Maturing between 5 and 15 years	Maturing after 15 years	Total
Interest rate	**$M**	**$M**	**$M**	**$M**	**$M**
Australia	94,718	156,023	137,429	247,684	**635,854**
Overseas	29,432	13,515	3,880	3,195	**50,022**
Total variable interest rates	**124,150**	**169,538**	**141,309**	**250,879**	**685,876**
Australia	13,110	24,357	47,831	94,842	**180,140**
Overseas	3,606	7,394	20,485	35,750	**67,235**
Total fixed interest rates [1]	**16,716**	**31,751**	**68,316**	**130,592**	**247,375**
Gross loans and other receivables	**140,866**	**201,289**	**209,625**	**381,471**	**933,251**

1 For fixed interest rate loans, the information is presented on the basis of contractual maturity rather than the expiry of the fixed rate period.

Notes to the Financial Statements

For the year ended 30 June 2024

3.2 Loan impairment expense and provisions for impairment

	Group			Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 22 $M	30 Jun 24 $M	30 Jun 23 $M
Loan impairment expense					
Net collective provision funding	**559**	795	(506)	**513**	733
Net new and increased individual provisioning	**397**	470	321	**324**	418
Write-back of individually assessed provisions	**(154)**	(157)	(172)	**(122)**	(130)
Total loan impairment expense/(benefit) [1]	**802**	1,108	(357)	**715**	1,021

1 The year ended 30 June 2024 includes a benefit of $30 million and $18 million for the Group and the Bank, respectively, in relation to credit exposures reclassified to assets held for sale.

Movement in provisions for impairment and credit exposures by ECL stage

The tables below provide movements in the Group's and the Bank's impairment provisions and credit exposures by expected credit loss (ECL) stage for the years ended 30 June 2024 and 2023.

Movements in credit exposures and provisions for impairment in the tables below represent the sum of monthly movements over the year 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.

Notes to the Financial Statements

For the year ended 30 June 2024

3.2 Loan impairment expense and provisions for impairment (continued)

	Group							
	Stage 1 Performing		Stage 2 [1] Performing		Stage 3 Non-performing		Total	
	Gross exposure $M	Provisions $M	Gross exposure $M	Provisions $M	Gross exposure $M	Provisions $M	Gross exposure $M	Provisions [2] $M
Opening balance as at 1 July 2022	**914,883**	**1,313**	**141,817**	**2,538**	**7,462**	**1,496**	**1,064,162**	**5,347**
Transfers to/(from)								
Stage 1	124,546	1,920	(124,340)	(1,904)	(206)	(16)	–	–
Stage 2	(211,946)	(815)	214,905	1,053	(2,959)	(238)	–	–
Stage 3	(1,336)	(21)	(5,124)	(386)	6,460	407	–	–
Net re-measurement on transfers between stages	–	(1,454)	–	2,379	–	360	–	1,285
Net financial assets originated	88,153	384	(40,188)	(815)	(2,325)	(232)	45,640	(663)
Movement in existing IAP (including IAP write-backs)	–	–	–	–	–	218	–	218
Movements due to risk parameters and other changes	–	372	–	4	–	(108)	–	268
Loan impairment expense for the period		386		331		391		1,108
Write-offs	–	–	–	–	(684)	(684)	(684)	(684)
Recoveries	–	–	–	–	–	108	–	108
Foreign exchange and other commitments	7,265	10	804	20	29	41	8,098	71
Closing balance as at 30 June 2023	**921,565**	**1,709**	**187,874**	**2,889**	**7,777**	**1,352**	**1,117,216**	**5,950**
Transfers to/(from)								
Stage 1	112,438	1,476	(112,360)	(1,469)	(78)	(7)	–	–
Stage 2	(162,673)	(736)	165,860	962	(3,187)	(226)	–	–
Stage 3	(1,617)	(47)	(7,374)	(392)	8,991	439	–	–
Net re-measurement on transfers between stages	–	(1,073)	–	1,667	–	525	–	1,119
Net financial assets originated	73,179	343	(42,516)	(852)	(3,088)	(319)	27,575	(828)
Movement in existing IAP (including IAP write-backs)	–	–	–	–	–	174	–	174
Movements due to risk parameters and other changes	–	123	–	(4)	–	248	–	367
Loan impairment expense for the period [3]		86		(88)		834		832
Write-offs [3]	–	–	–	–	(764)	(764)	(764)	(764)
Recoveries	–	–	–	–	–	128	–	128
Foreign exchange and other commitments	(951)	9	29	14	(11)	47	(933)	70
Reclassified to assets held for sale	(791)	(9)	(53)	(21)	(63)	(51)	(907)	(81)
Closing balance as at 30 June 2024	**941,150**	**1,795**	**191,460**	**2,794**	**9,577**	**1,546**	**1,142,187**	**6,135**

1 The assessment of significant increase in credit risk includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risks 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 (30 June 2023: 62%).

2 As at 30 June 2024, total provisions include $223 million in relation to financial guarantees and other off balance sheet instruments (30 June 2023: $159 million).

3 Loan impairment expense for the 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 year ended 30 June 2024 exclude $43 million recognised by the Group in relation to credit exposures reclassified to assets held for sale.

Notes to the Financial Statements

For the year ended 30 June 2024

3.2 Loan impairment expense and provisions for impairment (continued)

	Bank							
	Stage 1 Performing		Stage 2 [1] Performing		Stage 3 Non-performing		Total	
	Gross exposure $M	Provisions $M	Gross exposure $M	Provisions $M	Gross exposure $M	Provisions $M	Gross exposure $M	Provisions [2] $M
Opening balance as at 1 July 2022	**814,832**	**1,157**	**123,585**	**2,269**	**6,326**	**1,369**	**944,743**	**4,795**
Transfers to/(from)								
Stage 1	119,052	1,860	(118,857)	(1,845)	(195)	(15)	–	–
Stage 2	(199,960)	(766)	202,326	952	(2,366)	(186)	–	–
Stage 3	(558)	(18)	(4,431)	(347)	4,989	365	–	–
Net re-measurement on transfers between stages	–	(1,419)	–	2,353	–	257	–	1,191
Net financial assets originated	84,070	364	(39,221)	(799)	(2,048)	(201)	42,801	(636)
Movement in existing IAP (including IAP write-backs)	–	–	–	–	–	212	–	212
Movements due to risk parameters and other changes	–	352	–	43	–	(141)	–	254
Loan impairment expense for the period		373		357		291		1,021
Write-offs	–	–	–	–	(634)	(634)	(634)	(634)
Recoveries	–	–	–	–	–	95	–	95
Foreign exchange and other commitments	5,420	10	647	19	1	44	6,068	73
Closing balance as at 30 June 2023	**822,856**	**1,540**	**164,049**	**2,645**	**6,073**	**1,165**	**992,978**	**5,350**
Transfers to/(from)								
Stage 1	105,222	1,420	(105,158)	(1,415)	(64)	(5)	–	–
Stage 2	(151,459)	(695)	153,858	852	(2,399)	(157)	–	–
Stage 3	(1,391)	(45)	(6,078)	(356)	7,469	401	–	–
Net re-measurement on transfers between stages	–	(1,040)	–	1,647	–	399	–	1,006
Net financial assets originated	71,269	327	(41,158)	(832)	(2,595)	(271)	27,516	(776)
Movement in existing IAP (including IAP write-backs)	–	–	–	–	–	153	–	153
Movements due to risk parameters and other changes	–	146	–	(11)	–	215	–	350
Loan impairment expense for the period [3]		113		(115)		735		733
Write-offs [3]	–	–	–	–	(703)	(703)	(703)	(703)
Recoveries	–	–	–	–	–	119	–	119
Foreign exchange and other commitments	(463)	10	176	16	–	41	(287)	67
Reclassified to assets held for sale	–	–	–	–	(42)	(42)	(42)	(42)
Closing balance as at 30 June 2024	**846,034**	**1,663**	**165,689**	**2,546**	**7,739**	**1,315**	**1,019,462**	**5,524**

1 The assessment of significant increase in credit risk includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risks 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 Bank as at 30 June 2024 (30 June 2023: 62%).
2 As at 30 June 2024, total provisions include $203 million in relation to financial guarantees and other off balance sheet instruments (30 June 2023: $154 million).
3 Loan impairment expense for the year ended 30 June 2024 excludes a $18 million benefit recognised by the Bank in relation to credit exposures reclassified to assets held for sale. Write-offs for the year ended 30 June 2024 exclude $41 million recognised by the Bank in relation to credit exposures reclassified to assets held for sale.

3.2 Loan impairment expense and provisions for impairment (continued)

Write-offs

	Group	
	30 Jun 24	30 Jun 23
Write-offs net of recoveries to average loans and other receivables	%	%
Home loans	**0.01**	0.00
Other consumer	**2.08**	1.40
Non-retail	**0.11**	0.12
Total	**0.07**	0.06

Of the total $764 million of loans written-off by the Group during the year ended 30 June 2024 (30 June 2023: $684 million), $315 million remain subject to enforcement activity (30 June 2023: $355 million). Of the total $703 million loans written-off by the Bank during the year ended 30 June 2024 (30 June 2023: $634 million), $264 million remain subject to enforcement activity (30 June 2023: $331 million).

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 below.

Expected credit loss (ECL) model

The ECL model applies to all financial assets measured at amortised cost, debt securities measured at fair value through other comprehensive income, finance lease receivables, loan commitments and financial guarantee contracts not measured at fair value through profit or loss (FVTPL). The model uses a three-stage approach to recognition of expected credit losses. Financial assets migrate through these stages based on changes in credit risk since origination:

- **Stage 1 – 12 months ECL – Performing loans**

  On origination, an impairment provision equivalent to 12 months ECL is recognised. 12 months ECL includes credit losses expected to arise from defaults occurring over the next 12 months.

- **Stage 2 – Lifetime ECL – Performing loans that have experienced a significant increase in credit risk (SICR)**

  Financial assets that have experienced a SICR since origination are transferred to Stage 2 and an impairment provision equivalent to lifetime ECL is recognised. Lifetime ECL includes credit losses expected to arise from defaults occurring over the remaining life of financial assets. If credit quality improves in a subsequent period such that the increase in credit risk since origination is no longer considered significant the exposure is reclassified to Stage 1 and the impairment provision reverts to 12 months ECL.

- **Stage 3 – Lifetime ECL – Non-performing loans**

  Financial assets in default and assets restructured due to the borrower's financial difficulty or hardship are transferred to Stage 3 and an impairment provision equivalent to lifetime ECL is recognised.

Credit losses for financial assets in Stage 1 and Stage 2 are assessed for impairment collectively, whilst those in Stage 3 are subjected to either collective or individual assessment of ECL.

Significant increase in credit risk (SICR)

SICR is assessed by comparing the risk of default occurring over the expected life of the financial asset at reporting date to the corresponding risk of default at origination. The Group considers all available qualitative and quantitative information that is relevant to assessing SICR.

For non-retail portfolios, such as the corporate risk rated portfolio and the asset finance portfolio, the risk of default is defined using the existing Risk Rated Probability of Default (PD) Masterscale. The PD Masterscale is used in internal credit risk management and includes 24 risk grades that are assigned at a customer level using rating tools reflecting customer specific financial and non-financial information and management's experienced credit judgement. Internal credit risk ratings are updated regularly on the basis of the most recent financial and non-financial information.

The Group uses a Retail Masterscale in the ECL measurement on personal loans, credit cards and home loans. The Retail Masterscale has 16 risk grades that are assigned to retail accounts based on their credit quality scores determined through a credit quality scorecard. SME retail portfolios use a similar approach and are mapped to SME Retail pools. Exposures are mapped to risk grades and pools monthly based on new behavioural information that is used as input to credit quality scorecards.

Notes to the Financial Statements

For the year ended 30 June 2024

3.2 Loan impairment expense and provisions for impairment (continued)

For significant portfolios, the primary indicator of SICR is a significant deterioration in an exposure's internal credit rating grade between origination and reporting date. Application of the primary SICR indicator uses a sliding threshold such that an exposure with a higher credit quality at origination would need to experience a more significant downgrade compared to a lower credit quality exposure before SICR is triggered. The level of downgrade required to trigger SICR for each origination grade has been defined for each significant portfolio.

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

The Group also uses secondary SICR indicators as backstops in combination with the primary SICR indicator, including:

- arrears status that incorporates a rebuttable presumption of 30 days past due;
- a retail exposure entering a financial hardship status; and
- a non-retail exposure's referral to Group Credit Structuring.

For a number of small portfolios, which are not considered significant individually or in combination, the Group applies simplified provisioning approaches that differ from the description above. 30 days past due is used as a primary indicator of SICR on exposures in these portfolios.

Definition of default, non-performing assets and write-offs

The definition of default used in measuring ECL is aligned to the definition used for internal credit risk management purposes across all portfolios. Default occurs when there are indicators that a borrower is unlikely to meet contractual credit obligations to the Group in full, or the exposure is 90 days past due. Non-performing credit exposures include exposures that are in default and exposures that have been restructured on non-commercial terms due to the borrower's financial difficulty or hardship.

Loans are written off when there is no reasonable expectation of recovery. Unsecured retail loans are generally written off when repayments become 180 days past due. Secured loans are generally written off when assets pledged to the Group have been realised and there are no further prospects of additional recovery.

ECL measurement

ECL is an unbiased and probability-weighted expected credit loss estimated by evaluating a range of possible outcomes and taking into account the time value of money, past events, current conditions and forecasts of future economic conditions.

The Group uses the following collective provisioning models in calculating ECL for significant portfolios:

- **Retail lending:** Personal Loans model, Credit Cards model, Home Loans model; and
- **Non-retail lending:** Corporate Risk Rated model, Asset Finance model, Retail SME model.

For each significant portfolio ECL is calculated as a product of the following credit risk factors at a facility level:

- **Probability of default (PD):** The likelihood that a borrower will be unable to pay its obligations in full without having to take actions such as realising security or that the borrower will become 90 days overdue on an obligation or contractual commitment;
- **Exposure at default (EAD):** The expected Balance Sheet exposure at default. The Group generally calculates EAD as the higher of the drawn balance and total credit limit, except for the credit cards portfolio, for which the EAD calculation also takes into account the probability of unused limits being drawn down; and
- **Loss given default (LGD):** The amount that is not expected to be recovered following default.

Secured retail exposures and defaulted non-retail exposures are generally assessed for impairment through an Individually Assessed Provisions (IAP) process if expected losses are in excess of $20,000. Impairment provisions on these exposures are calculated directly as the difference between the defaulted asset's carrying value and the present value of expected future cash flows including cash flows from realisation of collateral, where applicable.

Lifetime of an exposure

For exposures in Stage 2 and Stage 3 impairment provisions are determined as a lifetime expected loss. The Group uses a range of approaches to estimate expected lives of financial instruments subject to ECL requirements:

- **Non-revolving products in corporate portfolios:** Expected life is determined as a maximum contractual period over which the Group is exposed to credit risk;
- **Non-revolving retail products:** For fixed term products such as personal loans and home loans, expected life is determined using behavioural term analysis and does not exceed the maximum contractual period; and
- **Revolving products in corporate and retail portfolios:** For revolving products that include both a loan and an undrawn commitment, such as credit cards and corporate lines of credit, the Group's contractual ability to cancel the undrawn limits and demand repayments does not limit the exposure to credit losses to the contractual notice period. For such products, ECL is measured over the behavioural life.

Notes to the Financial Statements

For the year ended 30 June 2024

3.2 Loan impairment expense and provisions for impairment (continued)

Forward-looking information

Credit risk factors of PD and LGD used in the ECL calculation are point-in-time estimates based on current conditions and adjusted to include the impact of multiple probability-weighted future forecast economic scenarios.

Forward looking PD and LGD factors are modelled for each significant portfolio based on macroeconomic factors that are most closely correlated with credit losses in the relevant portfolios. Each of the four scenarios (refer below) includes a forecast of relevant macroeconomic variables which differ by portfolio:

- **Retail portfolios:** Interest rates, unemployment rate and house price index; and
- **Non-retail lending:** Unemployment rate, GDP, business investment, disposable income, foreign exchange rates and Trade Weighted Index (TWI).

New Zealand equivalents of a subset of the above macroeconomic variables are used for retail credit exposures originated in New Zealand.

The Group uses the following four alternative macroeconomic scenarios to reflect an unbiased 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 persistent inflationary pressures which leads to disorderly asset price declines, a sharp increase in credit spreads, corporate defaults and high unemployment. 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 key macroeconomic variables used in the Central and Downside scenarios as at 30 June 2024.

	Central Financial Year		Downside Financial Year	
	2025	2026	2025	2026
GDP (annual % change)	2.1	2.4	(7.1)	(3.5)
Unemployment rate (%) [1]	4.6	4.5	8.5	8.9
Cash rate (%) [1]	3.60	3.25	5.75	3.00
House prices (annual % change)	5.4	3.5	(24.7)	0.7
CPI (annual % change) [2]	2.9	2.5	7.8	3.1
AUD/USD exchange rate [1]	0.65	0.65	0.52	0.52
Trade Weighted Index (TWI) [1]	62	62	52	52
NZ unemployment rate (%) [1]	5.5	5.0	8.0	8.5
NZ cash rate (%) [1]	4.75	3.00	7.50	5.00
NZ house prices (annual % change)	6.9	12.1	(15.0)	–

1 Spot rate/index at 30 June.
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.

Notes to the Financial Statements
For the year ended 30 June 2024

3.2 Loan impairment expense and provisions for impairment (continued)

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 30 June 2024 and 2023:

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

During the year ended 30 June 2024, macroeconomic scenarios were revised reflecting current weaker economic conditions. The changes to the Central scenario included an improved outlook for growth and house prices, in addition to lower interest rates and slightly higher unemployment. The Downside scenario was updated for higher interest rates and weaker growth. The Group also increased the weighting to the Severe Downside scenario with a commensurate decrease in the Downside scenario to account for increased risks associated with geopolitical tensions, whilst the weighting of the Central and Upside scenarios remained unchanged.

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.

In estimating impairment provisions on individually significant defaulted exposures, the Group generally applies prudent assumptions in estimating recovery cash flows. Incorporating multiple forecast economic scenarios in estimates is not expected to significantly affect the level of impairment provisions on these credit exposures.

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 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 30 June 2024, the Group and the Bank held overlays of $558 million (30 June 2023: $525 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 $558 million (30 June 2023: $500 million) in relation to the Group's retail lending portfolio and nil (30 June 2023: $25 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 an unbiased 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 for the Group and the Bank 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.

	Group		Bank	
	30 Jun 24	**30 Jun 23**	**30 Jun 24**	**30 Jun 23**
	$M	**$M**	**$M**	**$M**
Reported probability weighted ECL	**6,135**	5,950	**5,524**	5,350
100% Central scenario total	**3,956**	3,832	**3,588**	3,232
100% Downside scenario total	**7,883**	7,893	**7,179**	7,293

Sensitivity of provisions for impairment to SICR assessment criteria

If 1% of Stage 1 credit exposures as at 30 June 2024 was included in Stage 2, provisions for impairment would increase by approximately $119 million for the Group and $113 million for the Bank (30 June 2023: $125 million for the Group and $117 million for the Bank).

If 1% of Stage 2 credit exposures as at 30 June 2024 was included in Stage 1, provisions for impairment would decrease by approximately $24 million for the Group and $22 million for the Bank (30 June 2023: $25 million for the Group and $23 million for the Bank).

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.

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

4.1 Deposits and other public borrowings

	Group		Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Australia				
Certificates of deposit	**30,178**	28,870	**30,178**	28,870
Term deposits	**171,203**	171,348	**171,203**	171,348
On-demand and short-term deposits	**476,188**	457,127	**476,188**	457,127
Deposits not bearing interest	**101,891**	110,045	**101,857**	110,019
Securities sold under agreements to repurchase	**241**	36	**241**	36
Total Australia	**779,701**	767,426	**779,667**	767,400
Overseas				
Certificates of deposit	**15,239**	15,914	**12,908**	12,517
Term deposits	**44,569**	39,748	**6,281**	5,137
On-demand and short-term deposits	**31,030**	31,777	**562**	718
Deposits not bearing interest	**8,844**	9,656	**31**	21
Securities sold under agreements to repurchase	**3,539**	474	**3,433**	474
Total Overseas	**103,221**	97,569	**23,215**	18,867
Total deposits and other public borrowings	**882,922**	864,995	**802,882**	786,267

The majority of the amounts are due to be settled within 12 months of the balance sheet date.

Uninsured deposits

Uninsured deposits refer to accounts or products that are deemed ineligible for compensation, or balances in excess of the threshold for compensation, under the deposit guarantee schemes for the country in which the deposits are held. For the Group, this primarily relates to deposit balances in excess of the threshold for compensation or deemed ineligible under the Australian Government's Financial Claim Scheme. As at 30 June 2024, $538,643 million of the Group's deposit balances were ineligible for government based deposit insurance schemes in their relevant country of jurisdiction (30 June 2023: $526,450 million).

Notes to the Financial Statements
For the year ended 30 June 2024

4.1 Deposits and other public borrowings (continued)

The contractual maturity of uninsured certificates of deposit and term deposits as at 30 June 2024 is presented below:

	Group At 30 June 2024				
	Maturing 3 months or less $M	Maturing between 3 and 6 months $M	Maturing between 6 and 12 months $M	Maturing after 12 months $M	Total $M
Australia					
Certificates of deposit	9,724	16,565	3,889	–	**30,178**
Term deposits	52,370	30,156	30,049	3,821	**116,396**
Total Australia	**62,094**	**46,721**	**33,938**	**3,821**	**146,574**
Overseas					
Certificates of deposit	5,236	4,151	5,838	14	**15,239**
Term deposits	19,055	12,050	10,138	3,324	**44,567**
Total Overseas	**24,291**	**16,201**	**15,976**	**3,338**	**59,806**
Total uninsured certificates of deposits and term deposits	**86,385**	**62,922**	**49,914**	**7,159**	**206,380**

ACCOUNTING POLICIES

Deposits from customers include certificates of deposit, term deposits, savings deposits 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.

4.2 Liabilities at fair value through Income Statement

	Group		Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Securities sold under agreements to repurchase	**36,512**	32,671	**36,893**	32,841
Debt instruments	**811**	1,125	**–**	–
Trading liabilities	**10,018**	6,307	**10,018**	6,307
Total liabilities at fair value through income statement	**47,341**	40,103	**46,911**	39,148

The majority of the amounts are expected to be settled within 12 months of the balance sheet date.

The amount that would be contractually required to be paid at maturity to the holders of the financial liabilities designated at fair value through income statement for the Group is $47,439 million (30 June 2023: $40,167 million) and for the Bank is $47,014 million (30 June 2023: $39,240 million).

ACCOUNTING POLICIES

The Group designates certain liabilities at fair value through the income statement on origination when doing so eliminates or reduces an accounting mismatch, when the liabilities are managed and their performance is evaluated on a fair value basis or where the liabilities contain embedded derivatives which must otherwise be separated and carried at fair value. Trading liabilities are incurred principally for the purpose of repurchasing or settling in the near term and are measured at fair value through the income statement.

Subsequent to initial recognition, liabilities are measured at fair value. Changes in fair value, excluding those due to changes in the Group's own credit risk in relation to liabilities designated at fair value through the income statement on origination, are recognised in net other operating income. Changes in fair value relating to the Group's own credit risk in relation to liabilities designated at fair value through the income statement on origination are recognised in other comprehensive income. Interest incurred is recognised within net interest income on a contractual rate basis, including amortisation of any premium/discount.

This category includes a portfolio of repurchase transactions which is managed and for which performance is evaluated on a fair value basis.

4.3 Debt issues

		Group		Bank	
		30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	Note	$M	$M	$M	$M
Medium-term notes		**81,865**	74,855	**68,834**	59,829
Commercial paper		**20,657**	7,800	**19,619**	7,197
Securitisation notes	4.5	**6,902**	7,241	**–**	–
Covered bonds	4.5	**35,106**	32,371	**32,381**	28,867
Total debt issues [1]		**144,530**	122,267	**120,834**	95,893
Short-term debt issues by currency					
USD		**21,600**	7,855	**20,563**	7,252
AUD		**3,150**	900	**3,150**	900
GBP		**3,693**	2,551	**3,693**	2,551
Other currencies		**2,770**	870	**2,770**	870
Total short-term debt issues		**31,213**	12,176	**30,176**	11,573
Long-term debt issues by currency [2]					
USD [3]		**41,043**	39,335	**35,215**	32,748
EUR		**26,205**	25,077	**20,118**	17,454
AUD		**30,068**	29,302	**23,114**	21,906
GBP		**4,439**	4,404	**4,499**	4,531
NZD		**2,468**	2,822	**204**	189
JPY		**1,120**	1,602	**1,120**	1,576
Other currencies		**7,974**	7,549	**6,388**	5,916
Total long-term debt issues		**113,317**	110,091	**90,658**	84,320
Maturity distribution of debt issues [4]					
Less than twelve months		**49,357**	28,540	**44,192**	23,047
Greater than twelve months		**95,173**	93,727	**76,642**	72,846
Total debt issues		**144,530**	122,267	**120,834**	95,893

1 Debt issues include a $662 million increase from unrealised movements due to a fair value hedge adjustment partly offset by foreign exchange gains (30 June 2023: $2,128 million increase from unrealised movements due to foreign exchange losses partly offset by fair value hedge adjustments).
2 Long-term debt disclosed relates to debt issues which have a maturity at inception of greater than 12 months.
3 Includes US$600 million notes issued by the Group in June 2022 through ASB, its New Zealand subsidiary. While the issuance qualifies as Tier 2 capital under Reserve Bank of New Zealand requirements, it does not qualify for inclusion in the Group's Tier 2 capital due to the lack of contractual features that give rise to conversion or write-off at the point of non-viability.
4 Represents the remaining contractual maturity of the underlying instrument.

The Group's long-term debt issues include notes issued under the: USD70 billion Euro Medium Term Note Programme; the USD50 billion US Medium Term Note Programme; USD40 billion Covered Bond Programme; Unlimited Domestic Debt Programme; Unlimited ASB Domestic Medium Term Note Programme; USD25 billion CBA New York Branch Medium Term Note Programme; EUR7 billion ASB Covered Bond Programme; USD10 billion ASB US Medium Term Note Programme and other applicable debt documentation. Notes issued under debt programmes are both fixed and variable rate. Interest rate risk associated with the notes is incorporated within the Bank's interest rate risk framework. The Bank, from time to time, as part of its balance sheet management, may consider opportunities to repurchase outstanding long-term debt pursuant to open-market purchases or other means. Such repurchases help manage the Bank's debt maturity profile, overall funding costs and assist in meeting regulatory changes and requirements.

Notes to the Financial Statements

For the year ended 30 June 2024

4.3 Debt issues (continued)

ACCOUNTING POLICIES

Debt issues include short and long-term debt issues of the Group and consist of commercial paper, securitisation notes, covered bonds and medium-term notes.

Debt issues are initially measured at fair value and subsequently measured at amortised cost.

Interest, as well as premiums, discounts and associated issue expenses are recognised in the Income Statement using the effective interest method from the date of issue, to ensure the carrying value of securities equals their redemption value by maturity date. Any profits or losses arising from redemption prior to maturity are taken to the Income Statement in the period in which they are realised.

The Group hedges interest rate and foreign currency rate risk on certain debt issues. When fair value hedge accounting is applied to fixed rate debt issues, the carrying values are adjusted for changes in fair value related to the hedged risks.

4.4 Term funding from central banks

	Group		Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Term Funding Facility with the RBA	**–**	49,637	**–**	49,637
Term funding facilities with the RBNZ	**4,228**	4,583	**–**	–
Term funding from central banks	**4,228**	54,220	**–**	49,637

The Term Funding Facility (TFF) was announced by the RBA in March 2020 as a part of a package of measures to support the Australian economy during the COVID-19 pandemic. Under the TFF, the RBA offered three-year funding to authorised deposit taking institutions through repurchase transactions. Prior to 4 November 2020, TFF funding was provided at a fixed pricing of 0.25% p.a. From 4 November 2020, TFF funding was provided at a fixed rate of 0.1% p.a. Funding was drawn down between May 2020 and June 2021 when the facility closed to new drawdowns. TFF funding was fully repaid by the Group during the year ended 30 June 2024.

Term funding facilities with RBNZ include the Term Lending Facility (TLF) and Funding for Lending Programme (FLP) which were introduced to provide liquidity to the banking system in New Zealand during the COVID-19 pandemic. FLP funding was available until 6 December 2022 at a floating rate, equal to Official Cash Rate (OCR), for a term of three years. TLF funding was available until 28 July 2021 at a fixed rate based on the prevailing OCR at the time of the transaction, for a duration of one year with the option to renew annually up to a maximum period of five years. Of the total $4,228 million outstanding TLF and FLP balances, $3,130 million will mature within 12 months of balance sheet date, and $1,098 million will mature after 12 months (30 June 2023: $450 million matures within 12 months of the balance sheet date, and $4,133 million matures after 12 months).

ACCOUNTING POLICIES

The term funding liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements

For the year ended 30 June 2024

4.5 Securitisation, covered bonds and transferred assets

The Group enters into transactions in the normal course of business that transfer financial assets to counterparties or to Special Purpose Vehicles (SPVs). Transferred financial assets that do not qualify for derecognition are typically associated with repurchase agreements and covered bonds and securitisation programmes. The underlying assets remain on the Group's balance sheet.

At the balance sheet date, transferred financial assets that did not qualify for derecognition and their associated liabilities are as follows:

	Group					
	Repurchase agreements		Covered bonds		Securitisation [1]	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Carrying amount of transferred assets	**52,372**	41,378	**43,415**	38,982	**7,547**	7,889
Carrying amount of associated liabilities [2]	**52,113**	41,299	**35,106**	32,371	**6,902**	7,241
For those liabilities that have recourse only to the transferred assets:						
Fair value of transferred assets					**7,519**	7,839
Fair value of associated liabilities					**6,922**	7,233
Net position					**597**	606

	Bank					
	Repurchase agreements		Covered bonds		Securitisation [3] [4]	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Carrying amount of transferred assets	**52,647**	41,549	**39,574**	34,171	**7,547**	7,889
Carrying amount of associated liabilities [2]	**52,388**	41,469	**32,381**	28,867	**7,396**	7,689
For those liabilities that have recourse only to the transferred assets:						
Fair value of transferred assets					**7,519**	7,839
Fair value of associated liabilities					**7,396**	7,689
Net position					**123**	150

1 Securitisation liabilities of the Group include RMBS notes issued by securitisation SPVs and held by external investors.
2 Carrying amounts of associated liabilities for repurchase agreements are presented before the effect of balance sheet netting.
3 Securitisation liabilities of the Bank include borrowings from securitisation SPVs, recognised on transfer of residential mortgages by the Bank. The carrying amounts of associated liabilities from securitisation SPVs are recorded under loans due to controlled entities.
4 Securitisation assets exclude $111,407 million of assets (30 June 2023: $133,621 million), where the Bank holds all of the issued instruments of the securitisation vehicle.

4.5 Securitisation, covered bonds and transferred assets (continued)

ACCOUNTING POLICIES

Repurchase agreements

Securities sold under agreement to repurchase are retained on the Balance Sheet when substantially all the risks and rewards of ownership remain with the Group, and the counterparty liability is included separately on the Balance Sheet when cash consideration is received.

Securitisation programmes

The Group pools and equitably assigns residential mortgages as securities to investors through a series of wholly controlled securitisation vehicles. Where the Group retains substantially all of the risks and rewards associated with the mortgages, it continues to recognise the mortgages on the Balance Sheet. The Group is entitled to any residual income of the securitisation programmes after all payments due to investors have been met, where the Group is the income unitholder. The investors have recourse only to the pool of mortgages in the SPV they have invested in.

Covered bonds programmes

To complement existing wholesale funding sources, the Group has established two global covered bond programmes for the Bank and ASB. Certain residential mortgages have been assigned to SPV's associated with covered bond programmes to provide security on the payments to investors. The Group is entitled to any residual income after all payments due to covered bond investors have been met. As the Group retains substantially all of the risks and rewards associated with the mortgages, it continues to recognise the mortgages on the Balance Sheet. The covered investors have dual recourse to the Bank and the covered pool assets.

Critical accounting judgements and estimates

The Group exercises judgement to assess whether a structured entity should be consolidated based on the Bank's power over the relevant activities of the entity and the significance of its exposure to variable returns of the structured entity. Such assessments are predominantly required for the Group's securitisation programmes, and structured transactions such as covered bond programmes.

Notes to the Financial Statements

For the year ended 30 June 2024

5 Our investing, trading and other banking activities

OVERVIEW

In addition to loans, the Group holds other assets to support its activities. Cash and liquid assets, receivables from financial institutions, trading assets and investment securities are held for liquidity purposes, to generate returns and to meet customer demand. The mix and nature of assets is driven by multiple factors including the Board's risk appetite, regulatory requirements, customer demand and the generation of shareholder returns.

The Group also transacts derivatives to meet customer demand and to manage its financial risks (interest rate, foreign currency, commodity and credit risks).

Refer to Note 9.1 for additional information relating to the Group's approach to managing financial risks through the use of derivatives.

5.1 Cash and liquid assets

	Group		Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Notes, coins, cash at banks and money at short call	**47,321**	107,172	**42,896**	98,730
Securities purchased under agreements to resell	**35,759**	9,447	**35,359**	9,637
Total cash and liquid assets	**83,080**	116,619	**78,255**	108,367

ACCOUNTING POLICIES

Cash and liquid assets include cash at branches, cash at banks, nostro balances, money at call with an original maturity of three months or less and securities purchased under agreements to resell. Cash and liquid assets are initially recognised at fair value and subsequently measured at amortised cost. Interest is recognised in the Income Statement using the effective interest method.

Securities, including bonds and equities, purchased under agreements to resell are not recognised in the financial statements where substantially all the risks and rewards of ownership remain with the counterparty. An asset for the agreed resale amount by the counterparty is recognised within cash and liquid assets. Reverse repurchase transactions that are managed on a fair value basis are presented within assets at fair value through income statement.

5.2 Receivables from and payables to financial institutions

	Group		Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Receivables from financial institutions				
Collateral placed	**5,073**	5,243	**4,742**	4,908
Other receivables	**789**	836	**686**	514
Total receivables from financial institutions	**5,862**	6,079	**5,428**	5,422
Payables to financial institutions				
Collateral received	**4,957**	5,802	**4,734**	5,567
Other payables	**19,676**	16,108	**19,402**	15,699
Total payables to financial institutions	**24,633**	21,910	**24,136**	21,266

The majority of receivables from and payables to financial institutions are expected to be settled within 12 months of the balance sheet date.

ACCOUNTING POLICIES

Receivables from and payables to financial institutions include cash collateral, short-term deposits and other balances. Cash collateral includes initial and variation margins in relation to derivative transactions and varies based on trading and hedging activities. Receivables from and payables to financial institutions are initially recognised at fair value and subsequently measured at amortised cost.

5.3 Assets at fair value through income statement

	Group		Bank	
Assets at fair value through income statement	**30 Jun 24 $M**	**30 Jun 23 $M**	**30 Jun 24 $M**	**30 Jun 23 $M**
Trading				
Government bonds, notes and securities	**18,780**	14,728	**18,780**	14,721
Corporate and financial institution bonds, notes and securities	**6,024**	5,729	**6,134**	5,729
Commodities	**1,340**	2,042	**1,340**	2,042
Total trading assets	**26,144**	22,499	**26,254**	22,492
Other				
Securities purchased under agreements to resell	**46,069**	38,999	**46,168**	39,069
Commodities financing and other lending	**6,771**	6,079	**6,771**	6,079
Shares and equity investments	**49**	50	**1**	1
Total other assets at fair value through income statement	**52,889**	45,128	**52,940**	45,149
Total assets at fair value through income statement	**79,033**	67,627	**79,194**	67,641
Maturity distribution of assets at fair value through income statement				
Less than twelve months	**75,329**	65,499	**75,586**	65,606
More than twelve months	**3,655**	2,078	**3,607**	2,034
Maturity undefined	**49**	50	**1**	1
Total assets at fair value through income statement	**79,033**	67,627	**79,194**	67,641

ACCOUNTING POLICIES

Assets at fair value through income statement include financial assets held for trading, commodity financing transactions, and other financial assets designated at fair value through profit or loss. This category includes a portfolio of reverse repurchase transactions which is managed and for which performance is evaluated on a fair value basis.

Trading assets are those acquired principally for sale in the near term. Commodity inventories are measured at fair value less costs to sell in accordance with the broker trader exemption under AASB 102 *Inventories*.

Commodity financing and other lending are mandatorily recognised at fair value through profit or loss, because the contractual cash flows are not solely payments of principal and interest. Other financial assets are measured at fair value through profit or loss, because they are managed with the objective of realising cash flows through sale. Assets at fair value through income statement are measured at fair value with changes in fair value recognised in net other operating income.

Notes to the Financial Statements
For the year ended 30 June 2024

5.4 Derivative financial instruments and hedge accounting

Derivative financial instruments are contracts for which values are derived from one or more underlying prices, indexes or other variables. Derivatives are classified as "held for trading" or "held for hedging". Held for trading derivatives are contracts entered into in order to meet customers' needs, to undertake market making and positioning activities, or for risk management purposes that are not designated in hedge accounting relationships. Held for hedging derivatives are instruments held for risk management purposes, which meet the criteria for hedge accounting.

	Group			
	30 Jun 24		30 Jun 23	
	Fair value asset	Fair value liability	Fair value asset	Fair value liability
Derivative assets and liabilities	$M	$M	$M	$M
Derivatives held for trading	**15,412**	**(15,069)**	20,862	(21,899)
Hedging derivatives	**2,646**	**(3,781)**	3,083	(3,448)
Total derivative assets/(liabilities)	**18,058**	**(18,850)**	23,945	(25,347)

	Bank			
	30 Jun 24		30 Jun 23	
	Fair value asset	Fair value liability	Fair value asset	Fair value liability
Derivative assets and liabilities	$M	$M	$M	$M
Derivatives held for trading	**16,501**	**(16,821)**	22,068	(23,619)
Hedging derivatives	**3,296**	**(3,219)**	3,517	(3,109)
Total derivative assets/(liabilities)	**19,797**	**(20,040)**	25,585	(26,728)

Trading derivatives

The fair value of derivative financial instruments held for trading are set out in the following tables:

	Group			
	30 Jun 24		30 Jun 23	
	Fair value asset	Fair value liability	Fair value asset	Fair value liability
Derivative assets and liabilities	$M	$M	$M	$M
Foreign exchange rate related contracts:				
Forwards	**7,160**	**(6,072)**	9,713	(9,512)
Swaps	**5,540**	**(4,086)**	7,020	(5,185)
Options	**139**	**(131)**	187	(211)
Total foreign exchange rate related contracts	**12,839**	**(10,289)**	16,920	(14,908)
Interest rate related contracts:				
Swaps	**1,228**	**(3,712)**	1,771	(5,059)
Futures	**–**	**–**	1	–
Options	**473**	**(612)**	1,391	(1,678)
Total interest rate related contracts	**1,701**	**(4,324)**	3,163	(6,737)
Credit related swaps	**39**	**(66)**	26	(49)
Equity related contracts:				
Options	**–**	**(3)**	–	(4)
Total equity related contracts	**–**	**(3)**	–	(4)
Commodity related contracts:				
Swaps	**573**	**(203)**	576	(158)
Futures	**167**	**–**	109	–
Options	**57**	**(163)**	14	(22)
Total commodity related contracts	**797**	**(366)**	699	(180)
Identified embedded derivatives	**36**	**(21)**	54	(21)
Total derivative assets/(liabilities) held for trading	**15,412**	**(15,069)**	20,862	(21,899)

Held for trading derivatives are expected to be recovered or due to be settled within 12 months of the balance sheet date.

Notes to the Financial Statements

For the year ended 30 June 2024

5.4 Derivative financial instruments and hedge accounting (continued)

	Bank			
	30 Jun 24		30 Jun 23	
Derivative assets and liabilities	**Fair value asset $M**	**Fair value liability $M**	**Fair value asset $M**	**Fair value liability $M**
Foreign exchange rate related contracts:				
Forwards	**7,123**	**(6,057)**	9,640	(9,498)
Swaps	**6,168**	**(4,940)**	7,739	(6,014)
Options	**135**	**(127)**	180	(209)
Derivatives held with controlled entities	**495**	**(1,022)**	606	(1,070)
Total foreign exchange rate related contracts	**13,921**	**(12,146)**	18,165	(16,791)
Interest rate related contracts:				
Swaps	**1,235**	**(3,599)**	1,731	(4,886)
Futures	**–**	**–**	1	–
Options	**473**	**(612)**	1,391	(1,678)
Derivatives held with controlled entities	**–**	**(8)**	1	(11)
Total interest rate related contracts	**1,708**	**(4,219)**	3,124	(6,575)
Credit related swaps	**39**	**(66)**	26	(49)
Equity related contracts:				
Options	**–**	**(3)**	–	(4)
Total equity related contracts	**–**	**(3)**	–	(4)
Commodity related contracts:				
Swaps	**573**	**(203)**	576	(157)
Futures	**167**	**–**	109	–
Options	**57**	**(163)**	14	(22)
Total commodity related contracts	**797**	**(366)**	699	(179)
Identified embedded derivatives	**36**	**(21)**	54	(21)
Total derivative assets/(liabilities) held for trading	**16,501**	**(16,821)**	22,068	(23,619)

Held for trading derivatives are expected to be recovered or due to be settled within 12 months of the balance sheet date.

ACCOUNTING POLICIES

Derivatives held for trading purposes are initially recognised at fair value. Subsequent to initial recognition, gains or losses on trading derivatives are recognised in the Income Statement.

Notes to the Financial Statements

For the year ended 30 June 2024

5.4 Derivative financial instruments and hedge accounting (continued)

Hedging instruments

The following tables provide details of the Group's and the Bank's hedging instruments by the type of hedge relationship in which they are designated and the type of hedged risk.

		Group 30 Jun 24					
		Notional amounts				Fair value	
	Hedged risk	Due within 1 year $M	Due from 1 to 5 years $M	Due beyond 5 years $M	Total $M	Derivative asset $M	Derivative liability $M
Fair value hedges	Interest rate	13,653	32,652	26,885	**73,190**	98	(519)
	Interest rate and foreign exchange	5,231	14,555	9,981	**29,767**	1,589	(2,926)
Total fair value hedges		18,884	47,207	36,866	**102,957**	1,687	(3,445)
Cash flow hedges	Interest rate	357,400	162,411	7,592	**527,403**	8	(10)
	Foreign exchange	6,535	4,839	5,311	**16,685**	895	(293)
	Commodity price	5	31	13	**49**	16	–
Total cash flow hedges		363,940	167,281	12,916	**544,137**	919	(303)
Net investment hedges	Foreign exchange	4,633	376	–	**5,009**	40	(33)
Total hedging derivative assets/(liabilities)		**387,457**	**214,864**	**49,782**	**652,103**	**2,646**	**(3,781)**

		Group 30 Jun 23					
		Notional amounts				Fair value	
	Hedged risk	Due within 1 year $M	Due from 1 to 5 years $M	Due beyond 5 years $M	Total $M	Derivative asset $M	Derivative liability $M
Fair value hedges	Interest rate	13,437	31,035	29,751	**74,223**	10	(600)
	Interest rate and foreign exchange	3,201	13,750	13,411	**30,362**	2,052	(2,724)
Total fair value hedges		16,638	44,785	43,162	**104,585**	2,062	(3,324)
Cash flow hedges	Interest rate	434,917	180,738	9,037	**624,692**	8	(5)
	Foreign exchange	3,473	5,988	3,738	**13,199**	960	(78)
	Commodity price	5	30	24	**59**	20	–
Total cash flow hedges		438,395	186,756	12,799	**637,950**	988	(83)
Net investment hedges	Foreign exchange	5,281	–	–	**5,281**	33	(41)
Total hedging derivative assets/(liabilities)		**460,314**	**231,541**	**55,961**	**747,816**	**3,083**	**(3,448)**

Notes to the Financial Statements

For the year ended 30 June 2024

5.4 Derivative financial instruments and hedge accounting (continued)

		Bank 30 Jun 24					
		Notional amounts				Fair value	
	Hedged risk	Due within 1 year $M	Due from 1 to 5 years $M	Due beyond 5 years $M	Total $M	Derivative asset [1] $M	Derivative liability [1] $M
Fair value hedges	Interest rate	13,296	28,540	24,001	**65,837**	52	(503)
	Interest rate and foreign exchange	6,319	19,044	14,610	**39,973**	2,188	(2,465)
Total fair value hedges		19,615	47,584	38,611	**105,810**	2,240	(2,968)
Cash flow hedges	Interest rate	320,765	138,484	7,188	**466,437**	1	(2)
	Foreign exchange	7,936	3,571	5,311	**16,818**	1,000	(233)
	Commodity price	5	31	13	**49**	16	–
Total cash flow hedges		328,706	142,086	12,512	**483,304**	1,017	(235)
Net investment hedges	Foreign exchange	3,506	–	–	**3,506**	39	(16)
Total hedging derivative assets/(liabilities)		**351,827**	**189,670**	**51,123**	**592,620**	**3,296**	**(3,219)**

1 Derivative assets include $1,618 million of derivatives held with controlled entities, derivative liabilities include $522 million of derivatives held with controlled entities.

		Bank 30 Jun 23					
		Notional amounts				Fair value	
	Hedged risk	Due within 1 year $M	Due from 1 to 5 years $M	Due beyond 5 years $M	Total $M	Derivative asset [1] $M	Derivative liability [1] $M
Fair value hedges	Interest rate	12,865	28,144	25,208	**66,217**	24	(580)
	Interest rate and foreign exchange	4,730	16,924	14,886	**36,540**	2,565	(2,389)
Total fair value hedges		17,595	45,068	40,094	**102,757**	2,589	(2,969)
Cash flow hedges	Interest rate	416,123	146,289	8,449	**570,861**	3	(6)
	Foreign exchange	3,473	5,866	4,500	**13,839**	872	(121)
	Commodity price	5	30	24	**59**	20	–
Total cash flow hedges		419,601	152,185	12,973	**584,759**	895	(127)
Net investment hedges	Foreign exchange	3,032	–	–	**3,032**	33	(13)
Total hedging derivative assets/(liabilities)		**440,228**	**197,253**	**53,067**	**690,548**	**3,517**	**(3,109)**

1 Derivative assets include $1,451 million of derivatives held with controlled entities, derivative liabilities include $745 million of derivatives held with controlled entities.

The Bank will be required to post collateral on derivatives with securitisation and covered bond trusts it controls, or novate the derivatives to other appropriately rated counterparties in the event that the Bank's credit rating falls below specified thresholds. The thresholds for collateral posting vary between two and three notches from the current rating, depending on the ratings agency. The thresholds for novation vary between four and six notches from the current rating, depending on the ratings agency. The fair value of funding costs associated with these collateral arrangements has been recognised by the Bank as a funding valuation adjustment. The adjustment did not have a material impact on the Bank's Income Statement for the year. As the arrangement is between the Bank and the trusts, the fair value is eliminated on consolidation and will only be recognised by the Group if the trusts are deconsolidated.

As at 30 June 2024, the weighted average fixed interest rate of interest rate swaps hedging interest rate risk was 3.60% (30 June 2023: 2.93%). The major currency pairs of cross currency swaps designated in hedge relationships are receive USD/pay AUD and receive EUR/pay USD with weighted average foreign currency rates of: AUD/USD 0.74 and USD/EUR 0.83 (30 June 2023: AUD/USD 0.76, USD/EUR 0.83).

In addition to derivative instruments used to hedge foreign currency risk, the Group and the Bank designate debt issues as hedging instruments of certain foreign exchange risk exposures. The carrying value of debt issues designated as cash flow hedging instruments as at 30 June 2024 was $933 million with average maturity of 6 years for the Group (30 June 2023: $1,008 million with average maturity of 6 years) and nil for the Bank (30 June 2023: nil).

Notes to the Financial Statements

For the year ended 30 June 2024

5.4 Derivative financial instruments and hedge accounting (continued)

Hedged items in fair value hedges

The tables below provides details of the Group's and the Bank's hedged items designated in fair value hedge relationships by the type of hedged risk.

		Group			
		30 Jun 24		30 Jun 23	
Hedged items	**Hedged risk**	**Carrying amount $M**	**Fair value adjustment [1,2] $M**	**Carrying amount $M**	**Fair value adjustment [1,2] $M**
Investment securities at fair value through other comprehensive income	Interest rate	**63,142**	**(2,138)**	52,040	(2,871)
Investment securities at fair value through other comprehensive income	Interest rate and foreign exchange	**4,832**	**(403)**	5,325	(474)
Loans and other receivables	Interest rate	**435**	**–**	411	(3)
Deposits and other public borrowings	Interest rate	**(5,776)**	**14**	(5,567)	23
Deposits and other public borrowings	Interest rate and foreign exchange	**–**	**–**	–	–
Debt issues	Interest rate	**(31,670)**	**1,817**	(28,011)	1,434
Debt issues	Interest rate and foreign exchange	**(53,840)**	**3,152**	(55,134)	4,972
Loan capital	Interest rate	**(13,660)**	**2,294**	(5,129)	1,083
Loan capital	Interest rate and foreign exchange	**(4,766)**	**658**	(11,542)	1,752

		Bank			
		30 Jun 24		30 Jun 23	
Hedged items	**Hedged risk**	**Carrying amount $M**	**Fair value adjustment [1,2] $M**	**Carrying amount $M**	**Fair value adjustment [1,2] $M**
Investment securities at fair value through other comprehensive income	Interest rate	**55,189**	**(1,882)**	46,216	(2,462)
Investment securities at fair value through other comprehensive income	Interest rate and foreign exchange	**4,788**	**(403)**	5,325	(474)
Loans and other receivables	Interest rate	**417**	**–**	378	(3)
Shares in and loans to controlled entities	Interest rate	**509**	**(9)**	753	(15)
Shares in and loans to controlled entities	Interest rate and foreign exchange	**25,995**	**(1,805)**	21,514	(2,447)
Deposits and other public borrowings	Interest rate	**(5,776)**	**14**	(5,567)	23
Deposits and other public borrowings	Interest rate and foreign exchange	**–**	**–**	–	–
Debt issues	Interest rate	**(18,508)**	**1,547**	(8,939)	1,019
Debt issues	Interest rate and foreign exchange	**(43,655)**	**2,342**	(44,398)	3,798
Loan capital	Interest rate	**(12,759)**	**2,294**	(4,225)	1,083
Loan capital	Interest rate and foreign exchange	**(4,766)**	**658**	(11,542)	1,752

1 Represents the accumulated amount of the fair value adjustment included in the carrying amount. The cumulative amount that is related to ceased hedge relationships where the risk being hedged was interest rate and foreign exchange risk is nil.

2 Changes in fair value of the hedged item used as a basis to determine effectiveness. The changes in fair value of the hedged items are recognised in net other operating income.

Notes to the Financial Statements

For the year ended 30 June 2024

5.4 Derivative financial instruments and hedge accounting (continued)

Hedged items in cash flow hedges and net investment hedges

The tables below provides details of the Group's and the Bank's hedged items designated in cash flow and net investment hedge relationships by the type of hedged risk.

		Group			
		30 Jun 24		30 Jun 23	
Hedged items	Hedged risk	Cash flow hedge reserve [1] $M	Foreign currency translation reserve [2] $M	Cash flow hedge reserve [1] $M	Foreign currency translation reserve [2] $M
Cash flow hedges					
Investment securities at fair value through other comprehensive income	Foreign exchange	**(3)**	**–**	(4)	–
Loans and other receivables	Interest rate	**(3,365)**	**–**	(6,928)	–
Loans and other receivables	Foreign exchange	**(3)**	**–**	(23)	–
Deposits and other public borrowings	Interest rate	**1,395**	**–**	4,072	–
Debt issues	Interest rate	**82**	**–**	131	–
Debt issues	Foreign exchange	**(367)**	**–**	(41)	–
Loan capital	Interest rate	**–**	**–**	–	–
Loan capital	Foreign exchange	**145**	**–**	233	–
Highly probable forecast transactions [3]	Foreign exchange	**(44)**	**–**	(51)	–
Highly probable forecast transactions	Commodity price	**14**	**–**	13	–
Net investment hedges					
Foreign operations	Foreign exchange	**–**	**32**	–	(20)
Total		**(2,146)**	**32**	(2,598)	(20)

1 Represents the accumulated effective amount of the hedging instrument deferred to cash flow hedge reserve. The cumulative amount related to ceased hedge relationships where the risk being hedged is interest rate and foreign exchange risk is a gain of $33 million (30 June 2023: $32 million gain). A cumulative loss of $7 million related to ceased hedge relationships was amortised to the income statement during the period (30 June 2023: $46 million gain).
2 Represents the accumulated effective amount of the hedging instrument deferred to foreign currency translation reserve.
3 A $1 million loss was reclassified to the income statement during the year ended 30 June 2023 as a result of highly probable forecast transactions no longer meeting the required criteria.

Notes to the Financial Statements
For the year ended 30 June 2024

5.4 Derivative financial instruments and hedge accounting (continued)

		Bank			
		30 Jun 24		30 Jun 23	
Hedged items	Hedged risk	Cash flow hedge reserve [1] $M	Foreign currency translation reserve [2] $M	Cash flow hedge reserve [1] $M	Foreign currency translation reserve [2] $M
Cash flow hedges					
Investment securities at fair value through other comprehensive income	Foreign exchange	**(3)**	**–**	(4)	–
Loans and other receivables	Interest rate	**(3,061)**	**–**	(6,206)	–
Loans and other receivables	Foreign exchange	**(3)**	**–**	(23)	–
Shares in and loans to controlled entities	Interest rate	**–**	**–**	–	–
Shares in and loans to controlled entities	Foreign exchange	**187**	**–**	(69)	–
Deposits and other public borrowings	Interest rate	**1,145**	**–**	3,177	–
Debt issues	Interest rate	**(2)**	**–**	9	–
Debt issues	Foreign exchange	**(170)**	**–**	117	–
Loan capital	Interest rate	**–**	**–**	–	–
Loan capital	Foreign exchange	**147**	**–**	191	–
Highly probable forecast transactions	Commodity price	**14**	**–**	13	–
Net investment hedges					
Foreign operations	Foreign exchange	**–**	**27**	–	(10)
Total		**(1,746)**	**27**	(2,795)	(10)

1 Represents the accumulated effective amount of the hedging instrument deferred to cash flow hedge reserve. The cumulative amount related to ceased hedge relationships where the risk being hedged is interest rate and foreign exchange risk is a loss of $1 million (30 June 2023: $18 million loss). A cumulative loss of $16 million related to ceased hedge relationships was amortised to the income statement during the period (30 June 2023: $3 million loss).
2 Represents the accumulated effective amount of the hedging instrument deferred to foreign currency translation reserve.

Notes to the Financial Statements

For the year ended 30 June 2024

5.4 Derivative financial instruments and hedge accounting (continued)

Hedge effectiveness

The tables below details effectiveness of the Group's and the Bank's hedges by the type of hedge relationship and the type of hedged risk.

	Group					
	30 Jun 24			30 Jun 23		
	Change in value of hedged item [1]	Change in value of hedging instrument	Hedge ineffectiveness recognised in Income Statement [2]	Change in value of hedged item [1]	Change in value of hedging instrument	Hedge ineffectiveness recognised in Income Statement [2]
	$M	$M	$M	$M	$M	$M
Fair value hedges						
Interest rate risk	**894**	**(885)**	**9**	(133)	106	(27)
Interest rate and foreign exchange risk	**(56)**	**22**	**(34)**	(558)	578	20
Foreign exchange	**–**	**–**	**–**	–	–	–
Total fair value hedges	**838**	**(863)**	**(25)**	(691)	684	(7)
Cash flow hedges and net investment hedges						
Interest rate	**(836)**	**841**	**5**	1,297	(1,296)	1
Foreign exchange	**(779)**	**766**	**(13)**	(1,267)	1,275	8
Commodity prices	**–**	**–**	**–**	17	(18)	(1)
Total cash flow hedges and net investment hedges	**(1,615)**	**1,607**	**(8)**	47	(39)	8

1 Changes in value of hedged items for fair value hedges are recognised in net other operating income. Changes in values of hedged items for cash flow hedges are not recognised in the financial statements and are only used as a basis for calculating ineffectiveness. During the year, unrealised gains deferred to the cash flow hedge reserve were $1,590 million (30 June 2023: unrealised losses of $7 million) and a gain recognised in foreign currency translation reserve was $17 million (30 June 2023: $32 million loss).
2 Hedge ineffectiveness is recognised in net other operating income.

	Bank					
	30 Jun 24			30 Jun 23		
	Change in value of hedged item [1]	Change in value of hedging instrument	Hedge ineffectiveness recognised in Income Statement [2]	Change in value of hedged item [1]	Change in value of hedging instrument	Hedge ineffectiveness recognised in Income Statement [2]
	$M	$M	$M	$M	$M	$M
Fair value hedges						
Interest rate risk	**815**	**(807)**	**8**	(284)	255	(29)
Interest rate and foreign exchange risk	**410**	**(428)**	**(18)**	707	(644)	63
Foreign exchange	**(15)**	**15**	**–**	10	(10)	–
Total fair value hedges	**1,210**	**(1,220)**	**(10)**	433	(399)	34
Cash flow hedges and net investment hedges						
Interest rate	**(1,088)**	**1,096**	**8**	1,367	(1,369)	(2)
Foreign exchange	**(1,102)**	**1,091**	**(11)**	(1,187)	1,194	7
Commodity prices	**–**	**–**	**–**	17	(18)	(1)
Total cash flow hedges and net investment hedges	**(2,190)**	**2,187**	**(3)**	197	(193)	4

1 Changes in value of hedged items for fair value hedges are recognised in net other operating income. Changes in value of hedged items for cash flow hedges are not recognised in the financial statements and are only used as a basis for calculating ineffectiveness. During the year, unrealised gains deferred to the cash flow hedge reserve were $2,176 million (30 June 2023: unrealised losses of $171 million), and a gain recognised in the net investment hedge reserve was $11 million (30 June 2023: $22 million loss).
2 Hedge ineffectiveness is recognised in net other operating income.

Notes to the Financial Statements

For the year ended 30 June 2024

5.4 Derivative financial instruments and hedge accounting (continued)

ACCOUNTING POLICIES

Derivatives transacted for hedging purposes

Derivatives are initially measured at fair value. Subsequent to initial recognition, gains or losses on derivatives are recognised in the Income Statement, unless they are entered into for hedging purposes and designated in a cash flow hedge.

Hedging strategy and hedge accounting

The Group risk management strategy (refer to notes 9.1 and 9.3) is to manage market risks within risk limits to minimise profit and capital volatility. The use of derivative and other hedging instruments for hedging purposes gives rise to potential volatility in the Income Statement because of mismatches in the accounting treatment between derivatives and other hedging instruments and the underlying exposures being hedged. The Group and the Bank apply hedge accounting to reduce volatility in the Income Statement from hedging activities undertaken.

Fair value hedges

Fair value hedges are used by the Group to manage exposure to changes in the fair value of an asset, liability or unrecognised firm commitment, predominantly associated with investment securities, debt issues and loan capital. Changes in fair values can arise from fluctuations in interest or foreign exchange rates. The Group principally uses interest rate swaps, cross currency swaps and futures to protect against such fluctuations.

Changes in the value of fair value hedges are recognised in the Income Statement, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. All gains and losses associated with the ineffective portion of fair value hedge relationships are recognised immediately in net other operating income.

If the hedge relationship no longer meets the criteria for hedge accounting, it is discontinued. For fair value hedges of interest rate risk, the fair value adjustment to the hedged item is amortised to the Income Statement from the date of discontinuation over the period to maturity of the previously designated hedge relationship based on a recalculated effective interest rate. If the hedged item is sold or repaid, the unamortised fair value adjustment is recognised immediately in the Income Statement.

Cash flow hedges

Cash flow hedges are used by the Group to manage exposure to variability in future cash flows, which could affect profit or loss and may result from fluctuations in interest and exchange rates or in commodity prices on financial assets, financial liabilities or highly probable forecast transactions, predominantly associated with floating rate domestic loans and deposits. The Group principally uses interest rate swaps, cross currency swaps, futures and commodity related swaps to protect against such fluctuations.

Changes in fair value associated with the effective portion of a cash flow hedge are recognised through Other Comprehensive Income in the cash flow hedge reserve within equity. Ineffective portions are recognised immediately in the Income Statement. Amounts deferred in equity are transferred to the Income Statement in the period in which the hedged forecast transaction takes place.

When a hedging instrument expires or is sold, terminated or exercised, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is reclassified to profit or loss in the period in which the hedged item affects profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is recycled immediately to the Income Statement. Where it is appropriate, non-derivative financial assets and liabilities are also designated as hedging instruments in cash flow hedge relationships.

Net investment hedges

The Group holds investments in foreign operations, where changes in net assets resulting from changes in foreign currency rates are recognised in the foreign currency translation reserve and result in volatility in shareholders' equity. To protect against the foreign currency risk, the Group enters into foreign currency forwards that are designated as hedging instruments in net investment hedges. Gains and losses on derivative contracts relating to the effective portion of the net investment hedge are recognised in the foreign currency translation reserve in equity. Ineffective portions are recognised immediately in the Income Statement. Gains and losses accumulated in equity are included in the Income Statement when the foreign subsidiary or branch is disposed of.

Risk components

In some hedging relationships, the Group and the Bank designate risk components of hedged items as follows:

- benchmark interest rate risk as a component of interest rate risk, such as the Bank Bill Benchmark Rate component; and
- spot exchange rate risk as a component of foreign currency risk for foreign currency denominated financial assets and liabilities.

Hedging the benchmark interest rate risk or spot exchange rate risk components results in other risks, such as credit risk and liquidity risk, being excluded from the hedge accounting relationship.

5.4 Derivative financial instruments and hedge accounting (continued)

Economic relationships and hedge effectiveness

The Group performs both prospective and retrospective tests to determine the economic relationship between the hedged item and the hedging instrument, and to assess hedge effectiveness. At inception of the hedge relationship, prospective testing is performed on a matched terms basis. This test checks that the critical terms are matched between the hedging instrument and the hedged item. At the same time a hedging ratio is established by matching the notional of the derivatives with the principal of the portfolio or financial instruments being hedged. In most cases the ratio is 100%. Retrospective testing for each reporting period uses a regression model, which compares the change in the fair value of the hedged item and the change in the fair value of the hedging instrument. For a hedge to be deemed effective, the change in fair values should be within 80% to 125% of each other. Should the result fall outside this range the hedge would be deemed ineffective and recognised immediately through the Income Statement in line with each hedge relationship policy above.

Sources of hedge ineffectiveness affecting hedge accounting are:

- differences in discounting between the hedged item and the hedging instrument. Collateralised derivatives are discounted using Overnight Indexed Swaps (OIS) discount curves, which are not applied to the hedged item;
- change in the credit risk of the hedging instrument; and
- mismatches between the contractual terms of the hedged item and the hedging instrument.

No other sources of hedge ineffectiveness have arisen during the year.

Embedded derivatives

In certain instances, a derivative may be embedded within a financial liability host contract. It is accounted for separately as a stand-alone derivative at fair value through income statement, where:

- the host contract is not carried at fair value through the income statement; and
- the economic characteristics and risks of the embedded derivative are not closely related to the host contract.

Notes to the Financial Statements

For the year ended 30 June 2024

5.5 Investment securities

	Group [1]		Bank [1]	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Investment securities at fair value through OCI				
Government bonds, notes and securities	**79,215**	65,865	**73,922**	63,161
Corporate and financial institution bonds, notes and securities	**4,812**	7,723	**3,599**	6,141
Covered bonds, mortgage backed securities and SSA [2]	**10,309**	9,084	**7,896**	6,537
Shares and equity investments	**2,438**	1,999	**2,430**	1,992
Total investment securities at fair value through OCI	**96,774**	84,671	**87,847**	77,831
Investment securities at amortised cost				
Mortgage backed securities	**1,239**	2,032	**1,239**	2,032
Total investment securities at amortised cost	**1,239**	2,032	**1,239**	2,032
Total investment securities	**98,013**	86,703	**89,086**	79,863

1 Comparative information has been revised to reflect the change detailed in Note 1.1.
2 Supranational, Sovereign and Agency Securities (SSA).

As at 30 June 2024, investment securities at fair value through other comprehensive income expected to be recovered within 12 months of the balance sheet date were $9,878 million (30 June 2023: $12,154 million) for the Group, and $8,533 million (30 June 2023: $10,551 million) for the Bank. As at 30 June 2024, investment securities at amortised cost amounts expected to be recovered within 12 months of the balance sheet date were $598 million (30 June 2023: $1,671 million) for the Group and the Bank.

Contractual maturity distribution and yield analysis

	Group Maturity Period at 30 June 24									
	0 to 1 year $M	%	1 to 5 years $M	%	5 to 10 years $M	%	10 or more years $M	%	Non-maturing $M	Total $M
Investment securities at fair value through OCI										
Government bonds, notes and securities	6,219	4.60	25,692	4.48	36,709	4.74	10,595	5.16	–	**79,215**
Corporate and financial institution bonds, notes and securities	3,289	5.19	1,481	5.05	42	5.35	–	–	–	**4,812**
Covered bonds, mortgage backed securities and SSA	370	5.49	7,246	4.68	766	4.71	1,927	5.56	–	**10,309**
Shares and equity investments	–	–	–	–	–	–	–	–	2,438	**2,438**
Total investment securities at fair value through OCI	**9,878**		**34,419**		**37,517**		**12,522**		**2,438**	**96,774**
Investment securities at amortised cost										
Mortgage backed securities	–	–	–	–	–	–	1,239	5.33	–	**1,239**
Total investment securities	**9,878**		**34,419**		**37,517**		**13,761**		**2,438**	**98,013**

Notes to the Financial Statements
For the year ended 30 June 2024

5.5 Investment securities (continued)

ACCOUNTING POLICIES

Investment securities primarily include publicly traded debt securities held as part of the Group's liquidity portfolio.

Investment securities at fair value through other comprehensive income

Debt securities

This category includes debt securities held within the business model whose objective is achieved by both collecting contractual cash flows and selling the assets. The contractual cash flows on these financial assets comprise payments of principal and interest only. These securities are initially recognised at their fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value through other comprehensive income.

Interest income and foreign exchange gains and losses on these securities are recognised in the Income Statement. The securities are assessed for impairment using the expected credit loss approach described in Note 3.2. Impairment is recognised in the loan impairment expense line in the Income Statement.

When debt securities at fair value through other comprehensive income are derecognised, the cumulative gain or loss recognised in Other Comprehensive Income is reclassified to the net other operating income line in the Income Statement.

Equity securities

This category also includes non-traded equity instruments designated at fair value through other comprehensive income. Fair value gains and losses and foreign exchange gains and losses on these equity instruments are recognised in Other Comprehensive Income and are not reclassified to the Income Statement on derecognition.

Investment securities at amortised cost

This category includes debt securities held within the 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 securities are initially recognised at their fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method and are presented net of provisions for impairment. For the accounting policy on provisions for impairment, refer to Note 3.2.

Notes to the Financial Statements
For the year ended 30 June 2024

6 Other assets

OVERVIEW

The Group's other assets include assets not included in its lending, investing, trading and other banking activities. Other assets include right-of-use assets, property, plant and equipment held for own use and for lease through our asset finance business and intangible assets. Other assets also include software, brand names and goodwill. These assets support the Group's business activities.

6.1 Property, plant and equipment

	Group		Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Right-of-use assets				
At cost	**4,396**	4,473	**4,133**	4,073
Accumulated depreciation	**(2,225)**	(1,993)	**(2,140)**	(1,805)
Closing balance	**2,171**	2,480	**1,993**	2,268
Land and buildings				
At 30 June valuation	**485**	480	**461**	457
Total land and buildings	**485**	480	**461**	457
Leasehold improvements				
At cost	**1,307**	1,507	**1,153**	1,319
Accumulated depreciation	**(777)**	(1,004)	**(672)**	(872)
Closing balance	**530**	503	**481**	447
Equipment				
At cost	**1,505**	1,649	**1,147**	1,244
Accumulated depreciation	**(1,089)**	(1,229)	**(825)**	(945)
Closing balance	**416**	420	**322**	299
Total right-of-use assets and property, plant and equipment held for own use	**3,602**	3,883	**3,257**	3,471
Assets held as lessor				
At cost	**116**	1,592	**116**	116
Accumulated depreciation	**(42)**	(525)	**(42)**	(38)
Closing balance	**74**	1,067	**74**	78
Total property, plant and equipment	**3,676**	4,950	**3,331**	3,549

Notes to the Financial Statements

For the year ended 30 June 2024

6.1 Property, plant and equipment (continued)

Reconciliation of movements in the carrying amount of Property, plant and equipment is set out below:

	Group		Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Right-of-use assets				
Carrying amount at the beginning of the year	**2,480**	2,667	**2,268**	2,462
Additions	**193**	294	**139**	232
Disposals	**(23)**	(21)	**–**	(21)
Depreciation	**(477)**	(467)	**(414)**	(407)
Foreign currency translation adjustment	**(2)**	7	**–**	2
Carrying amount at the end of the year	**2,171**	2,480	**1,993**	2,268
Land and buildings				
Carrying amount at the beginning of the year	**480**	481	**457**	448
Additions	**5**	15	**4**	11
Disposals	**(2)**	(22)	**(2)**	(11)
Net revaluations	**20**	25	**20**	29
Depreciation	**(21)**	(25)	**(21)**	(25)
Reclassification to assets held for sale	**3**	5	**3**	5
Foreign currency translation adjustment	**–**	1	**–**	–
Carrying amount at the end of the year	**485**	480	**461**	457
Leasehold improvements				
Carrying amount at the beginning of the year	**503**	450	**447**	395
Additions	**136**	154	**129**	143
Disposals	**(6)**	(11)	**(4)**	(11)
Depreciation	**(103)**	(92)	**(91)**	(81)
Foreign currency translation adjustment	**–**	2	**–**	1
Carrying amount at the end of the year	**530**	503	**481**	447
Equipment				
Carrying amount at the beginning of the year	**420**	393	**299**	248
Additions	**161**	187	**150**	153
Disposals	**(10)**	(2)	**(6)**	(2)
Depreciation	**(154)**	(131)	**(121)**	(100)
Other transfers [1]	**–**	(29)	**–**	–
Foreign currency translation adjustment	**(1)**	2	**–**	–
Carrying amount at the end of the year	**416**	420	**322**	299
Assets held as lessor				
Carrying amount at the beginning of the year	**1,067**	896	**78**	74
Additions	**–**	246	**–**	7
Disposals	**(18)**	(35)	**–**	–
Depreciation	**(58)**	(63)	**(4)**	(3)
Other transfers [1]	**–**	29	**–**	–
Reclassification to assets held for sale [2]	**(917)**	–	**–**	–
Impairment losses	**–**	(6)	**–**	–
Carrying amount at the end of the year	**74**	1,067	**74**	78
Total property, plant and equipment	**3,676**	4,950	**3,331**	3,549

1 During the year ended 30 June 2023, $29 million of assets were leased out and transferred from equipment to assets under lease as a result of a sublease arrangement.

2 During the year ended 30 June 2024, the Group reclassified $917 million of structured asset finance leases to assets held for sale.

Notes to the Financial Statements

For the year ended 30 June 2024

6.1 Property, plant and equipment (continued)

ACCOUNTING POLICIES

The Group measures its land and buildings at fair value, based on annual independent market valuations performed during the year. These fair values fall under the Level 3 category of the fair value hierarchy as defined in AASB 13 *Fair Value Measurement*. Revaluation adjustments are reflected in the asset revaluation reserve, except to the extent they reverse a revaluation decrease of the same asset previously recognised in the Income Statement. Upon disposal, realised amounts in the asset revaluation reserve are transferred to retained profits.

Other property, plant and equipment assets are stated at cost, including direct and incremental acquisition costs less accumulated depreciation and impairment if required. Subsequent costs are capitalised where it enhances the asset. Depreciation is calculated using the straight-line method over the asset's estimated useful economic life.

The useful lives of major depreciable asset categories are as follows:

Right-of-use assets	Unexpired lease term
Land	Indefinite, not depreciated
Buildings	Up to 30 years
Equipment	3–25 years
Leasehold improvements	Lower of unexpired lease term or useful lives as above

Assets held as lessor:

Leases are entered into to meet the business needs of entities in the Group. Leases are primarily over commercial and retail premises and plant and equipment. Where the Group is a lessee, all leases will be recognised on the Balance Sheet as a lease liability and right-of-use asset, unless the underlying asset is of low value or the lease has a term of 12 months or less. Rentals of leases with low value underlying assets or where the lease term is 12 months or less are recognised over the lease term as operating expenses in the Income Statement.

Right-of-use assets are initially measured at cost comprising the following:

- the initial amount of the lease liability measured at the present value of the future lease payments;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- an estimate of the costs to be incurred upon disassembling or restoring the underlying asset to the condition required by the terms of the lease.

The right-of-use asset is depreciated over the lease term on a straight-line basis within operating expenses in the Income Statement.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in the Income Statement if the carrying amount of the right-of-use asset has been fully written down.

Critical accounting judgements and estimates

Judgement has been applied by the Group in assessing which arrangements contain a lease, the period over which the lease exists and the variability of future cash flows when recognising right-of-use assets.

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

In determining the value in use of assets held as lessor, the Group incorporates the cash inflows over the lease term, as well as the expected selling price on expiry of the lease. Market disruption, lower demand for assets, decline in asset prices as well as credit events specific to individual lessees can result in a reduction of the asset's recoverable values.

6.2 Intangible assets

	Group		Bank	
	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	$M	$M	$M	$M
Goodwill				
Purchased goodwill at cost	**5,285**	5,295	**2,501**	2,501
Closing balance	**5,285**	5,295	**2,501**	2,501
Computer software costs				
Cost	**4,972**	4,430	**4,111**	3,551
Accumulated amortisation	**(2,843)**	(2,518)	**(2,217)**	(1,898)
Closing balance	**2,129**	1,912	**1,894**	1,653
Brand names [1]				
Cost	**186**	186	**186**	186
Closing balance	**186**	186	**186**	186
Total intangible assets	**7,600**	7,393	**4,581**	4,340

1 Brand names include 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 year.

Impairment tests for goodwill and intangible assets with indefinite lives

To assess whether goodwill and other assets with indefinite useful lives are impaired, the carrying amount of a cash-generating unit or a group of cash-generating units are compared to the recoverable amount. The recoverable amount is determined based on fair value less cost to sell, primarily using an earnings multiple applicable to that type of business. The category of this fair value is Level 3 as defined in AASB 13 *Fair Value Measurement*.

Earnings multiples relating to the Group's banking cash-generating units are sourced from publicly available data associated with Australian businesses displaying similar characteristics to those cash-generating units, and are applied to current earnings. The key assumption is the price-earnings (P/E) multiple observed for these businesses, which for the banking businesses were in the range of 14.3x-15.0x (30 June 2023: 11.1x-12.4x).

Goodwill allocation to cash-generating units

	Group		Bank	
	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	$M	$M	$M	$M
Retail Banking Services	**3,763**	3,763	**2,002**	2,002
Business Banking	**1,241**	1,241	**499**	499
New Zealand	**258**	259	**–**	–
Corporate Centre and Other	**23**	32	**–**	–
Total	**5,285**	5,295	**2,501**	2,501

Notes to the Financial Statements
For the year ended 30 June 2024

6.2 Intangible assets (continued)

Reconciliation of the carrying amounts of Intangible assets is set out below:

	Group		Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Goodwill				
Opening balance	**5,295**	5,295	**2,501**	2,504
Additions	**5**	–	**–**	–
Reclassification to assets held for sale	**(13)**	(5)	**–**	(3)
Foreign exchange and other adjustments	**(2)**	5	**–**	–
Closing balance	**5,285**	5,295	**2,501**	2,501
Computer software costs				
Opening balance	**1,912**	1,409	**1,653**	1,191
Additions [1]	**932**	898	**826**	770
Reclassification to assets held for sale	**(30)**	–	**–**	–
Amortisation and impairment	**(685)**	(395)	**(585)**	(308)
Closing balance	**2,129**	1,912	**1,894**	1,653
Brand names				
Opening balance	**186**	186	**186**	186
Closing balance	**186**	186	**186**	186
Other intangibles				
Opening balance	**–**	9	**–**	2
Disposals/other adjustments	**–**	(9)	**–**	(2)
Closing balance	**–**	–	**–**	–
Total intangible assets	**7,600**	7,393	**4,581**	4,340

1 Primarily relates to internal software development costs.

Notes to the Financial Statements

For the year ended 30 June 2024

6.2 Intangible assets (continued)

ACCOUNTING POLICIES

Intangible assets are identifiable non-monetary assets without physical substance. They are recognised only if it is probable the asset will generate future benefits for the Group. Those assets with an indefinite useful life are tested for impairment annually. All intangible assets must be tested for impairment when there is an indication that its carrying amount may be greater than its recoverable amount.

Goodwill

Goodwill arises on the acquisition of a business and represents the excess of the consideration paid over the fair value of the net assets and liabilities acquired. Goodwill is tested for impairment annually through allocation to a group of cash-generating units (CGUs). The CGUs' recoverable amount is then compared to the carrying amount of the CGUs including goodwill and an impairment is recognised for any excess carrying value.

Computer software costs

Certain internal and external costs directly incurred in acquiring and developing software are capitalised and amortised over the estimated useful life on a straight-line basis. The majority of software projects are amortised over three to five years. Software maintenance is expensed as incurred.

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 generally 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-premise systems and meets the recognition criteria for an intangible asset are capitalised and amortised over their estimated useful life on a straight-line basis.

Brand names

Brand names include the Bankwest brand name acquired in a business combination and initially recognised at fair value. The Bankwest brand name has an indefinite useful life as there is no foreseeable limit to the period over which it is expected to generate cash flows.

Critical accounting judgements and estimates

Goodwill is allocated to CGUs whose recoverable amount is calculated for the purpose of impairment testing. The recoverable amount calculation relies primarily on publicly available earnings multiples, which are disclosed on page 202.

Notes to the Financial Statements

For the year ended 30 June 2024

6.3 Other assets

		Group		Bank	
		30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	Note	$M	$M	$M	$M
Accrued interest receivable		**4,446**	3,811	**4,523**	3,817
Accrued fees and reimbursements receivable		**361**	359	**283**	285
Securities sold not delivered		**3,427**	1,422	**3,048**	1,063
Intragroup current tax receivable		**–**	–	**93**	190
Current tax assets		**21**	8	**21**	6
Prepayments		**629**	545	**538**	472
Defined benefit superannuation plan surplus	10.2	**436**	648	**436**	648
Other [1]		**912**	589	**667**	318
Total other assets		**10,232**	7,382	**9,609**	6,799

1 As at 30 June 2024, other assets include $249 million of proceeds receivable in relation to divestments of businesses (30 June 2023: $231 million).

Except for the defined benefits superannuation plan surplus, the majority of the above amounts are expected to be recovered within 12 months of the balance sheet date.

ACCOUNTING POLICIES

Other assets include interest and fee receivables, current tax assets, prepayments, receivables on unsettled trades and the surplus within defined benefit plans. Interest receivables are recognised on an accruals basis. Fees and reimbursements receivable are recognised once the service is provided. Trade date accounted securities sold not delivered, consistent with the Group's policy for all financial assets measured at fair value through profit or loss or at fair value through other comprehensive income, are recognised between trade execution and final settlement. The remaining other assets are recognised on an accrual or service performed basis and amortised over the period in which the economic benefits from these assets are received. Further defined benefit plan details are provided in Note 10.2.

7 Our liabilities

OVERVIEW

Other liabilities include provisions, interest payable, fees and bills payable and unsettled trade liabilities. Provisions principally cover annual leave and long service leave employee entitlements, customer remediation, compliance and regulation programs, litigation and restructuring. It also includes provisions for impairment losses on financial guarantees and other off balance sheet instruments issued by the Group.

Certain provisions involve significant judgement to determine the likely outcome of events as well as a reliable estimate of the outflows. Where future events are uncertain and where the outflow cannot be reliably determined, these are disclosed as contingent liabilities. Contingent liabilities are not recognised on the Group's Balance Sheet but are disclosed in Note 12.1 Contingent liabilities, and in Note 7.1, in respect of litigation, investigations and reviews.

7.1 Provisions

		Group		Bank	
		30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	Note	$M	$M	$M	$M
Employee entitlements		**1,112**	1,077	**991**	962
Customer remediation		**213**	346	**157**	311
Dividends	8.4	**183**	191	**183**	191
Compliance and regulation		**12**	98	**4**	84
Divestments and restructuring		**959**	844	**949**	836
Off balance sheet instruments		**223**	159	**203**	154
Other		**206**	298	**194**	280
Total provisions		**2,908**	3,013	**2,681**	2,818

Maturity distribution of provisions

	Group		Bank	
	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	$M	$M	$M	$M
Less than twelve months	**2,423**	2,621	**2,213**	2,454
More than twelve months	**485**	392	**468**	364
Total provisions	**2,908**	3,013	**2,681**	2,818

Notes to the Financial Statements

For the year ended 30 June 2024

7.1 Provisions (continued)

	Group		Bank	
	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
Reconciliation	$M	$M	$M	$M
Customer remediation:				
Opening balance	**346**	1,068	**311**	1,020
Additional provisions	**179**	404	**156**	403
Amounts utilised during the year	**(312)**	(1,106)	**(310)**	(1,092)
Release of provisions	**–**	(20)	**–**	(20)
Closing balance	**213**	346	**157**	311
Compliance and regulation:				
Opening balance	**98**	99	**84**	55
Additional provisions	**–**	77	**–**	77
Amounts utilised during the year	**(72)**	(75)	**(66)**	(45)
Release of provisions	**(14)**	(3)	**(14)**	(3)
Closing balance	**12**	98	**4**	84
Divestments and restructuring:				
Opening balance	**844**	920	**836**	917
Additional provisions	**372**	178	**361**	168
Amounts utilised during the year	**(257)**	(254)	**(248)**	(249)
Closing balance	**959**	844	**949**	836
Off balance sheet instruments:				
Opening balance	**159**	117	**154**	108
Additional provisions	**64**	42	**49**	46
Closing balance	**223**	159	**203**	154
Other:				
Opening balance	**298**	228	**280**	197
Additional provisions	**43**	105	**43**	103
Amounts utilised during the year	**(79)**	(35)	**(75)**	(20)
Release of provisions	**(56)**	–	**(54)**	–
Closing balance	**206**	298	**194**	280

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.

7.1 Provisions (continued)

Provisions for employee entitlements (such as long service leave, annual leave and other employee benefits)

This provision is calculated based on expected payments. Where the payments are expected to be more than one year in the future, it factors in the expected period of service by employees, as well as salary increases. These future obligations are discounted using a market observable rate.

Customer remediation

This provision covers customer remediation costs and related program costs.

Dividends

This provision relates to dividends for prior periods which have not been settled at the balance sheet date.

Compliance and regulation

This provision relates to litigation, project and other administrative costs associated with certain compliance and regulatory programs of the Group.

Divestments and restructuring

This provision includes expenses arising from changes in the scope of the Group's business relating primarily to divestment transactions including related warranties and indemnities. The provision includes costs, which are both necessarily entailed by the divestment and are not associated with the ongoing activities of the Group. A provision for restructuring costs is only recognised when the Group has a detailed formal restructuring plan and the restructuring has either commenced or has been publicly announced.

Other provisions

Other provisions include self-insurance provisions, make-good provisions in relation to property leases, and provisions for certain other costs.

Critical accounting judgements and estimates

Provisions are held in respect of a range of future obligations, some of which involve significant judgement about the likely outcome of various events and estimated future cash flows.

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 remediation fund 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.

Aligned Advice remediation

Aligned advisors were not employed by the Group but were representatives authorised to provide financial advice under the licences of the Group's subsidiaries, Financial Wisdom Limited (FWL), Count Financial Limited (Count Financial) and Commonwealth Financial Planning Limited-Pathways (CFP-Pathways). The Group completed the sale of Count Financial to Count Limited (Count) on 1 October 2019, and ceased providing licensee services through CFP-Pathways and FWL in March and June 2020, respectively. The Bank entered into reimbursement agreements with FWL and CFP-Pathways, and an indemnity deed with Count to cover potential remediation of past issues including ongoing service fees and commissions, and other remediation matters. For details on the reimbursement agreements and the indemnity deed, refer to Note 11.2.

During the year ended 30 June 2024, the Group recognised an increase in the provision for Aligned Advice remediation issues and program costs of $7 million. In addition, the Group paid $137 million in customer refunds for ongoing service fees, $63 million in other remediation matters and utilised $29 million for program costs.

As at 30 June 2024, the Group holds a provision of $40 million (30 June 2023: $262 million). The Group has made all customer refunds in relation to ongoing service fees remediation, and continues to engage with ASIC in relation to remediation programs.

Banking customer remediation

As at 30 June 2024, the provision held by the Group in relation to Banking customer remediation programs was $173 million (30 June 2023: $84 million). The provision includes an estimate of customer refunds (including interest) relating to business and retail banking products and the related program costs.

Notes to the Financial Statements

For the year ended 30 June 2024

7.1 Provisions (continued)

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 principles outlined in the accounting policy section of this note.

Litigation

The main litigated claims against the Group as at 30 June 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. The two class actions were being case managed together, with a single harmonised statement of claim. 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 filed an appeal from the judgment on 25 June 2024. CBA is defending the appeal. It is currently not possible to determine the ultimate impact of this claim, if any, on the Group.

Superannuation class actions

The Group is also defending three class actions in relation to superannuation products.

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.

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. On 5 August 2024, the Court approved the settlement.

On 22 January 2020, a further class action was filed against CFSIL and The Colonial Mutual Life Assurance Society Limited (CMLA) in the Federal Court of Australia. On 22 October 2021, AIA Australia Limited (AIAA), who 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, and it is anticipated a further mediation will take place in December 2024. The class action has been provisionally listed for a three week trial commencing 4 August 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.

Advice class actions

On 21 August 2020, a class action was filed in the Federal Court of Australia against Commonwealth Financial Planning Limited (CFP), FWL and CMLA. The claim relates to certain CommInsure (CMLA) life insurance policies recommended by financial advisers appointed by CFP and FWL during the period from 21 August 2014 to 21 August 2020. On 16 November 2021, AIAA (who 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. It is currently not possible to determine the ultimate impact of this claim, if any, on the Group.

7.1 Provisions (continued)

On 24 August 2020 a class action was commenced against Count Financial in the Federal Court of Australia. The proceeding relates to commissions paid to Count Financial and its authorised representative financial advisers in respect of financial products (including insurance) and certain obligations of its financial advisers to provide ongoing advice in the period from 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. 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.

Consumer credit insurance (CCI) class action

On 10 June 2020, a class action was commenced against CBA and CMLA in the Federal Court of Australia. The claim related to consumer credit insurance for credit cards and personal loans that was sold between 1 January 2010 and 7 March 2018. On 1 April 2022, AIAA (who from 1 April 2021 was liable for and assumed certain liabilities of CMLA under the Part 9 Scheme) was joined as a third respondent to the class action. The class action alleged that CBA and CMLA engaged in unconscionable and misleading or deceptive conduct, failed to act in the best interests of customers and provided them with inappropriate advice. In particular, it was alleged that some customers were excluded from claiming certain benefits under the policies and the insurance was therefore unsuitable or of no value. Allegations were also made in relation to the manner in which the insurance was sold. CBA, CMLA and AIAA denied the allegations.

On 18 October 2022, the parties attended a Court ordered mediation following which they entered into a settlement agreement to resolve the proceedings. The settlement was made without admission of liability. On 15 September 2023, the Court approved the settlement. The Court has ordered that the case be dismissed once the settlement distribution process has been completed.

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. These 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 proceeding.

The parties have until 16 August 2024 to apply to the Supreme Court of New Zealand for permission to appeal against the Court of Appeal's decision.

The plaintiffs' proposed class definition covers 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 Courts before, the size of the proposed class is unknown. However, the proposed 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

Fair Work Ombudsman (FWO) proceedings

In October 2021, the FWO commenced civil penalty proceedings in the Federal Court of Australia against CBA and Commonwealth Securities Limited (CommSec), alleging contraventions of the *Fair Work Act 2009* (Cth) (Fair Work Act), and of the Group's 2014 and 2016 enterprise agreements. The proceedings followed an investigation by the FWO of the Group's employee entitlement review (EER). CBA self-disclosed these matters in the EER to the FWO.

CBA and CommSec cooperated fully with the FWO and agreed a statement of agreed facts and admissions with the FWO. A hearing to determine penalty was held in September 2023. On 15 February 2024, the Federal Court handed down judgment and ordered CBA to pay a penalty of $7.31 million and CommSec to pay a penalty of $3.03 million. The penalties have been paid.

CBA's broad remediation review of employee entitlements for current and former employees is complete.

Long Service Leave (LSL) proceedings

In August 2022, the Wage Inspectorate Victoria commenced criminal proceedings against each of 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). LSL underpayments are included in the Group's EER described above.

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.

Notes to the Financial Statements

For the year ended 30 June 2024

7.1 Provisions (continued)

Ongoing regulatory investigations and reviews

The Group undertakes ongoing compliance activities, including breach reporting, reviews of products, advice, conduct and services provided to customers, as well as interest, fees and premiums charged. 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 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 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).

We also continue 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 we operate, 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, and additional enhancements of systems and processes may be required.

The Group provides updates to AUSTRAC and other regulators on its Anti-Money Laundering and Counter-Terrorism Financing 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.

Enforceable undertaking to the Office of Australian Information Commissioner (OAIC)

In June 2019, the Australian Information and Privacy Commissioner accepted an EU offered by CBA, which required further enhancements to the management and retention of customer personal information within CBA and certain subsidiaries. CBA completed the formal obligations under the EU during the year ended 30 June 2024.

CommSec Compliance Program

As part of the proceedings ASIC commenced against CommSec in October 2022, 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.

7.1 Provisions (continued)

Enforceable undertaking to the Australian Communications and Media Authority (ACMA)

In connection with breaches of certain provisions of the *Spam Act 2003* (Cth) (Spam Act), CBA has paid the ACMA a fine of $3.55 million and on 2 June 2023 entered into an EU with the ACMA. As required by the EU, CBA has appointed an independent consultant to review its current procedures, policies, training and systems relating to CBA's compliance with the Spam Act. CBA has provided the ACMA with its plan to implement the independent consultant's recommendations, and has committed to providing ongoing compliance reports to the ACMA and training relevant personnel under the EU. The independent consultant has provided its initial report under the EU, and will conduct further reviews, as set out in the EU, or as otherwise required. CBA continues to review its compliance with the Spam Act and it considers that further rectification steps will be required.

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.

Notes to the Financial Statements

For the year ended 30 June 2024

7.2 Bills payable and other liabilities

	Group		Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Bills payable	**343**	399	**286**	337
Accrued interest payable	**7,233**	5,382	**6,561**	4,871
Accrued fees, employee incentives and other items payable [1]	**4,353**	4,339	**4,013**	4,029
Securities purchased not delivered	**3,064**	1,197	**2,675**	861
Unearned income [2]	**763**	872	**723**	779
Lease liabilities	**2,454**	2,728	**2,259**	2,506
Other	**814**	661	**1,585**	1,549
Total bills payable and other liabilities	**19,024**	15,578	**18,102**	14,932

1 As at 30 June 2024, accrued fees payable include trail commissions payable of $2,332 million (30 June 2023: $2,375 million).

2 Unearned income includes annual facility fees, commitment fees and upfront fees that are deferred and recognised over the service periods. Of the unearned income recognised at the beginning of the period, the Group and the Bank recognised $546 million and $541 million, respectively, as income during the year ended 30 June 2024 (30 June 2023: $558 million for the Group and $552 million for the Bank).

ACCOUNTING POLICIES

Bills payable and other liabilities include accrued interest payable, accrued incentives payable, accrued fees payable, lease liabilities and unearned income. Bills payable and other liabilities are measured at the contractual amount payable. As most payables are short-term in nature, the contractual amount payable approximates fair value.

Where the Group is a lessee, all leases are recognised on the Balance Sheet as a lease liability and right-of-use asset, unless the underlying asset is of low value or the lease has a term of 12 months or less. Rentals of leases with low value underlying assets or where the lease term is 12 months or less are recognised over the lease term as operating expenses in the Income Statement. Lease liabilities are initially measured at the net present value of fixed and variable contractual lease payments as well as expected payments associated with residual value guarantees/purchase options or early lease termination.

Lease liabilities are remeasured when there is a change in future lease payments. When lease liabilities are remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in the Income Statement if the carrying amount of the right-of-use asset has been fully written down. Lease liabilities are measured at amortised cost using the effective interest method.

Critical accounting judgements and estimates

The measurement of trail commission liabilities is dependent on assumptions about the behavioural life and future outstanding balances of the underlying transactions. A provision for trail commissions is only recognised to the extent that the Group can reliably estimate the future cash flows arising from a past event.

8 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.

8.1 Capital adequacy

The Bank is an Authorised Deposit-taking Institution (ADI) regulated by APRA under the authority of *the Banking Act 1959*. APRA has set minimum regulatory capital requirements for banks based on the Basel Committee on Banking Supervision (BCBS) guidelines.

The Basel III measurement and monitoring of capital has been effective from 1 January 2013. APRA adopted a more conservative approach than the minimum standards published by the BCBS and adopted an accelerated timetable for implementation.

These requirements were revised by APRA, effective 1 January 2023, in order to increase the risk sensitivity within the capital framework, enhance the ability of ADIs to respond flexibly to future stress events, and to improve the comparability of the Australian framework with international standards.

The requirements define what is acceptable as capital and provide methods of measuring the risks incurred by the Bank.

The regulatory capital requirements are measured for the Extended Licenced Entity Group (known as "Level 1", comprising the Bank and APRA approved subsidiaries) and for the Bank and all of its banking subsidiaries, which includes ASB Bank (known as "Level 2").

All entities which are consolidated for accounting purposes are included within the Group capital adequacy calculations except for:

- insurance subsidiary; and
- certain entities through which securitisation of Group assets are conducted where such entities meet APRA's capital relief requirements.

Regulatory capital is divided into Common Equity Tier 1 (CET1), Additional Tier 1 Capital and Tier 2 Capital. CET1 primarily consists of shareholders' equity, less goodwill and other prescribed regulatory adjustments. Additional Tier 1 Capital is comprised of certain securities with features as described in APRA's prudential standard APS 111 "Capital Adequacy: Measurement of Capital" and other prescribed regulatory adjustments. Tier 1 Capital is the aggregate of CET1 and Additional Tier 1 Capital. Tier 2 Capital is comprised of instruments that fall short of necessary conditions to qualify as Additional Tier 1 Capital to APRA and other prescribed regulatory adjustments. Total Capital is the aggregate of Tier 1 and Tier 2 Capital.

Capital adequacy is measured by means of risk based capital ratios. The capital ratios reflect capital (CET1, Additional Tier 1, Tier 2 and Total Capital) as a percentage of total Risk Weighted Assets (RWA). RWA represents an allocation of risks associated with the Group's assets and other related exposures.

The Group has a range of instruments and methodologies available to effectively manage capital. These include ordinary share issues and buy-backs, dividend and DRP policies, Additional Tier 1 Capital raising and subordinated loan capital issuances that qualify as Tier 2 Capital. All major capital related initiatives require approval of the Board.

The Group's capital position is monitored on a continuous basis and reported monthly to the Executive Leadership Team, Asset and Liability Committee and at regular intervals throughout the year to the Board.

The Group's capital ratios throughout the 2022, 2023 and 2024 financial years were in compliance with both APRA minimum capital adequacy requirements and the Board approved minimums. The Group is required to inform APRA immediately of any breach or potential breach of its minimum prudential capital adequacy requirements, including details of remedial action taken or planned to be taken.

Notes to the Financial Statements
For the year ended 30 June 2024

8.2 Loan capital

		Currency amount (M)	Endnotes	Group 30 Jun 24 $M	Group 30 Jun 23 $M	Bank 30 Jun 24 $M	Bank 30 Jun 23 $M
Tier 1 loan capital							
Undated	PERLS X	AUD 1,365	1	**1,364**	1,362	**1,363**	1,360
Undated	PERLS XI	AUD 1,590	1	**–**	1,588	**–**	1,587
Undated	PERLS XII	AUD 1,650	1	**1,644**	1,642	**1,643**	1,640
Undated	PERLS XIII	AUD 1,180	1	**1,176**	1,174	**1,175**	1,172
Undated	PERLS XIV	AUD 1,750	1	**1,738**	1,736	**1,737**	1,734
Undated	PERLS XV	AUD 1,777	1	**1,760**	1,757	**1,759**	1,755
Undated	PERLS XVI	AUD 1,550	1	**1,532**	1,531	**1,530**	1,531
Total Tier 1 loan capital				**9,214**	10,790	**9,207**	10,779
Tier 2 loan capital							
AUD denominated			2	**11,221**	9,586	**11,221**	9,586
USD denominated			3	**14,440**	12,558	**14,440**	12,558
JPY denominated			4	**603**	672	**603**	672
EUR denominated			5	**3,223**	1,638	**3,223**	1,638
Other currencies denominated			6	**189**	189	**189**	189
Total Tier 2 loan capital				**29,676**	24,643	**29,676**	24,643
Fair value hedge adjustments				**(2,952)**	(2,835)	**(2,952)**	(2,835)
Total loan capital [1]				**35,938**	32,598	**35,931**	32,587

1 Loan capital includes a $239 million decrease from unrealised movements due to fair value hedge adjustments and foreign exchange gains (30 June 2023: $168 million decrease from unrealised movements due to fair value hedge adjustments partly offset by foreign exchange losses).

As at 30 June 2024 and 2023, there were no securities issued by the Group and the Bank that were contractually due for redemption in the next 12 months. The Group has the right to call some securities before the contractual maturity.

1. PERLS X, PERLS XI, PERLS XII, PERLS XIII, PERLS XIV, PERLS XV and PERLS XVI

On 6 April 2018, the Bank issued $1,365 million of CommBank PERLS X Capital Notes (PERLS X). On 17 December 2018, the Bank issued $1,590 million of CommBank PERLS XI Capital Notes (PERLS XI); PERLS XI were fully redeemed on 26 April 2024. On 14 November 2019, the Bank issued $1,650 million of CommBank PERLS XII Capital Notes (PERLS XII). On 1 April 2021, the Bank issued $1,180 million of CommBank PERLS XIII Capital Notes (PERLS XIII). On 31 March 2022, the Bank issued $1,750 million of CommBank PERLS XIV Capital Notes (PERLS XIV). On 15 November 2022, the Bank issued $1,777 million of CommBank PERLS XV Capital Notes (PERLS XV). On 9 June 2023, the Bank issued $1,550 million of CommBank PERLS XVI Capital Notes (PERLS XVI). PERLS X, PERLS XII, PERLS XIII, PERLS XIV, PERLS XV and PERLS XVI are subordinated, unsecured notes listed on the ASX and are subject to New South Wales law. They qualify as Additional Tier 1 Capital of the Bank under Basel III as implemented by APRA.

2. AUD denominated Tier 2 loan capital issuances

- $1,400 million subordinated notes issued September 2020, due September 2030;
- $1,500 million subordinated notes issued August 2021, due August 2031;
- $700 million subordinated notes issued April 2022, due April 2032;
- $400 million subordinated notes issued April 2022, due April 2032;
- $300 million subordinated notes issued September 2022, due September 2037;
- $900 million subordinated notes issued November 2022, due November 2032;
- $1,100 million subordinated notes issued November 2022, due November 2032;
- $1,750 million subordinated notes issued March 2023, due March 2038;
- $700 million subordinated notes issued October 2023, due October 2033;
- $550 million subordinated notes issued October 2023, due October 2033;
- $300 million subordinated notes issued December 2023, due December 2043;
- $100 million subordinated Euro Medium Term Notes (EMTN) issued September 2019, due September 2034;
- $280 million subordinated EMTN issued March 2020, due March 2035;

8.2 Loan capital (continued)

- $210 million subordinated EMTN issued May 2020, due May 2035;
- $205 million subordinated EMTN issued August 2020, due August 2040;
- $200 million subordinated EMTN issued August 2020, due August 2050;
- $270 million subordinated EMTN issued December 2020, due December 2040;
- $135 million subordinated EMTN issued August 2021, due August 2041;
- $136 million subordinated EMTN issued September 2021, due September 2041; and
- $85 million subordinated EMTN issued September 2023, due September 2038.

3. USD denominated Tier 2 loan capital issuances

- USD1,250 million subordinated notes issued December 2015 (USD597 million outstanding following the buy-back in March 2021), due December 2025;
- USD1,250 million subordinated notes issued January 2018, due January 2048;
- USD1,250 million subordinated Medium Term Notes (MTN) issued September 2019, due September 2034;
- USD1,250 million subordinated MTN issued September 2019, due September 2039;
- USD1,500 million subordinated MTN issued March 2021, due March 2031;
- USD1,250 million subordinated MTN issued March 2021, due March 2041;
- USD1,250 million subordinated MTN issued March 2022, due March 2032; and
- USD1,250 million subordinated MTN issued March 2024, due March 2034.

4. JPY denominated Tier 2 loan capital issuances

- JPY14 billion subordinated EMTN issued September 2021, due September 2031;
- JPY30.5 billion subordinated EMTN issued May 2022, due May 2032; and
- JPY20 billion subordinated EMTN issued October 2022, due October 2032.

5. EUR denominated Tier 2 loan capital issuances

- EUR1,000 million subordinated EMTN, issued October 2017, due October 2029; and
- EUR1,000 million subordinated EMTN, issued June 2024, due June 2034.

6. Other currencies denominated Tier 2 loan capital issuances

- HKD400 million subordinated EMTN issued September 2022, due September 2032; and
- HKD580 million subordinated EMTN issued April 2023, due April 2033.

All Tier 2 Capital securities qualify as Tier 2 Capital of the Bank under Basel III as implemented by APRA.

PERLS X, PERLS XII, PERLS XIII, PERLS XIV, PERLS XV, and PERLS XVI, and all Tier 2 Capital securities are subject to Basel III, under which these securities must be exchanged for a variable number of CBA ordinary shares or written down if a capital trigger event (PERLS X, PERLS XII, PERLS XIII, PERLS XIV, PERLS XV and PERLS XVI only) or a non-viability trigger event (all securities) occurs. Any exchange will occur as described in the terms of the applicable instrument documentation.

ACCOUNTING POLICIES

Loan capital consists of instruments issued by the Group, which qualify as regulatory capital under the Prudential Standards set by APRA. Loan capital is initially measured at fair value and subsequently measured at amortised cost using the effective interest method. Interest expense incurred is recognised in net interest income.

Notes to the Financial Statements

For the year ended 30 June 2024

8.3 Shareholders' equity

	Group		Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Ordinary share capital				
Shares on issue:				
Opening balance	**34,075**	36,608	**34,073**	36,606
Share buy-backs [1] [2]	**(282)**	(2,533)	**(282)**	(2,533)
Total shares on issue	**33,793**	34,075	**33,791**	34,073
Less treasury shares:				
Opening balance	**(162)**	(141)	**(124)**	(115)
Purchase of treasury shares [3]	**(80)**	(101)	**(66)**	(64)
Sale and vesting of treasury shares [3]	**84**	80	**51**	55
Total treasury shares	**(158)**	(162)	**(139)**	(124)
Closing balance	**33,635**	33,913	**33,652**	33,949

	Group		Bank	
Number of shares on issue	30 Jun 24 Shares	30 Jun 23 Shares	30 Jun 24 Shares	30 Jun 23 Shares
Opening balance (excluding treasury shares deduction)	**1,676,169,322**	1,701,538,406	**1,676,169,322**	1,701,538,406
Share buy-backs				
On-market buy-back [1] [2]	**(2,588,964)**	(25,369,084)	**(2,588,964)**	(25,369,084)
Dividend reinvestment plan issues:				
2021/2022 Final dividend fully paid ordinary shares $96.44 [4]	**–**	–	**–**	–
2022/2023 Interim dividend fully paid ordinary shares $97.37 [4]	**–**	–	**–**	–
2022/2023 Final dividend fully paid ordinary shares $101.10 [4]	**–**	–	**–**	–
2023/2024 Interim dividend fully paid ordinary shares $117.19 [4]	**–**	–	**–**	–
Closing balance (excluding treasury shares deduction)	**1,673,580,358**	1,676,169,322	**1,673,580,358**	1,676,169,322
Less: treasury shares [3]	**(1,510,328)**	(1,649,931)	**(1,347,560)**	(1,264,801)
Closing balance	**1,672,070,030**	1,674,519,391	**1,672,232,798**	1,674,904,521

1 On 15 February 2023, the Group announced its intention to undertake an on-market share buy-back of up to $1 billion of CBA ordinary shares in addition to the $2 billion announcement on 9 February 2022. During the year ended 30 June 2023, the Group completed the $3 billion on-market buy-backs and bought back a total of 25,369,084 ordinary shares ($2,532 million) at an average price of $99.81. The Group recognised $1 million in transaction costs in relation to the buy-backs. The shares bought back were subsequently cancelled.

2 On 9 August 2023, the Group announced its intention to conduct a further on-market share buy-back of up to $1 billion of CBA ordinary shares, with 2,588,964 ordinary shares bought back at an average price of $108.84 ($282 million) during the year ended 30 June 2024. The shares bought back were subsequently cancelled.

3 Movement in treasury shares includes 758,059 shares acquired at an average price of $105.78 for satisfying the Group's obligations under various equity settled share plans (30 June 2023: 981,727 shares acquired at an average price of $103.26). Other than shares purchased as part of the Non-Executive Director fee sacrifice arrangements disclosed in Note 10.3, shares purchased were not on behalf of or initially allocated to a director.

4 The DRP in respect of the interim 2023/2024, final 2022/2023, interim 2022/2023 and final 2021/2022 dividends were satisfied in full through the on-market purchase and transfer of 4,092,235 shares at $117.19, 7,183,122 shares at $101.10, 6,115,897 shares at $97.37 and 6,201,070 shares at $96.44, respectively, to participating shareholders.

Ordinary shares have no par value and the Company does not have a limited amount of share capital.

Ordinary shares entitle holders to receive dividends payable to ordinary shareholders and to participate in the proceeds available to ordinary shareholders on winding up of the Company in proportion to the number of fully paid ordinary shares held. On a show of hands every holder of fully paid ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll one vote for each share held.

Notes to the Financial Statements
For the year ended 30 June 2024

8.3 Shareholders' equity (continued)

	Group		Bank	
	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
Retained profits	$M	$M	$M	$M
Opening balance	**40,010**	36,826	**33,075**	30,177
Prior period change [1]	**–**	305	**–**	736
Revised opening balance	**40,010**	37,131	**33,075**	30,913
Actuarial losses from defined benefit superannuation plans	**(168)**	(12)	**(166)**	(12)
Net profit attributable to equity holders of the Bank [1]	**9,394**	9,998	**8,613**	9,280
Total available for appropriation	**49,236**	47,117	**41,522**	40,181
Transfers from asset revaluation reserve	**1**	10	**1**	11
Transfers from investment securities revaluation reserve	**5**	–	**5**	–
Transfers from employee compensation reserve	**(19)**	–	**(19)**	–
Interim dividend – cash component	**(3,119)**	(2,950)	**(3,119)**	(2,950)
Interim dividend – dividend reinvestment plan [2]	**(481)**	(596)	**(481)**	(596)
Final dividend – cash component	**(3,296)**	(2,973)	**(3,296)**	(2,973)
Final dividend – dividend reinvestment plan [2]	**(727)**	(598)	**(727)**	(598)
Closing balance	**41,600**	40,010	**33,886**	33,075

1 Comparative information has been revised to reflect the change detailed in Note 1.1.

2 The DRP in respect of the interim 2023/2024, final 2022/2023, interim 2022/2023 and final 2021/2022 dividends were satisfied in full through the on-market purchase and transfer of 4,092,235 shares at $117.19, 7,183,122 shares at $101.10, 6,115,897 shares at $97.37 and 6,201,070 shares at $96.44, respectively, to participating shareholders.

Notes to the Financial Statements
For the year ended 30 June 2024

8.3 Shareholders' equity (continued)

	Group [1]		Bank [1]	
	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
Reserves	$M	$M	$M	$M
Asset revaluation reserve				
Opening balance	**278**	269	**265**	252
Revaluation of properties	**20**	24	**20**	29
Transfer to retained profits	**(1)**	(10)	**(1)**	(11)
Income tax effect	**(5)**	(5)	**(6)**	(5)
Closing balance	**292**	278	**278**	265
Foreign currency translation reserve				
Opening balance	**158**	(71)	**199**	166
Currency translation adjustments of foreign operations	**(55)**	266	**(1)**	56
Currency translation of net investment hedge	**20**	(38)	**1**	(23)
Income tax effect	**–**	1	**–**	–
Closing balance	**123**	158	**199**	199
Cash flow hedge reserve				
Opening balance	**(1,820)**	(859)	**(1,955)**	(1,059)
Gains/(losses) on cash flow hedging instruments:				
Recognised in other comprehensive income	**905**	565	**1,480**	454
Transferred to Income Statement:				
Interest income	**3,206**	2,214	**2,657**	1,728
Interest expense	**(2,528)**	(2,772)	**(1,955)**	(2,361)
Other operating income	**(1,131)**	(1,361)	**(1,134)**	(1,089)
Income tax effect	**(142)**	393	**(315)**	372
Closing balance	**(1,510)**	(1,820)	**(1,222)**	(1,955)
Employee compensation reserve				
Opening balance	**99**	94	**99**	94
Current period movement	**(1)**	5	**(1)**	5
Transfer to retained profits	**19**	–	**19**	–
Closing balance	**117**	99	**117**	99
Investment securities revaluation reserve				
Opening balance	**(1,010)**	(351)	**(971)**	(356)
Transfer to retained profits on sale of equity securities	**(5)**	–	**(5)**	–
Net losses on revaluation of investment securities	**(318)**	(805)	**(315)**	(752)
Net gains on debt investment securities transferred to Income Statement on disposal	**(15)**	(5)	**(15)**	(5)
Income tax effect	**179**	151	**177**	142
Closing balance	**(1,169)**	(1,010)	**(1,129)**	(971)
Total reserves	**(2,147)**	(2,295)	**(1,757)**	(2,363)
Shareholders' equity attributable to equity holders of the Bank	**73,088**	71,628	**65,781**	64,661
Shareholders' equity attributable to non-controlling interests	**–**	5	**–**	–
Total Shareholders' equity	**73,088**	71,633	**65,781**	64,661

1 Comparative information has been revised to reflect the change detailed in Note 1.1.

Notes to the Financial Statements

For the year ended 30 June 2024

8.3 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 includes 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.

Notes to the Financial Statements
For the year ended 30 June 2024

8.4 Dividends

		Group			Bank	
		30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 24	30 Jun 23
	Note	$M	$M	$M	$M	$M
Ordinary shares						
Interim ordinary dividend (fully franked) (2024: 215 cents; 2023: 210 cents; 2022: 175 cents)						
Interim ordinary dividend paid – cash component		**3,119**	2,950	2,486	**3,119**	2,950
Interim ordinary dividend paid – Dividend Reinvestment Plan [1]		**481**	596	501	**481**	596
Total dividend paid		**3,600**	3,546	2,987	**3,600**	3,546
Other provision carried		**183**	191	118	**183**	191
Dividend proposed and not recognised as a liability (fully franked) (2024: 250 cents; 2023: 240 cents; 2022: 210 cents) [2]		**4,184**	4,023	3,573	**4,184**	4,023
Provision for dividends						
Opening balance		**191**	118	114	**191**	118
Provision made during the year [3]		**7,623**	7,117	6,535	**7,623**	7,117
Provision used during the year [3]		**(7,631)**	(7,044)	(6,531)	**(7,631)**	(7,044)
Closing balance	7.1	**183**	191	118	**183**	191

1 The DRP in respect of the interim 2023/2024, interim 2022/2023 and interim 2021/2022 dividends were satisfied in full through the on-market purchase and transfer of 4,092,235 shares at $117.19, 6,115,897 shares at $97.37 and 5,107,902 shares at $97.95, to participating shareholders.
2 The final 2023/2024 dividend will be satisfied by cash disbursements with the DRP anticipated to be satisfied by the on-market purchase of shares. The final 2022/2023 and final 2021/2022 dividends were satisfied by cash disbursement with the DRP satisfied in full through the on-market purchase and transfer of 7,183,122 shares at $101.10 and 6,201,070 shares at $96.44.
3 Provisions made and used during the year ended 30 June 2022 do not include $4,534 million dividend component of the $6 billion off-market share buy-back.

Final dividend

The Directors have determined a fully franked (30%) final dividend of 250 cents per share amounting to $4,184 million. The dividend will be payable on or around 27 September 2024 to shareholders on the register at 5pm AEST on 22 August 2024. The ex-dividend date is 21 August 2024.

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 70-80%; and
- maximising the use of its franking account by paying fully franked dividends.

Australian franking credits

The franking credits available to the Group as at 30 June 2024, after allowing for Australian tax payable in respect of the current and prior reporting period's profit, are estimated to be $1,861 million (30 June 2023: $1,928 million).

New Zealand imputation credits

The New Zealand imputation credits available to CBA as at 30 June 2024 are estimated to be NZ$894 million (30 June 2023: NZ$865 million). This is calculated on the same basis as the Australian franking credits but using the New Zealand current tax liability.

Notes to the Financial Statements

For the year ended 30 June 2024

8.4 Dividends (continued)

Dividend history

Half year ended	Cents per share	Payment date	Half year payout ratio [1] [2] %	Full year payout ratio [1] [2] %	DRP price $	DRP participation rate [3] %
31 December 2021	175	30/03/2022	51.0	–	97.95	16.8
30 June 2022	210	29/09/2022	74.0	61.4	96.44	16.8
31 December 2022	210	30/03/2023	68.6	–	97.37	16.8
30 June 2023	240	28/09/2023	83.4	75.7	101.10	18.1
31 December 2023	215	28/03/2024	75.7	–	117.19	13.4
30 June 2024 [4]	250	27/09/2024	90.3	82.9	–	–

1 Comparative information has been revised to reflect the change detailed in Note 1.1.
2 Dividend payout ratio: dividends divided by statutory earnings (earnings are net of dividends on other equity instruments).
3 DRP participation rate: the percentage of total issued share capital participating in the DRP.
4 The dividend will be payable to shareholders on or around 27 September 2024.

ACCOUNTING POLICIES

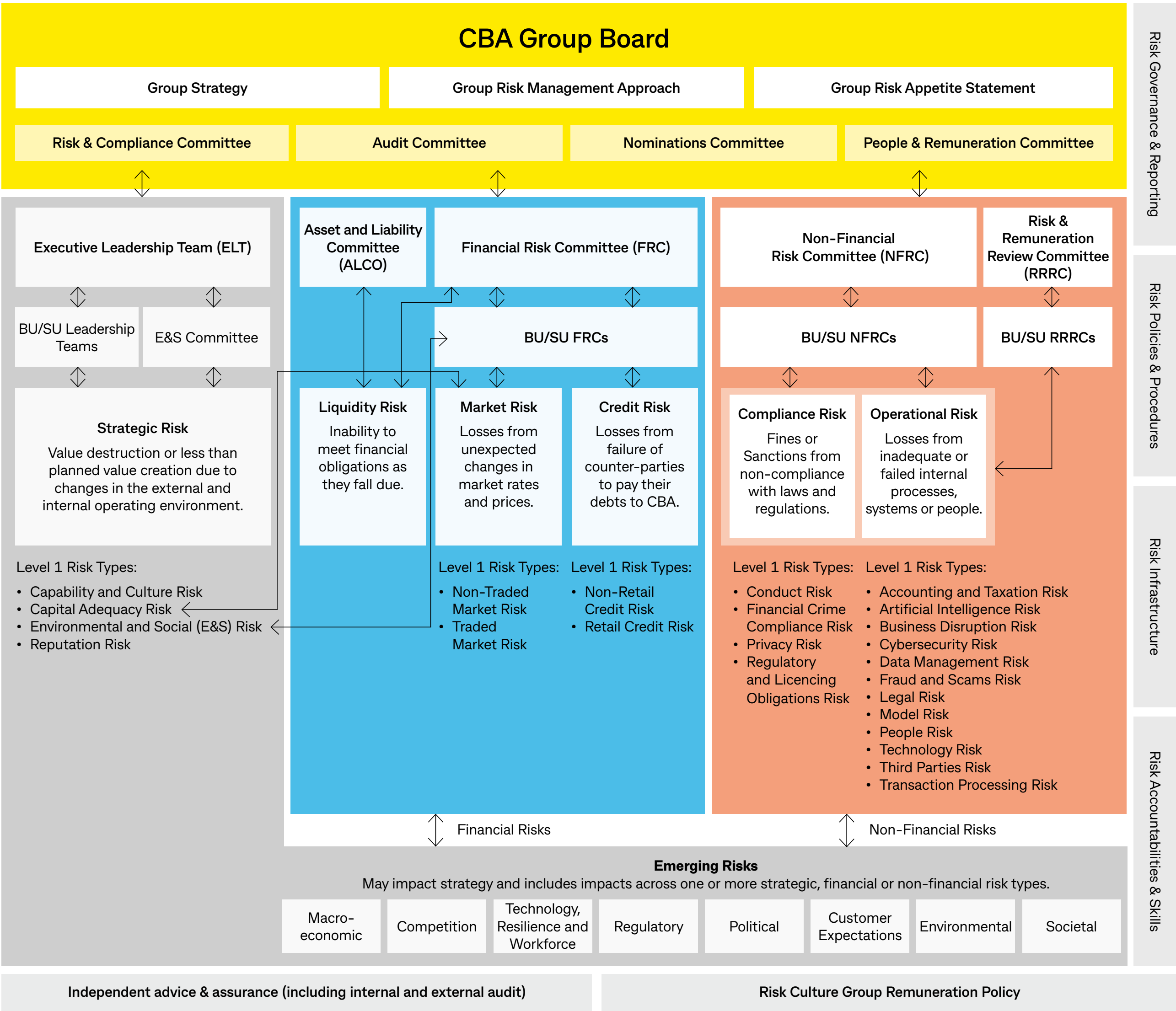
Dividends represent a distribution of profits that holders of ordinary shares receive from time to time. Dividends determined by the Board of the Bank are recognised with a corresponding reduction of retained earnings on the dividend payment date. The Board takes into consideration factors including the Group's relative capital strength and the Group's existing dividend payout ratio guidelines in determining the amount of dividends to be paid.

Notes to the Financial Statements
For the year ended 30 June 2024

9 Risk management

OVERVIEW

The Group is exposed to financial, non-financial and strategic risks through the products and services it offers. The Group manages these risks through its Risk Management Framework (RMF), which evolves to accommodate changes in the business operating environment, better risk practices, and regulatory and community expectations. The components of the RMF are illustrated below, including the governance that enables executive and Board oversight of these risks.



Further details on each of the material risks, and how the Group manages them, are outlined in this note.

9.1 Risk management framework

The RMF comprises the systems, structures, policies, processes and people that identify, measure, evaluate, monitor, report and control or mitigate both internal and external sources of material risk. It incorporates three key documents:

- The **Group's Business Plan** (consisting of the Group's strategic priorities and the Financial Plan) sets out the approach to implement the Group's strategic objectives;
- The **Group Risk Appetite Statement (RAS)** that establishes the type and degree of risk the Board is prepared to accept and the level of risk that the Group must operate within whilst executing the Group Strategy; and
- The **Group Risk Management Approach (RMA)** that sets out the Board and the Executive Leadership Team's expectations regarding the Group's approach to managing risk and the key elements of the RMF that give effect to this approach.

The RMF is underpinned by Risk Framework Enablers that allow us to effectively identify, assess, record, manage and monitor our material risks.

Risk governance and reporting

The Board operates as the highest level of the Group's risk governance. The Risk and Compliance Committee oversees the RMF and helps formulate the Group's risk appetite for consideration by the Board. In particular it:

- Monitors the Group's risk profile (including identification of emerging risks); and
- Reviews regular reports from management on the measurement of risk and the adequacy and effectiveness of the Group's risk management and internal control systems.

At management level, risk governance is undertaken by a structured hierarchy of personal delegations, management committees and forums across the Group.

Regular management information is produced which allows financial, strategic and non-financial risk positions to be monitored against approved risk appetite and policy limits. At Board level, the majority of risk reporting is provided to the Risk and Compliance Committee, although select matters are reported directly to the Board as required. Controls reporting is provided to the Audit Committee. The Chairs of the Risk & Compliance and Audit Committee report to the Board following each Committee meeting.

Risk policies and procedures

Risk policies, standards and procedures outline the principles and practices to be used in identifying and assessing material risks and translate the RAS into our daily business activities.

Risk infrastructure

The RMF is supported by systems and processes that together provide the infrastructure for the management of the Group's material risks:

- **Risk processes** to identify, assess, escalate, monitor and manage risks, obligations, issues and incidents;
- **Management information systems** to measure and aggregate risks across the Group; and
- **Data, risk models and tools,** including significant calculators.

Risk accountabilities and skills

The Three Lines of Accountability (3LoA) model organises our accountabilities to ensure risk is well managed, through separation of roles for managing the Group's risks, developing risk frameworks and defining the boundaries within which risk is managed, and providing independent assurance over how effectively risks are being managed. The Risk Stewards (senior leaders in Line 1 or Line 2) complement the 3LoA model, by providing a view on the aggregated risk profile and adequacy of the risk framework for each of our risk types, including design of policies, mitigation strategies and the capabilities needed to manage the risk type.

The effective management of our material risks requires appropriate resourcing of skilled employees within each of the Group's 3LoA. It is important for all employees to have an awareness of their accountabilities, the RMF, and the role our Values play in helping us manage risk. This awareness is developed through:

- **Communication of the RAS and RMA** — Following approval by the Board, the updated RAS and RMA are made available to all employees;
- **Performance and remuneration frameworks** designed to drive accountability for managing risks and adopting behaviours that assist the Group to respond to new and emerging risks and to better support our customers and communities. Each year employees are assessed on how they met the risk management expectations of their role as part of the annual performance review;
- **Group Mandatory Learning modules** provide foundational knowledge of the RMF and RMA for all employees;
- **Risk Management Capability Framework** provides the education, experience and exposure to build risk skills and judgement effectively within the Group; and
- **Induction and ongoing learning** supports employees in gaining the knowledge, skills and behaviours required to work effectively across the Group.

Notes to the Financial Statements

For the year ended 30 June 2024

9.1 Risk management framework (continued)

Risk culture and conduct risk

Risk culture reflects the beliefs and behaviours by people within the Group that determine how risks are identified, measured, governed, and acted upon. Effective risk management requires employees to understand different perspectives and apply appropriate judgement to mitigate risk and deliver better outcomes for customers and shareholders. The behaviours that guide decision making and good risk management and are expected of employees by the Board, senior management, customers, communities, shareholders and regulators are embodied within our Values and our Leadership Principles, reinforced by our RMF Enablers.

In relation to conduct risk, the Group requires behaviours and business practices that are fair to customers, protect the fair and efficient operation of the market and engender confidence in our products and services. Annually, the Board forms a view of the Group's risk culture and identifies desirable changes. Action plans are initiated and monitored to improve and sustain risk culture.

9.1 Risk management framework (continued)

Material risk types

Description	Governing Policies and Key Management Committees	Key controls and risk mitigation strategies
Credit risk		
Credit risk is the potential for loss arising from the failure of a counterparty to meet their contractual obligations to the Group. The Group is primarily exposed to credit risk through: **Retail Credit Risk** • Residential mortgage lending; and • Unsecured retail lending. **Non-Retail Credit Risk** • Commercial lending; and • Large corporate (institutional) lending and markets exposures.	**Governing Policies:** • Group Credit Risk Framework • Group Credit Risk Policies • Group Loan Loss Provisioning Framework • Group and BU Credit Risk Standard **Key Management Committee:** • Financial Risk Committee • BU/SU Financial Risk Committees • Loan Loss Provisioning Committee	• Defined credit risk indicators set in the Group RAS; • Transacting with counterparties that demonstrate the ability and willingness to service their obligations through performance of due diligence and appropriate credit quality assessments; • Applications assessed by credit decisioning models, with more complex or higher risk applications referred to credit authority holders who exercise expert judgement; • Taking collateral where appropriate; • Pricing appropriately for the risks we are taking; • Credit concentration frameworks that set exposure limits to counterparties, groups of related counterparties, industry sectors and countries; • Regular monitoring of credit quality, concentrations, arrears, policy exceptions and policy breaches; • Working with impaired counterparties, or those in danger of becoming so, to help them rehabilitate their financial positions; • Holding adequate provisions for defaulted and high risk counterparties and exposures; and • Stress testing, both at a counterparty and portfolio level.
Market risk		
Market risk is the risk that market rates and prices will change and have an adverse effect on the profitability and/or net worth of the Group. The Group is primarily exposed to market risk through: • Traded Market Risk; • Non-Traded Market Risk; • Interest Rate Risk in the Banking Book (IRRBB); • Lease Residual Value Risk; • Structural Foreign Exchange Risk; and • Non-traded Equity Risk.	**Governing Policies:** • Group Market Risk Policy • Group Traded Market Risk Standards **Key Management Committee:** • Financial Risk Committee and IB&M Financial Risk Committee (Oversight of Traded Market Risk) • Asset and Liability Committee (ALCO) (Oversight of Non-Traded Market Risk, including IRRBB) • Market Risk Committee	• Defined market risk indicators set in the Group RAS; • No proprietary trading unrelated to the core principal trading and within approved business strategy; • Conservative Market Risk limits with granular concentration limits at a position level including currency/index, tenor and product type; • Pricing appropriately for risk and market depth; • Back-testing of Value at Risk models against hypothetical profit and loss; • Daily monitoring and attribution of traded market risk exposures including risk sensitivities, Value at Risk and stress testing; • Daily monitoring of Value at Risk and stress test measures for derivative valuation adjustments (XVAs); • Monthly monitoring of Residual Value Risk exposures versus limits; • Managing the Balance Sheet with a view to balancing Net Interest Income (NII), profit volatility and Market Value; • Regular monitoring of IRRBB market risk exposures against limits including risk sensitivities, credit spread risk, Value at Risk, Net Interest Earnings at Risk and stress testing; • Appropriate transfer pricing for interest rate risk; • Regular monitoring of Structural Foreign Exchange Risk versus limits; and • Regular monitoring of Group Super and Defined Benefit Fund net asset position.

Notes to the Financial Statements
For the year ended 30 June 2024

9.1 Risk management framework (continued)

Description	Governing Policies and Key Management Committees	Key controls and risk mitigation strategies
Liquidity risk		
Liquidity risk is the combined risks of not being able to meet financial obligations as they fall due (funding liquidity risk), and that liquidity in financial markets, such as the market for debt securities, may reduce significantly (market liquidity risk).	**Governing Policies:** • Group Liquidity Policy **Key Management Committee:** • ALCO • Stress Testing Steering Committee	• Defined liquidity Risk Appetite metrics and indicators in the Group RAS; • The Annual Funding Strategy (the Group's wholesale funding strategy based on a three year funding plan); • Maintaining a diverse yet stable pool of potential funding sources across different currencies, geographies, entities and products; • Maintaining sufficient liquidity buffers and short-term funding capacity to withstand periods of disruption in long-term wholesale funding markets and unanticipated changes in the balance sheet funding gap; • Limiting the portion of wholesale funding sourced from offshore; • Conservatively managing the mismatch between asset and liability maturities; • Maintaining a conservative mix of readily saleable or repo-eligible liquid assets; • Daily monitoring of liquidity risk exposures, including Liquidity Coverage Ratios and Net Stable Funding Ratios; • Market and idiosyncratic stress test scenarios; and • The Contingent Funding Plan provides strategies for addressing liquidity shortfalls in a crisis situation.

Notes to the Financial Statements
For the year ended 30 June 2024

9.1 Risk management framework (continued)

Description	Governing Policies and Key Management Committees	Key controls and risk mitigation strategies
Operational risk		
Operational risk is the risk of losses from inadequate or failed internal processes, systems or people, or from external events. The Group is exposed to operational risk primarily through: • Accounting and Taxation Risk; • Artificial Intelligence Risk; • Business Disruption Risk; • Cybersecurity Risks; • Data Management Risk; • Fraud and Scams Risk (external and internal); • Legal Risk; • Model Risk; • People Risk (employment practices and workplace safety); • Technology Risk (disruptions from hardware of software failures); • Third Party Risks; and • Transaction Processing Risk.	**Governing Policies:** • Operational Risk Management Framework (ORMF) • Group Information Security (IS) Policy • Group Data Management Policy • Group Fraud Management Policy • Group Whistleblower Policy • Group Model Policy • Group Policy on Business Continuity Management • Group Protective Security Policy • Group IT Service Support and Management Policy • Group Supplier Lifecycle Policy • Group Artificial Intelligence Policy **Key Management Committee:** • Non-Financial Risk Committee • BU/SU Non-Financial Risk Committees • Model Risk Governance Committee (MRGC) • Supplier Governance Council • Technology Controls Council • BU/SU Executive Portfolio Group (EPG)	• Defined operational risk indicators in the Group RAS; • Implementation of manual and automated controls to prevent, detect and mitigate the specific operational risks that the Group is exposed to; • Regular Risk and Control Self-Assessment (RCSA) to assess key risks and controls for a BU/SU; • Routine Controls Assessment Program (CAP) tests to assess whether controls are designed and operating effectively to maintain risk exposures within acceptable levels; • Incident Management process to identify, assess, record, report and manage actual operational or compliance events that have occurred. This data is used to guide management to strengthen processes and controls; • Issue Management process to identify, assess, record, report and manage weaknesses or gaps in controls; • Risk in Change process to effectively understand and manage the risks from changes to the business through projects or initiatives; • Establishment of Key Risk Indicators to monitor movements in risk exposures over time; • Assurance undertaken by Line 2 Risk teams to assess that operational risks are appropriately identified and managed across the Group; and • Risk Steward Guidance provided on key controls and routine Risk Steward monitoring of RAS and risk reporting.

Notes to the Financial Statements

For the year ended 30 June 2024

9.1 Risk management framework (continued)

Description	Governing Policies and Key Management Committees	Key controls and risk mitigation strategies
Compliance risk		
Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss of reputation that the Group may incur as a result of its failure to comply with its obligations. The Group is exposed to compliance risk primarily through: • Laws, regulations, rules, licence conditions, and statements of regulatory policy; • Privacy laws and regulations regarding the collection, handling and protection of personal information of individuals; • Financial crime (regulation relating to Anti-Money Laundering, Counter Terrorism Financing, Anti-Bribery and Corruption, Anti-Tax Evasion Facilitation and Sanctions); and • Poor conduct (product design and distribution, market conduct, anti-competitive practices; and financial hardship and debt collection).	**Governing Policies:** • Group Compliance Management Framework (CMF) and policies • Group and Business Unit Compliance Policies and standards • Joint AML/CTF Group Program (Part A /Part B) • Anti-Bribery & Corruption Policy • Anti-Tax Evasion Facilitation Policy • Group Economic Trade Sanctions Policy • Code of Conduct • Product Development and Distribution Policy • Group Prevention of Anti-Competitive Practices Policy • Group Consumer Protection Policy • Group Customer Complaint Management Policy • Group Customer Remediation Projects Policy • Group Securities Trading Policy • Group Conflicts Management Policy **Key Management Committee:** • Executive Financial Crime Risk Committee • Financial Crime Risk Committee • Group/BU/SU NFRCs • Product Governance Forums	**Regulatory & Licencing Obligations (RLO) and Privacy Risk** • Compliance, including FCC, Privacy and Conduct risk indicators in the Group RAS; • Mandatory online Compliance and Privacy training for all employees; • Regulatory change management to establish compliant business practices; • Maintenance of Obligation Registers; • RLO and Privacy Risk profiling through the Risk and Control Self-Assessment Process; • Group wide minimum standards in key areas; • Co-operative and transparent relationships with regulators; and • Board and management governance and reporting. **Financial Crime Compliance** • Implement AML/CTF Program; • Pre-employment due diligence on the Group's employees and enhanced screening for high risk roles; • Training and awareness sessions to staff on AML/CTF obligations including sections highlighting the community impact of financial crime and the Group's role to detect, deter and disrupt money laundering, terrorist financing and other serious crime; • Customer on-boarding processes to meet AML/CTF identification and screening requirements; • Ongoing customer due diligence to ensure information we maintain on our customers is accurate; • Risk assessments on our customers, products and channels to ensure we understand the money laundering and terrorism financing risks; • Enhanced customer due diligence on higher risk customers; • Monitoring customer payments, trade and all transactions to manage the AML/CTF and Sanctions risks identified; • Undertake statutory reporting requirements including International Funds Transfer Instructions, Threshold Transaction Reports and Suspicious Matter Reports and annual compliance reports; • Controls to prevent corruption of public officials and private sector individuals by employees, representatives, suppliers or third party agents, including disclosure and approval of gifts and entertainment, charitable donations and sponsorships; and • Controls to prevent the facilitation of tax evasion by employees, representatives and other third parties who are Associated Persons of the Group, including risk assessments (third party, product/channel and enterprise-wide risk assessment); employee due diligence and ongoing staff training and awareness. **Conduct Risk** • Code of Conduct, supported by mandatory training for all staff; • Ongoing Conduct Risk profiling, including use of the Conduct Risk Steward Guides and controls taxonomy to manage and address Conduct Risks; • Measurement and governance of Conduct Risk exposures through RAS metrics and NFRC, Board reporting; • Assurance and monitoring to identify Conduct Risk exposures and control weaknesses; • Enhancement of Code of Conduct related policies with changes in understanding of conduct obligations and expectations; and • Consistently applying the Code of Conduct and the 'Should We?' test to deliver the right outcome for our customers.

Notes to the Financial Statements

For the year ended 30 June 2024

9.1 Risk management framework (continued)

Description	Governing Policies and Key Management Committees	Key controls and risk mitigation strategies
Strategic risk		
Strategic risk is the risk of material stakeholder value destruction or less than planned value creation due to changes in external and internal operating environments. This Strategic Risk type also includes a number of sub-risk types that: • Primarily support or drive strategic decisions that could impact our profitability or business model assumptions; • Are impacted by, or drive decisions resulting in impacts across other risk types; and • Are managed more routinely through their own dedicated governance, policies and procedures, infrastructure and teams. These risks include: • **Capital Adequacy Risk** – Inability to capitalise on strategic opportunities or withstand extreme events due to insufficient or inefficient use of capital; • **Capability and Culture Risk** – Inability to execute effectively on strategy due to inadequate organisational skills and capabilities and a misaligned organisational culture; • **Environmental & Social (E&S) Risk** – The risk of financial losses to the Group, or damage to the Group's franchise value from the impact of environmental and social issues on the business; or from the environmental and social impacts facilitated through the Group's operations and financing activities; and • **Reputation Risk** – The risk of business practices, behaviours or events negatively impacting the Group's reputation.	**Governing Policies:** • Group Strategic Risk Management Policy • Stress Testing Policy • Risk Adjusted Performance Measurement Policy • Group Remuneration Policy • Group Inclusion & Diversity Policy • Group Environmental & Social Policy • Group Continuous Disclosure Policy • Group Public Disclosure of Prudential Information Policy • Group External Engagement and Communication Policy • Group Policy on Publicly Issued Documents and Marketing Materials **Key Management Committee:** • Executive Leadership Team • ELT E&S Committee • Asset and Liability Committee (ALCO) • Non-Financial Risk Committee • ELT Risk and Remuneration Review Committee (RRRC) • Stress Testing Steering Committee	**Strategic Risk Management Framework** The Strategic Risk Management Framework (SRMF) provides the overarching framework and governance mechanisms for the consideration of material strategic risks that challenge the business model and profitability assumptions in our strategy. In particular, the SRMF considers the impact to our strategy of dynamically evolving material current and emerging risks arising from changes in areas such as: • The competitive landscape; • Emerging technologies; • Macroeconomic conditions; • The regulatory and political environment; and • Changes in social expectations. The Group assesses, monitors and responds to strategic risk throughout its processes of: • Strategy development, approval and review; • Identifying and monitoring changes and potential changes to the operating environment; and • Monitoring execution progress of strategies. **Capital Adequacy Risk** • Capital advice for projects and funding deals; • Dividend decision and management processes; • Capital monitoring, reporting and forecasting; • Internal Capital Adequacy Assessment Process (ICAAP); • Group, portfolio and risk type stress testing; and • Ratings agency interactions. **Capability and Culture Risk** • Talent acquisition processes; • Leadership development initiatives; • Organisational culture development initiatives; • Performance and remuneration processes; • Diversity & Inclusion initiatives; • Capability development and training. **E&S Risk** • Defined E&S Risk Indicators in the Group RAS; • Target financed emissions Glidepaths for priority sectors; • Scenario analyses and stress testing to understand the physical and transition risks of climate change; • E&S Risk embedded in the Group and BUs/SUs business profiles; • Client and supplier E&S due diligence process; • Development of new pilot products and services that support reduced emissions; • Environmental, Social & Governance (ESG) lending tool applied to certain lending decisions; • Corporate Responsibility programs; and • Supplier Code of Conduct to ensure adherence to CBA's E&S standards. **Reputation Risk** • Media management, marketing and branding standards, processes and protocols; • Community investment initiatives; • Government and political affairs protocols; and • Strategic decisions to address actual or perceived material reputation risks.

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9.2 Credit risk

Credit risk management principles and portfolio standards

The Group has a Credit Risk Management Framework with clearly defined credit policies and standards for the approval and management of credit risk and specific Industry Credit standards applying to all major lending areas. These set the minimum requirements for assessing the integrity and ability of borrowers to meet their contractual obligations for repayment, acceptable forms of collateral and security and the frequency of credit reviews.

The Group's credit risk framework policies and standards include concentration limits, which are designed to achieve portfolio outcomes that are consistent with the Group's risk appetite and risk and return expectations.

Operationally independent credit assurance and hindsight activities are carried out across the Group's credit portfolio within Business Units, Risk Management and Group Audit. The Credit Portfolio Assurance, as a part of Group Operational Risk, review credit portfolios and business unit compliance with credit policies and standards, frameworks, application of credit risk ratings and other key practices on a regular basis. An independent function within Retail Banking Services Risk Management undertakes assurance activities across Retail portfolios. Group Audit undertakes regular reviews of Retail and Non-Retail credit risk portfolios, policies and frameworks.

The credit risk portfolio has two major segments:

(i) Retail managed segment

This segment has sub-segments covering housing loans, credit cards, personal loans, and personal overdrafts. It also covers most non-retail lending where the aggregated credit exposure to a group of related borrowers is less than $1.5 million.

Auto-decisioning is used to approve credit applications for eligible borrowers in this segment. Auto-decisioning uses a scorecard approach based on a combination of factors, which may include the Group's historical experience on similar applications, information from a credit reference bureau, the Group's existing knowledge of a borrower's behaviour and updated information provided by the borrower.

Loan applications that do not meet scorecard auto-decisioning requirements may be referred to a Personal Credit Approval Authority (PCAA) for manual decisioning.

After loan origination, these portfolios are managed using behavioural scoring systems and a delinquency band approach. This includes different actions taken when loan repayments are greater than 30 days past due compared to when they are greater than 60 days past due. Loans past due are reviewed by the relevant Arrears Management or Financial Assistance Team.

(ii) Risk-rated segment

This segment comprises non-retail exposures, including financial institution and sovereign exposures. Each exposure is assigned an internal Credit Risk-Rating (CRR) based on Probability of Default (PD) and Loss Given Default (LGD).

Either a PD Rating Model, approved PD Rating Method or expert judgement is used to determine the PD rating for customers in this segment. Expert judgement is used where the complexity of the transaction and/or the borrower is such that it is inappropriate to rely completely on a statistical model. External ratings may be used for benchmarking in the expert judgement assessment.

The CRR is designed to:

- aid in assessing changes to borrower credit quality;
- influence decisions on approval, management and pricing of individual credit facilities; and
- provide the basis for reporting details of the Group's credit portfolio.

Credit risk-rated exposures are generally reviewed on an individual basis, at least annually, and fall within the following categories:

- "Pass" – these credit facilities qualify for approval of new or increased exposure on normal commercial terms; and
- "Troublesome or Non Performing Assets (TNPAs)" – these credit facilities are not eligible for new or increased exposure, unless it facilitates rehabilitation to "pass grade" or protects or improves the Group's position by maximising recovery prospects. Where a borrower is in default the facility is classified as non-performing. Restructured facilities, where the original contractual arrangements terms have been modified to non-commercial terms due to the customer's financial difficulties, are also classified as non-performing.

Default is recorded with one or more of the following:

- the customer is 90 days or more overdue on a scheduled credit repayment; or
- the customer is unlikely to repay their credit obligation to the Group in full without taking action, such as realising on available security.

Credit risk measurement

The measurement of credit risk uses analytical PD rating models to calculate both: (i) Expected, and (ii) Unexpected Loss probabilities for the credit portfolio. The use of analytical tools is governed by the Model Risk Governance Committee.

(i) Expected loss

Expected loss (EL) is the product of:

- PD;
- Exposure at Default (EAD); and
- LGD.

The PD, expressed as a percentage, is the estimate of the proportion of the population of customers assigned that PD grade that will default within the next 12 months.

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9.2 Credit risk (continued)

(i) Expected loss (continued)

EAD is the estimate of the amount of a facility that will be outstanding in the event of default. Estimates are based on a downturn in economic conditions. For committed facilities, the estimate is based on the actual amount outstanding, plus the undrawn amount multiplied by a credit conversion factor (CCF). The CCF represents the potential rate of conversion from undrawn 12 months prior to default to drawn at default. For committed non-retail facilities, the Group applies supervisory credit conversion factors to the undrawn amounts, ranging from 0% to 100%.

For uncommitted facilities, the EAD will generally be the drawn balance only. For defaulted facilities, it is the actual amount outstanding at default. For retail exposures, a modelling approach can be used based on factors including limit usage, arrears and loan type to segment accounts into homogeneous pools to calculate EAD.

LGD, expressed as a percentage of EAD, is the estimate of a facility likely to be lost in the event of default. LGD is impacted by:

- the level of security cover and the type of collateral held;
- liquidity of and volatility in the value of collateral;
- carrying costs (effectively the costs of providing a facility that is not generating an interest return); and
- realisation costs.

Various factors are considered when calculating PD, EAD and LGD. Considerations include the potential for default by a borrower due to economic, management, industry, other risks, and the mitigating benefits of any collateral held as security.

(ii) Unexpected loss

In addition to EL, a more stressed loss amount is calculated. This Unexpected Loss estimate directly affects the calculation of regulatory and internal economic capital requirements. Refer to Note 8.1 for information relating to regulatory capital.

Climate related risk

The Group uses climate scenario analysis to understand its potential exposure to risks arising from climate change. Climate scenario analysis can be used to estimate the expected credit loss outcomes for our material lending portfolios. Significant model uncertainty exists within these scenarios which requires an understanding of the limitations of the data and methodologies applied in order to interpret the climate scenario analysis outcomes.

Climate risk drivers have the potential to significantly reduce customers’ capacity to repay a loan as well as reduce house or other asset prices within a region, ultimately impacting customers’ probability of default (PD) and loss given default (LGD). These risk drivers include an increase in frequency and/or severity of acute physical risks, rising sea levels, long-term changes in weather patterns such as drought, changes in the availability/affordability of general insurance, and changes in unemployment in regions or industries that are economically dependent on industries impacted by the transition to a low carbon economy. While these risk drivers are important to measure, monitor and mitigate where possible, the impacts from historic climate events are implicitly reflected in the Group’s PD and LGD estimates, and a scenario with severe deterioration in house or asset prices and increase in unemployment is already considered within the Group’s expected credit loss framework. Additionally, the Group notes that under current credible climate scenarios, the most severe economic impacts are expected to mostly occur beyond the average behavioural life of the Group’s credit exposures.

As a result, the Group has concluded that no adjustments for climate risk are required to provisions for impairment as at 30 June 2024.

Climate change and the measurement thereof is evolving and will develop over time, and this perspective may change in the future. The Group continues to conduct climate scenario analysis and assess the impact this may have on its business.

Credit risk mitigation, collateral and other credit enhancements

The Group has policies, standards and procedures in place setting out the acceptable collateral for mitigating credit risks. These include valuation parameters, review frequency and independence of valuation.

The general nature of collateral that may be taken, and the balances held, are summarised below by financial asset classes.

Cash and liquid assets

Collateral is not usually sought on the majority of cash and liquid asset balances as these types of exposures are generally considered low risk. However, securities purchased under agreement to resell are collateralised by highly liquid debt securities. The collateral related to agreements to resell has been legally transferred to the Group subject to an agreement to return them for a fixed price.

The Group’s cash and liquid asset balance included $44,580 million (30 June 2023: $104,770 million) deposited with central banks and is considered to carry less credit risk.

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9.2 Credit risk (continued)

Receivables from financial institutions

Collateral is usually not sought on these balances as exposures are generally considered to be of low risk. The exposures are mainly short-term, to investment grade banks and include derivatives related collateral posted by the Group.

Trading assets at fair value through income statement and investment securities at fair value through OCI

These assets are carried at fair value, which accounts for the credit risk. Investment securities at amortised cost are measured at amortised cost and presented net of provisions for impairment. Collateral is not generally sought from the issuer or borrower but collateral may be implicit in the terms of the instrument (such as an asset-backed security).

Other assets at fair value through income statement

These assets are carried at fair value, which accounts for the credit risk.

Derivative assets

The Group's use of derivative contracts is outlined in Note 5.4. The Group is exposed to counterparty credit risk on derivative contracts. The counterparty credit risk is affected by the nature of the trades, the counterparty, netting, and collateral arrangements. Counterparty credit risk is mitigated where possible (typically for financial institution counterparties, but less frequently for corporate or government counterparties) through netting agreements, to the extent that if an event of default occurs, all amounts with the same counterparty are terminated and settled on a net basis. The International Swaps and Derivatives Association (ISDA) Master Agreement (or other derivative agreements) are used by the Group as an agreement for documenting Over-the-Counter (OTC) derivatives.

The fair value of collateral held and the potential effect of offset obtained by applying master netting agreements are disclosed in Note 9.7.

Due from controlled entities

Collateral is generally not taken on these intergroup balances.

Credit commitments and contingent liabilities

The Group applies fundamentally the same credit risk management policies and standards for off balance sheet exposure as it does for its on balance sheet exposures. Collateral may be sought depending on the strength of the borrower and the nature of the transaction. Of the Group's off balance sheet exposures $116,864 million (30 June 2023: $121,059 million) are secured.

Loans and other receivables

The principal collateral types for loans and receivable balances are:

- mortgages over residential and commercial real estate; and
- charges over business assets such as cash, shares, inventory, fixed assets and accounts receivable.

Collateral security is generally taken except for government, financial institution and corporate borrowers that are often externally rated and of strong financial standing. Longer term consumer finance, such as housing loans, are generally secured against real estate, while short-term revolving consumer credit is generally not secured by formal collateral.

The collateral mitigating credit risk of the key lending portfolios is addressed in the table 'Collateral held against loans and other receivables' within this note.

Notes to the Financial Statements

For the year ended 30 June 2024

9.2 Credit risk (continued)

Maximum exposure to credit risk by industry/sector and asset class before collateral held or other credit enhancements

	Group 30 Jun 24							
	Sovereign	Agriculture	Bank and other financial	Construction	Consumer	Other comm and indust.	Other	Total
	$M	$M	$M	$M	$M	$M	$M	$M
Australia								
Credit risk exposures relating to on balance sheet assets:								
Cash and liquid assets	18,977	–	36,598	–	–	–	–	**55,575**
Receivables from financial institutions	–	–	3,316	–	–	–	–	**3,316**
Assets at fair value through income statement:								
Trading	16,129	–	2,452	–	–	3,481	–	**22,062**
Other	–	72	22,951	–	–	6,697	49	**29,769**
Derivative assets	2,052	79	3,735	19	–	222	–	**6,107**
Investment securities:								
At amortised cost	–	–	1,239	–	–	–	–	**1,239**
At fair value through other comprehensive	67,931	–	5,081	–	–	–	–	**73,012**
Assets held for sale	–	–	–	–	–	836	34	**870**
Loans and other receivables [1]	11,767	18,446	20,169	6,581	609,916	165,455	–	**832,334**
Other assets	729	67	6,770	3	398	1,169	–	**9,136**
Total on balance sheet Australia	**117,585**	**18,664**	**102,311**	**6,603**	**610,314**	**177,860**	**83**	**1,033,420**
Credit risk exposures relating to off balance sheet assets:								
Financial guarantees	22	5	1,080	209	450	1,394	–	**3,160**
Performance related contingencies	202	69	1,124	3,102	–	8,549	–	**13,046**
Commitments to provide credit and other commitments	977	2,773	8,960	2,080	97,705	43,933	–	**156,428**
Total Australia	**118,786**	**21,511**	**113,475**	**11,994**	**708,469**	**231,736**	**83**	**1,206,054**
Overseas								
Credit risk exposures relating to on balance sheet assets:								
Cash and liquid assets	25,603	–	1,902	–	–	–	–	**27,505**
Receivables from financial institutions	–	–	2,546	–	–	–	–	**2,546**
Assets at fair value through income statement:								
Trading	2,652	–	57	–	–	1,373	–	**4,082**
Other	1,285	–	21,835	–	–	–	–	**23,120**
Derivative assets	297	2	7,362	–	–	4,290	–	**11,951**
Investment securities:								
At amortised cost	–	–	–	–	–	–	–	**–**
At fair value through other comprehensive	18,886	–	2,435	–	–	3	–	**21,324**
Assets held for sale	–	–	–	–	–	–	–	**–**
Loans and other receivables [1]	176	10,138	7,531	798	70,730	28,241	–	**117,614**
Other assets	31	402	620	–	–	43	–	**1,096**
Total on balance sheet Overseas	**48,930**	**10,542**	**44,288**	**798**	**70,730**	**33,950**	**–**	**209,238**
Credit risk exposures relating to off balance sheet assets:								
Financial guarantees	5	2	178	61	20	388	–	**654**
Performance related contingencies	–	–	12	–	–	592	–	**604**
Commitments to provide credit and other commitments	838	814	9,130	210	8,780	9,576	–	**29,348**
Total Overseas	**49,773**	**11,358**	**53,608**	**1,069**	**79,530**	**44,506**	**–**	**239,844**
Total gross credit risk	**168,559**	**32,869**	**167,083**	**13,063**	**787,999**	**276,242**	**83**	**1,445,898**
Other [2]	–	–	–	–	–	–	19,156	19,156
Total assets	**168,559**	**32,869**	**167,083**	**13,063**	**787,999**	**276,242**	**19,239**	**1,465,054**

1 Loans and other receivables are presented gross of provisions for impairment and unearned income in line with Note 3.1.

2 For the purpose of reconciling to the balance sheet, "other" predominantly comprises assets which do not give rise to credit exposure, including property, plant and equipment, investment in associates and joint ventures, equity investments at fair value through other comprehensive income, intangible assets, deferred tax assets and other assets.

Notes to the Financial Statements
For the year ended 30 June 2024

9.2 Credit risk (continued)

	Group [1 2] 30 Jun 23							
	Sovereign $M	Agri-culture $M	Bank and other financial $M	Con-struction $M	Consumer $M	Other comm and indust. $M	Other $M	Total $M
Australia								
Credit risk exposures relating to on balance sheet assets:								
Cash and liquid assets	77,898	–	7,946	–	–	–	–	**85,844**
Receivables from financial institutions	–	–	2,350	–	–	–	–	**2,350**
Assets at fair value through income statement:								
Trading	11,611	–	1,872	–	–	5,454	–	**18,937**
Other	1,161	75	21,571	–	–	1,931	220	**24,958**
Derivative assets	2,478	45	7,330	28	–	33	–	**9,914**
Investment securities:								
At amortised cost	–	–	2,032	–	–	–	–	**2,032**
At fair value through other comprehensive income	59,365	–	6,567	–	–	–	–	**65,932**
Assets held for sale	–	–	–	–	–	1	–	**1**
Loans and other receivables [3]	24,536	15,963	20,698	6,153	596,832	151,812	–	**815,994**
Other assets	902	50	4,625	1	359	514	–	**6,451**
Total on balance sheet Australia	**177,951**	**16,133**	**74,991**	**6,182**	**597,191**	**159,745**	**220**	**1,032,413**
Credit risk exposures relating to off balance sheet assets:								
Financial guarantees	10	7	1,002	112	450	1,426	–	**3,007**
Performance related contingencies	175	46	1,351	2,492	–	8,154	–	**12,218**
Commitments to provide credit and other commitments	613	2,747	10,004	1,813	96,996	45,557	–	**157,730**
Total Australia	**178,749**	**18,933**	**87,348**	**10,599**	**694,637**	**214,882**	**220**	**1,205,368**
Overseas								
Credit risk exposures relating to on balance sheet assets:								
Cash and liquid assets	26,872	–	3,903	–	–	–	–	**30,775**
Receivables from financial institutions	–	–	3,729	–	–	–	–	**3,729**
Assets at fair value through income statement:								
Trading	3,117	–	69	–	–	376	–	**3,562**
Other	818	–	19,352	–	–	–	–	**20,170**
Derivative assets	397	–	7,939	–	–	5,695	–	**14,031**
Investment securities:								
At amortised cost	–	–	–	–	–	–	–	**–**
At fair value through other comprehensive income	14,401	–	2,337	–	–	2	–	**16,740**
Assets held for sale	–	–	–	–	–	4	–	**4**
Loans and other receivables [3]	501	10,186	7,383	805	70,874	27,508	–	**117,257**
Other assets	14	–	883	1	4	29	–	**931**
Total on balance sheet Overseas	**46,120**	**10,186**	**45,595**	**806**	**70,878**	**33,614**	**–**	**207,199**
Credit risk exposures relating to off balance sheet assets:								
Financial guarantees	8	2	234	65	19	488	–	**816**
Performance related contingencies	–	–	22	–	–	482	–	**504**
Commitments to provide credit and other commitments	628	871	7,333	200	9,718	8,822	–	**27,572**
Total Overseas	**46,756**	**11,059**	**53,184**	**1,071**	**80,615**	**43,406**	**–**	**236,091**
Total gross credit risk	**225,505**	**29,992**	**140,532**	**11,670**	**775,252**	**258,288**	**220**	**1,441,459**
Other [4]	–	–	–	–	–	–	19,980	**19,980**
Total assets	**225,505**	**29,992**	**140,532**	**11,670**	**775,252**	**258,288**	**20,200**	**1,461,439**

1 Comparative information has been revised to reflect the change detailed in Note 1.1.
2 Comparative information has been restated to conform to presentation in the current period.
3 Loans and other receivables are presented gross of provisions for impairment and unearned income in line with Note 3.1.
4 For the purpose of reconciling to the balance sheet, "other" predominantly comprises assets which do not give rise to credit exposure, including property, plant and equipment, investment in associates and joint ventures, equity investments at fair value through other comprehensive income, intangible assets, deferred tax assets and other assets.

9.2 Credit risk (continued)

Large exposures

Concentrations of exposure to any counterparty or counterparty group are controlled by a large credit exposure policy, which defines a graduated limit framework that restricts credit limits based on the PD Rating and the type of counterparty. All exposures outside the policy limits require approval by the Executive Credit Authority and are reported to the Board.

The Group has a high quality, well diversified credit portfolio, with 63% of the gross loans and other receivables in domestic mortgage loans and a further 7% in overseas mortgage loans, primarily in New Zealand. Overseas loans account for 13% of loans and other receivables.

Excessive risk concentrations to countries and particular industries or sectors are managed through the Country Risk Exposure Policy and Industry Sector Concentration Policy.

Distribution of financial assets by credit classification

Where a borrower is in default or facility is restructured on non-commercial terms, the financial asset is classified and reported as non-performing. Provisions for non-performing financial assets are raised where there is objective evidence of non-performance and for an amount adequate to cover assessed credit related losses. The Group regularly reviews its financial assets and monitors adherence to contractual terms. Credit risk-rated exposures are assessed, at least at each balance sheet date, to determine whether the financial asset is non-performing.

Distribution of financial instruments by credit quality

The tables on pages 237 to 244 provide information about the gross carrying amount of the Group's and the Bank's loans and other receivables by credit rating grade and ECL stage.

This segmentation of loans in retail and risk-rated portfolios is based on the benchmarking of a borrower's internally assessed PD to S&P Global ratings, reflecting a borrower's ability to meet their credit obligations. In particular, retail PD pools are aligned to the Group's PD grades which are consistent with rating agency views of credit quality segmentation.

Credit Grade [1]	S&P Rating Equivalent
Investment	AAA to BBB-
Pass	BB+ to B-
Weak	CCC and below, in default

1 Allocation of loans to credit grades is based on internally assessed long-run PD factors used for regulatory capital purposes. The allocation does not include the impact of forward-looking scenarios applied in estimating ECL.

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For the year ended 30 June 2024

9.2 Credit risk (continued)

Distribution of financial instruments by credit quality

	Group As at 30 June 2024			
	Stage 1 Performing	Stage 2 [1 2 3] Performing	Stage 3 Non-performing	Total
	$M	$M	$M	$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 significant increase in credit risk 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 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 remains prudent relative to current loss rates, and broadly in line with pre-pandemic levels.
3 During the year ended 30 June 2024, 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 30 June 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 year.

Notes to the Financial Statements

For the year ended 30 June 2024

9.2 Credit risk (continued)

	Group 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 [3]				
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 significant increase in credit risk 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 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 remains prudent relative to current loss rates, and broadly in line with pre-pandemic levels.

3 During the year ended 30 June 2024, 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 30 June 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 year.

Notes to the Financial Statements

For the year ended 30 June 2024

9.2 Credit risk (continued)

	Group As at 30 June 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	475,766	16,786	–	**492,552**
Pass	286,938	137,230	–	**424,168**
Weak [3]	1,050	6,666	7,437	**15,153**
Gross carrying amount	**763,754**	**160,682**	**7,437**	**931,873**
Undrawn credit commitments				
Credit grade:				
Investment	106,912	6,223	–	**113,135**
Pass	34,742	14,060	–	**48,802**
Weak	209	481	173	**863**
Total undrawn credit commitments	**141,863**	**20,764**	**173**	**162,800**
Total credit exposures	**905,617**	**181,446**	**7,610**	**1,094,673**
Impairment provision	**(1,684)**	**(2,764)**	**(1,343)**	**(5,791)**
Provisions to credit exposure, %	**0.2**	**1.5**	**17.6**	**0.5**
Financial guarantees and other off balance sheet instruments				
Credit grade:				
Investment	11,816	1,045	–	**12,861**
Pass	4,115	5,035	–	**9,150**
Weak	17	348	167	**532**
Total financial guarantees and other off balance sheet instruments	**15,948**	**6,428**	**167**	**22,543**
Impairment provision	**(25)**	**(125)**	**(9)**	**(159)**
Provisions to credit exposure, %	**0.2**	**1.9**	**5.4**	**0.7**
Total credit exposures				
Credit grade:				
Investment	594,494	24,054	–	**618,548**
Pass	325,795	156,325	–	**482,120**
Weak	1,276	7,495	7,777	**16,548**
Total credit exposures	**921,565**	**187,874**	**7,777**	**1,117,216**
Total impairment provision	**(1,709)**	**(2,889)**	**(1,352)**	**(5,950)**
Provision to credit exposure, %	**0.2**	**1.5**	**17.4**	**0.5**

1 The assessment of significant increase in credit risk 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 62% of Stage 2 credit exposures for the Group as at 30 June 2023.

2 Following the adoption of APRA's revised capital framework from 1 January 2023, the Group implemented a number of new models for the domestic home lending portfolio, including new provisioning models which resulted in a higher proportion of exposures allocated to Stage 2 as at 30 June 2023, closer to industry averages. These exposures remain performing and well secured resulting in a low likelihood of loss and no significant change in total provisioning levels.

3 During the year ended 30 June 2023, APRA approved a revised residential mortgage PD model, which led to movements in PD bands and a reduction in exposures in the "weak" category.

9.2 Credit risk (continued)

	Group 30 June 2023			
	Stage 1 Performing $M	Stage 2 [1] Performing $M	Stage 3 Non-performing $M	Total $M
Retail secured [2]				
Credit grade:				
Investment	426,240	6,148	–	**432,388**
Pass	237,053	52,747	–	**289,800**
Weak [3]	175	878	5,028	**6,081**
Total retail secured	**663,468**	**59,773**	**5,028**	**728,269**
Impairment provision	**(834)**	**(601)**	**(395)**	**(1,830)**
Provisions to credit exposure, %	**0.1**	**1.0**	**7.9**	**0.3**
Retail unsecured				
Credit grade:				
Investment	13,026	3,013	–	**16,039**
Pass	9,528	2,326	–	**11,854**
Weak	780	857	189	**1,826**
Total retail unsecured	**23,334**	**6,196**	**189**	**29,719**
Impairment provision	**(431)**	**(644)**	**(130)**	**(1,205)**
Provisions to credit exposure, %	**1.8**	**10.4**	**68.8**	**4.1**
Non-Retail				
Credit grade:				
Investment	155,228	14,893	–	**170,121**
Pass	79,214	101,252	–	**180,466**
Weak	321	5,760	2,560	**8,641**
Total non-retail	**234,763**	**121,905**	**2,560**	**359,228**
Impairment provision	**(444)**	**(1,644)**	**(827)**	**(2,915)**
Provisions to credit exposure, %	**0.2**	**1.3**	**32.3**	**0.8**
Total credit exposures				
Credit grade:				
Investment	594,494	24,054	–	**618,548**
Pass	325,795	156,325	–	**482,120**
Weak	1,276	7,495	7,777	**16,548**
Total credit exposures	**921,565**	**187,874**	**7,777**	**1,117,216**
Total impairment provision	**(1,709)**	**(2,889)**	**(1,352)**	**(5,950)**
Provision to credit exposure, %	**0.2**	**1.5**	**17.4**	**0.5**

1 The assessment of significant increase in credit risk 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 62% of Stage 2 credit exposures for the Group as at 30 June 2023.

2 Following the adoption of APRA's revised capital framework from 1 January 2023, the Group implemented a number of new models for the domestic home lending portfolio, including new provisioning models which resulted in a higher proportion of exposures allocated to Stage 2 as at 30 June 2023, closer to industry averages. These exposures remain performing and well secured resulting in a low likelihood of loss and no significant change in total provisioning levels.

3 During the year ended 30 June 2023, APRA approved a revised residential mortgage PD model, which led to movements in PD bands and a reduction in exposures in the "weak" category.

Notes to the Financial Statements

For the year ended 30 June 2024

9.2 Credit risk (continued)

	Bank As at 30 June 2024			
	Stage 1 Performing	Stage 2 [1 2 3] Performing	Stage 3 Non-performing	Total
	$M	$M	$M	$M
Loans and other receivables				
Credit grade:				
Investment	471,826	17,435	–	**489,261**
Pass	220,182	114,758	–	**334,940**
Weak	1,018	6,524	7,602	**15,144**
Gross carrying amount	**693,026**	**138,717**	**7,602**	**839,345**
Undrawn credit commitments				
Credit grade:				
Investment	108,478	6,215	–	**114,693**
Pass	29,038	12,734	–	**41,772**
Weak	179	463	68	**710**
Total undrawn credit commitments	**137,695**	**19,412**	**68**	**157,175**
Total credit exposures	**830,721**	**158,129**	**7,670**	**996,520**
Impairment provision	**(1,637)**	**(2,381)**	**(1,303)**	**(5,321)**
Provisions to credit exposure, %	**0.2**	**1.5**	**17.0**	**0.5**
Financial guarantees and other off balance sheet instruments				
Credit grade:				
Investment	11,208	1,420	–	**12,628**
Pass	4,088	5,511	–	**9,599**
Weak	17	629	69	**715**
Total financial guarantees and other off balance sheet instruments	**15,313**	**7,560**	**69**	**22,942**
Impairment provision	**(26)**	**(165)**	**(12)**	**(203)**
Provisions to credit exposure, %	**0.2**	**2.2**	**17.4**	**0.9**
Total credit exposures				
Credit grade:				
Investment	591,512	25,070	–	**616,582**
Pass	253,308	133,003	–	**386,311**
Weak	1,214	7,616	7,739	**16,569**
Total credit exposures	**846,034**	**165,689**	**7,739**	**1,019,462**
Total impairment provision	**(1,663)**	**(2,546)**	**(1,315)**	**(5,524)**
Provision to credit exposure, %	**0.2**	**1.5**	**17.0**	**0.5**

1 The assessment of significant increase in credit risk 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 Bank as at 30 June 2024.
2 During the year ended 30 June 2024, the Bank 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 Bank's provisioning coverage ratio for unsecured retail exposures remains prudent relative to current loss rates, and broadly in line with pre-pandemic levels.
3 During the year ended 30 June 2024, the Bank recalibrated the capital model for the large corporate portfolio which resulted in a higher proportion of exposures allocated to Stage 2 as at 30 June 2024. This change did not have a significant impact on provisioning levels as the Bank recognised an increase in provisions for the expected impact of model recalibration in the prior year.

Notes to the Financial Statements

For the year ended 30 June 2024

9.2 Credit risk (continued)

	Bank 30 June 2024			
	Stage 1 Performing $M	Stage 2 [1] Performing $M	Stage 3 Non-performing $M	Total $M
Retail secured				
Credit grade:				
Investment	438,399	5,932	–	**444,331**
Pass	178,537	36,838	–	**215,375**
Weak	182	803	5,340	**6,325**
Total retail secured	**617,118**	**43,573**	**5,340**	**666,031**
Impairment provision	**(935)**	**(476)**	**(456)**	**(1,867)**
Provisions to credit exposure, %	**0.2**	**1.1**	**8.5**	**0.3**
Retail unsecured [2]				
Credit grade:				
Investment	14,061	794	–	**14,855**
Pass	9,092	1,351	–	**10,443**
Weak	796	788	189	**1,773**
Total retail unsecured	**23,949**	**2,933**	**189**	**27,071**
Impairment provision	**(346)**	**(449)**	**(135)**	**(930)**
Provisions to credit exposure, %	**1.4**	**15.3**	**71.4**	**3.4**
Non-Retail [3]				
Credit grade:				
Investment	139,052	18,344	–	**157,396**
Pass	65,679	94,814	–	**160,493**
Weak	236	6,025	2,210	**8,471**
Total non-retail	**204,967**	**119,183**	**2,210**	**326,360**
Impairment provision	**(382)**	**(1,621)**	**(724)**	**(2,727)**
Provisions to credit exposure, %	**0.2**	**1.4**	**32.8**	**0.8**
Total credit exposures				
Credit grade:				
Investment	591,512	25,070	–	**616,582**
Pass	253,308	133,003	–	**386,311**
Weak	1,214	7,616	7,739	**16,569**
Total credit exposures	**846,034**	**165,689**	**7,739**	**1,019,462**
Total impairment provision	**(1,663)**	**(2,546)**	**(1,315)**	**(5,524)**
Provision to credit exposure, %	**0.2**	**1.5**	**17.0**	**0.5**

1 The assessment of significant increase in credit risk 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 Bank as at 30 June 2024.

2 During the year ended 30 June 2024, the Bank 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 Bank's provisioning coverage ratio for unsecured retail exposures remains prudent relative to current loss rates, and broadly in line with pre-pandemic levels.

3 During the year ended 30 June 2024, the Bank recalibrated the capital model for the large corporate portfolio which resulted in a higher proportion of exposures allocated to Stage 2 as at 30 June 2024. This change did not have a significant impact on provisioning levels as the Bank recognised an increase in provisions for the expected impact of model recalibration in the prior year.

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For the year ended 30 June 2024

9.2 Credit risk (continued)

	Bank			
	As at 30 June 2023			
	Stage 1 Performing	Stage 2 [1] [2] Performing	Stage 3 Non-performing	Total
	$M	$M	$M	$M
Loans and other receivables				
Credit grade:				
Investment	456,491	15,241	–	**471,732**
Pass	219,342	117,254	–	**336,596**
Weak [3]	1,050	6,079	5,879	**13,008**
Gross carrying amount	**676,883**	**138,574**	**5,879**	**821,336**
Undrawn credit commitments				
Credit grade:				
Investment	100,685	5,992	–	**106,677**
Pass	29,652	12,847	–	**42,499**
Weak	209	468	132	**809**
Total undrawn credit commitments	**130,546**	**19,307**	**132**	**149,985**
Total credit exposures	**807,429**	**157,881**	**6,011**	**971,321**
Impairment provision	**(1,517)**	**(2,523)**	**(1,156)**	**(5,196)**
Provisions to credit exposure, %	**0.2**	**1.6**	**19.2**	**0.5**
Financial guarantees and other off balance sheet instruments				
Credit grade:				
Investment	11,508	1,038	–	**12,546**
Pass	3,902	4,783	–	**8,685**
Weak	17	347	62	**426**
Total financial guarantees and other off balance sheet instruments	**15,427**	**6,168**	**62**	**21,657**
Impairment provision	**(23)**	**(122)**	**(9)**	**(154)**
Provisions to credit exposure, %	**0.1**	**2.0**	**14.5**	**0.7**
Total credit exposures				
Credit grade:				
Investment	568,684	22,271	–	**590,955**
Pass	252,896	134,884	–	**387,780**
Weak	1,276	6,894	6,073	**14,243**
Total credit exposures	**822,856**	**164,049**	**6,073**	**992,978**
Total impairment provision	**(1,540)**	**(2,645)**	**(1,165)**	**(5,350)**
Provision to credit exposure, %	**0.2**	**1.6**	**19.2**	**0.5**

1 The assessment of significant increase in credit risk 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 62% of Stage 2 credit exposures for the Bank as at 30 June 2023.
2 Following the adoption of APRA's revised capital framework from 1 January 2023, the Group implemented a number of new models for the domestic home lending portfolio, including new provisioning models which resulted in a higher proportion of exposures allocated to Stage 2 as at 30 June 2023, closer to industry averages. These exposures remain performing and well secured resulting in a low likelihood of loss and no significant change in total provisioning levels.
3 During the year ended 30 June 2023, APRA approved a revised residential mortgage PD model, which led to movements in PD bands and a reduction in exposures in the "weak" category.

Notes to the Financial Statements
For the year ended 30 June 2024

9.2 Credit risk (continued)

	Bank 30 June 2023			
	Stage 1 Performing $M	Stage 2 [1] Performing $M	Stage 3 Non-performing $M	Total $M
Retail secured [2]				
Credit grade:				
Investment	410,896	5,951	–	**416,847**
Pass	176,098	48,295	–	**224,393**
Weak [3]	174	864	3,798	**4,836**
Total retail secured	**587,168**	**55,110**	**3,798**	**646,076**
Impairment provision	**(762)**	**(565)**	**(291)**	**(1,618)**
Provisions to credit exposure, %	**0.1**	**1.0**	**7.7**	**0.3**
Retail unsecured				
Credit grade:				
Investment	12,148	2,975	–	**15,123**
Pass	7,985	2,152	–	**10,137**
Weak	780	843	163	**1,786**
Total retail unsecured	**20,913**	**5,970**	**163**	**27,046**
Impairment provision	**(406)**	**(625)**	**(115)**	**(1,146)**
Provisions to credit exposure, %	**1.9**	**10.5**	**70.6**	**4.2**
Non-Retail				
Credit grade:				
Investment	145,640	13,345	–	**158,985**
Pass	68,813	84,437	–	**153,250**
Weak	322	5,187	2,112	**7,621**
Total non-retail	**214,775**	**102,969**	**2,112**	**319,856**
Impairment provision	**(372)**	**(1,455)**	**(759)**	**(2,586)**
Provisions to credit exposure, %	**0.2**	**1.4**	**35.9**	**0.8**
Total credit exposures				
Credit grade:				
Investment	568,684	22,271	–	**590,955**
Pass	252,896	134,884	–	**387,780**
Weak	1,276	6,894	6,073	**14,243**
Total credit exposures	**822,856**	**164,049**	**6,073**	**992,978**
Total impairment provision	**(1,540)**	**(2,645)**	**(1,165)**	**(5,350)**
Provision to credit exposure, %	**0.2**	**1.6**	**19.2**	**0.5**

1 The assessment of significant increase in credit risk 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 62% of Stage 2 credit exposures for the Bank as at 30 June 2023.

2 Following the adoption of APRA's revised capital framework from 1 January 2023, the Group implemented a number of new models for the domestic home lending portfolio, including new provisioning models which resulted in a higher proportion of exposures allocated to Stage 2 as at 30 June 2023, closer to industry averages. These exposures remain performing and well secured resulting in a low likelihood of loss and no significant change in total provisioning levels.

3 During the year ended 30 June 2023, APRA approved a revised residential mortgage PD model, which led to movements in PD bands and a reduction in exposures in the "weak" category.

Notes to the Financial Statements

For the year ended 30 June 2024

9.2 Credit risk (continued)

Collateral held against loans and other receivables

	Group 30 Jun 24			
	Home loans	Other consumer	Other lending	Total [1]
Maximum exposure ($M)	746,376	40,755	348,593	**1,135,724**
Collateral classification:				
Secured (%)	99.3	11.4	51.3	**81.8**
Partially secured (%)	0.7	–	20.1	**6.4**
Unsecured (%)	–	88.6	28.6	**11.8**

1 As at 30 June 2024, total exposures in ECL Stage 3 were $9,577 million. 66% of these exposures were secured, 28% partially secured and 6% unsecured.

	Group [1] 30 Jun 23			
	Home loans	Other consumer	Other lending	Total [2]
Maximum exposure ($M)	733,395	41,025	344,133	**1,118,553**
Collateral classification:				
Secured (%)	99.2	11.3	49.1	**80.8**
Partially secured (%)	0.8	–	16.8	**5.6**
Unsecured (%)	–	88.7	34.1	**13.6**

1 Comparative information has been restated to conform to presentation in the current period.
2 As at 30 June 2023, total exposures in ECL Stage 3 were $7,777 million. 63% of these exposures were secured, 27% partially secured and 10% unsecured.

	Bank 30 Jun 24			
	Home loans	Other consumer	Other lending	Total [1]
Maximum exposure ($M)	662,756	38,111	311,376	**1,012,243**
Collateral classification:				
Secured (%)	99.5	12.1	49.6	**81.3**
Partially secured (%)	0.5	–	19.7	**6.2**
Unsecured (%)	–	87.9	30.7	**12.5**

1 As at 30 June 2024, total exposures in ECL Stage 3 were $7,739 million. 73% of these exposures were secured, 21% partially secured and 6% unsecured.

	Bank [1] 30 Jun 23			
	Home loans	Other consumer	Other lending	Total [2]
Maximum exposure ($M)	655,485	38,297	305,987	**999,769**
Collateral classification:				
Secured (%)	99.5	17.2	47.0	**80.5**
Partially secured (%)	0.5	–	16.7	**5.3**
Unsecured (%)	–	82.8	36.3	**14.2**

1 Comparative information has been restated to conform to presentation in the current period.
2 As at 30 June 2023, total exposures in ECL Stage 3 were $6,073 million. 70% of these exposures were secured, 20% partially secured and 10% unsecured.

For the purposes of the collateral classification above, home loans are classified as secured when the ratio of exposure to the estimated value of collateral is 100% or below, and partially secured when the ratio of exposure to the estimated value of collateral is greater than 100%. For other types of exposures, a facility is deemed to be secured when the ratio of exposure to the estimated value of collateral is less than or equal to 100%. A facility is deemed to be partially secured when the ratio is greater than 100% but does not exceed 250%, and unsecured when there is no security held (e.g. credit cards, unsecured personal loans, exposures to highly rated corporate entities), or where the secured loan exposure to the estimated value of collateral exceeds 250%.

Notes to the Financial Statements
For the year ended 30 June 2024

9.2 Credit risk (continued)

Collateral held against loans and other receivables (continued)

Home loans

Home loans are generally secured by fixed charges over borrowers' residential properties. In limited circumstances, collateral in the form of cash or commercial property may be provided in addition to residential property. With the exception of some relatively small portfolios, for loans with a Loan to Valuation Ratio (LVR) of higher than 80% either a Low Deposit Premium or margin is levied, or Lenders Mortgage Insurance (LMI) is taken out to cover the difference between the principal plus interest owing and the net amount received from selling the collateral post default.

Other consumer

Other consumer category includes credit card and personal loans which are predominantly unsecured, whilst margin lending and some personal loans are secured.

Other lending

The Group's main collateral types for other lending consists of secured rights over specified assets of the borrower in the form of: commercial property; land rights; cash (usually in the form of a charge over a deposit) and other liquid assets (e.g. bonds, shares, investment funds); guarantees by company Directors; fixed and floating charges over a company's assets (including debtors, stock and work in progress); or a charge over assets being financed (e.g. vehicles, equipment). In other instances, a client's facilities may be secured by collateral with value less than the carrying amount of the credit exposure. These facilities are deemed partially secured or unsecured.

Notes to the Financial Statements
For the year ended 30 June 2024

9.3 Market risk

Market risk measurement

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.

The VaR measured for traded market risk uses two years of daily movement in market rates. The VaR measure for non-traded banking book market risk uses six years of daily movement in market rates.

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.

VaR is driven by historical observations and is not an estimate of the maximum loss that the Group could experience from an extreme market event. As a result of this limitation, management also uses stress testing to measure the potential for economic loss at confidence levels significantly higher than 99.0%. Management then uses these results in decisions to manage the economic impact of market risk positions.

Total market risk VaR (10-day 99.0% confidence)	Average 30 Jun 24 [1] $M	As at 30 Jun 24 $M	Average 30 Jun 23 [1] $M	As at 30 Jun 23 $M
Traded market risk	**56.6**	**37.1**	98.2	115.0
Non-traded interest rate risk [2]	**414.8**	**426.8**	378.2	380.1

1 Average VaR calculated for each 12 month period.
2 The risk of these exposures has been represented in this table using a 10-day holding period. In practice, however, these "non-traded" exposures are managed to a longer holding period.

Traded market risk

Traded market risk is generated through the Group's participation in financial markets to service its customers. The Group trades and distributes interest rate, foreign exchange, debt, equity and commodity products, and provides treasury, capital markets and risk management services to its customers globally.

The Group maintains access to markets by quoting bid and offer prices with other market makers and carries an inventory of treasury, capital market and risk management instruments, including a broad range of securities and derivatives.

Traded market risk VaR (10-day 99.0% confidence)	Average 30 Jun 24 [1] $M	As at 30 Jun 24 $M	Average 30 Jun 23 [1 2] $M	As at 30 Jun 23 [2] $M
Interest rate risk [3]	**28.6**	**22.5**	78.9	80.4
Foreign exchange risk	**3.9**	**5.2**	13.5	7.3
Commodities risk	**16.0**	**8.6**	31.1	30.1
Credit spread risk	**23.3**	**22.3**	18.1	25.8
Volatility risk	**6.0**	**4.5**	3.3	3.5
Diversification benefit	**(43.1)**	**(41.5)**	(68.2)	(55.1)
Total general market risk	**34.7**	**21.6**	76.7	92.0
Undiversified risk	**20.6**	**13.8**	20.0	21.4
Other [4]	**1.3**	**1.7**	1.5	1.6
Total	**56.6**	**37.1**	98.2	115.0

1 Average VaR calculated for each 12 month period.
2 In July 2023, the Group implemented a new APRA accredited market risk engine. Comparative information has been revised to conform to presentation in the current period.
3 Includes basis risk.
4 Includes ASB, PTBC and CBA Europe.

Notes to the Financial Statements

For the year ended 30 June 2024

9.3 Market risk (continued)

Non-traded market risk

Interest rate risk in the banking book

Interest rate risk is the current and prospective impact to the Group's financial condition due to adverse changes in interest rates to which the Group's Balance Sheet is exposed. The maturity transformation activities of the Group create mismatches in the repricing terms of asset and liability positions. These mismatches may have undesired earnings and value outcomes depending on the interest rate movements. The Group's objective is to manage interest rate risk to achieve stable and sustainable net interest income in the long-term.

The Group measures and manages the impact of interest rate risk in two ways:

(a) Next 12 months' earnings

Interest rate risk from an earnings perspective is the impact based on changes to the net interest income over the next 12 months.

The risk to net interest income over the next 12 months from changes in interest rates is measured on a monthly basis.

Earnings risk is measured through sensitivity analysis, which applies an instantaneous 100 basis point parallel shock in interest rates across the yield curve.

The prospective change to the net interest income is measured by using an Asset and Liability Management simulation model which incorporates both existing and anticipated new business in its assessment. The change in the balance sheet product mix, growth, funding and pricing strategies is incorporated.

Assets and liabilities that reprice directly from observable market rates are measured based on the full extent of the rate shock that is applied.

Products that are priced based on Group administered or discretionary interest rates and that are impacted by customer behaviour are measured by taking into consideration the historic repricing strategy of the Group and repricing behaviours of customers. In addition to considering how the products have been repriced in the past the expected change in price based on both the current and anticipated competitive market forces are also considered in the sensitivity analysis.

Following the increase in interest rates during the year, the Group's sensitivity to a 100bps interest rate shock reduced.

Net interest earnings at risk	30 Jun 24 $M	30 Jun 23 [1] $M
Average monthly exposure	**376.2**	751.1
High monthly exposure	**526.4**	1,660.1
Low monthly exposure	**216.4**	415.4
As at balance date	**374.6**	591.5

1 Net interest earnings at risk estimates for the year ended 30 June 2023 are based on modelled outcomes restated to reflect assumptions that applied at 30 June 2023.

(b) Economic value

Interest rate risk from the economic value perspective is based on a 20-day 99.0% VaR measure.

Measuring the change in the economic value of equity is an assessment of the long-term impact to the earnings potential of the Group present valued to the current date. The Group assesses the potential change in its economic value of equity through the application of the VaR methodology.

A 20-day 99.0% VaR measure is used to capture the net economic value impact over the long-term or total life of all balance sheet assets and liabilities to adverse changes in interest rates.

The impact of customer prepayments on the contractual cash flows for fixed rate products is included in the calculation. Cash flows for discretionary priced products are behaviourally adjusted and repriced at the resultant profile.

The figures in the following table represent the net present value of the expected change in the Group's future earnings in all future periods for the remaining term of all existing assets and liabilities.

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For the year ended 30 June 2024

9.3 Market risk (continued)

Non-traded interest rate risk VaR (20-day 99.0% confidence)	30 Jun 24 [1] $M	30 Jun 23 [1] $M
Average daily exposure	**586.7**	534.8
High daily exposure	**655.2**	629.6
Low daily exposure	**518.4**	428.5
As at balance date	**603.6**	537.6

1 Average VaR calculated for each 12 month period.

Structural foreign exchange risk

Structural foreign exchange risk is the risk that movements in foreign exchange rates may have an adverse effect on the Group's Australian dollar earnings and economic value when the Group's foreign currency denominated retained earnings and capital are translated into Australian dollars. The Group's material risk exposures to this risk arise from the following currencies: New Zealand Dollar, US Dollar, Euro and British Pound Sterling.

Lease residual value risk

The Group takes lease residual value risk on assets such as industrial, mining, rail, aircraft, marine, and other equipment. A lease residual value guarantee exposes the Group to a potential fall in prices of these assets below the guarantee level at lease expiry.

Defined benefit plans

As part of the Commonwealth Bank Group Super Fund's (the Fund) merger with Australian Retirement Trust (ART), a portion of the defined benefit and all defined contribution members transferred to ART following the tranche one transfer completed in November 2023 (refer to Note 10.2). The Group remains exposed to market risk in relation to the defined benefit plans in the Fund and ART.

9.4 Liquidity and funding risk

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 value of 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 the 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 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 highly liquid assets to meet liquidity requirements under a range of market conditions. The liquid asset portfolio includes cash and liquid assets, including government and Australian semi-government securities, meeting APRA's High Quality Liquid Asset (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 programmes and Medallion securitisation programmes. Additionally, the Group has accessed the RBA's Term Funding Facility (TFF) which was fully repaid during the period and 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.

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9.4 Liquidity and funding risk (continued)

Contingency Funding Plan

The Group maintains a Contingency Funding Plan 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.

Maturity analysis of monetary liabilities

Amounts shown in the tables below are based on contractual undiscounted cash flows for the remaining contractual maturities.

	Group				
	Maturity Period as at 30 June 2024				
	0 to 3 months $M	3 to 12 months $M	1 to 5 years $M	Over 5 years $M	Total $M
Monetary liabilities					
Deposits and other public borrowings [1]	720,131	160,826	9,605	2	**890,564**
Payables to financial institutions	17,446	7,525	–	–	**24,971**
Liabilities at fair value through income statement	44,712	2,741	235	–	**47,688**
Derivative financial instruments:					
Held for trading	15,069	–	–	–	**15,069**
Held for hedging purposes (net-settled)	311	208	1,081	1,662	**3,262**
Held for hedging purposes (gross-settled):					
Outflows	2,704	20,346	58,579	40,659	**122,288**
Inflows	(1,660)	(19,866)	(55,670)	(36,533)	**(113,729)**
Term funding from central banks	496	2,710	1,099	–	**4,305**
Debt issues and loan capital	12,351	44,912	102,752	47,628	**207,643**
Lease liabilities	109	337	1,313	1,005	**2,764**
Other monetary liabilities	5,937	714	1,306	784	**8,741**
Total monetary liabilities	**817,606**	**220,453**	**120,300**	**55,207**	**1,213,566**
Financial guarantees [2]	3,814	–	–	–	**3,814**
Performance related contingencies [2]	13,650	–	–	–	**13,650**
Commitments to provide credit and other commitments [2]	185,776	–	–	–	**185,776**
Total off balance sheet items	**203,240**	**–**	**–**	**–**	**203,240**
Total monetary liabilities and off balance sheet items	**1,020,846**	**220,453**	**120,300**	**55,207**	**1,416,806**

1 Includes deposits that are contractually at call, customer savings and cheque accounts. These accounts provide a stable source of long-term funding.
2 All off balance sheet items are included in the 0 to 3 months maturity band to reflect their earliest possible maturity.

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9.4 Liquidity and funding risk (continued)

	Group [1] Maturity Period as at 30 June 2023				
	0 to 3 months $M	3 to 12 months $M	1 to 5 years $M	Over 5 years $M	Total $M
Monetary liabilities					
Deposits and other public borrowings [2]	723,448	137,043	11,183	55	**871,729**
Payables to financial institutions	17,596	4,532	–	–	**22,128**
Liabilities at fair value through income statement	36,765	3,462	169	–	**40,396**
Derivative financial instruments:					
Held for trading	21,899	–	–	–	**21,899**
Held for hedging purposes (net-settled)	51	159	1,132	1,711	**3,053**
Held for hedging purposes (gross-settled):					
Outflows	1,624	4,440	36,163	25,585	**67,812**
Inflows	(920)	(4,020)	(34,070)	(23,104)	**(62,114)**
Term funding from central banks	15,036	32,799	6,423	–	**54,258**
Debt issues and loan capital	8,822	26,931	96,661	48,682	**181,096**
Lease liabilities	137	340	1,126	1,466	**3,069**
Other monetary liabilities	3,849	907	1,227	805	**6,788**
Total monetary liabilities	**828,307**	**206,593**	**120,014**	**55,200**	**1,210,114**
Financial guarantees [3]	3,823	–	–	–	**3,823**
Performance related contingencies [3]	12,722	–	–	–	**12,722**
Commitments to provide credit and other commitments [3]	185,302	–	–	–	**185,302**
Total off balance sheet items	**201,847**	**–**	**–**	**–**	**201,847**
Total monetary liabilities and off balance sheet items	**1,030,154**	**206,593**	**120,014**	**55,200**	**1,411,961**

1 Comparative information has been restated to conform to presentation in the current period.
2 Includes deposits that are contractually at call, customer savings and cheque accounts. These accounts provide a stable source of long-term funding.
3 All off balance sheet items are included in the 0 to 3 months maturity band to reflect their earliest possible maturity.

Notes to the Financial Statements
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9.4 Liquidity and funding risk (continued)

	Bank				
	Maturity Period as at 30 June 2024				
	0 to 3 months $M	3 to 12 months $M	1 to 5 years $M	Over 5 years $M	Total $M
Monetary liabilities					
Deposits and other public borrowings [1]	664,042	139,098	6,006	1	**809,147**
Payables to financial institutions	16,945	7,525	–	–	**24,470**
Liabilities at fair value through income statement	44,863	2,140	236	–	**47,239**
Derivative financial instruments:					
Held for trading	16,821	–	–	–	**16,821**
Held for hedging purposes (net-settled)	294	300	1,370	1,799	**3,763**
Held for hedging purposes (gross-settled):					
Outflows	2,105	23,605	54,487	38,239	**118,436**
Inflows	(1,333)	(23,368)	(52,401)	(34,472)	**(111,574)**
Due to controlled entities	9,067	5,666	23,256	10,169	**48,158**
Term funding from central banks	–	–	–	–	**–**
Debt issues and loan capital	10,598	40,757	86,244	43,881	**181,480**
Lease liabilities	98	284	1,196	975	**2,553**
Other monetary liabilities	6,086	679	1,193	771	**8,729**
Total monetary liabilities	**769,586**	**196,686**	**121,587**	**61,363**	**1,149,222**
Financial guarantees [2]	3,160	–	–	–	**3,160**
Performance related contingencies [2]	13,650	–	–	–	**13,650**
Commitments to provide credit and other commitments [2]	171,141	–	–	–	**171,141**
Total off balance sheet items	**187,951**	**–**	**–**	**–**	**187,951**
Total monetary liabilities and off balance sheet items	**957,537**	**196,686**	**121,587**	**61,363**	**1,337,173**

1 Includes deposits that are contractually at call, customer savings and cheque accounts. These accounts provide a stable source of long-term funding.
2 All off balance sheet items are included in the 0 to 3 months maturity band to reflect their earliest possible maturity.

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9.4 Liquidity and funding risk (continued)

	Bank [1]				
	Maturity Period as at 30 June 2023				
	0 to 3 months $M	3 to 12 months $M	1 to 5 years $M	Over 5 years $M	Total $M
Monetary liabilities					
Deposits and other public borrowings [2]	666,970	116,075	8,751	–	**791,796**
Payables to financial institutions	16,949	4,532	–	–	**21,481**
Liabilities at fair value through income statement	35,926	3,164	168	–	**39,258**
Derivative financial instruments:					
Held for trading	23,619	–	–	–	**23,619**
Held for hedging purposes (net-settled)	279	287	1,327	1,885	**3,778**
Held for hedging purposes (gross-settled):					
Outflows	3,480	5,794	41,649	26,023	**76,946**
Inflows	(2,656)	(5,317)	(39,486)	(23,581)	**(71,040)**
Due to controlled entities	7,253	5,416	21,172	8,745	**42,586**
Term funding from central banks	15,019	32,365	2,290	–	**49,674**
Debt issues and loan capital	6,889	22,575	79,032	43,318	**151,814**
Lease liabilities	119	291	994	1,411	**2,815**
Other monetary liabilities	4,176	871	1,135	790	**6,972**
Total monetary liabilities	**778,023**	**186,053**	**117,032**	**58,591**	**1,139,699**
Financial guarantees [3]	3,132	–	–	–	**3,132**
Performance related contingencies [3]	12,722	–	–	–	**12,722**
Commitments to provide credit and other commitments [3]	169,970	–	–	–	**169,970**
Total off balance sheet items	**185,824**	**–**	**–**	**–**	**185,824**
Total monetary liabilities and off balance sheet items	**963,847**	**186,053**	**117,032**	**58,591**	**1,325,523**

1 Comparative information has been restated to conform to presentation in the current period.
2 Includes deposits that are contractually at call, customer savings and cheque accounts. These accounts provide a stable source of long-term funding.
3 All off balance sheet items are included in the 0 to 3 months maturity band to reflect their earliest possible maturity.

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9.5 Disclosures about fair values

Fair value hierarchy for financial assets and liabilities measured at fair value

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

	Group [1,2]							
	Fair value as at 30 June 2024				Fair value as at 30 June 2023			
	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	18,235	7,904	5	**26,144**	14,919	7,544	36	**22,499**
Other	–	52,705	184	**52,889**	–	44,907	221	**45,128**
Derivative assets	109	17,869	80	**18,058**	122	23,761	62	**23,945**
Investment securities at fair value through other comprehensive income	82,878	13,111	785	**96,774**	69,939	14,138	594	**84,671**
Total financial assets measured at fair value	101,222	91,589	1,054	**193,865**	84,980	90,350	913	**176,243**
Financial liabilities measured at fair value on a recurring basis								
Liabilities at fair value through income statement	8,606	38,735	–	**47,341**	6,176	33,927	–	**40,103**
Derivative liabilities	55	18,745	50	**18,850**	26	25,257	64	**25,347**
Total financial liabilities measured at fair value	8,661	57,480	50	**66,191**	6,202	59,184	64	**65,450**

1 Comparative information has been revised to reflect the change detailed in Note 1.1.
2 Comparative information has been revised to conform to presentation in the current period.

	Bank [1,2]							
	Fair value as at 30 June 2024				Fair value as at 30 June 2023			
	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	18,235	8,014	5	**26,254**	14,913	7,543	36	**22,492**
Other	–	52,805	135	**52,940**	–	44,977	172	**45,149**
Derivative assets	109	19,609	79	**19,797**	122	25,401	62	**25,585**
Investment securities at fair value through other comprehensive income	75,620	11,450	777	**87,847**	64,657	12,587	587	**77,831**
Total financial assets measured at fair value	93,964	91,878	996	**186,838**	79,692	90,508	857	**171,057**
Financial liabilities measured at fair value on a recurring basis								
Liabilities at fair value through income statement	8,606	38,305	–	**46,911**	5,888	33,260	–	**39,148**
Derivative liabilities	55	19,935	50	**20,040**	26	26,638	64	**26,728**
Total financial liabilities measured at fair value	8,661	58,240	50	**66,951**	5,914	59,898	64	**65,876**

1 Comparative information has been revised to reflect the change detailed in Note 1.1.
2 Comparative information has been revised to conform to presentation in the current period.

9.5 Disclosures about fair values (continued)

At 30 June 2024, the Group's and the Bank's assets held for sale included $867 million of assets measured at fair value on a non-recurring basis in Level 3.

Analysis of movements between fair value hierarchy levels

The tables below summarise movements in Level 3 balances during the 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

	Group			
	Financial Assets			Financial Liabilities
	Derivative assets	Investment securities at fair value through OCI	Assets at fair value through income statement	Derivative liabilities
	$M	$M	$M	$M
As at 1 July 2022	74	616	289	(135)
Purchases	2	70	93	(7)
Sales/settlements	(2)	–	(67)	70
Gains/(losses) in the period:				
Recognised in the Income Statement	5	–	(58)	8
Recognised in the Statement of Comprehensive Income	(17)	(97)	–	–
Transfers in	–	5	–	–
Transfers out	–	–	–	–
As at 30 June 2023	**62**	**594**	**257**	**(64)**
Gains/(losses) recognised in the Income Statement for financial instruments held as at 30 June 2023	27	–	(58)	(22)
As at 1 July 2023	62	594	257	(64)
Purchases	40	106	90	(19)
Sales/settlements	(24)	(5)	(46)	12
Gains/(losses) in the period:				
Recognised in the Income Statement	5	–	22	21
Recognised in the Statement of Comprehensive Income	(3)	90	–	–
Transfers in	–	–	–	–
Transfers out	–	–	(134)	–
Reclassified to held for sale	–	–	–	–
As at 30 June 2024	**80**	**785**	**189**	**(50)**
Gains/(losses) recognised in the Income Statement for financial instruments held as at 30 June 2024	10	–	1	(12)

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9.5 Disclosures about fair values (continued)

	Bank			
	Financial Assets			Financial Liabilities
	Derivative assets	Investment securities at fair value through OCI	Assets at fair value through income statement	Derivative liabilities
	$M	$M	$M	$M
As at 1 July 2022	74	591	228	(135)
Purchases	2	70	93	(7)
Sales/settlements	(2)	–	(67)	70
Gains/(losses) in the period:				
Recognised in the Income Statement	5	–	(46)	8
Recognised in the Statement of Comprehensive Income	(17)	(79)	–	–
Transfers in	–	5	–	–
Transfers out	–	–	–	–
As at 30 June 2023	**62**	**587**	**208**	**(64)**
Gains/(losses) recognised in the Income Statement for financial instruments held as at 30 June 2023	27	–	(46)	(22)
As at 1 July 2023	62	587	208	(64)
Purchases	40	104	90	(19)
Sales/settlements	(25)	(5)	(49)	12
Gains/(losses) in the period:				
Recognised in the Income Statement	5	–	23	21
Recognised in the Statement of Comprehensive Income	(3)	91	–	–
Transfers in	–	–	–	–
Transfers out	–	–	(132)	–
As at 30 June 2024	**79**	**777**	**140**	**(50)**
Gains/(losses) recognised in the Income Statement for financial instruments held as at 30 June 2024	10	–	1	(12)

Notes to the Financial Statements
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9.5 Disclosures about fair values (continued)

Fair value information for financial instruments not measured at fair value

The estimated fair values and fair value hierarchy of the Group's and the Bank'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.

	Group									
	30 Jun 24					30 Jun 23				
	Carrying value	Fair value				Carrying value	Fair value			
	Total $M	Level 1 $M	Level 2 $M	Level 3 $M	Total $M	Total $M	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
Financial assets										
Investment securities at amortised cost	**1,239**	**–**	**1,239**	**–**	**1,239**	2,032	–	2,018	–	2,018
Loans and other receivables	**942,210**	**–**	**–**	**941,289**	**941,289**	926,082	–	–	920,035	920,035
Financial liabilities										
Deposits and other public borrowings	**882,922**	**–**	**449,140**	**433,710**	**882,850**	864,995	–	448,327	416,352	864,679
Debt issues	**144,530**	**–**	**144,740**	**–**	**144,740**	122,267	–	122,330	–	122,330
Loan capital	**35,938**	**9,525**	**27,393**	**–**	**36,918**	32,598	10,920	21,531	–	32,451

	Bank									
	30 Jun 24					30 Jun 23				
	Carrying value	Fair value				Carrying value	Fair value			
	Total $M	Level 1 $M	Level 2 $M	Level 3 $M	Total $M	Total $M	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
Financial assets										
Investment securities at amortised cost	**1,239**	**–**	**1,239**	**–**	**1,239**	2,032	–	2,018	–	2,018
Loans and other receivables	**834,024**	**–**	**–**	**833,750**	**833,750**	816,140	–	–	811,426	811,426
Financial liabilities										
Deposits and other public borrowings	**802,882**	**–**	**369,049**	**433,710**	**802,759**	786,267	–	369,619	416,352	785,971
Debt issues	**120,834**	**–**	**121,045**	**–**	**121,045**	95,893	–	95,947	–	95,947
Loan capital	**35,931**	**9,537**	**27,393**	**–**	**36,930**	32,587	10,936	21,531	–	32,467

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For the year ended 30 June 2024

9.5 Disclosures about fair values (continued)

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.

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 and unlisted equity instruments.

As at 30 June 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 $574 million (30 June 2023: $419 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 3.9x in its valuation as at 30 June 2024 (30 June 2023: 4.1x). 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 $115 million or to decrease the fair value by up to $115 million with all the potential effect impacting investment securities revaluation reserve.

9.5 Disclosures about fair values (continued)

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 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.

9.6 Collateral arrangements

Collateral accepted as security for assets

The Group takes collateral where it is considered necessary to support both on and off balance sheet transactions. The Group evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral taken, if deemed necessary, is based on management's credit evaluation of the counterparty. The Group has the right to sell, re-pledge, or otherwise use some of the collateral received. At balance sheet date the carrying value of cash accepted as collateral (and recognised on the Group's and the Bank's Balance Sheets) and the fair value of securities accepted as collateral (but not recognised on the Group's or the Bank's Balance Sheets) were as follows:

	Group		Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Cash	**5,744**	6,838	**5,521**	6,603
Securities	**93,782**	56,129	**93,481**	56,389
Collateral held	**99,526**	62,967	**99,002**	62,992
Collateral held which is re-pledged or sold	**30,830**	28,660	**30,830**	28,660

Assets pledged

As part of standard terms of transactions with other banks, the Group has provided collateral to secure liabilities. At balance sheet date, the carrying value of assets pledged as collateral to secure liabilities were as follows:

	Group		Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Cash	**5,385**	6,205	**5,054**	5,870
Securities [1]	**52,372**	41,378	**52,647**	41,549
Assets pledged	**57,757**	47,583	**57,701**	47,419
Assets pledged which can be re-pledged or re-sold by counterparty	**52,372**	41,378	**52,647**	41,549

1 These balances include assets sold under repurchase agreements. The liabilities related to these repurchase agreements are disclosed in Note 4.1 and 4.2.

The Group and the Bank have pledged collateral as part of entering into repurchase and derivative agreements. These transactions are governed by standard industry agreements.

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9.7 Offsetting financial assets and financial liabilities

The table below identifies amounts that have been offset on the Balance Sheet and amounts covered by enforceable netting arrangements or similar agreements that do not qualify for set off. Cash settled derivatives that trade on an exchange are deemed to be economically settled and therefore outside the scope of these disclosures.

	Group 30 June 24							
	Subject to enforceable master netting or similar agreements							
	Amounts offset on the Balance Sheet			Amounts not offset on the Balance Sheet				
	Gross Balance Sheet amount	Amount offset	Reported on the Balance Sheet	Financial instruments [1]	Financial collateral (received)/ pledged [1]	Net amount	Not subject to netting agreements	Total Balance Sheet amount
Financial instruments	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Derivative assets	17,520	–	17,520	(10,653)	(4,275)	2,592	538	**18,058**
Securities purchased under agreements to resell:								
At amortised cost	39,225	(3,466)	35,759	(2,787)	(32,916)	56	–	**35,759**
At fair value through income statement	54,424	(8,355)	46,069	(7,570)	(38,452)	47	–	**46,069**
Equity securities sold not delivered	1,055	(685)	370	–	–	370	7	**377**
Total financial assets	**112,224**	**(12,506)**	**99,718**	**(21,010)**	**(75,643)**	**3,065**	**545**	**100,263**
Derivative liabilities	(17,022)	–	(17,022)	10,653	3,224	(3,145)	(1,828)	**(18,850)**
Securities sold under agreements to repurchase:								
At amortised cost	(7,246)	3,466	(3,780)	347	3,433	–	–	**(3,780)**
At fair value through income statement	(44,867)	8,355	(36,512)	10,010	26,502	–	–	**(36,512)**
Equity securities purchased not delivered	(1,029)	685	(344)	–	–	(344)	(37)	**(381)**
Total financial liabilities	**(70,164)**	**12,506**	**(57,658)**	**21,010**	**33,159**	**(3,489)**	**(1,865)**	**(59,523)**

1 For the purpose of this disclosure, the related amounts of financial instruments and financial collateral not set off on the Balance Sheet have been capped by relevant netting agreements so as not to exceed the net amounts of financial assets/(liabilities) reported on the Balance Sheet, i.e. over collateralisation, where it exists, is not reflected in the tables. As a result, the above collateral balances will not correspond to the tables in Note 9.6.

Notes to the Financial Statements

For the year ended 30 June 2024

9.7 Offsetting financial assets and financial liabilities (continued)

	Group 30 June 23							
	Subject to enforceable master netting or similar agreements							
	Amounts offset on the Balance Sheet			Amounts not offset on the Balance Sheet				
	Gross Balance Sheet amount	Amount offset	Reported on the Balance Sheet	Financial instruments [1]	Financial collateral (received)/ pledged [1]	Net amount	Not subject to netting agreements	Total Balance Sheet amount
Financial instruments	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Derivative assets [2]	23,686	–	23,686	(12,894)	(5,567)	5,225	259	**23,945**
Securities purchased under agreements to resell:								
At amortised cost	13,144	(3,697)	9,447	(810)	(8,432)	205	–	**9,447**
At fair value through income statement	43,420	(4,421)	38,999	(7,357)	(31,536)	106	–	**38,999**
Equity securities sold not delivered	860	(521)	339	–	–	339	4	**343**
Total financial assets	**81,110**	**(8,639)**	**72,471**	**(21,061)**	**(45,535)**	**5,875**	**263**	**72,734**
Derivative liabilities [2]	(23,136)	–	(23,136)	12,894	4,321	(5,921)	(2,211)	**(25,347)**
Securities sold under agreements to repurchase:								
At amortised cost	(3,513)	3,003	(510)	415	95	–	–	**(510)**
At fair value through income statement	(37,786)	5,115	(32,671)	7,752	24,919	–	–	**(32,671)**
Equity securities purchased not delivered	(831)	521	(310)	–	–	(310)	(11)	**(321)**
Total financial liabilities	**(65,266)**	**8,639**	**(56,627)**	**21,061**	**29,335**	**(6,231)**	**(2,222)**	**(58,849)**

1 For the purpose of this disclosure, the related amounts of financial instruments and financial collateral not set off on the Balance Sheet have been capped by relevant netting agreements so as not to exceed the net amounts of financial assets/(liabilities) reported on the Balance Sheet, i.e. over collateralisation, where it exists, is not reflected in the tables. As a result, the above collateral balances will not correspond to the tables in Note 9.6.

2 Comparative information has been restated to reflect the legal terms of centrally cleared derivatives.

Notes to the Financial Statements
For the year ended 30 June 2024

9.7 Offsetting financial assets and financial liabilities (continued)

Bank
30 June 24

	Subject to enforceable master netting or similar agreements							
	Amounts offset on the Balance Sheet			Amounts not offset on the Balance Sheet				
	Gross Balance Sheet amount	Amount offset	Reported on the Balance Sheet	Financial instruments [1]	Financial collateral (received)/ pledged [1]	Net amount	Not subject to netting agreements	Total Balance Sheet amount
Financial instruments	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Derivative assets	19,262	–	19,262	(12,069)	(4,096)	3,097	535	**19,797**
Securities purchased under agreements to resell:								
At amortised cost	38,825	(3,466)	35,359	(2,789)	(32,513)	57	–	**35,359**
At fair value through income statement	54,523	(8,355)	46,168	(7,670)	(38,452)	46	–	**46,168**
Total financial assets	**112,610**	**(11,821)**	**100,789**	**(22,528)**	**(75,061)**	**3,200**	**535**	**101,324**
Derivative liabilities	(18,259)	–	(18,259)	12,069	3,013	(3,177)	(1,781)	**(20,040)**
Securities sold under agreements to repurchase:								
At amortised cost	(7,140)	3,466	(3,674)	347	3,327	–	–	**(3,674)**
At fair value through income statement	(45,248)	8,355	(36,893)	10,112	26,678	(103)	–	**(36,893)**
Total financial liabilities	**(70,647)**	**11,821**	**(58,826)**	**22,528**	**33,018**	**(3,280)**	**(1,781)**	**(60,607)**

1 For the purpose of this disclosure, the related amounts of financial instruments and financial collateral not set off on the Balance Sheet have been capped by relevant netting agreements so as not to exceed the net amounts of financial assets/(liabilities) reported on the Balance Sheet, i.e. over collateralisation, where it exists, is not reflected in the tables. As a result, the above collateral balances will not correspond to the tables in Note 9.6.

9.7 Offsetting financial assets and financial liabilities (continued)

	Bank 30 June 23							
	Subject to enforceable master netting or similar agreements							
	Amounts offset on the Balance Sheet			Amounts not offset on the Balance Sheet				
	Gross Balance Sheet amount	Amount offset	Reported on the Balance Sheet	Financial instruments [1]	Financial collateral (received)/ pledged [1]	Net amount	Not subject to netting agreements	Total Balance Sheet amount
Financial instruments	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
Derivative assets [2]	25,354	–	25,354	(14,559)	(5,341)	5,454	231	**25,585**
Securities purchased under agreements to resell:								
At amortised cost	13,334	(3,697)	9,637	(911)	(8,521)	205	–	**9,637**
At fair value through income statement	43,490	(4,421)	39,069	(7,427)	(31,536)	106	–	**39,069**
Total financial assets	**82,178**	**(8,118)**	**74,060**	**(22,897)**	**(45,398)**	**5,765**	**231**	**74,291**
Derivative liabilities [2]	(24,556)	–	(24,556)	14,559	4,172	(5,825)	(2,172)	**(26,728)**
Securities sold under agreements to repurchase:								
At amortised cost	(3,513)	3,003	(510)	415	95	–	–	**(510)**
At fair value through income statement	(37,956)	5,115	(32,841)	7,922	24,919	–	–	**(32,841)**
Total financial liabilities	**(66,025)**	**8,118**	**(57,907)**	**22,896**	**29,186**	**(5,825)**	**(2,172)**	**(60,079)**

1 For the purpose of this disclosure, the related amounts of financial instruments and financial collateral not set off on the Balance Sheet have been capped by relevant netting agreements so as not to exceed the net amounts of financial assets/(liabilities) reported on the Balance Sheet, i.e. over collateralisation, where it exists, is not reflected in the tables. As a result, the above collateral balances will not correspond to the tables in Note 9.6.

2 Comparative information has been restated to reflect the legal terms of centrally cleared derivatives.

Related amounts not set off on the Balance Sheet

Derivative assets and liabilities

The "Financial Instruments" column identifies financial assets and liabilities that are subject to set off under netting agreements, such as the ISDA Master Agreement. All outstanding transactions with the same counterparty can be offset and close-out netting applied if an event of default or other predetermined events occur. Financial collateral refers to cash and non-cash collateral obtained to cover the net exposure between counterparties by enabling the collateral to be realised in an event of default or if other predetermined events occur.

Repurchase and reverse repurchase agreements and security lending agreements

The "Financial Instruments" column identifies financial assets and liabilities that are subject to set off under netting agreements, such as global master repurchase agreements, global master securities lending agreements and agreements settled through specific Central Security Depositories. Under these netting agreements, all outstanding transactions with the same counterparty can be offset and close-out netting applied if an event of default or other predetermined events occur. Financial collateral typically comprises highly liquid securities which are legally transferred and can be liquidated in the event of counterparty default.

ACCOUNTING POLICIES

Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements
For the year ended 30 June 2024

10 Employee benefits

OVERVIEW

The Group employs over 48,000 people across multiple jurisdictions and remunerates its employees through both fixed and variable arrangements. This section outlines details of the share-based payment and superannuation components of employee remuneration and provides an overview of key management personnel arrangements.

10.1 Share-based payments

The Group operates a number of cash and equity settled share plans as detailed below.

Long Term Variable Remuneration (LTVR)

The Group's LTVR awards to the CEO, Group Executives and CEO of ASB have been made under the Employee Equity Plan (EEP) since the 2019 financial year award (2020 financial year for CEO ASB). LTVR focuses efforts on longer-term performance achievement, including relative shareholder returns to support creation of sustainable long-term shareholder value.

Participants are awarded a maximum number of performance rights, which may convert into CBA shares on a one-for-one basis (or for the 2021 to 2023 financial year awards, a cash equivalent as determined by the Board).

The rights granted for the 2020 financial year award may vest at the end of a performance period of four years subject to the satisfaction of performance measures as follows:

For the 2020 financial year award to the CEO and Group Executives:

- 75% of the award is assessed against Total Shareholder Return (TSR) compared the 20 largest companies listed on the ASX (by market capitalisation) at the beginning of the performance period, excluding resource companies and CBA.
- 12.5% of the award is assessed against a relative Trust and Reputation measure; and
- 12.5% of the award is assessed against an absolute Employee Engagement measure.

For the 2020 financial year award made to the CEO of ASB:

- 50% of the award is assessed against TSR compared the 20 largest companies listed on the ASX (by market capitalisation) at the beginning of the performance period, excluding resource companies and CBA.
- 25% of the award is assessed against an ASB relative Trust and Reputation measure; and
- 25% of the award is assessed against an ASB absolute Employee Engagement measure.

For the 2020 financial year award that vested in August 2023, (including the CEO ASB 2020 financial year award), a positive TSR gateway applied to the Trust and Reputation and Employee Engagement measures. For further information on the vesting outcome please refer to the Remuneration Report.

For awards made from the 2021 financial year to the CEO, Group Executives and CEO of ASB, the performance rights will be tested against the following performance measures at the end of four years and the number of performance rights will be adjusted accordingly:

- 50% of the award is assessed against TSR compared the 20 largest companies listed on the ASX (by market capitalisation) at the beginning of the performance period, excluding resource companies and CBA (General ASX).
- 50% of the award is assessed against TSR compared to a peer group of 8 financial services companies determined by the Board (Financial Services).

Any performance rights from the 2021 to 2023 financial year awards and CEO ASB's 2024 financial year award, and restricted shares from the 2024 financial year award, that remain on foot after the performance test will be subject to a further holding period, for the:

- 2021 and 2022 financial year awards, in two equal tranches of two and three years for the CEO, and one and two years for other participants, and
- 2023 and 2024 financial year awards, two years for the CEO and one year for other participants.

Refer to the Remuneration Report for further details on LTVR.

The following table provides details of outstanding awards of performance rights granted under LTVR.

Period	Outstanding 1 July	Granted	Vested	Forfeited	Outstanding 30 June	Expense ($'000)
2024	**726,245**	**117,530**	**(298,038)**	**(24,245)**	**521,492**	**7,142**
2023	873,046	121,882	(268,683)	–	726,245	8,776

The weighted average fair value at the grant date was $56.96 for the ASX General TSR tranche and $51.58 for the Financial Services TSR tranche (2023: $65.37 for the ASX General TSR tranche and $57.30 for the Financial Services TSR tranche). The fair value of the performance rights granted during the period has been independently calculated at grant date using a Monte Carlo pricing model based on market information. The assumptions included in the valuations of the 2024 financial year awards include a share price of $102.15 and $118.87, a risk-free interest rate of 4.45% and 4.13%, a 4.31% and 3.76% dividend yield on the Bank's ordinary shares and a volatility in the Bank share price of 25% and 20%.

10.1 Share-based payments (continued)

Long-Term Alignment Remuneration (LTAR)

The Group's LTAR awards to the CEO, Group Executives and CEO of ASB are made under the Employee Equity Plan (EEP), with the first grant being made in the 2021 financial year.

The LTAR award is granted as restricted share units which are entitlements to fully paid ordinary CBA shares (or cash equivalent as determined by the Board) with a payment equivalent to dividends paid during the restriction period only made on restricted share units that vest, subject to service conditions and a pre-vest assessment for the 2023 and 2024 financial year awards. The restricted share unit service period is:

- CEO: 50% of the CEO's LTAR award will vest after four years, and 50% after five years;
- Group Executives and the CEO ASB: 100% of the LTAR award will vest after four years.

The following table provides details of outstanding awards of restricted share units granted under LTAR.

Period	Outstanding 1 July	Granted	Vested	Forfeited	Outstanding 30 June	Expense ($'000)
2024	**398,590**	**111,169**	**–**	**–**	**509,759**	**12,163**
2023	280,108	118,482	–	–	398,590	9,188

The weighted average fair value at grant date of the LTAR awards issued during the year was $102.43 (2023: $104.58).

Employee Equity Plan (EEP)

The EEP facilitates mandatory short-term variable remuneration deferral, sign-on and retention awards. Participants are awarded restricted shares that vest provided the participant remains in employment of the Group until vesting and subject to risk and malus review. The following table provides details of outstanding awards of restricted shares granted under the EEP.

Period	Outstanding 1 July	Granted	Vested	Forfeited	Outstanding 30 June	Expense ($'000)
2024	**1,264,801**	**814,666**	**(660,513)**	**(71,394)**	**1,347,560**	**67,454**
2023	1,325,524	714,452	(706,372)	(68,803)	1,264,801	64,584

The weighted average fair value at grant date of the awards issued during the year was $101.68 (2023: $96.34).

Employee Share Acquisition Plan (ESAP)

Under the ESAP eligible employees have the opportunity to receive up to $1,000 worth of shares each year.

The number of shares a participant receives is calculated by dividing the award amount by the average price paid for CBA shares purchased during the purchase period preceding the grant date. Shares granted are restricted from sale until the earlier of three years or until such time as the participant ceases employment with the Group. Participants receive full dividend entitlements and voting rights attached to ESAP shares.

During the financial year ended 30 June 2024 the Board approved an award of $1,000 to each eligible employee to recognise their contribution during the previous financial year.

The following table provides details of shares granted under the ESAP.

Period	Allocation date	Participants	Number of shares allocated per participant	Total number of shares allocated	Issue price $	Total fair value ($'000)
2024	**15 Sep 2023**	**33,146**	**9**	**298,314**	**101.06**	**30,148**
2023	16 Sep 2022	31,034	10	310,340	96.44	29,929

It is estimated that approximately $32 million of CBA shares will be awarded under the 2024 grant.

Notes to the Financial Statements

For the year ended 30 June 2024

10.1 Share-based payments (continued)

EEP cash-settled equity awards

EEP cash-settled equity awards are provided to certain employees based overseas to facilitate mandatory short-term variable remuneration deferral, sign-on and retention awards.

The following table provides a summary of the movement in cash-settled awards during the year.

Period	Outstanding 1 July	Granted	Vested	Forfeited	Outstanding 30 June	Expense ($'000)
2024	**166,513**	**84,923**	**(78,341)**	**(11,793)**	**161,302**	**7,235**
2023	183,678	89,754	(94,327)	(12,592)	166,513	8,209

The weighted average fair value at grant date of the awards issued during the year was $100.61 (2023: $95.73).

Salary sacrifice arrangements

The Group facilitates the purchase of CBA shares via salary sacrifice as follows:

Type	Arrangements
Salary sacrifice	• Australian based employees and Non-Executive Directors can elect to sacrifice between $2,000 and $5,000 p.a. of their fixed remuneration and/or annual STVR or fees (in the case of Non-Executive Directors). • Restricted from sale for a minimum of two years and a maximum of seven years or earlier, if the employee ceases employment with the Group (or retires from the Group in the case of Non-Executive Directors).
Non-Executive Directors	• Non-Executive Directors can elect to apply a percentage of after-tax fees towards the acquisition of CBA shares.

Shares are purchased on market at the prevailing market price at that time and receive full dividend entitlements and voting rights. The following table provides details of shares granted under the Employee Salary Sacrifice Share Plan and Non-Executive Director Share Plans (voluntary fee sacrifice).

Period	Participants	Number of shares purchased	Average purchase price $	Total purchase consideration ($'000)
2024	**1,706**	**57,017**	**107.56**	**6,133**
2023	1,676	59,448	101.92	6,059

During the year five (2023: five) Non-Executive Directors applied $166,200.48 in fees (2023: $200,618.09) to purchase 1,548 shares (2023: 1,971 shares).

10.2 Retirement benefit obligations

Name of Plan	Type	Form of Benefit	Date of Last Actuarial Assessment of the Fund
Commonwealth Bank Group Super	Defined benefits and accumulation [1]	Indexed pension and lump sum	30 June 2021
Australian Retirement Trust	Defined benefits and accumulation [1]	Indexed pension and lump sum	N/A [2]
Commonwealth Bank of Australia (UK) Staff Benefits Scheme (CBA (UK) SBS)	Defined benefits and accumulation [1]	Indexed pension and lump sum	30 June 2022

1 The defined benefit formulae are generally based on final salary, or final average salary, and service.
2 Actuarial assessment for Australian Retirement Trust will be completed during the financial year ending 30 June 2025.

Regulatory framework

All plans operate under trust law with the assets of the plans held separately in trust. The plans are managed and administered on behalf of the members in accordance with the terms of each trust deed and relevant legislation. The funding of the plans complies with regulations in Australia and the UK respectively.

Funding and contributions

Commonwealth Bank Group Super

On 21 February 2023, the trustee of Group Super (Commonwealth Bank Officers Superannuation Corporation Pty Limited) announced that it had entered into a Memorandum of Understanding to pursue a merger with the Australian Retirement Trust (ART). The merger is occurring via a split successor fund transfer in two tranches. On 4 November 2023, tranche one transfer was completed with a portion of the defined benefit and all defined contribution members transferred to ART. Tranche two transfer to ART for lifetime pension members is expected to be completed during the year ending 30 June 2025.

Following the tranche one transfer to ART, only a portion of the defined benefit members is left in Group Super. The expense recognised in the current period in relation to the contributions was $119 million. Employer contributions paid to the plan are subject to tax at the rate of 15% in the plan.

Australian Retirement Trust

Following the completion of the tranche one transfer, the expense recognised in the current period in relation to the Group’s contribution was $212 million. The Group agreed to make contributions of $27 million per year effective from 4 November 2023 to ensure that the defined benefit plans in ART remains in surplus. Employer contributions paid to the plan are subject to tax at the rate of 15% in the plan.

CBA (UK) SBS

On 17 June 2021, the trustees of CBA (UK) SBS executed a GBP426.6 million bulk annuity insurance policy. The insurance policy was purchased using the existing assets of the plan. The transaction secured an insurance asset that fully matches the remaining pension liabilities of the Scheme, and is therefore measured at an amount that matches the scheme liabilities. The Group has no further obligation to make payments into the Scheme but retains responsibility for the benefits provided to the Scheme members.

Notes to the Financial Statements

For the year ended 30 June 2024

10.2 Retirement benefit obligations (continued)

Defined benefit superannuation plan

		Australian Retirement Trust [1]	Commonwealth Bank Group Super		CBA (UK) SBS		Total	
	Note	30 Jun 24 $M	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Present value of funded obligations		**(826)**	**(1,732)**	(2,453)	**(431)**	(435)	**(2,989)**	(2,888)
Fair value of plan assets		**1,046**	**1,907**	3,058	**472**	478	**3,425**	3,536
Net pension assets		**220**	**175**	605	**41**	43	**436**	648
Amounts in the Balance Sheet:								
Assets	6.3	**220**	**175**	605	**41**	43	**436**	648
Net assets		**220**	**175**	605	**41**	43	**436**	648
The amounts recognised in the Income Statement are as follows:								
Current service cost		**(10)**	**(5)**	(17)	**(4)**	(2)	**(19)**	(19)
Net interest income		**6**	**23**	25	**2**	1	**31**	26
Total included in superannuation plan expense		**(4)**	**18**	8	**(2)**	(1)	**12**	7
The amounts recognised in the Statement of Comprehensive Income are as follows:								
Return on plan assets (excluding interest income)		**71**	**(115)**	67	**(1)**	(60)	**(45)**	7
Actuarial (loss)/gain from changes in assumptions		**(35)**	**(54)**	34	**4**	92	**(85)**	126
Actuarial losses due to experience		**(1)**	**(103)**	(99)	**(4)**	(34)	**(108)**	(133)
Total included in Other Comprehensive Income		**35**	**(272)**	2	**(1)**	(2)	**(238)**	–
Member contributions		**3**	**2**	5	**–**	–	**5**	5
Employer contributions		**212**	**119**	357	**–**	–	**331**	357
Employer financed benefits within accumulation division [2]		**(194)**	**(124)**	(300)	**–**	–	**(318)**	(300)

1 On 4 November 2023, tranche one transfer was completed with a portion of the defined benefit and all defined contribution members transferred to ART.
2 Represents superannuation contributions made by the Group to meet its obligations to members of the defined contribution plan.

Significant assumptions

	Australian Retirement Trust	Commonwealth Bank Group Super		CBA (UK) SBS	
	30 Jun 24	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
The above calculations were based on the following assumptions:					
Discount rate, %	**5.6**	**5.6**	5.7	**5.1**	5.3
Inflation rate, %	**2.7**	**2.7**	2.5	**3.4**	3.5
Rate of increases in salary, %	**3.5**	**N/A**	3.3	**N/A**	4.5
Life expectancy of a 60 year old male (years)	**29.4**	**29.4**	29.3	**27.9**	28.6
Life expectancy of a 60 year old female (years)	**31.5**	**31.5**	31.5	**30.0**	30.4

Notes to the Financial Statements

For the year ended 30 June 2024

10.2 Retirement benefit obligations (continued)

Sensitivity to changes in assumptions

The table below sets out the sensitivities of the present value of defined benefit obligations for Commonwealth Bank Group Super and ART to changes in the principal actuarial assumptions:

	Australian Retirement Trust	Commonwealth Bank Group Super	
	30 Jun 24	30 Jun 24	30 Jun 23
Impact of change in assumptions on liabilities increase/(decrease)	%	%	%
0.25% increase in discount rate	**(3.8)**	**(2.7)**	(3.1)
0.25% increase in inflation rate	**3.0**	**2.7**	2.6
0.25% increase to the rate of increases in salary	**1.0**	**N/A**	0.4
Longevity increase of one year	**1.9**	**6.0**	4.6

CBA (UK) SBS has a low level of risk due to the insurance policy, whereby the present value of the plan liabilities is fully matched by the fair value of the insurance asset.

Average duration

The average duration of defined benefit obligation at 30 June is as follows:

	Australian Retirement Trust	Commonwealth Bank Group Super	CBA (UK) SBS	Commonwealth Bank Group Super	CBA (UK) SBS
	30 Jun 24	30 Jun 24	30 Jun 24	30 Jun 23	30 Jun 23
	Years	Years	Years	Years	Years
Average duration at balance date	**10.9**	**10.9**	**13.0**	10.8	13.0

Risk management

The pension plans expose the Group to longevity risk, currency risk, interest rate risk, inflation risk and market risk. The trustees perform Asset-Liability Matching (ALM) exercises to ensure the plan assets are well matched to the nature and maturities of the defined benefit obligations.

Inflation and interest rate risks are partly mitigated by investing in long dated fixed interest securities which better match the average duration of liabilities and entering into inflation and interest rate swaps.

The allocation of assets backing the defined benefit portion of the Commonwealth Bank Group Super and ART are as follows:

	Australian Retirement Trust		Commonwealth Bank Group Super			
	30 Jun 24		30 Jun 24		30 Jun 23	
Asset allocations	Fair value $ M	% of plan asset	Fair value $ M	% of plan asset	Fair value $ M	% of plan asset
Cash	**21**	**2.0**	**42**	**2.2**	148	4.8
Equities – Australian [1]	**251**	**24.0**	**4**	**0.2**	181	5.9
Equities – Overseas [1]	**314**	**30.0**	**–**	**–**	449	14.7
Bonds – Commonwealth Government [1]	**13**	**1.2**	**742**	**38.9**	1,054	34.5
Bonds – Semi-Government [1]	**8**	**0.8**	**621**	**32.5**	743	24.3
Bonds – Corporate and other [1]	**172**	**16.5**	**396**	**20.8**	38	1.2
Real Estate and Infrastructure [2]	**199**	**19.0**	**–**	**–**	307	10.0
Other [3]	**68**	**6.5**	**102**	**5.4**	138	4.6
Total fair value of plan assets	**1,046**	**100.0**	**1,907**	**100.0**	3,058	100.0

1 Values based on prices or yields quoted in an active market.
2 This includes listed and unlisted property and infrastructure investments.
3 These are alternative investments which are not included in the traditional asset classes of equities, fixed interest securities, real estate and cash. They include multi-asset investments, liquid alternative investments and hedge funds.

The Australian equities fair value includes $21.4 million (30 June 2023: $4.8 million) of Commonwealth Bank shares. The real estate fair value includes $1.7 million (30 June 2023: $0.5 million) of property assets leased to the Bank. Corporate and other bonds at 30 June 2024 includes $7.9m of Commonwealth Bank debt securities (30 June 2023: Nil).

Notes to the Financial Statements

For the year ended 30 June 2024

10.3 Key management personnel

Detailed remuneration disclosures by Key Management Personnel (KMP) are provided in the Remuneration Report of the Directors' Report on pages 104 to 132.

Key management personnel compensation	Group 30 Jun 24 $'000	Group 30 Jun 23 $'000	Bank 30 Jun 24 $'000	Bank 30 Jun 23 $'000
Short-term benefits [1]	**21,835**	23,001	**20,281**	21,518
Post-employment benefits	**476**	488	**433**	445
Long-term benefits	**373**	345	**334**	307
Share-based payments	**21,051**	21,695	**19,285**	19,973
Total	**43,735**	45,529	**40,333**	42,243

1 Short-term benefits include termination benefits of $611,301 (30 June 2023: Nil).

Security holdings

Details of the aggregate security holdings of KMP are set out below.

	Equity Class [1]	Balance 1 July 23 [2]	Acquired/ Granted as remuneration	Previous years awards vested [3]	Net change other [4]	Balance 30 June 24 [5]
Non-Executive Directors	Ordinary [6]	30,743	**3,142**	**–**	**(3,060)**	**30,825**
	PERLS	3,924	**–**	**–**	**(2,120)**	**1,804**
Executives	Ordinary	365,117	**–**	**271,927**	**(358,026)**	**279,018**
	Deferred STVR shares	80,170	**52,487**	**(55,585)**	**(6,772)**	**70,300**
	LTAR restricted share units	298,974	**89,309**	**–**	**(35,433)**	**352,850**
	LTVR performance rights	535,587	**89,306**	**(215,652)**	**(52,999)**	**356,242**
	Deferred one-off shares	3,451	**–**	**(690)**	**–**	**2,761**
	PERLS	626	**–**	**–**	**(626)**	**–**

1 LTVR performance rights are subject to performance hurdles. Deferred STVR shares represent the STVR previously awarded under executive arrangements in prior years, as well as the CEO ASB's 2019 financial year deferred STVR award. Deferred one-off shares includes one-off awards received as deferred shares. PERLS include cumulative holdings of all PERLS securities issued by the Group.
2 Comparative information has been restated to reflect prior period adjustments.
3 LTVR performance rights, LTAR restricted share units and deferred STVR shares become ordinary shares (as applicable) or are cash settled upon vesting.
4 Net change other incorporates changes resulting from purchases, sales, forfeitures and other transfers of securities, including changes to the KMP population during the year.
5 30 June 2024 balances represent aggregate shareholdings of all KMP at balance date. This does not include KMP who ceased during the 2024 financial year.
6 Non-Executive Directors are required to hold CBA shares equivalent to 100% of Board Chair fees for the Chair and 100% of Board member fees for Non-Executive Directors. This is to be accumulated over five years commencing on the later of 1 July 2019 or the date of appointment, valued with reference to the prevailing CBA share price at the relevant accumulation commencement date.

Loans to KMP

All loans to KMP (including close family members or entities controlled, jointly controlled, or significantly influenced by them, or any entity over which any of those family members or entities held significant voting power) have been made in the ordinary course of business on normal commercial terms and conditions no more favourable than those given to other employees and customers, including the term of the loan, security required and the interest rate (which may be fixed or variable). There has been no write down of loans during the period.

Details of aggregate loans to KMP are set out below:

	30 Jun 24 $'000	30 Jun 23 [1] $'000
Loans	**17,357**	16,612
Interest charged	**473**	500

1 Comparative information has been restated to reflect prior period adjustments.

Notes to the Financial Statements
For the year ended 30 June 2024

10.3 Key management personnel (continued)

Other transactions of KMP

Financial instrument transactions

Financial instrument transactions (other than loans and shares disclosed within this report) of KMP occur in the ordinary course of business on normal commercial terms and conditions no more favourable than those given to other employees and customers.

Disclosure of financial instrument transactions regularly made as part of normal banking operations is limited to disclosure of such transactions with KMP and entities controlled or significantly influenced by them.

All such financial instrument transactions that have occurred between entities within the Group and their KMP have been trivial or domestic in nature and were in the nature of normal personal banking and deposit transactions.

Transactions other than financial instrument transactions of banks

All other transactions with KMP and their related entities and other related parties are conducted on an arm's length basis in the normal course of business and on commercial terms and conditions. These transactions principally involve the provision of financial and investment services by entities not controlled by the Group.

Services agreements

The maximum contingent liability for termination benefits in respect of service agreements with the Chief Executive Officer and other KMP at 30 June 2024 was $1,275,364 (30 June 2023: $1,873,998).

Notes to the Financial Statements
For the year ended 30 June 2024

11 Group structure

OVERVIEW

The Group structure includes the Bank legal entity and its interests in operating and special purpose subsidiaries, joint ventures and associates. These entities were either acquired or established and their classification is driven by the Bank's level of control or influence.

The operating activities of these entities include banking, advice, funds management, specialised customer financing and asset backed financing across multiple jurisdictions.

11.1 Investments in subsidiaries and other entities

Subsidiaries

The key subsidiaries of the Bank are:

Entity Name	Entity Name
Australia	
CBA Covered Bond Trust	Medallion Trust Series 2017-1
Commonwealth Securities Limited	Medallion Trust Series 2017-1P
Medallion Trust Series 2008-1R	Medallion Trust Series 2017-2
Medallion Trust Series 2014-1P	Medallion Trust Series 2018-1
Medallion Trust Series 2014-2	Medallion Trust Series 2018-1P
Medallion Trust Series 2015-1	Medallion Trust Series 2019-1
Medallion Trust Series 2015-2	Medallion Trust Series 2023-1
Medallion Trust Series 2016-1	Medallion Trust Series 2023-2
Medallion Trust Series 2016-2	Residential Mortgage Group Pty Ltd

All the above subsidiaries are 100% owned and incorporated in Australia.

Entity Name	Incorporated in
New Zealand and other overseas	
ASB Bank Limited	New Zealand
ASB Covered Bond Trust	New Zealand
ASB Holdings Limited	New Zealand
ASB Term Fund	New Zealand
Medallion NZ Series Trust 2009-1R	New Zealand
Commonwealth Bank of Australia (Europe) N.V.	The Netherlands

All the above subsidiaries are 100% owned.

Notes to the Financial Statements

For the year ended 30 June 2024

11.1 Investments in subsidiaries and other entities (continued)

Critical accounting judgements and estimates

Control and voting rights

Determining whether the Group has control is generally straightforward based on ownership of the majority of the voting rights. Holding more than 50% of an entity's voting rights typically indicates that the Group has control over the entity. Significant judgement is involved where either the Group is deemed to control an entity despite holding less than 50% of the voting rights, or where the Group does not control an entity despite holding more than 50% of the voting rights.

Agent or principal

The Group is deemed to have power over an investment fund when it holds either the responsible entity (RE) and/or the manager function of that fund. Whether that power translates to control depends on whether the Group is deemed to act as an agent or a principal of that fund. Management have determined that the Group acts as a principal and controls a fund when it cannot be easily removed as a manager or RE by investors and when its economic interest in that fund is substantial compared to the economic interest of other investors. In all other cases the Group acts as agent and does not control the fund.

Significant restrictions

There were no significant restrictions on the ability to transfer cash or other assets, pay dividends or other capital distributions, provide or repay loans and advances between the entities within the Group. There were also no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group resulting from protective rights of non-controlling interests.

Associates and joint ventures

There were no significant restrictions on the ability of associates or joint ventures to transfer funds to the Bank or its subsidiaries in the form of cash dividends or to repay loans or advances made.

The Group's investments in associates and joint ventures are shown in the table below.

	Group [1]						
	30 June 24 $M	30 June 23 $M	30 June 24 Ownership interest %	30 June 23 Ownership interest %	Principal activities	Country of incorporation	Balance date
Vietnam International Commercial Joint Stock Bank	**601**	584	**20**	20	Commercial banking	Vietnam	31-Dec
Superannuation and Investments HoldCo Pty Limited	**406**	419	**45**	45	Wealth management	Australia	30-Jun
PEXA Group Limited	**310**	321	**24**	24	Property settlement	Australia	30-Jun
Lendi Group Pty Ltd	**240**	366	**42**	42	Mortgage broking	Australia	30-Jun
Other	**114**	137	**Various**	Various	Various	Various	Various
Carrying amount of investments in associates and joint ventures	**1,671**	1,827					

1 Comparative information has been revised to reflect the change detailed in Note 1.1.

	Group [1]	
Share of associates' and joint ventures profits	**30 June 24 $M**	**30 June 23 $M**
Operating profits/(losses) before income tax	**44**	(22)
Income tax (expense)/benefit	**(5)**	20
Operating profits/(losses) after income tax [2]	**39**	(2)

1 Comparative information has been revised to reflect the change detailed in Note 1.1.

2 This amount is recognised net of impairment in the share of profits of associates and joint ventures within net other operating income.

Notes to the Financial Statements

For the year ended 30 June 2024

11.1 Investments in subsidiaries and other entities (continued)

Structured entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Group's power over the activities of the entity and its exposure to and ability to influence its own returns, it may consolidate the entity. In other cases, it may sponsor or have exposure to such an entity but not consolidate it.

Consolidated structured entities

The Group has the following contractual arrangements which require it to provide financial support to its structured entities.

Securitisation structured entities

The Group provides liquidity facilities to Medallion and Medallion NZ structured entities. The liquidity facilities can only be drawn to cover cash flow shortages relating to mismatches in timing of cash inflows due from securitised asset pools and cash outflows due to note holders. These "timing mismatch" facilities rank pari passu with other senior secured creditors. The facilities limit is $1,473 million (30 June 2023: $1,498 million). This includes $1,225 million (30 June 2023: $1,225 million) in relation to the structured entity where the Bank holds all of the issued instruments and $1,371 million (30 June 2023; $1,372 million) where the Group holds all of the issued instruments.

The Group has no contractual obligations to purchase assets from its securitisation structured entities.

Covered bonds trust

The Group provides funding and support facilities to CBA Covered Bond Trust and ASB Covered Bond Trust (the 'Trusts'). The Trusts are bankruptcy remote SPVs that guarantee any debt obligations owing under the US$40 billion CBA Covered Bond Programme and the EUR7 billion ASB Covered Bond Programme, respectively. The funding facilities allow the Trusts to hold sufficient residential mortgage loans to support the guarantees provided to the Covered Bonds. The Group also provides various swaps to the Trusts to hedge any interest rate and currency mismatches. The Group, either directly or via its wholly owned subsidiaries, Securitisation Advisory Services Pty Limited and Securitisation Management Services Limited, provides various services to the Trusts including servicing and monitoring of the residential mortgages.

Structured asset finance structured entities

The Group has no contractual obligation to provide financial support to any of its structured asset finance structured entities.

During the year ended 30 June 2023, the Bank entered into a debt forgiveness arrangement with four wholly owned structured entities for a total of $55 million. The financial impact of the debt forgiveness was fully eliminated on consolidation.

Unconsolidated structured entities

The Group has exposure to various securitisation vehicles via Residential Mortgage-backed Securities (RMBS) and Asset-backed Securities (ABS). The Group may also provide derivatives and other commitments to these vehicles. The Group also has exposure to investment funds and other financing vehicles.

Securitisations

Securitisations involve transferring assets into an entity that sells beneficial interests to investors through the issue of debt and equity notes with varying levels of subordination. The notes are collateralised by the assets transferred to these vehicles and pay a return based on the returns of those assets, with residual returns paid to the most subordinated investor.

The Group may trade or invest in RMBS and ABS, which are backed by Commercial Properties, Consumer Receivables, Equipment and Auto Finance. The Group may also provide lending, derivatives, liquidity and commitments to these securitisation entities.

Other financing

Asset-backed entities are used to provide tailored lending for the purchase or lease of assets transferred by the Group or its clients. The assets are normally pledged as collateral to the lenders. The Group engages in raising finance for assets such as aircraft, trains, vessels and other infrastructure. The Group may also provide lending, derivatives, liquidity and commitments to these entities.

Investment funds

The Group conducts investment management and other fiduciary activities as responsible entity, trustee, custodian, adviser or manager for investment funds and trusts, including superannuation and approved deposit funds, wholesale and retail trusts. The Group's exposure to investment funds includes holding units in the investment funds and trusts, providing lending facilities, derivatives and receiving fees for services.

The nature and extent of the Group's interests in these entities are summarised below. Interests do not include derivatives and other positions where the Group creates rather than absorbs variability of the structured entity, for example deposits the funds place with the Group. These have been excluded from the tables on pages 276 to 277.

Notes to the Financial Statements

For the year ended 30 June 2024

11.1 Investments in subsidiaries and other entities (continued)

	30 Jun 24				
Exposures to unconsolidated structured entities	**RMBS $M**	**ABS $M**	**Other financing $M**	**Investment funds $M**	**Total $M**
Investment securities	3,177	157	–	–	**3,334**
Loans and other receivables	8,132	2,665	3,398	4,088	**18,283**
Total on Balance Sheet exposures	**11,309**	**2,822**	**3,398**	**4,088**	**21,617**
Total notional amounts of off Balance Sheet exposures [1]	4,186	1,194	1,258	5,852	**12,490**
Total maximum exposure to loss	**15,495**	**4,016**	**4,656**	**9,940**	**34,107**
Total assets of the entities [2]	**50,629**	**13,999**	**9,647**	**29,300**	**103,575**

1 Relates to undrawn facilities.

2 Size of the entities is generally the total assets of the entities, except for Real Estate Investment Trusts where the size is based on the Group's credit exposure of $9,924 million.

	30 Jun 23				
Exposures to unconsolidated structured entities	**RMBS $M**	**ABS $M**	**Other financing $M**	**Investment funds $M**	**Total $M**
Investment securities	3,000	114	–	–	**3,114**
Loans and other receivables	7,827	3,214	2,438	4,486	**17,965**
Total on Balance Sheet exposures	**10,827**	**3,328**	**2,438**	**4,486**	**21,079**
Total notional amounts of off Balance Sheet exposures [1]	4,888	776	1,119	5,699	**12,482**
Total maximum exposure to loss	**15,715**	**4,104**	**3,557**	**10,185**	**33,561**
Total assets of the entities [2]	**43,442**	**13,094**	**10,946**	**29,559**	**97,041**

1 Relates to undrawn facilities.

2 Size of the entities is generally the total assets of the entities, except for Real Estate Investment Trusts where the size is based on the Group's credit exposure of $10,169 million.

The Group's exposure to loss depends on the level of subordination of the interest, which indicates the extent to which other parties are obliged to absorb credit losses before the Group. An overview of the Group's interests, relative ranking and external credit rating, for vehicles that have credit subordination in place, is summarised in the table below, and includes securitisation vehicles and other financing.

	30 Jun 24			
Ranking and credit rating of exposures to unconsolidated structured entities	**RMBS $M**	**ABS $M**	**Other financing $M**	**Total $M**
Senior [1]	15,475	4,016	4,656	**24,147**
Mezzanine [2]	20	–	–	**20**
Total maximum exposure to loss	15,495	4,016	4,656	**24,167**

1 All ABS and RMBS exposures and $3,397 million of other financing exposures are rated investment grade. $1,259 million of other financing exposures are sub-investment grade.

2 All RMBS exposures are rated investment grade.

Notes to the Financial Statements

For the year ended 30 June 2024

11.1 Investments in subsidiaries and other entities (continued)

Ranking and credit rating of exposures to unconsolidated structured entities	30 Jun 23 RMBS $M	ABS $M	Other financing $M	Total $M
Senior [1]	15,707	4,100	3,557	**23,364**
Mezzanine [2]	8	4	–	**12**
Total maximum exposure to loss	15,715	4,104	3,557	**23,376**

1 All ABS and RMBS exposures and $2,541 million of other financing exposures are rated investment grade. $1,016 million of other financing exposures are sub-investment grade.

2 All RMBS exposures are rated investment grade.

Sponsored unconsolidated structured entities

For the purposes of this disclosure, the Group sponsors an entity when it manages or advises the entity's program, places securities into the market on behalf of the entity, provides liquidity and/or credit enhancements to the entity, or the Group's name appears in the Structured Entity.

As at 30 June 2024, the Group has not sponsored any unconsolidated structured entities.

ACCOUNTING POLICIES

Subsidiaries

The consolidated financial report comprises the financial report of the Bank and its subsidiaries. Subsidiaries are entities (including structured entities) over which the Bank has control. The Bank controls an entity when it has:

- power over the relevant activities of the entity, for example through voting or other rights;
- exposure to, or rights to, variable returns from the Bank's involvement with the entity; and
- the ability to use its power over the entity to affect the Bank's returns from the entity.

Consolidation of structured entities

The Group exercises judgement at inception and periodically thereafter, to assess whether that structured entity should be consolidated based on the Bank's power over the relevant activities of the entity and the significance of its exposure to variable returns of the structured entity. Such assessments are predominately required for the Group's securitisation program, structured transactions and involvement with investment funds.

Transactions between subsidiaries in the Group are eliminated. Non-controlling interests and the related share of profits in subsidiaries are shown separately in the consolidated Income Statement, Statement of Comprehensive Income, and Balance Sheet. Subsidiaries are consolidated from the date on which control is transferred to the Group and de-consolidated when control ceases. Subsidiaries are accounted for at cost less accumulated impairments at the Bank level.

Business combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, the cost of the business is the fair value of the purchase consideration, measured as the aggregate of the fair values of assets transferred, equity instruments issued, or liabilities incurred or assumed at the date of exchange.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at fair value on the acquisition date. Goodwill represents the excess of the fair value of the purchase consideration over the fair value of the Group's share of assets acquired and liabilities and contingent liabilities assumed on the date of acquisition. If there is a deficit instead, the discount on acquisition is recognised directly in the consolidated Income Statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Investments in associates and joint ventures

Associates and joint ventures are entities over which the Group has significant influence or joint control, but not control. In the consolidated financial report, they are equity accounted. They are initially recorded at cost and adjusted for the Group's share of the associates' and joint ventures' post-acquisition profits or losses and other comprehensive income, less any dividends received. At the Bank level, they are accounted for at cost less accumulated impairments.

The Group assesses, at each balance sheet date, whether there is any objective evidence of impairment. If there is an indication that an investment may be impaired, then the entire carrying amount of the investment in associate or joint venture is tested for impairment by comparing the recoverable amount (higher of value in use and fair value less disposal costs) with the carrying amount. The subsequent reversal of impairment losses is recognised in the Income Statement if there has been a change in the estimates used to determine the recoverable amount since the impairment loss was recognised.

11.2 Related party disclosures

Banking transactions are entered into with related parties in the normal course of business on an arm's length basis. These include loans, deposits and foreign currency transactions, upon which some fees and commissions may be earned. Details of amounts paid or received from related parties, in the form of interest or dividends, are set out in Notes 2.1 and 2.3.

The Bank's aggregate investments in, and loans to controlled entities are disclosed in the table below. Amounts due to controlled entities are disclosed in the Balance Sheet of the Bank.

	Bank	
	30 June 24	30 June 23
	$M	$M
Shares in controlled entities	**8,093**	8,623
Loans to controlled entities at amortised cost	**49,224**	45,377
Loans to controlled entities at fair value through Income Statement	**911**	636
Total shares in and loans to controlled entities	**58,228**	54,636

As at 30 June 2024, loans to controlled entities at amortised cost in the table above are presented net of $9 million provisions for impairment (30 June 2023: $11 million).

One of the Bank's subsidiaries issued a professional indemnity insurance policy to the Group's controlled entities holding an Australian Financial Services or Australian Credit licence. The total amount insured under this policy as at 30 June 2024 was up to $99 million (30 June 2023: $124 million). The subsidiary also issues a comprehensive crime and professional indemnity insurance policy to the Group. The total amount insured under this policy as at 30 June 2024 was up to $100 million (30 June 2023: $150 million).

As at 30 June 2024, the Bank had reimbursement arrangements in place totalling $16 million (30 June 2023: $82 million), for Aligned Advice remediation with its subsidiaries Financial Wisdom Limited, and Commonwealth Financial Planning Limited including the Pathways business (CFP-Pathways), to cover potential remediation of inappropriate advice and other matters. The Group and the Bank have provided for these costs.

As at 30 June 2024, the Bank has an indemnity deed in place with Count Financial and Count Limited (previously known as CountPlus) with a $520 million limit (30 June 2023: $520 million), to cover potential remediation of ongoing service failures to customers, inappropriate advice and other matters. The Group and the Bank have provided for these costs.

The Bank is the head entity of the tax consolidated group and has entered into tax funding and tax sharing agreements with its eligible Australian resident subsidiaries. The details of these agreements are set out in Note 2.5. The amount receivable by the Bank under the tax funding agreement with the tax consolidated entities is $93 million as at 30 June 2024 (30 June 2023: $190 million). This balance is included in 'Other assets' in the Bank's separate Balance Sheet.

All transactions between Group entities are eliminated on consolidation.

ACCOUNTING POLICIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or a separate party controls both. The definition includes subsidiaries, associates, joint ventures, pension plans as well as other persons.

Notes to the Financial Statements
For the year ended 30 June 2024

11.3 Discontinued operations and businesses held for sale

The Group completed the following business divestments during the years ended 30 June 2024 and 30 June 2023:

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 the completion of the sale, and $65 million of separation costs.

CommInsure General Insurance

On 21 June 2021, the Group announced the sale of CommInsure General Insurance to Hollard Insurance Company Pty Ltd (Hollard). As part of the sale, the Group established an exclusive 15-year strategic alliance with Hollard for the distribution of home and motor vehicle insurance products. The sale of CommInsure General Insurance to Hollard completed on 30 September 2022, resulting in a total post-tax gain of $66 million net of transaction and separation costs. This includes a $179 million post-tax gain recognised during the year ended 30 June 2023, and post-tax transaction and separation costs of $46 million and $67 million recognised during the years ended 30 June 2022 and 2021, respectively.

PTBC and CommInsure General Insurance did not represent separate major lines of the Group's business and were not classified as discontinued operations.

Financial impact of discontinued operations on the Group

	Full year ended [1]		
	30 June 24	**30 June 23**	**30 June 22**
	$M	**$M**	**$M**
Net other operating income	**42**	71	381
Operating expenses	**(26)**	(45)	(217)
Net profit before income tax	**16**	26	164
Income tax expense	**(5)**	(8)	(51)
Net profit after income tax and before transaction and separation costs	**11**	18	113
(Losses)/gains on disposals of businesses net of transaction and separation costs [2]	**(98)**	(116)	985
Net (loss)/profit after income tax from discontinued operations attributable to equity holders of the Bank	**(87)**	(98)	1,098

1 Income Statement for discontinued operations includes CFS.

2 Includes post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency transaction reserve recycling), and transaction and separation costs associated with previously announced divestments.

Notes to the Financial Statements

For the year ended 30 June 2024

11.3 Discontinued operations and businesses held for sale (continued)

Earnings per share for (loss)/profit from discontinued operations attributable to equity holders of the Bank

	Full year ended		
	30 June 24	30 June 23	30 June 22
		Cents per Share	
Earnings per share from discontinued operations:			
Basic	**(5.2)**	(5.8)	63.7
Diluted	**(4.9)**	(5.5)	59.9

Cash flow statement

	Full year ended [1]		
	30 June 24	30 June 23	30 June 22
	$M	$M	$M
Net cash used in operating activities	**–**	–	(53)
Net cash used in investing activities	**–**	–	(79)
Net cash used in financing activities	**–**	–	(228)
Net cash outflows from discontinued operations	**–**	–	(360)

1 Represents cash flows from the underlying businesses classified as discontinued operations and excludes proceeds from disposal, post-completion adjustments, and transaction and separation costs.

Balance Sheet

As at 30 June 2024 the Group's assets held for sale include certain structured asset finance leases and properties held for sale of $870 million (30 June 2023: $5 million).

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 coordinated 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.

Notes to the Financial Statements

For the year ended 30 June 2024

12 Other

OVERVIEW

This section includes other information required to provide a more complete view of our business. It includes customer related commitments and contingencies that arise in the ordinary course of business. In addition, it covers the impact of adopting new accounting standards, notes to the Statement of Cash Flows, remuneration of auditors, and details of events that have taken place subsequent to the balance sheet date.

12.1 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 7.1, 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.

	Group [1]			
	Face value		Credit equivalent	
Credit risk related instruments	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Financial guarantees	**3,814**	3,823	**3,538**	3,553
Performance related contingencies	**13,650**	12,722	**7,518**	7,011
Commitments to provide credit and other commitments	**185,776**	185,302	**146,007**	146,405
Total credit risk related instruments	**203,240**	201,847	**157,063**	156,969

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

	Bank [1]			
	Face value		Credit equivalent	
Credit risk related instruments	30 Jun 24 $M	30 Jun 23 $M	30 Jun 24 $M	30 Jun 23 $M
Financial guarantees	**3,160**	3,132	**2,983**	2,937
Performance related contingencies	**13,650**	12,722	**7,518**	7,011
Commitments to provide credit and other commitments	**171,141**	169,970	**133,166**	133,051
Total credit risk related instruments	**187,951**	185,824	**143,667**	142,999

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

12.1 Contingent liabilities, contingent assets and commitments arising from the banking business (continued)

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.

Notes to the Financial Statements
For the year ended 30 June 2024

12.2 Notes to the Statements of Cash Flows

(a) Reconciliation of net profit after income tax to net cash provided by operating activities

	Group [1]			Bank [1]	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 22 $M	30 Jun 24 $M	30 Jun 23 $M
Net profit after income tax [2]	**9,394**	9,998	10,690	**8,613**	9,280
Increase in interest receivable	**(645)**	(1,795)	(162)	**(712)**	(1,833)
Increase in interest payable	**1,846**	3,876	316	**1,689**	3,416
Net loss/(gain) on sale of controlled entities and associates	**221**	(291)	(2,079)	**366**	19
Net loss/(gain) on sale of property, plant and equipment	**2**	4	(12)	**4**	4
Equity accounting profit	**95**	19	(382)	**140**	8
Loan impairment expense/(benefit)	**802**	1,108	(357)	**715**	1,031
Depreciation and amortisation (including asset write downs)	**1,440**	1,110	1,518	**1,232**	922
Decrease in other provisions	**(157)**	(708)	(121)	**(179)**	(671)
(Decrease)/increase in income taxes payable	**(178)**	400	97	**(186)**	217
Increase/(decrease) in deferred tax liabilities	**24**	(17)	(65)	**23**	(32)
Decrease/(increase) in deferred tax assets	**15**	(627)	(1,075)	**197**	(555)
Decrease/(increase) in accrued fees/reimbursements receivable	**23**	(143)	(45)	**28**	(44)
Increase/(decrease) in accrued fees and other items payable	**248**	549	(346)	**220**	402
Cash flow hedge ineffectiveness	**8**	(8)	4	**3**	(4)
Fair value hedge ineffectiveness	**25**	7	(8)	**10**	(34)
Dividend received – controlled entities and associates	**–**	–	–	**(1,072)**	(1,233)
Changes in operating assets and liabilities arising from cash flow movements	**(38,500)**	(21,601)	13,851	**(38,669)**	(21,592)
Other	**(286)**	(271)	1,416	**(234)**	(278)
Net cash (used in)/provided by operating activities	**(25,623)**	(8,390)	23,240	**(27,812)**	(10,977)

1 Comparative information has been revised to reflect the change detailed in Note 1.1.
2 Includes non-controlling interest.

(b) Reconciliation of cash

For the purposes of the Statements of Cash Flows, cash and cash equivalents include cash and money at short call.

	Group			Bank	
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 22 $M	30 Jun 24 $M	30 Jun 23 $M
Notes, coins and cash at banks	**47,321**	107,172	119,355	**42,896**	98,730
Cash and cash equivalents at end of year	**47,321**	107,172	119,355	**42,896**	98,730

(c) Disposal of controlled entities

	Group		
	30 Jun 24 $M	30 Jun 23 $M	30 Jun 22 $M
Net assets	**401**	333	472
Cash consideration received	**188**	567	1,990
Cash and cash equivalents held in disposed entities	**65**	–	15

Notes to the Financial Statements

For the year ended 30 June 2024

12.3 Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by the auditor of the Group and the Bank, and its network firms:

	Group		Bank	
	30 Jun 24 $'000	30 Jun 23 $'000	30 Jun 24 $'000	30 Jun 23 $'000
Audit and review services				
Audit and review of financial statements – Group	**23,155**	22,583	**23,155**	22,583
Audit and review of financial statements – Controlled entities	**7,617**	6,026	**1,293**	1,146
Total remuneration for audit and review services	**30,772**	28,609	**24,448**	23,729
Other statutory assurance services	**4,740**	4,173	**4,512**	4,001
Other assurance services	**9,215**	8,005	**7,686**	6,715
Total remuneration for assurance services	**13,955**	12,178	**12,198**	10,716
Total remuneration for audit, review and assurance services	**44,727**	40,787	**36,646**	34,445
Other non-audit services				
Taxation advice and tax compliance services	**56**	377	**42**	231
Other services	**147**	38	**–**	2
Total remuneration for other non-audit services	**203**	415	**42**	233
Total remuneration for audit, review, assurance and other services [1]	**44,930**	41,202	**36,688**	34,678

1 An additional amount of $2,309,242 (30 June 2023: $1,577,288) was paid to PricewaterhouseCoopers by way of fees for entities not consolidated into the financial statements. Of this amount, $1,593,790 (30 June 2023: $1,326,549) relates to audit, review and assurance services.

The Audit Committee has considered the non-audit services provided by PricewaterhouseCoopers and is satisfied that the services and the level of fees are compatible with maintaining auditors' independence. All such services were approved by the Audit Committee in accordance with pre-approved policies and procedures.

Other statutory assurance services relate to engagements required under prudential standards and other legislative or regulatory requirements. Other assurance services include assurance and attestation relating to Pillar 3, climate and sustainability reporting, comfort letters over financing programmes as well as agreed upon procedures.

Taxation services include assistance with tax return submissions and advice on tax legislation.

Other services include procedures over divestment completion accounts and benchmarking activities.

Notes to the Financial Statements

For the year ended 30 June 2024

12.4 Subsequent events

The Directors have determined a fully franked final dividend of 250 cents per share amounting to $4,184 million.

Dividend Reinvestment Plan (DRP)

The Bank expects the DRP for the final dividend for the year ended 30 June 2024 will be satisfied in full by an on-market purchase of shares of approximately $560 million based on historical DRP participation rate.

Share buy-back

On 14 August 2024, the Bank announced a 12 month extension of the on-market share buy-back of up to $1 billion of shares announced on 9 August 2023 (of which $282 million was completed during the year ended 30 June 2024). The Bank reserves the right to vary, suspend or terminate the buy-back at any time.

Consolidated entity disclosure statement

The table below includes consolidated entity information required by section 295 of the *Corporations Act 2001* (Cth):

				Tax residency	
Entity Registered Name	**Entity Type**	**Place formed or incorporated**	**Percentage of share capital held (%)**	**Australian or foreign**	**Foreign jurisdiction**
Aircraft MSN 37125 (Australia) Trust	Trust	N/A	N/A	Australia	N/A
Aircraft MSN 37129 (Australia) Trust	Trust	N/A	N/A	Australia	N/A
ASB Bank Limited	Body Corporate	New Zealand	100.00	Foreign	New Zealand
ASB Cash Fund	Trust	N/A	N/A	Foreign	New Zealand
ASB Covered Bond Trust	Trust	N/A	N/A	Foreign	New Zealand
ASB Group Investments Limited	Body Corporate	New Zealand	100.00	Foreign	New Zealand
ASB Holdings Limited	Body Corporate	New Zealand	100.00	Foreign	New Zealand
ASB Management Services Limited	Body Corporate	New Zealand	100.00	Foreign	New Zealand
ASB Nominees Limited	Body Corporate	New Zealand	100.00	Foreign	New Zealand
ASB Securities Limited	Body Corporate	New Zealand	100.00	Foreign	New Zealand
ASB Term Fund	Trust	N/A	N/A	Foreign	New Zealand
Asklepios Limited [1]	Body Corporate	Australia	100.00	Australia	N/A
BW Financial Advice Pty Limited [1]	Body Corporate	Australia	100.00	Australia	N/A
BWA Group Services Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
BWA Intellectual Property Holdings Limited [1]	Body Corporate	Australia	100.00	Australia	N/A
Capital 121 Pty Limited [1]	Body Corporate	Australia	100.00	Australia	N/A
CBA A320 6749 Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
CBA A320 Aircraft No1 Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
CBA A330 1561 Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
CBA Aircraft Leasing 2 Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
CBA B377 37091 Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
CBA B738 39822 Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
CBA B773 60333 Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
CBA Captive Insurance Pte. Ltd.	Body Corporate	Singapore	100.00	Foreign	Singapore
CBA Corporate Services (NSW) Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
CBA Corporate Services (VIC) Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
CBA Covered Bond Trust	Trust	N/A	N/A	Australia	N/A
CBA ES Business Services Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
CBA Europe Limited	Body Corporate	United Kingdom	100.00	Foreign	United Kingdom
CBA Funding (NZ) Limited	Body Corporate	New Zealand	100.00	Foreign	New Zealand
CBA Group Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
CBA Investments (No 4) Limited	Body Corporate	New Zealand	100.00	Foreign	New Zealand
CBA New Digital Businesses Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
CBA SAF Holding Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
CBA SAF UK Limited	Body Corporate	United Kingdom	100.00	Foreign	United Kingdom
CBA Services International Limited	Body Corporate	United Kingdom	100.00	Foreign	United Kingdom
CBA Services Private Limited	Body Corporate	India	100.00	Foreign	India
CBA Specialised Financing Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
CBFC Leasing Pty Limited	Body Corporate	Australia	100.00	Australia	N/A

Entity Registered Name	Entity Type	Place formed or incorporated	Percentage of share capital held (%)	Tax residency: Australian or foreign	Tax residency: Foreign jurisdiction
CBFC Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
CMG Asia Life Holdings Limited [1]	Body Corporate	Bermuda	100.00	Australia	N/A
CMG Asia Pty Ltd [1]	Body Corporate	Australia	100.00	Australia	N/A
Colonial Holding Company Limited [1]	Body Corporate	Australia	100.00	Australia	N/A
Colonial Services Pty Limited [1]	Body Corporate	Australia	100.00	Australia	N/A
Commbank Foundation	Trust	N/A	N/A	Australia	N/A
Commbank Staff Foundation Limited [2]	Body Corporate	Australia	100.00	Australia	N/A
Commonwealth Australia Securities LLC	Body Corporate	United States	100.00	Foreign	United States
Commonwealth Bank of Australia	Body Corporate	Australia	N/A	Australia	N/A
Commonwealth Bank of Australia (Europe) N.V.	Body Corporate	Netherlands	100.00	Foreign	Netherlands
Commonwealth Bank of Australia Share Plan Trust	Trust	N/A	N/A	Australia	N/A
Commonwealth Bank Officers Superannuation Corporation Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
Commonwealth Financial Planning Limited [1]	Body Corporate	Australia	100.00	Australia	N/A
Commonwealth Insurance Holdings Limited [1]	Body Corporate	Australia	100.00	Australia	N/A
Commonwealth Investments Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
Commonwealth Private Limited	Body Corporate	Australia	100.00	Australia	N/A
Commonwealth Securities Limited	Body Corporate	Australia	100.00	Australia	N/A
CommSec Custodial Nominees Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
Commwealth International Holdings Pty Limited [1]	Body Corporate	Australia	100.00	Australia	N/A
Comsec Nominees Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
CPM Transform HoldCo Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
CTB Australia Limited	Body Corporate	Hong Kong	100.00	Foreign	Hong Kong
Doshii Connect Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
Financial Wisdom Limited [1]	Body Corporate	Australia	100.00	Australia	N/A
Homepath Pty Limited [1]	Body Corporate	Australia	100.00	Australia	N/A
Inverloch Leasing Pty Limited	Body Corporate	Australia	99.00	Australia	N/A
IWL Broking Solutions Pty Limited [1]	Body Corporate	Australia	100.00	Australia	N/A
Medallion NZ Series 2009-1R	Trust	N/A	N/A	Foreign	New Zealand
Medallion Trust Series 2008-1R	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2013-2	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2014-1	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2014-1P	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2014-2	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2015-1	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2015-2	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2016-1	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2016-2	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2017-1	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2017-1P	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2017-2	Trust	N/A	N/A	Australia	N/A

Consolidated entity disclosure statement (continued)

Entity Registered Name	Entity Type	Place formed or incorporated	Percentage of share capital held (%)	Tax residency	
				Australian or foreign	Foreign jurisdiction
Medallion Trust Series 2018-1	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2018-1P	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2019-1	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2023-1	Trust	N/A	N/A	Australia	N/A
Medallion Trust Series 2023-2	Trust	N/A	N/A	Australia	N/A
Premium Custody Services Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
Residential Mortgage Group Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
SAF Corporate Services Pty Ltd [3]	Body Corporate	Australia	100.00	Australia	N/A
Safe No 27 Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
Safe No23 Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
Safe No24 Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
Safe No4 Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
Safe Usd Holdings Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
Securitisation Advisory Services Pty. Limited	Body Corporate	Australia	100.00	Australia	N/A
Securitisation Management Services Limited	Body Corporate	New Zealand	100.00	Foreign	New Zealand
Share Direct Nominees Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
Share Investments Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
State Nominees Limited	Body Corporate	Australia	100.00	Australia	N/A
Stichting CBA Carbon Custody Services	Body Corporate	Netherlands	100.00	Foreign	Netherlands
T.W. Custodians Limited	Body Corporate	Australia	100.00	Australia	N/A
The Colonial Mutual Life Assurance Society Pty Limited [1]	Body Corporate	Australia	100.00	Australia	N/A
Vh-vzf Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
Vh-vzg Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
Vh-vzh Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
Waddle (Australia) Holdings Pty Limited	Body Corporate	Australia	100.00	Australia	N/A
Waddle Holdings Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
Waddle IP Pty. Ltd.	Body Corporate	Australia	100.00	Australia	N/A
Waddle Servicing Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
Wallaby Warehouse Trust No 1	Trust	N/A	N/A	Australia	N/A
Whitecoat Holdings Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A
Whitecoat Operating Pty Ltd	Body Corporate	Australia	100.00	Australia	N/A

1 The Group's consolidated entities include certain entities that are not actively trading and entities related to businesses divested and closed over recent years (including divestments of CommInsure General Insurance, Colonial First State, CommInsure Life, Colonial First State Global Asset Management, PT Commonwealth Life, Australian Investment Exchange Limited and assisted closure of Aligned Advice).

2 Commbank Staff Foundation Limited is the trustee for the Commbank Foundation Trust.

3 SAF Corporate Services Pty Ltd is the trustee for the Aircraft MSN 37125 (Australia) Trust and the Aircraft MSN 37129 (Australia) Trust.

Directors' declaration

The Directors of the Commonwealth Bank of Australia declare that:

In the opinion of the Directors:

(a) The financial statements and notes for the year ended 30 June 2024, as set out on pages 136 to 285, 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 Commonwealth Bank of Australia and the Group's financial position as at 30 June 2024 and their performance for the year ended 30 June 2024.

(b) The consolidated entity disclosure statement on pages 286 to 288 is true and correct.

(c) 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.

Note 1.1 to the financial statements includes a statement of compliance with International Financial Reporting Standards.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* (Cth) for the year ended 30 June 2024.

This declaration is made in accordance with a resolution of the Directors.

Paul O'Malley
Chairman
14 August 2024

Matt Comyn
Managing Director and Chief Executive Officer
14 August 2024

Independent auditor's report

To the members of the Commonwealth Bank of Australia

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of the Commonwealth Bank of Australia (the Bank) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Bank's and Group's financial positions as at 30 June 2024 and of their financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the Bank and Group Balance Sheets as at 30 June 2024
- the Bank and Group Statements of Comprehensive Income for the year then ended
- the Bank and Group Statements of Changes in Equity for the year then ended
- the Bank and Group Statements of Cash Flows for the year then ended
- the Bank and Group Income Statements for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the Consolidated Entity Disclosure Statement as at 30 June 2024
- the Directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Bank and 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code and the IESBA Code.

PricewaterhouseCoopers, ABN 52 780 433 757

One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, Sydney NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999

Our audit approach for the Group

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Bank and the Group, their accounting processes and controls and the industries in which they operate.

Bank and Group Audit Scope

Our audit focused on where the Bank and the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

In designing the scope of our audit, we considered the structure of the Group which includes five business segments being Retail Banking Services (RBS), Business Banking (BB), Institutional Banking and Markets (IB&M), New Zealand (NZ), and Corporate Centre and Other. We also considered one significant business activity within these segments, being Group Treasury. These business segments and the significant business activity are considered to be components as the Group prepares financial information for their inclusion in the financial report.

The nature, timing and extent of audit work performed for each component was determined by each components' risk characteristics and financial significance to the Bank and the Group and consideration of whether sufficient evidence had been obtained for our opinion on the financial report as a whole. This involved either:

- an audit of the financial information of a component (full scope);
- an audit of one or more of the component's account balances, classes of transactions or disclosures (specified scope); or
- analytical procedures performed at the Bank and Group level and/or audit procedures performed at the Bank and Group level, including over the consolidation of the Bank and Group's components and the preparation of the financial report (other procedures).

Set out in the following diagram is an overview of how our audit scope aligns to the identified components and our audit report.

Scoping and performance of procedures

Component	Audit scope
RBS	Full scope
BB	Full scope
IB&M	Full scope
NZ	Full scope
Group Treasury	Full scope
Corporate Centre and Other [1]	Other procedures

Reporting

Key Audit Matters	Auditor's report
Areas in our professional judgement which were of most significance in our audit	*Opinion on the financial report as a whole*

1 This excludes Group Treasury.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period.

The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. The key audit matters identified below relate to both the Bank and the Group audit, unless otherwise stated below. We communicated the key audit matters to the Audit Committee.

Key audit matter	How our audit addressed the key audit matter
Provisions for loan impairment	
AASB 9 *Financial Instruments* requires the recognition of a Provision for Expected Credit Losses (ECL) against the gross carrying value of the Bank's and the Group's loans and other receivables, the measurement of which is required to incorporate reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The Bank and the Group utilise complex models to calculate ECL on a collective basis. These models have been developed using internal historical default data and incorporate various forward-looking assumptions, such as forecasts of future economic conditions across multiple economic scenarios. In addition, judgemental adjustments are applied to the modelled ECL outcomes (including overlays and forward-looking adjustments). Individually assessed provisions are also recognised by the Bank and the Group for loans and other receivables that are known to be impaired at the reporting date. We considered the provision for ECL a key audit matter due to the significant audit effort required and the inherent estimation uncertainty present in its determination, which is specifically due to the complexity, subjectivity and extent of judgement used by the Bank and the Group in its recognition and measurement.	We developed an understanding of the control activities relevant to our audit over the Bank's and the Group's Provision for ECL. For certain control activities, we assessed whether they were appropriately designed and were operating effectively, on a sample basis, throughout the year ended 30 June 2024. This included control activities relevant to: • Completeness and accuracy of certain inputs to and outputs from the ECL models; • The accuracy of certain critical data elements used in ECL models; and • Review and approval of forward-looking assumptions, model adjustments and overall adequacy of total Provisions for ECL by the Bank's and the Group's Loan Loss Provisioning Committee (LLPC). In addition to controls testing we, along with PwC credit risk modelling experts and PwC economics experts, performed the following procedures, amongst others, to assess the reasonableness of the Bank's and the Group's Provision for ECL as at 30 June 2024: • Assessed the appropriateness of the ECL model methodology applied by the Bank and the Group for a selection of the Bank's and the Group's loan portfolios, with particular consideration to the results of model monitoring performed for existing models, including back-testing of observed losses against predicted losses, and model validation for newly implemented models; • Recalculated ECL to assess the accuracy of the modelled outputs for a targeted sample of the Bank's and the Group's loan portfolios;

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Key audit matter	How our audit addressed the key audit matter
Provisions for loan impairment (continued)	
Specific drivers of this uncertainty include the following: • The models which are used to calculate ECL (ECL models) are inherently complex and judgement is applied in determining the appropriate construct of each model; • Multiple assumptions are made by the Bank and the Group concerning the future occurrence of events and conditions, as well as their probabilities, for which there is inherently heightened levels of estimation uncertainty given the forward-looking nature of these assumptions; • The determination of the need for and quantification of adjustments to modelled assumptions and model outputs. **Relevant references in the financial report** Refer to notes 3.2 and 9.2 for further information.	• Assessed the appropriateness of certain forward-looking assumptions incorporated into the ECL models, including the macroeconomic scenarios developed, underlying forecasts and probability weightings applied; • Assessed the appropriateness of certain model adjustments and overlays identified by the Bank and the Group; • Tested the completeness and accuracy of a sample of certain critical data elements used as inputs to the ECL models, model adjustments and overlays to relevant source documentation; • Tested the appropriateness of individually assessed provisions recognised by the Bank and the Group for a selection of loan assets identified to be impaired as at the reporting date; and • Considered the impact of relevant events occurring after the end of the financial year until the date of signing the auditor's report on the Provision for ECL. Where applicable, we also considered the competency, capabilities, objectivity and nature of the work of certain experts used by the Bank and the Group to assist in the development of relevant assumptions used in determining the Provision for ECL. We also assessed the reasonableness of the related disclosures in the financial report against the requirements of Australian Accounting Standards.

Independent auditor's report (continued)

Key audit matter	How our audit addressed the key audit matter
Provisions for ongoing class actions	
There are a number of class actions that have been brought against the Bank and the Group. Significant judgement is required to determine whether a provision is required with regard to the requirements of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. Where a provision has been recognised, there can be a high degree of estimation uncertainty. We consider the determination, valuation and disclosure of these provisions to be a key audit matter due to the level of judgement required in determining whether a provision is required, the inherent estimation uncertainty in calculating the appropriate amount of a provision, where required, and the related disclosures within the financial report. **Relevant references in the financial report** Refer to note 7.1 for further information.	We developed an understanding of the control activities relevant to our audit over the Bank's and the Group's provisions for ongoing class actions, and for certain control activities, assessed whether they were appropriately designed and were operating effectively on a sample basis, throughout the year ended 30 June 2024. We performed audit procedures in relation to the following areas, amongst others, over the determination, valuation and disclosure of the provisions for ongoing class actions: • Made inquiries of management and in-house legal counsel in relation to the status of the class actions at the end of the financial year; • Inspected certain Board and other committee meeting minutes and papers for any material developments in relation to the class actions; • Inspected legal representation letters from external legal counsel for certain matters and evaluated the responses received; • Evaluated the Bank's and the Group's assessments as to whether a provision was required with regard to the requirements of Australian Accounting Standards; and • Tested the valuation of the provisions recognised. We also assessed the reasonableness of the related disclosures in the financial report against the requirements of Australian Accounting Standards.

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Key audit matter	How our audit addressed the key audit matter
Operation of financial reporting Information Technology (IT) systems and controls	
The Bank's and the Group's operations and financial reporting processes are heavily dependent on IT systems for the processing and recording of a significant volume of transactions. Due to this, we consider the operation of financial reporting IT systems and controls to be a key audit matter. In particular, in common with all banks, access rights to technology are important because they are intended to ensure that changes to IT applications and data are appropriately authorised. Ensuring that only appropriate staff have access to IT systems, that the level of access itself is appropriate, and that access is periodically monitored, are key controls in mitigating the potential for fraud or error as a result of a change to an IT application or underlying data. The Bank and the Group have an ongoing multi-year strategic program to address controls related to access management for systems and data relevant to financial reporting.	For material financial statement balances, we developed an understanding of the business processes, IT systems used to generate and support those balances and associated IT application controls and IT dependencies in IT dependent manual controls. Our procedures included evaluating and testing the design and operating effectiveness of certain control activities over the continued integrity of the material IT systems that are relevant to financial reporting. This involved assessing, where relevant to the audit: • Change management: The processes and controls used to develop, test and authorise changes to the functionality and configurations within systems; • System development: The project disciplines which ensure that significant developments or implementation are appropriately tested before implementation and that data is converted and transferred completely and accurately; • Security: The access controls designed to enforce segregation of duties, govern the use of generic and privileged accounts or ensure that data is only changed through authorised means; and • IT operations: The controls over operations are used to ensure that any issues that arise are managed appropriately. Within the scope of our audit, where technology services are provided by a third party, we considered assurance reports from the third party's auditor on the design and operating effectiveness of controls. We also carried out tests, on a sample basis, of IT application controls and IT dependencies in IT dependent manual controls that were key to our audit testing in order to assess the accuracy of certain system calculations, the generation of certain reports and the operation of certain system enforced access controls. Where we identified design or operating effectiveness matters relating to IT systems, IT application controls or IT dependencies in IT dependent manual controls relevant to our audit, we performed alternative audit procedures. We also considered mitigating controls in order to respond to the impact on our overall audit approach.

Independent auditor's report (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the Remuneration report and a separate reasonable and limited assurance report on Selected Sustainability Information included in the Sustainability performance section of the annual report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Bank are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* including giving a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Bank and the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration report

Our opinion on the Remuneration report

We have audited the Remuneration report included in the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration report of the Commonwealth Bank of Australia for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Bank are responsible for the preparation and presentation of the Remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Elizabeth O'Brien

Elizabeth O'Brien
Partner

Sydney
14 August 2024

Additional information contents

Additional information

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Security holder information

Top 20 holders of fully paid ordinary shares as at 30 June 2024

Rank	Name of holder	Number of shares	%
1	HSBC Custody Nominees	408,100,909	24.38%
2	J P Morgan Nominees Australia Limited	252,342,218	15.08%
3	Citicorp Nominees Pty Limited	109,210,490	6.53%
4	BNP Paribas Noms Pty Ltd	51,768,645	3.09%
5	National Nominees Limited	22,870,289	1.37%
6	Australian Foundation Investment	7,698,000	0.46%
7	Netwealth Investments Limited	7,085,405	0.42%
8	Australian Executor Trustees Limited	5,192,783	0.31%
9	Bond Street Custodians Limited	3,597,955	0.21%
10	Argo Investments Limited	2,703,731	0.16%
11	Mutual Trust Pty Ltd	1,816,770	0.11%
12	Invia Custodian Pty Limited	1,605,928	0.10%
13	McCusker Holdings Pty Ltd	1,370,000	0.08%
14	Custodial Services Limited	1,038,830	0.06%
15	IOOF Investment Services Ltd	1,016,860	0.06%
16	BKI Investment Company Limited	930,572	0.06%
17	Woodross Nominees Pty Ltd	873,847	0.05%
18	UBS Nominees Pty Ltd	869,864	0.05%
19	Australian United Investment Company Limited	645,000	0.04%
20	The Senior Master Of The Supreme Court	610,458	0.04%

The top 20 shareholders hold 881,348,554 shares which is equal to 52.66% of the total shares on issue.

Substantial shareholding

As at 13 August 2024 the following organisations have disclosed a substantial shareholding notice to the Australian Securities Exchange (ASX).

Name	Number of shares	Percentage of voting power
BlackRock Group [1]	106,300,321	6
State Street Corporation [2]	101,418,394	6
Vanguard Group [3]	85,093,294	5

1 Substantial shareholding as at 6 March 2020, as per notice lodged on 10 March 2020.
2 Substantial shareholding as at 8 April 2024, as per notice lodged on 10 April 2024.
3 Substantial shareholding as at 22 July 2022, as per notice lodged on 28 July 2022.

Security holder information (continued)

Stock exchange listing

The shares of the Commonwealth Bank of Australia (Bank) are listed on the ASX under the trade symbol of CBA.

Range of shares (fully paid ordinary shares and employee shares) as at 30 June 2024

Ranges	Number of shareholders	Percentage of shareholders	Number of shares	Percentage of issued capital	Number of rights holders [1]
1–1,000	639,584	76.95	168,058,190	10.04	34
1,001–5,000	165,618	19.93	348,233,974	20.81	49
5,001–10,000	18,234	2.19	123,946,432	7.41	5
10,001–100,000	7,525	0.91	140,456,887	8.39	17
100,001–over	130	0.02	892,884,875	53.35	1
Total [2]	831,091	100.00	1,673,580,358	100.00	106
Less than marketable parcel of $500 [3]	10,001	1.20	17,381	–	–

1 The total number of rights on issue is 1,192,759 rights which carry no entitlement to vote.
2 During the year ended 30 June 2024, 1,143,154 shares were purchased on market at an average share price of $104.52 for the purpose of various CBA equity settled share plans.
3 Based on a closing price of $127.38 on 28 June 2024.

Voting rights

Under the Bank's Constitution, shareholders entitled to vote at a general meeting may vote in person, directly or by proxy, attorney or representative, depending on whether the shareholder is an individual or a company.

Subject to any rights or restrictions attaching to shares, each ordinary shareholder present at a general meeting has, on a poll, one vote for each fully paid share. If shares are not fully paid, on a poll the number of votes attaching to the shares is pro-rated accordingly. In accordance with the *Corporations Act 2001* (Cth), the provision in the Constitution providing for one vote on a show of hands is no longer relevant, as general meeting resolutions will be conducted by a poll.

If a person at a general meeting represents personally or by proxy, attorney or official representative more than one shareholder, on a show of hands the person is entitled to one vote only even though he or she represents more than one shareholder.

Where a shareholder appoints two proxies or attorneys to vote at the same general meeting:

- If the appointment does not specify the proportion or number of the shareholder's votes each proxy or attorney may exercise, each proxy or attorney may exercise half the shareholder's votes;
- On a show of hands, neither proxy or attorney may vote if more than one proxy or attorney attends; and
- On a poll, each proxy or attorney may only exercise votes in respect of those shares or voting rights the proxy or attorney represents.

Top 20 holders of CommBank PERLS X Capital Notes ("PERLS X") as at 30 June 2024

Rank	Name of holder	Number of securities	%
1	BNP Paribas Noms Pty Ltd	1,615,514	11.84%
2	HSBC Custody Nominees	1,044,859	7.65%
3	Citicorp Nominees Pty Limited	496,722	3.64%
4	Australian Executor Trustees Limited	249,650	1.83%
5	Netwealth Investments Limited	245,717	1.80%
6	Invia Custodian Pty Limited	127,649	0.94%
7	J P Morgan Nominees Australia Limited	117,672	0.86%
8	Mutual Trust Pty Ltd	117,227	0.86%
9	Dimbulu Pty Ltd	100,000	0.73%
10	Marrosan Investments Pty Ltd	75,000	0.55%
11	Bond Street Custodians Limited	73,946	0.54%
12	Federation University Australia	59,620	0.44%
13	Eastcote Pty Ltd	50,000	0.37%
14	Harriette & Co Pty Ltd	50,000	0.37%
15	Mr Roni G Sikh	40,492	0.30%
16	Mrs Shane Carolyn Gluskie	40,000	0.29%
17	Pamdale Investments	36,000	0.26%
18	Ainsley Heath Investments Pty Ltd	35,500	0.26%
19	CF Equity Pty Ltd	34,630	0.25%
20	Mr Bradley Vincent Hellen + Mr Sean Patrick McMahon	32,000	0.23%

The top 20 PERLS X security holders hold 4,642,198 securities which is equal to 34.01% of the total securities on issue.

Stock exchange listing

PERLS X are perpetual subordinated unsecured notes issued by the Bank. They are listed on the ASX under the trade symbol CBAPG.

Range of securities (PERLS X) as at 30 June 2024

Ranges	Number of security holders	Percentage of security holders	Number of securities	Percentage of issued capital
1–1,000	12,391	87.97	4,323,232	31.67
1,001–5,000	1,497	10.63	3,276,722	24.01
5,001–10,000	133	0.94	988,881	7.24
10,001–100,000	55	0.39	1,490,544	10.92
100,001–over	10	0.07	3,570,621	26.16
Total	14,086	100.00	13,650,000	100.00
Less than marketable parcel of $500 [1]	7	0.05	11	–

1 Based on a closing price of $101.67 on 28 June 2024.

Voting rights

PERLS X do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on pages 299 and 300 for the Bank's ordinary shares.

Security holder information (continued)

Top 20 holders of CommBank PERLS XII Capital Notes ("PERLS XII") as at 30 June 2024

Rank	Name of holder	Number of securities	%
1	HSBC Custody Nominees	1,333,470	8.08%
2	Citicorp Nominees Pty Limited	885,254	5.37%
3	BNP Paribas Noms Pty Ltd	844,539	5.12%
4	Netwealth Investments Limited	454,292	2.75%
5	Australian Executor Trustees Limited	319,568	1.94%
6	Royal Freemasons Benevolent Institution	202,500	1.23%
7	Dimbulu Pty Ltd	200,000	1.21%
8	Tandom Pty Ltd	120,000	0.73%
9	Invia Custodian Pty Limited	109,099	0.66%
10	Bond Street Custodians Limited	106,642	0.65%
11	Diocese Development Fund - Catholic Diocese Of Parramatta	101,472	0.61%
12	Pamdale Investments	58,634	0.36%
13	Mutual Trust Pty Ltd	54,420	0.33%
14	QM Financial Services	53,500	0.32%
15	Tsco Pty Ltd	48,650	0.29%
16	Brujan Assets Pty Limited	45,000	0.27%
17	Mr Roni G Sikh	38,527	0.23%
18	Federation University Australia	30,650	0.19%
19	National Nominees Limited	30,351	0.18%
20	RL Thomson Pty Ltd	30,000	0.18%

The top 20 PERLS XII security holders hold 5,066,568 securities which is equal to 30.70% of the total securities on issue.

Stock exchange listing

PERLS XII are perpetual subordinated unsecured notes issued by the Bank. They are listed on the ASX under the trade symbol CBAPI.

Range of securities (PERLS XII) as at 30 June 2024

Ranges	Number of security holders	Percentage of security holders	Number of securities	Percentage of issued capital
1–1,000	15,629	87.47	5,718,522	34.66
1,001–5,000	2,029	11.36	4,162,912	25.23
5,001–10,000	132	0.74	952,899	5.78
10,001–100,000	63	0.35	1,402,374	8.50
100,001–over	15	0.08	4,263,293	25.83
Total	17,868	100.00	16,500,000	100.00
Less than marketable parcel of $500 [1]	6	0.03	12	–

1 Based on a closing price of $104.28 on 28 June 2024.

Voting rights

PERLS XII do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on pages 299 and 300 for the Bank's ordinary shares.

Top 20 holders of CommBank PERLS XIII Capital Notes ("PERLS XIII") as at 30 June 2024

Rank	Name of holder	Number of securities	%
1	HSBC Custody Nominees	1,036,662	8.79%
2	BNP Paribas Noms Pty Ltd	925,886	7.85%
3	Citicorp Nominees Pty Limited	855,044	7.25%
4	Netwealth Investments Limited	284,256	2.41%
5	Australian Executor Trustees Limited	125,437	1.06%
6	Leda Holdings Pty Ltd	111,000	0.94%
7	Mutual Trust Pty Ltd	108,866	0.92%
8	Dimbulu Pty Ltd	100,000	0.85%
9	Royal Freemasons Benevolent Institution	100,000	0.85%
10	Nothman Pty Ltd	88,700	0.75%
11	Herbert St Investments Pty Ltd	84,000	0.71%
12	Valtellina Properties Pty Ltd	70,844	0.60%
13	Mrs Shane Carolyn Gluskie	40,000	0.34%
14	Bond Street Custodians Limited	38,014	0.32%
15	J P Morgan Nominees Australia Limited	36,725	0.31%
16	Federation University Australia	35,430	0.30%
17	Regents Garden Lake Joondalup	34,330	0.29%
18	Beverley Joyce Campbell	28,640	0.24%
19	The Trust Company (Australia) Limited	27,650	0.23%
20	Invia Custodian Pty Limited	25,432	0.22%

The top 20 PERLS XIII security holders hold 4,156,916 securities which is equal to 35.23% of the total securities on issue.

Stock exchange listing

PERLS XIII are perpetual subordinated unsecured notes issued by the Bank. They are listed on the ASX under the trade symbol CBAPJ.

Range of securities (PERLS XIII) as at 30 June 2024

Ranges	Number of security holders	Percentage of security holders	Number of securities	Percentage of issued capital
1–1,000	11,167	89.05	4,001,123	33.91
1,001–5,000	1,219	9.72	2,621,249	22.21
5,001–10,000	98	0.78	683,823	5.80
10,001–100,000	46	0.37	1,404,439	11.90
100,001–over	10	0.08	3,089,366	26.18
Total	12,540	100.00	11,800,000	100.00
Less than marketable parcel of $500 [1]	2	0.02	7	–

1 Based on a closing price of $102.35 on 28 June 2024.

Voting rights

PERLS XIII do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on pages 299 and 300 for the Bank's ordinary shares.

Security holder information (continued)

Top 20 holders of CommBank PERLS XIV Capital Notes (“PERLS XIV”) as at 30 June 2024

Rank	Name of holder	Number of securities	%
1	BNP Paribas Noms Pty Ltd	4,287,778	24.50%
2	HSBC Custody Nominees	1,237,042	7.07%
3	Citicorp Nominees Pty Limited	425,692	2.43%
4	Netwealth Investments Limited	406,207	2.32%
5	Dimbulu Pty Ltd	220,000	1.26%
6	Australian Executor Trustees Limited	165,039	0.94%
7	John E Gill Trading Pty Ltd	112,110	0.64%
8	Mutual Trust Pty Ltd	99,484	0.57%
9	Bond Street Custodians Limited	86,640	0.50%
10	Invia Custodian Pty Limited	85,638	0.49%
11	Pamdale Investments	66,756	0.38%
12	Fibora Pty Ltd	64,740	0.37%
13	Marrosan Investments Pty Ltd	50,000	0.29%
14	Limeburner Investments Pty Ltd	43,703	0.25%
15	National Nominees Limited	42,802	0.24%
16	Sir Moses Montefiore Jewish Home	40,010	0.23%
17	IOOF Investment Services Ltd	37,746	0.22%
18	J P Morgan Nominees Australia Limited	36,065	0.21%
19	Smart Super Investments Pty Ltd	30,050	0.17%
20	Leda Holdings Pty Ltd	29,930	0.17%

The top 20 PERLS XIV security holders hold 7,567,432 securities which is equal to 43.25% of the total securities on issue.

Stock exchange listing

PERLS XIV are perpetual subordinated unsecured notes issued by the Bank. They are listed on the ASX under the trade symbol CBAPK.

Range of securities (PERLS XIV) as at 30 June 2024

Ranges	Number of security holders	Percentage of security holders	Number of securities	Percentage of issued capital
1–1,000	12,468	86.13	4,842,462	27.67
1,001–5,000	1,811	12.51	3,688,078	21.07
5,001–10,000	127	0.88	904,499	5.17
10,001–100,000	61	0.42	1,537,701	8.79
100,001–over	9	0.06	6,527,260	37.30
Total	14,476	100.00	17,500,000	100.00
Less than marketable parcel of $500 [1]	5	0.03	6	–

1 Based on a closing price of $102.19 on 28 June 2024.

Voting rights

PERLS XIV do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on pages 299 and 300 for the Bank’s ordinary shares.

Top 20 holders of CommBank PERLS XV Capital Notes ("PERLS XV") as at 30 June 2024

Rank	Name of holder	Number of securities	%
1	BNP Paribas Noms Pty Ltd	1,959,682	11.03%
2	HSBC Custody Nominees	1,487,083	8.37%
3	Citicorp Nominees Pty Limited	549,678	3.09%
4	Netwealth Investments Limited	434,237	2.44%
5	Australian Executor Trustees Limited	134,579	0.76%
6	Megt (Australia) Ltd	124,800	0.70%
7	Bond Street Custodians Limited	111,083	0.62%
8	National Nominees Limited	106,920	0.60%
9	Invia Custodian Pty Limited	106,045	0.60%
10	Jonwen Investments	105,000	0.59%
11	Mutual Trust Pty Ltd	94,285	0.53%
12	Limeburner Investments Pty Ltd	85,753	0.48%
13	Marrosan Investments Pty Ltd	85,000	0.48%
14	Royal Freemasons Benevolent Institution	82,000	0.46%
15	Willimbury Pty Ltd	70,673	0.40%
16	Pamdale Investments	56,441	0.32%
17	Cordale Holdings Pty Ltd	55,000	0.31%
18	Mifare Pty Ltd	55,000	0.31%
19	Jamber Investments Pty Ltd	50,000	0.28%
20	Uuro Pty Ltd	47,500	0.27%

The top 20 PERLS XV security holders hold 5,800,759 securities which is equal to 32.64% of the total securities on issue.

Stock exchange listing

PERLS XV are perpetual subordinated unsecured notes issued by the Bank. They are listed on the ASX under the trade symbol CBAPL.

Range of securities (PERLS XV) as at 30 June 2024

Ranges	Number of security holders	Percentage of security holders	Number of securities	Percentage of issued capital
1–1,000	13,085	84.61	5,227,536	29.41
1,001–5,000	2,131	13.78	4,265,047	24.00
5,001–10,000	136	0.88	953,717	5.37
10,001–100,000	103	0.67	2,786,201	15.68
100,001–over	10	0.06	4,541,289	25.54
Total	15,465	100.00	17,773,790	100.00
Less than marketable parcel of $500 [1]	5	0.03	13	–

1 Based on a closing price of $102.18 on 28 June 2024.

Voting rights

PERLS XV do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on pages 299 and 300 for the Bank's ordinary shares.

Security holder information (continued)

Top 20 holders of CommBank PERLS XVI Capital Notes ("PERLS XVI") as at 30 June 2024

Rank	Name of holder	Number of securities	%
1	HSBC Custody Nominees	1,920,395	12.39%
2	BNP Paribas Noms Pty Ltd	709,714	4.58%
3	Citicorp Nominees Pty Limited	502,481	3.24%
4	Netwealth Investments Limited	404,862	2.61%
5	Bond Street Custodians Limited	226,727	1.46%
6	Tandom Pty Ltd	150,000	0.97%
7	Dimbulu Pty Ltd	100,000	0.65%
8	Mr John William Cunningham	95,970	0.62%
9	Higham Hill Pty Ltd	70,000	0.45%
10	Leda Holdings Pty Ltd	70,000	0.45%
11	Australian Executor Trustees Limited	65,039	0.42%
12	Acres Holdings Pty Ltd	50,000	0.32%
13	J P Morgan Nominees Australia Limited	48,081	0.31%
14	Colonial First State Inv Ltd	40,550	0.26%
15	John E Gill Trading Pty Ltd	40,128	0.26%
16	Anglicare Sa Ltd	40,000	0.26%
17	F&M Management Pty Ltd	40,000	0.26%
18	Kim An Pty Limited	40,000	0.26%
19	National Nominees Limited	39,639	0.26%
20	Seymour Group Pty Ltd	36,350	0.23%

The top 20 PERLS XVI security holders hold 4,689,936 securities which is equal to 30.26% of the total securities on issue.

Stock exchange listing

PERLS XVI are perpetual subordinated unsecured notes issued by the Bank. They are listed on the ASX under the trade symbol CBAPM.

Range of securities (PERLS XVI) as at 30 June 2024

Ranges	Number of security holders	Percentage of security holders	Number of securities	Percentage of issued capital
1–1,000	11,955	84.79	4,704,951	30.35
1,001–5,000	1,893	13.43	4,103,636	26.48
5,001–10,000	163	1.16	1,190,670	7.68
10,001–100,000	82	0.58	2,021,916	13.04
100,001–over	6	0.04	3,478,827	22.45
Total	14,099	100.00	15,500,000	100.00
Less than marketable parcel of $500 [1]	1	0.01	3	–

1 Based on a closing price of $104.87 on 28 June 2024.

Voting rights

PERLS XVI do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on pages 299 and 300 for the Bank's ordinary shares.

Relevant exchanges

In addition to the ASX, the Group has securities quoted on the London Stock Exchange (LSE), Swiss Exchange (SIX) and the New Zealand Exchange (NZX).

Five-year financial summary

	30 Jun 24 $M	30 Jun 23 [1] $M	30 Jun 22 [1] $M	30 Jun 21 $M	30 Jun 20 $M
Net interest income	**22,824**	23,056	19,473	19,302	19,015
Other operating income	**4,350**	4,079	5,126	4,646	4,746
Total operating income	**27,174**	27,135	24,599	23,948	23,761
Operating expenses	**(12,218)**	(11,858)	(11,428)	(11,151)	(10,996)
Loan impairment (expense)/benefit	**(802)**	(1,108)	357	(554)	(2,518)
Net profit before tax	**14,154**	14,169	13,528	12,243	10,247
Income tax expense	**(4,318)**	(4,097)	(4,014)	(3,590)	(3,022)
Net profit after tax from continuing operations ("cash basis")	**9,836**	10,072	9,514	8,653	7,225
Net profit after tax from discontinued operations	**11**	18	113	148	182
Net profit after tax ("cash basis")	**9,847**	10,090	9,627	8,801	7,407
Hedging and IFRS volatility	**17**	(8)	108	7	93
(Loss)/gain on disposal of entities net of transaction costs	**(470)**	(84)	955	1,373	2,092
Net profit after income tax attributable to equity holders of the Bank "statutory basis"	**9,394**	9,998	10,690	10,181	9,592
Contributions to profit (after tax)					
Retail Banking Services	**5,355**	5,542	5,194	4,693	4,029
Business Banking	**3,774**	3,624	2,734	2,836	2,570
Institutional Banking and Markets	**1,097**	1,048	1,068	933	635
New Zealand	**1,194**	1,320	1,265	1,161	809
Corporate Centre and Other	**(1,584)**	(1,462)	(747)	(970)	(818)
Net profit after tax from continuing operations ("cash basis")	**9,836**	10,072	9,514	8,653	7,225
Balance Sheet					
Loans and other receivables	**942,210**	926,082	878,854	811,356	772,980
Total assets	**1,254,076**	1,252,423	1,215,082	1,091,975	1,015,484
Deposits and other public borrowings	**882,922**	864,995	857,586	766,381	703,432
Total liabilities	**1,180,988**	1,180,790	1,142,397	1,013,287	943,576
Shareholders' equity	**73,088**	71,633	72,685	78,688	71,908
Net tangible assets (including discontinued operations)	**65,488**	64,235	65,746	71,041	64,307
Risk weighted assets – Basel III (APRA)	**467,551**	467,992	497,892	450,680	454,948
Average interest earning assets	**1,144,357**	1,111,254	1,026,910	929,846	897,409
Average interest bearing liabilities	**971,466**	918,666	841,695	776,967	771,982
Assets (on Balance Sheet) – Australia	**1,044,500**	1,044,401	1,012,316	926,909	856,651
Assets (on Balance Sheet) – New Zealand	**117,351**	118,192	112,433	110,104	103,523
Assets (on Balance Sheet) – Other	**92,225**	89,830	90,333	54,962	55,310

1 Comparative information for 2023 and 2022 has been revised to reflect the change detailed in Note 1.1.

Five-year financial summary (continued)

		30 Jun 24	30 Jun 23 [1]	30 Jun 22 [1]	30 Jun 21	30 Jun 20
Shareholder summary from continuing operations						
Earnings per share						
Basic						
Statutory	(cents)	**566.6**	597.5	557.0	499.2	417.8
Cash basis	(cents)	**587.8**	596.1	552.4	488.5	408.5
Fully diluted						
Statutory	(cents)	**562.7**	584.2	537.1	470.6	404.8
Cash basis	(cents)	**582.6**	582.8	532.9	460.7	396.1
Shareholder summary including discontinued operations						
Earnings per share						
Basic						
Statutory	(cents)	**561.4**	591.7	620.7	574.8	542.4
Cash basis	(cents)	**588.4**	597.2	559.0	496.9	418.8
Fully diluted						
Statutory	(cents)	**557.8**	578.7	597.0	539.7	521.0
Cash basis	(cents)	**583.2**	583.8	539.0	468.4	405.7
Dividends per share – fully franked	(cents)	**465**	450	385	350	298
Dividend cover – statutory	(times)	**1.2**	1.3	1.6	1.6	1.8
Dividend cover – cash	(times)	**1.3**	1.3	1.5	1.4	1.4
Dividend payout ratio						
Statutory	(%)	**83**	76	61	61	55
Cash basis	(%)	**79**	75	68	71	71
Net tangible assets per share including discontinued operations	($)	**39.1**	38.3	38.6	40.0	36.3
Weighted average number of shares (statutory basis)	(M)	**1,673**	1,690	1,722	1,771	1,768
Weighted average number of shares (statutory fully diluted)	(M)	**1,784**	1,800	1,833	1,934	1,895
Weighted average number of shares (cash basis)	(M)	**1,673**	1,690	1,722	1,771	1,769
Weighted average number of shares (cash fully diluted)	(M)	**1,784**	1,800	1,833	1,934	1,896
Number of shareholders [2]		**831,091**	861,636	873,764	871,514	888,214
Share prices for the year						
Trading high	($)	**128.68**	111.43	110.19	106.57	91.05
Trading low	($)	**96.15**	89.66	86.98	62.64	53.44
End (closing price)	($)	**127.38**	100.27	90.38	99.87	69.42

1 Comparative information for 2023 and 2022 has been revised to reflect the change detailed in Note 1.1.
2 Includes employees.

		30 Jun 24	30 Jun 23 [1]	30 Jun 22 [1]	30 Jun 21	30 Jun 20
Performance ratios from continuing operations						
Return on average Shareholders' Equity						
Statutory	(%)	**13.1**	14.0	12.7	11.8	10.4
Cash basis	(%)	**13.6**	13.9	12.6	11.5	10.2
Return on average total assets						
Statutory	(%)	**0.7**	0.8	0.8	0.9	0.7
Cash basis	(%)	**0.8**	0.8	0.8	0.8	0.7
Net interest margin	(%)	**1.99**	2.07	1.90	2.08	2.12
Performance ratios including discontinued operations						
Return on average Shareholders' Equity						
Statutory	(%)	**13.0**	13.8	14.2	13.5	13.5
Cash basis	(%)	**13.6**	14.0	12.8	11.7	10.5
Return on average total assets						
Statutory	(%)	**0.7**	0.8	0.9	1.0	1.0
Cash basis	(%)	**0.8**	0.8	0.8	0.8	0.7
Capital adequacy – Common Equity Tier 1 – Basel III (APRA)	(%)	**12.3**	12.2	11.5	13.1	11.6
Capital adequacy – Tier 1 – Basel III (APRA)	(%)	**14.3**	14.5	13.6	15.7	13.9
Capital adequacy – Tier 2 – Basel III (APRA)	(%)	**6.6**	5.5	4.0	4.1	3.6
Capital adequacy – Total – Basel III (APRA)	(%)	**20.9**	20.0	17.6	19.8	17.5
Leverage Ratio Basel III (APRA)	(%)	**5.0**	5.1	5.2	6.0	5.9
Liquidity Coverage Ratio – "Quarterly average"	(%)	**136**	131	130	129	155
Net interest margin	(%)	**1.99**	2.07	1.90	2.08	2.12
Other information						
Full-time equivalent employees from continuing operations		**48,887**	49,454	48,906	44,019	41,778
Full-time equivalent employees including discontinued operations		**48,887**	49,454	48,906	45,833	43,585
Branches/services centres (Australia)		**709**	741	807	875	967
Agencies (Australia)		**3,445**	3,491	3,526	3,535	3,547
ATMs		**1,916**	1,956	2,095	2,492	3,542
EFTPOS terminals (active)		**209,861**	206,188	189,977	203,938	190,118
Productivity from continuing operations [2]						
Total operating income per full-time equivalent employee	($)	**555,853**	548,692	502,985	544,038	568,744
Employee expense/total operating income	(%)	**27.6**	26.4	26.8	25.3	24.2
Total operating expenses/total operating income ("cash basis")	(%)	**45.0**	43.7	46.5	46.6	46.3
Productivity including discontinued operations [2]						
Total operating income per full-time equivalent employee	($)	**556,689**	550,136	510,785	539,131	568,361
Employee expense/total operating income	(%)	**27.5**	26.4	26.7	25.4	24.5
Total operating expenses/total operating income ("cash basis")	(%)	**45.0**	43.8	46.5	47.4	47.4

1 Comparative information for 2023 and 2022 has been revised to reflect the change detailed in Note 1.1.
2 The productivity metrics have been calculated on a cash basis.

Profit reconciliation

	Full year ended 30 Jun 2024			
Profit reconciliation	**Net profit after tax "cash basis" $M**	**Gain/(loss) on disposal and acquisition of controlled entities [1] $M**	**Hedging and IFRS volatility $M**	**Net profit after tax "statutory basis" $M**
Group				
Interest income [2]	**61,044**	–	–	**61,044**
Interest expense	**(38,220)**	–	–	**(38,220)**
Net interest income	**22,824**	–	–	**22,824**
Net other operating income	**4,350**	(271)	18	**4,097**
Total operating income	**27,174**	(271)	18	**26,921**
Operating expenses	**(12,218)**	(119)	–	**(12,337)**
Loan impairment expense	**(802)**	–	–	**(802)**
Net profit/(loss) before tax	**14,154**	(390)	18	**13,782**
Income tax (expense)/benefit	**(4,318)**	18	(1)	**(4,301)**
Net profit/(loss) after income tax from continuing operations	**9,836**	(372)	17	**9,481**
Net profit/(loss) after income tax from discontinued operations	**11**	(98)	–	**(87)**
Net profit/(loss) after income tax	**9,847**	(470)	17	**9,394**

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.

	Full year ended 30 Jun 2023 [1]			
	Net profit after tax "cash basis"	Gain/(loss) on disposal and acquisition of controlled entities [2]	Hedging and IFRS volatility	Net profit after tax "statutory basis"
Profit reconciliation	**$M**	**$M**	**$M**	**$M**
Group				
Interest income [3]	**44,475**	–	–	**44,475**
Interest expense	**(21,419)**	–	–	**(21,419)**
Net interest income	**23,056**	–	–	**23,056**
Net other operating income	**4,079**	292	1	**4,372**
Total operating income	**27,135**	292	1	**27,428**
Operating expenses	**(11,858)**	(221)	–	**(12,079)**
Loan impairment expense	**(1,108)**	–	–	**(1,108)**
Net profit before tax	**14,169**	71	1	**14,241**
Income tax expense	**(4,097)**	(39)	(9)	**(4,145)**
Net profit/(loss) after income tax from continuing operations	**10,072**	32	(8)	**10,096**
Net profit/(loss) after income tax from discontinued operations	**18**	(116)	–	**(98)**
Net profit/(loss) after income tax	**10,090**	(84)	(8)	**9,998**

1 Information has been revised to reflect the change detailed in Note 1.1.
2 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.
3 Interest income includes total effective interest income and other interest income.

Glossary of terms

Term	Definition
Absenteeism	Absenteeism refers to the average number of sick leave days taken (and carer's leave days for CommSec employees) during the reporting period per Australia-based full-time equivalent employee including Bankwest. Colonial First State is included up to 1 December 2021, after which time our divestment from the business was complete. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Absolute emissions	GHG emissions, expressed in terms of weight of CO_2 (e.g. tCO_2) or weight of CO_2 equivalent (e.g. tCO_2-e) for a given scope/s.
Age diversity	Percentage of permanent employees (full-time, part-time, job share or on extended leave), casuals, employees on international assignment and contractors paid directly by the Group, by age group as at 30 June. Excludes ASB businesses in New Zealand. PT Bank Commonwealth (PTBC) is included up to 30 April 2024, after which time our divestment from this business was complete. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
ASB customers	The number of customers who have a relationship with ASB New Zealand, as at 30 June. A customer is defined as anyone who holds an open account. Includes retail and non-retail customers and deceased estates.
Assets under management (AUM)	Assets under management represent the market value of assets for which the Group acts as an appointed manager.
AUSTRAC	Australian Transaction Reports and Analysis Centre
Australian Indigenous supplier spend (Direct)	Direct (first tier) supplier spend (GST-inclusive) includes any approved invoice (including grants) from an Indigenous enterprise during the reporting period. To meet the definition of an Indigenous enterprise, the enterprise must be at least 50% Indigenous-owned. It includes any approved invoices from an Indigenous enterprise that is; registered or certified by Supply Nation, listed by the Office of the Registrar of Indigenous Corporations, listed by an Indigenous Chamber of Commerce, that provides a Certificate of Indigeneity or a Statutory Declaration that the business is 50% or more Indigenous-owned. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Australian Indigenous supplier spend (Directed)	Directed Indigenous Supplier Spend for FY24 includes spend with four Indigenous enterprises through a first tier non-Indigenous supplier (agents) where the Bank has requested spend with the Indigenous supplier (principal) and the transaction can be verified. This metric is calculated based on the actual amount (GST inclusive) spent with the Indigenous supplier (principal). To meet the definition of an Indigenous enterprise, the enterprise must be at least 50% Indigenous-owned. It includes any approved invoices from an Indigenous business that is: registered or certified by Supply Nation, listed by the Office of the Registrar of Indigenous Corporations (ORIC), listed by an Indigenous Chamber of Commerce (ICC), that provides a Certificate of Indigeneity or a Statutory Declaration that the business is 50% or more Indigenous-owned. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Bank of the Year Digital Banking	CBA won Canstar's Bank of the Year – Digital Banking award for 2024 (for the 15th year in a row). Awarded June 2024.
Bankwest customers	The number of customers who have a relationship with Bankwest, as at 30 June. A customer is defined as anyone who holds an open account. Includes, retail and non-retail customers and deceased estates.
Best Digital Consumer Bank (Major)	CBA was awarded the 'Best Digital Consumer Bank (Major)' (for the sixth year in a row) by RFI Global's Banking & Finance Awards 2024. Presented June 2024.The award is based on information collected from the RFI Global Atlas research program, using feedback from over 80,000 business and/or retail customers from January through to December 2023.
Board	The Board of Directors of the Commonwealth Bank of Australia.

Term	Definition
Business MFI share	RFI Global Atlas Business Main Financial Institution (MFI) Share. Data on a six month roll weighted to the Australian business population. MFI Customer Share is the proportion of all businesses with any business banking, that nominate the Financial Institution (FI) as their main financial institution. Share based on grouped brands as follows: CBA Group includes CBA and Bankwest, ANZ Group includes ANZ, NAB Group includes NAB, Westpac Group includes Westpac, St George, BankSA and Bank of Melbourne.
CBA customers	The number of customers who have a relationship with the Commonwealth Bank of Australia, as at 30 June. A customer is defined as anyone who is currently associated with an open account as either the owner, joint owner, trustee or primary cardholder. Includes retail, non-retail customers and deceased estates. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
CommBank app customers	The total number of customers that have logged into the CommBank mobile app at least once in the month of June. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level from FY24.
Common Equity Tier 1 Capital (CET1)	The highest quality of capital available to the Group reflecting the permanent and unrestricted commitment of funds that are freely available to absorb losses. It comprises ordinary share capital, retained earnings and reserves less prescribed deductions.
Community investment – cash contributions	Total funds contributed by the Group (excluding Aussie Home Loans) during the reporting period through donations, charitable gifts, community partnerships and matched giving. Matched giving excludes staff contributions. All amounts are verified transactions, inclusive of GST where applicable, with the exception of donations and charitable gift transactions which are exempt from GST. PT Bank Commonwealth (PTBC) is included up to 30 April 2024 and Colonial First State is included up to 1 December 2021, after which time our divestment from these businesses was complete. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Community investment – forgone revenue	Forgone revenue consists of the aggregate value of fee-free or discounted CBA products and services related to transacting accounts during the reporting period, to a range of customers including youth, students, young adults, government benefit recipients, not-for-profit organisations and older people. This metric relates to monthly account fee and transaction fees and contains some assumptions to estimate the number of active accounts with forgone revenue. This metric does not include discounts on interest rates or revenue forgone as part of CBA's Emergency Assistance Packages. Certain transaction fee waivers are excluded from forgone revenue estimates. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Community investment – program management costs	Total costs incurred by the Group to implement and manage community investment programs including the Indigenous Customer Assistance Line (ICAL) contact centre, Next Chapter, Women in Focus, school programs as well as other not-for-profit activities during the reporting period. These costs include salary and wages, occupancy, IT and other expenditure. Amounts include approved invoices (including grants) to a registered Australian Indigenous business – refer to Australian Indigenous supplier spend. All amounts are verified transactions, inclusive of GST where applicable, with the exception of transactions which are exempt from GST. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Community investment – value of time volunteering	Total estimated dollar value of volunteering hours contributed by Australia-based CBA and Bankwest employees during the reporting period, excluding terminated employees. Volunteering activities include pro bono (skilled) and general (unskilled) volunteering, as captured in the Group's leave management system (Workday) and by volunteering managers. Average hourly rates are calculated using Australia-based permanent employees' salaries as at 30 June, excluding the salaries of the Board, the CEO, Group Executives and offshore employees. In FY21, the methodology for calculating the employee hourly rate changed. FY20 has not been restated. Colonial First State is included up to 1 December 2021, after which time our divestment from the business was complete. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.

Glossary of terms (continued)

Term	Definition
Community investment as a percentage of cash net profit before tax	Total community investment as a percentage of the Group's cash net profit from continuing operations before tax during the reporting period. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Conduct captured by The Banking Industry Conduct Background Check Protocol	The Australian Banking Association (ABA) Conduct Background Check Protocol was implemented in June 2017 and assists the ABA's member organisations when hiring to find out information about a job applicant's past employment history and conduct record. The ABA Protocol sets out a series of fact-based questions an ABA subscriber can ask another ABA subscriber about a candidate to help identify any past employment history of misconduct in accordance with the protocol.
Corporations Act	*Corporations Act 2001* (Cth).
Cost-to-income ratio	Represents operating expenses as a percentage of total operating income. The ratio is a key efficiency measure.
Cultural diversity	The proportion of Australia-based employees who disclosed that they have culturally diverse ancestry in the Group's annual people and culture survey. Participation and disclosure in the survey is voluntary and can vary from year-to-year. Cultural diversity is defined in the Australian context as anyone with an ancestry other than Anglo-Celtic (Australia, British, Irish or New Zealander).
Cultural diversity index (CDI)	The concentration mix of all cultures of the Group's employees resulting in an index between 0 and 1, where the higher the score, the more diverse the population. CDI is calculated using demographic information disclosed in the Group's annual people and culture survey and benchmarked against the ancestry question in the 2021 Australian Census. Participation and disclosure in the survey is voluntary and can vary from year-to-year. The CDI excludes ASB businesses in New Zealand, and businesses in Indonesia.
Customer complaints – received	The number of complaints received by the Group during the reporting period, as recorded in the FirstPoint feedback management system, managed via our Internal Dispute Resolution process. Resolution timeliness reports on proportion of complaints resolved within five working days. Includes Bankwest and CBA/Colonial First State (CFS) or Commonwealth Insurance Limited (CIL) commingled complaints or complaints related to the sale and distribution of CFS/CIL products. CFS is included up to 1 December 2021, after which time our divestment from the business was complete. Excludes ASB businesses in New Zealand and other overseas operations. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Data breaches reported to the OAIC	Root causes of data breaches as defined by the Privacy Regulator (Office of the Australian Information Commissioner). The number of reportable data breaches reported by the Group to the OAIC during the reporting period. Data breaches are notifiable under the *Privacy Act 1988* (Cth) and include incidents arising from human error, system fault, and malicious or criminal attack. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level from FY24.
Deferred shares	Awarded from the 2019 financial year, deferred shares are ordinary shares in CBA, which are restricted until vesting and used for deferred STVR arrangements and sign-on awards. These equity awards are subject to forfeiture if the Executive ceases to be employed by the Group prior to the vesting date as a result of resignation or serious misconduct, Board risk and reputation review and, malus and clawback provisions.
Digitally active customers	The total number of customers who have logged into a core digital asset (NetBank or CommBank mobile app) at least once in the month of June. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level from FY24.
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").

Term	Definition
DPS	Dividends per share.
DRP	Dividend reinvestment plan.
DRP participation	The percentage of total issued capital participating in the dividend reinvestment plan.
E&S Framework	The E&S Framework provides a reference point for our people and stakeholders on the minimum standards we seek to abide by, the targets we seek to implement, and the governance and oversight in place to support our endeavours. Our E&S Framework is underpinned by our internal Group Environmental and Social Policy and relevant business unit specific procedures. Our E&S Framework is available at commbank.com.au/policies.
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.
Electricity consumption – property and fleet	Purchased electricity used for ATMs, retail, commercial, electric vehicle fleet, residential and data centre properties during the reporting period, under the Group's operational control in Australia; including two data centres under non-operational control. The data is based on a combination of invoiced amounts and estimates based on historical information or pro-rata consumption. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Electricity generated from on-site solar panels	Comprised of solar energy consumed in the generation of electricity from solar photovoltaic panels installed on CBA and Bankwest branches in Australia that is equal to the amount generated. In FY24 there were approximately 83 branches with solar panels installed. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Embodied carbon	The carbon emissions associated with materials and construction processes throughout the lifecycle of a building. Includes carbon released during extraction, manufacturing, transportation of materials, and construction practices used to construct the building.
Employee training	Average completed training hours per employee recorded in CBA's learning management system (PeopleLink) as at 30 June, measured by headcount. Training hours are allocated to each training item including face-to-face or online training and excludes external training and video training. Executive Managers, General Managers, Executive General Managers and the Chief Executive Officer are included in 'Executive Managers and above' and 'Others' includes team managers and team members. This metric excludes the training completion rates of the employees of ASB businesses in New Zealand. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Employee turnover – involuntary	Refers to all involuntary exits of permanent employees during the reporting period as a percentage of the average permanent headcount paid directly by the Group (full-time, part-time, job share or on extended leave), excluding ASB businesses in New Zealand. Involuntary exits include redundancies and terminations for disciplinary reasons. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Employee turnover – voluntary	Refers to all voluntary exits of permanent employees during the reporting period as a percentage of the average permanent headcount paid directly by the Group (full-time, part-time, job share or on extended leave), excluding non-permanent employees and ASB businesses in New Zealand. Voluntary exits are determined to be resignations and retirements. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.

Glossary of terms (continued)

Term	Definition
Employees who have accessed parental leave	Number of employees eligible for parental leave benefits who had started primary or secondary carer parental leave during the reporting period, as recorded in the Group's human resources system. Excludes ASB businesses in New Zealand and employees of discontinued operations. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Employees who have returned from parental leave and are still employed after 12 months	The proportion of employees who returned to work from a period of primary or secondary carer parental leave in the prior year and were still employed after 12 months within the reporting period, as recorded in the Group's human resources system. Excludes employees that returned to a major business or subsidiary that is now a discontinued operation. Excludes ASB businesses in New Zealand.
Employees who identify as LGBTQIA+	The proportion of employees who disclosed that they identify as Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual (LGBTQIA), non-binary/gender diverse or other in the Group's annual people and culture survey. Participation and disclosure in the survey is voluntary and can vary from year-to-year. Bankwest included from September 2020. Businesses in China and Singapore included from September 2021. Excludes ASB businesses in New Zealand, and businesses in Indonesia. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Employees with caring responsibilities	The proportion of employees who selected one or more of the caring responsibility options (including, but not limited to, caring for elderly, children, people with disability, chronic conditions, etc.) in the Group's annual people and culture survey. Participation and disclosure in the survey is voluntary and can vary from year-to-year. Bankwest is included from September 2020. Excludes ASB businesses in New Zealand. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Employees with disability, chronic illness or other medical condition	The proportion of employees who disclosed that they have a disability, chronic illness or other medical condition in the Group's annual people and culture survey. Participation and disclosure in the survey is voluntary and can vary from year-to-year. Bankwest and businesses in Indonesia are included from September 2020. Excludes ASB businesses in New Zealand. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Employees working flexibly	The proportion of employees who disclosed that they used one or more of the flexible work options in the previous 12 months in the Group's annual people and culture survey. Participation and disclosure in the survey is voluntary and can vary from year-to-year. Bankwest and businesses in China are included from September 2020. Businesses in Indonesia are included from September 2021. Excludes ASB businesses in New Zealand. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Employment type (headcount)	The number of Australian employees as at 30 June who are permanent employees working in full-time, part-time or casual positions, including job share or on extended leave. It excludes ASB businesses in New Zealand, fixed term contractors and contingent workers. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Escalated complaints to an external dispute resolution (EDR) scheme	The number of complaints escalated to an EDR scheme for the Group during the reporting period. This includes complaints that have been through the Bank's Internal Dispute Resolution (IDR) process, then escalated to an EDR scheme. These complaints are recorded in FirstPoint and managed by the Group Customer Relations and/or Customer Care teams. EDR schemes include, but are not limited to the Australian Financial Complaints Authority (AFCA) and the Office of the Australian Information Commissioner (OAIC). Includes Bankwest and CBA/Colonial First State (CFS) or Commonwealth Insurance Limited (CIL) commingled complaints or complaints related to the sale and distribution of CFS/CIL products. CFS is included up to 1 December 2021, after which time our divestment from the business was complete. Excludes ASB businesses in New Zealand and other overseas operations. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
ESG	Environmental, social and governance.

Term	Definition
ESG bond arrangement	The full value of all Green, Social, Sustainability, Sustainability-Linked and Transition Bonds arranged during the 12 months ended 30 June, in which CBA acted as Global Coordinator, Manager/Bookrunner or Lead Arranger. The roles and ESG label classification have been defined in the Term Sheet documentation and confirmed by Bloomberg with an 'ESG tag'. Private placements aligned with International Capital Market Association principles are included. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
ESG training completed (headcount)	The number of CBA and Bankwest employees who have completed ESG training modules, measured by headcount, as recorded in the Bank's learning management system (PeopleLink) as at 30 June. Excludes ASB businesses in New Zealand. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Executive Leadership Team (ELT)	The team comprises of the CEO and individuals in the following executive groups: Group Executives and CEO ASB.
Executives	Collective term referring to the individuals in the following executive groups: CEO, Group Executives and CEO ASB.
Financed emissions	The emissions financed by a financial institution's loans and/or investments. They are estimated based on an attributed proportion of the financial institution's customers' emissions. These financed emissions are part of the financial institution's Scope 3, Category 15 emissions.
Financial Independence Hub (participants supported)	An individual who has received meaningful support, interactions or assistance within the Financial Independence program. This might include, but is not limited to, financial coaching, financial counselling, providing advice, information or education on domestic and family violence and/or financial abuse, referrals to other services within Good Shepherd or to external agencies, or support with tasks. A participant can receive one or more services.
Full-time equivalent employees (FTE) (page 52)	Total FTE of the Group by geographical work locations as at 30 June. FTE includes full-time, part-time, job share employees, employees on extended leave and contractors. One full-time role is equal to 38 working hours per week. New Zealand category refers to ASB employees only. CBA staff based in New Zealand are captured under 'Other'. India FTE prior to FY22 are captured under 'Other'. PT Bank Commonwealth (PTBC) is included up to 30 April 2024 and Colonial First State is included up to 1 December 2021, after which time our divestment from these businesses was complete. This is the Criteria for the accompanying Selected Sustainability Information on Total FTE assured by PwC to a limited assurance level.
Gender pay equity – female to male base salary comparison	Gender pay equity is defined as the ratio of the weighted average base salary of males and females for Australia-based employees of the Group, as at 31 March. The data reflects roles in similar functions, role scope and responsibilities. The data refers to permanent employees who are full-time, part-time, job sharing or on extended leave. It excludes the CEO, Board members, contractors, casual employees, seconded employees and employees who have not responded with a defined gender. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Graduates	The number of graduates who accepted and commenced in a graduate position with CBA or Bankwest during the reporting period. Graduate positions commence in February each year. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Greenhouse gases (GHGs)	Greenhouse gases (GHGs) are the six gases listed in the Kyoto Protocol being carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6).
Greenhouse gas emissions	The production and/or release of greenhouse gas emissions.
Greenhouse Gas Protocol	Greenhouse gas protocol establishes comprehensive global standardized frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions.

Glossary of terms (continued)

Term	Definition
Greenhouse gas emissions:	
Exclusions and reclassifications	From FY20 onwards: 1. CBA assumed operational control of two data centres. Emissions from these locations have been reclassified from selected Scope 3 to Scope 1 or 2 emissions, depending on source. 2. Scope 1 includes refrigerant emissions. 3. Selected Scope 3 includes additional emissions from waste, water, work from home and freight. From FY22 onwards: 1. Aussie Home Loans data is excluded due to divestment. 2. From December 2021, Colonial First State data is excluded due to divestment. 3. Selected Scope 3 includes additional emissions from the production of annual reports. From FY23 onwards: 1. Selected Scope 3 includes additional emissions from annual general meeting and employee commuting. From FY24 onwards: 1. Scope 2 includes additional emissions from electricity usage from offsite ATMs and electric vehicle charging (Australia and India). 2. Selected Scope 3 includes waste data from data centres under the Group's operational control (Australia). 3. PT Bank Commonwealth (PTBC) is included up to 30 April 2024, after which time our divestment of the business was complete.
Emissions factor	A figure provided by a credible third party that provides an estimated amount of CO_2 emitted for a specific activity (e.g. emissions per barrel of oil combusted). These can be multiplied with production figures to estimate emissions.
Location-based emissions reporting	Reflects the Group's emissions in the context of its location, on which the consumption/activity for Scope 1, Scope 2 and selected Scope 3 emissions occur. This does not consider renewable electricity procurement represented by the retirement of eligible renewable attribute certificates.
Market-based emissions reporting (Australia)	Reflects the large generation certificates (LGCs) purchases redeemed against the electricity used for ATMs, electric vehicle fleet, retail, commercial, residential and data centre properties in Australia under CBA's operational control.
Market-based emissions reporting (New Zealand)	Reflects the renewable energy certificates (RECs) purchases redeemed against electricity used for retail, corporate and data centre properties under ASB's operational control.
Market-based emissions reporting (India)	Reflects the energy attribute certificates (EACs) purchases redeemed against electricity used for the commercial property and electric vehicle fleet in India under CBA's operational control.
Market-based emissions reporting (Other Overseas)	Reflects the energy attribute certificates (EACs) purchases redeemed against estimated electricity used for the Other Overseas commercial properties.
Scope 1 emissions	Relates to the Group's consumption of natural gas, stationary fuel and refrigerants used in retail, commercial and data centre properties under the Group's operational control, and business use of tool-of-trade vehicles, during the reporting period. The consumption data is based on a combination of invoiced amounts and estimates based on historical information or pro-rata consumption. Emissions are calculated using the relevant emissions factors noted in the 'Scope 1, Scope 2 and selected Scope 3 emissions' regional definitions. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a reasonable assurance level in FY24.

Term	Definition
Scope 2 emissions	Emissions from the Group's electricity used by ATMs, retail, commercial, fleet, residential and data centre properties under the Group's operational control during the reporting period. The consumption data is based on a combination of invoiced amounts and estimates based on historical information or pro-rata consumption. Emissions are calculated using the relevant emission factors noted in the regional definitions below. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a reasonable assurance level in FY24.
Selected Scope 3 emissions	Indirect greenhouse gas emissions as a result of sources outside the Group's operational control, but support the Group's business activities during the reporting period. The consumption data is based on a combination of invoiced amounts and estimates based on historical information or pro-rata consumption/activity. Emissions are calculated using the relevant emission factors noted in the regional definitions below. Selected Scope 3 emissions currently do not cover all categories of the GHG Protocol; however, it is the Bank's intention to align in the future with the Protocol and disclose relevant categories. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Scope 1, Scope 2 and selected Scope 3 emissions – Australia	Australian emissions are based on emission factors sourced from the Climate Active Carbon Neutral Standard (2023), National Greenhouse Accounts Factors (2023) and the Department for Environment, Food and Rural Affairs (United Kingdom) (2022). Scope 1 and Scope 2 emissions sources for Australia included diesel stationary, natural gas, electric vehicle fleet, transport fuels, refrigerants and purchased electricity during the reporting period. The consumption data is based on a combination of invoiced amounts and estimated based on historical information or pro-rata consumption. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a reasonable assurance level from FY24. Selected Scope 3 emissions sources for Australia included CBA's annual general meeting, annual report production, freight, office paper (photocopy), water, base building electricity and natural gas, diesel stationary, natural gas, emissions associated with electricity at data centres not under CBA's operational control, transmission and distribution losses, fleet, waste, hotel accommodation, flights, fuel expensed, hire car, taxi use, employee commuting and work from home emissions during the reporting period. The consumption data is based on a combination of invoiced amounts and estimated based on historical information or pro-rata consumption. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Scope 1, Scope 2 and selected Scope 3 emissions – New Zealand	New Zealand emission factors are sourced from Ministry for the Environment NZ, Measuring Emissions: A Guide for Organisations (2024). Exceptions where emission factors are from different sources include Scope 3 Freight (Postage: NZ Post FY23 emission factors, Courier: Auckland Council spend based emissions factor (year ending 2019, Postal and Courier Services), adjusted for inflation) and Scope 3 Paper (Environment Protection Authority Victoria (2021)). Scope 1 and Scope 2 emissions sources for New Zealand included diesel stationary, natural gas, fleet transport fuels, refrigerants and purchased electricity during the reporting period. The consumption data is based on a combination of invoiced amounts and estimated based on historical information or pro-rata consumption. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a reasonable assurance level in FY24. Selected Scope 3 emissions sources for New Zealand included freight, office paper (photocopy), transmission and distribution losses, waste, hotel accommodation, flights, fuel expensed, hire car, taxi use and work from home emissions during the reporting period. The consumption data is based on a combination of invoiced amounts and estimated based on historical information or pro-rata consumption. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.

Glossary of terms (continued)

Term	Definition
Scope 1, Scope 2 and selected Scope 3 emissions – India	India emissions are based on emission factors sourced from International Energy Agency (2022 and 2023), National Greenhouse Accounts Factors (Australia, 2023), IPCC Fifth Assessment Report (2014), Climate Active Carbon Neutral Standard (Australia, 2023) and the Department for Environment, Food and Rural Affairs (United Kingdom, 2023). Scope 1 and Scope 2 emissions sources for India included diesel stationary, refrigerants and purchased electricity during the reporting period. The consumption data is based on a combination of invoiced amounts and estimated based on historical information or pro-rata consumption. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level. Selected Scope 3 emissions sources for India included freight, office paper (photocopy), water, base building electricity, diesel stationary, transmission and distribution losses, fleet, waste, hotel accommodation, flights, hire car, employee commuting and work from home emissions during the reporting period. Employee commuting and work from home emissions are estimated by multiplying the Australian employee commuting and work from home emissions per FTE as at 30 June by the numbers of FTEs in India. The consumption data is based on a combination of invoiced amounts and estimated based on historical information or pro-rata consumption. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Scope 1, Scope 2 and selected Scope 3 emissions – Other overseas	Other overseas emissions are estimated by multiplying the Australian Scope 1, Scope 2 and selected Scope 3 emissions per FTE as at 30 June by the number of FTEs of all the Group's other overseas offices. PTBC (Indonesia) FTE taken as per divested date. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Group	Commonwealth Bank of Australia and its subsidiaries.
Group Executive (GE)	Members of the Executive Leadership Team (excludes the CEO and the CEO ASB).
Hardship approvals	Total number of CBA hardship approvals during the reporting period for retail accounts across home loans, personal loans and credit cards. A hardship account is defined as an account where the customer takes up an approved hardship solution, due to financial hardship, owing (but not limited) to reasons such as unemployment/underemployment, health, relationship breakdown, and over committed. Excludes written off accounts and life arrangements. Excludes Bankwest and ASB New Zealand. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level from FY24.
Headcount	Total number of employees, including permanent headcount (full-time, part-time, job share, on extended leave), and contractors (fixed term arrangements) paid directly by the Group as at 30 June. Excludes contingent workers. PT Bank Commonwealth (PTBC) is included up to 30 April 2024 and Colonial First State is included up to 1 December 2021, after which time our divestment from these businesses was complete. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Health, safety and wellbeing training	Number of employees who completed health, safety and wellbeing training, as recorded in the Group's learning management system (PeopleLink) as at 30 June, measured by headcount. Excludes ASB businesses in New Zealand. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Indigenous cultural development (training completion rate)	Percentage of employees, in relation to total headcount, who have completed Indigenous cultural development, as recorded in the Group's learning management system (PeopleLink) as at 30 June. Indigenous cultural development programs included are: Indigenous cultural awareness e-learning; Providing banking services to First Nations customers e-learning; or BlackCard Cultural Learning Program. Includes CBA and Bankwest domestic employees. Excludes ASB businesses in New Zealand and other overseas operations. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Indigenous Customer Assistance Line (calls received)	Number of calls received from retail customers via the dedicated Indigenous Customer Assistance Line (ICAL) during the reporting period. It excludes calls that were abandoned by CBA retail customers. Excludes Bankwest. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.

Term	Definition
Indigenous workforce (ancestry)	Represents the proportion of employees who disclosed that they most strongly identify with Australian Aboriginal and/or Torres Strait Islander ancestry in the Group's annual people and culture survey. Participation and disclosure in the survey is voluntary and can vary from year-to-year. Bankwest included from September 2020. From September 2022, the data represents the proportion of Australia-based employees only. Aboriginal and Torres Strait Islander representation in Australia is based on the 2021 Australian Census. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
In-scope drawn lending	Drawn lending which excludes exposures in the finance and insurance, and government administration and defence ANZSICs. Portfolios not assessed include consumer finance (excluding Australian motor vehicle finance) and commercial property outside of Australia and New Zealand.
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.
Long-term alignment remuneration (LTAR)	Remuneration that is subject to pre-grant and pre-vest assessments and vests subject to service conditions after a period of four and five years for the CEO, and four years for Group Executives and CEO ASB.
Long-term variable remuneration (LTVR)	Variable remuneration subject to service conditions and performance measures over four years. From FY23, LTVR awards that remain on foot following satisfaction of service conditions and performance measures are restricted until completion of a risk and compliance review after a further holding period of two years for the CEO and one year for Group Executives and CEO ASB.
Lost time injury frequency rate (LTIFR)	LTIFR is the reported number of occurrences of lost time arising from injury or disease that have resulted in an accepted workers compensation claim during the reporting period, for each million hours worked by Australia and New Zealand employees. The metric captures claims relating to permanent, casual and fixed-term contractors paid directly by the Group. It is reported using the information available as at 30 June. Prior year numbers have been restated due to claims received after year-end reporting date. This metric includes data for the now divested Colonial First State business covering the period up to 30 November 2021. These records pertain to workers that were employed by CBA at the time, and CBA retains some legal obligations as an employer for that period. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Misconduct cases resulting in termination	This metric represents closed substantiated misconduct cases which resulted in termination and were managed in Australia by the Workplace Relations team, SpeakUP team and/or Group Investigations team during the reporting period. The metric excludes incidents reported by local associates and joint ventures. There are various internal policies within the Group that govern staff conduct obligations, such as the 'Code of Conduct' which is the guiding framework at CBA. Colonial First State is included up to 1 December 2021, after which time our divestment from the business was complete. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Most Innovative Major Consumer Bank	CBA was awarded the 'Most Innovative Major Consumer Bank' (for the 6th year in a row) by RFI Global's Banking & Finance Awards 2024. Presented June 2024. The award is based on information collected from the RFI Global Atlas research program, using feedback from over 80,000 business and/or retail customers from January through to December 2023.
Natural capital	The stock of renewable and non-renewable natural resources (e.g., plants, animals, air, water, soils and minerals) that combine to yield a flow of benefits to people, organisations (including financial institutions) and the environment.
Nature	The natural world, with an emphasis on the diversity of living organisms (including people) and their interactions among themselves and with their environment.
Net profit after tax (NPAT) ("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 businesses, or associates that are not discontinued operations. This is management's preferred measure of the Group's financial performance.

Glossary of terms (continued)

Term	Definition
Net profit after tax (NPAT) ("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 Promoter Score (NPS)	For the major banks, NPS is reported for main brand only. "Net Promoter®, NPS®, NPS Prism®, and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter ScoreSM and Net Promoter SystemSM are service marks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld." NPS refers to customer likelihood to recommend their main financial institution using a scale from 0–10 (where 0 is 'not at all likely' and 10 is 'extremely likely') and NPS is calculated by subtracting the percentage of Detractors (scores 0–6) from the percentage of Promoters (scores 9–10).
Net Stable Funding Ratio (NSFR)	The NSFR more closely aligns the behaviour 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 refers to ASB Banking Group which includes the banking and funds management business. ASB Banking Group provides a range of banking, wealth and insurance products and services to personal, business, rural and corporate customers in New Zealand
Next Chapter and Community Wellbeing (customer interactions)	The total number of interactions with individuals, including non-CBA customers, in vulnerable circumstances supported by the Next Chapter and Community Wellbeing team during the reporting period. The channels are: calls answered; internal and external vulnerability referrals; asynchronous chat opened conversations via the CommBank App; and outbound contacts made to support customers who received abusive messages via transaction descriptions. Excludes ASB businesses in New Zealand. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
NPS – ASB – Consumer	Retail Market Monitor NPS measures the net likelihood of recommendation to others of the customer's main financial institution. Using a scale of 1 to 10 (1 means 'extremely unlikely' and 10 means 'extremely likely'), the 1–6 raters (detractors) are deducted from the 9–10 raters (promoters). Twelve-month rolling average data is used. The ranking refers to ASB's position relative to the other four main New Zealand banks.
NPS – ASB – Business and rural banking	Business Finance Monitor NPS measures the net likelihood of recommendation to others of the business or rural customer's main financial institution. Using a scale of 1 to 10 (1 means 'extremely unlikely' and 10 means 'extremely likely'), the 1–6 raters (detractors) are deducted from the 9–10 raters (promoters). Four-quarter rolling average data is used. The ranking refers to ASB's position relative to the other three main New Zealand banks.
NPS – Bankwest – Consumer	RFI-DBM Atlas Consumer Main Financial Institution (MFI) NPS (refer to definition for Net Promoter Score). Based on Australian population aged 14+ years old, rating their likelihood to recommend their MFI. NPS results are shown as a six-month rolling average. NPS is reported for each brand, therefore Commonwealth Bank of Australia excludes Bankwest, and Westpac excludes St George, BankSA and Bank of Melbourne. Bankwest ranking is based on the following nine banks: CBA, ANZ, Westpac, NAB, Adelaide/Bendigo Bank, Suncorp, Bankwest, Bank of Queensland and St George. NPS ranks are based on absolute scores among reported banks and not statistically significant differences.
NPS – CBA – Business	RFI Global Atlas Business MFI NPS. Based on Australian businesses rating their likelihood to recommend their MFI for Business Banking. NPS results are shown as a six-month rolling average. NPS ranks are based on simple comparisons of scores among major banks, not statistically significant differences. NPS is reported for each brand, therefore Commonwealth Bank of Australia excludes Bankwest and ASB Banking Group.

Term	Definition
NPS – CBA – Consumer	RFI Global Atlas Consumer MFI NPS. Based on Australian population aged 14+ years old rating their likelihood to recommend their MFI. NPS results are shown as a six-month rolling average. NPS ranks are based on simple comparisons of scores among major banks, not statistically significant differences. NPS is reported for each brand, therefore Commonwealth Bank of Australia excludes Bankwest and ASB Banking Group.
NPS – CBA – Consumer mobile banking app	RFI Global Atlas Consumer MFI Mobile Banking App NPS: Based on MFI customers rating their likelihood to recommend their MFI's Mobile Banking App used in the last four weeks. NPS results are shown as a six-month rolling average. NPS ranks are based on simple comparisons of scores among major banks, not statistically significant differences. NPS is reported for each brand, therefore Commonwealth Bank of Australia excludes Bankwest and ASB Banking Group.
NPS – CBA – Consumer online banking	RFI Global Atlas Consumer MFI Online Banking NPS: Based on MFI customers rating their likelihood to recommend their MFI's Online Banking used in the last four weeks. NPS results are shown as a six-month rolling average. NPS ranks are based on simple comparisons of scores among major banks, not statistically significant differences. NPS is reported for each brand, therefore Commonwealth Bank of Australia excludes Bankwest and ASB Banking Group.
NPS – Institutional	RFI Global Atlas Institutional $300 million plus Business MFI NPS: Based on Australian businesses with an annual revenue of $300 million or more for the previous financial year rating their likelihood to recommend their MFI for Business Banking. NPS results are shown as a twelve-month rolling average. NPS ranks are based on simple comparisons of scores among major banks, not statistically significant differences. NPS is reported for each brand, therefore Commonwealth Bank of Australia excludes Bankwest and ASB Banking Group.
Office paper usage (retail and commercial operations)	Office paper used in retail and commercial operations under the Group's operational control. Invoiced reams of paper are used to estimate usage by weight. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Operational emissions	Scope 1, 2 and selected Scope 3 emissions (excluding financed emissions) resulting from the operations of our business for the Commonwealth Bank of Australia Group, including ASB Banking Group and other overseas operations.
Other overseas	Represents amounts booked in branches and controlled entities outside Australia, New Zealand and India.
Paris Agreement	The Paris Agreement, adopted within the United Nations Framework Convention on Climate Change in December 2015, commits all participating countries to limit global temperature rise to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C, to adapt to changes already occurring, and to regularly increase efforts over time.
PCAF	Partnership for Carbon Accounting Financials. A global partnership of financial institutions that work together to develop and implement a harmonised approach to assess and disclose the GHG emissions associated with their loans and investments.
People engagement index – CBA	The People Engagement Index (PEI) measures how engaged our people are, including feelings of personal accomplishment and advocacy of the organisation. The PEI was refreshed in February 2024 from a five-item metric to a two-item metric to reduce the length of the Group's quarterly people and culture survey and time taken to complete, without compromising insights about engagement or the reliability of the PEI measure. PEI is calculated based on the proportion of employees replying with a score of 4 or 5 to two engagement questions in the Group's quarterly people and culture survey. These questions are rated on a scale of 1 to 5 (where 1 is 'Strongly Disagree' and 5 is 'Strongly Agree'). Participation and disclosure in the survey is voluntary and can vary from year-to-year. Bankwest included from September 2020. PT Bank Commonwealth (PTBC) is included up to 30 April 2024, after which time our divestment from this business was complete. Excludes ASB businesses in New Zealand. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.

Glossary of terms (continued)

Term	Definition
Performance rights	Performance rights to ordinary shares in CBA granted under the LTVR and subject to the satisfaction of performance measures and service conditions.
Phishing sites taken down	The number of phishing sites identified impersonating Group branding (CommBank, Commonwealth Bank, CommBiz, CommSec, NetBank and CBA Group) and taken down by a third-party vendor during the reporting period. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level from FY24.
Physical risks	Risks arising from extreme weather events (acute) such as floods, bushfires and cyclones, and longer term (chronic) shifts in precipitation and temperature and increased variability in weather patterns, such as sea level rise.
Privacy complaints	Number of privacy related complaints escalated to the Office of the Australian Information Commissioner (OAIC) or Australian Financial Complaints Authority (AFCA) for the Group during the reporting period. This includes complaints that have been through the Bank's Internal Dispute Resolution (IDR) process and have escalated to an External Dispute Resolution (EDR) scheme. These complaints are recorded in FirstPoint and are managed by the Group Customer Relations and/or Customer Care team. Includes Bankwest and CBA/Colonial First State (CFS) or Commonwealth Insurance Limited (CIL) commingled complaints or complaints related to the sale and distribution of CFS/CIL products. CFS is included up to 1 December 2021, after which time our divestment from the business was complete. Excludes ASB businesses in New Zealand and other overseas operations. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
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.
RAP	Reconciliation Action Plan.
Renewable electricity procurement	The usage of electricity for operations within Australia, New Zealand and Other Overseas generated via renewable sources in compliance with CBA's RE100 commitment. Addressed through the procurement of Large Generation Certificates (LGCs) or Renewable Energy Certificates (RECs) in local and/or regional jurisdictions for the reporting period. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level. For ASB, this metric is not assured by PwC.
% of renewable electricity procurement (Australia, New Zealand, India, Other Overseas)	The percentage of renewable electricity procured for operations within Australia, New Zealand, India and Other Overseas. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level. For ASB, this metric is not assured by PwC.
Renewable electricity purchased	Comprised of renewable electricity purchased via power purchase agreements or retail contracts and renewable energy certificates (including small-scale technology certificates (STCs) and Large-scale generation certificates (LGCs)) surrendered in connection with electricity consumed during the reporting period. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Renewable energy exposure	Renewable energy exposures includes pure-play renewables companies and diversified power generation customers where at least 90% of electricity generated is from renewable sources.
RepTrak reputation score	RepTrak, The RepTrak Company. Data is collected throughout the quarter and reported at quarter end. The reputation score is a calculation based on four statements measuring esteem, admiration and respect, trust and good feeling towards the organisation; expressed as a score ranging from 0–100 to determine the reputational strength of the company.
Restricted share units (RSU)	Rights to ordinary shares in CBA or a cash equivalent, granted under the LTAR and subject to a pre-grant and pre-vest assessment (from the FY23 award onward), and service conditions.

Term	Definition
Retail MFI Share	Main Financial Institution (MFI) Share measures the proportion of Banking and Finance MFI Customers that nominated each bank as their MFI. In the Roy Morgan Single Source Survey, MFI is a customer-determined response where one institution is nominated as the primary financial institution they deal with (when considering all financial products they hold). Peers include ANZ Group, NAB Group and Westpac Group (including St George Group). CBA Group includes Bankwest. Source: Roy Morgan Single Source survey conducted by Roy Morgan, Australian population 14+ (12 month averages to June 2024), excluding those unable to identify MFI. Roy Morgan has re-calibrated the results from April 2020 to March 2021 to take into account methodology changes since COVID-19. This has resulted in small differences to some of the previously published figures.
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.
Senior leaders	Collective term referring to the individuals in the following executive groups: Executive Leadership team, Executive General Managers and General Managers.
Service availability (%) – Access accounts using online banking	Disclosures are reported at the brand level, therefore CBA excludes Bankwest. For more information and detail on definitions, refer to the RBA Retail Payment Service Reliability Explanatory information. Service availability (%) refers to the actual amount of time that the service is not experiencing a significant outage, as a proportion of the amount of time during which the service was planned to be available. Planned available time excludes planned outages (e.g. for system maintenance). Significant outages are those unplanned unavailability of a service that meet minimum thresholds for the duration of the outage and the proportion of customers affected. Service availability to access accounts using online banking includes the access by web browser or mobile device app. This refers to the ability to log in, transfer between own accounts at CommBank, initiate payments and/or view accurate and up to date account information. Excluded is the ability to process payments, which is covered in 'make/receive account transfers – fast payments' and 'make/receive account transfers – next business day'.
Short-term variable remuneration (STVR)	Variable remuneration paid, subject to the achievement of predetermined performance hurdles over one financial year. STVR is received as cash and deferred shares.
Signals analysed for potential cyber threats	The average number of weekly observable events in the CBA and Bankwest network that are analysed for potential cyber threats to 30 June. Excludes ASB businesses in New Zealand.
Significant IT incidents	The number of significant IT incidents during the reporting period causing a severe or major business impact for the Group. Incidents are categorised according to the Group's IT Incident Management Standard. Excludes ASB New Zealand. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level from FY24.
SpeakUP Program cases	Number of cases reported to the Group's SpeakUP Program during the reporting period. The reports include both whistleblower and non-whistleblower disclosures. PT Bank Commonwealth (PTBC) is included up to 30 April 2024 and Colonial First State is included up to 1 December 2021, after which time our divestment from these businesses was complete. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Substantiated misconduct cases	This metric represents closed substantiated misconduct cases managed in Australia by the Workplace Relations team, SpeakUP team and/or Group Investigations team during the reporting period. The metric excludes incidents reported by local associates and joint ventures. There are various internal policies within the Group that govern staff conduct obligations, such as the 'Code of Conduct' which is the guiding framework at CBA. Colonial First State is included up to 1 December 2021, after which our divestment from the business was complete. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Support units	Support units are not business functions and are responsible for enabling the operations of the Bank. Functions that are in support units include Human Resources, Technology, Financial Services, Operations, Risk Management, Marketing & Corporate Affairs, Group Strategy and Legal and Group Secretariat.

Glossary of terms (continued)

Term	Definition
Sustainability funding (cumulative)	The cumulative funding provided up to 30 June tracked against the Group's SFT. For the full definition, including definitions of each asset category, refer to pages 99–103 of the 2024 Climate Report. The new and incremental financing for the 12 months ended 30 June 2024 (FY24 contributions) has been included in the scope of PwC's limited assurance engagement on selected Sustainability Funding and Sector-level Glidepath Subject Matter for the Group's 2024 Climate Report.
Sustainability Funding Target (SFT)	The Group's target to provide $70 billion of cumulative sustainability funding by 2030. For the full definition, including definitions of each asset category, refer to pages 99–103 of the 2024 Climate Report.
Total customers	The combined number of customers who have a relationship with the Group, as at 30 June. A customer is defined as anyone who holds an open account. Includes retail and non-retail customers and deceased estates. Customers who have a relationship with more than one entity (CBA, Bankwest and/or ASB) may be counted more than once.
Total energy consumption (including electricity and fuel)	Energy consumption is the consumption of natural gas, diesel stationary, transport fuel and electricity for properties and electric vehicle fleet during the reporting period, under the Group's operational control in Australia; including two data centres under non-operational control. Energy consumption is associated with fuel combusted for the business use of tool-of-trade vehicles, hire cars and fuel expensed. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a reasonable assurance level from FY24.
Total fuel consumption	Energy from the use of natural gas, transport fuels and diesel in data centres, retail and commercial properties during the reporting period. Includes energy from the use of fuels such as petrol, diesel and ethanol for transport, under CBA's operational control in Australia. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Total renewable energy consumption – Australia (renewable electricity purchased and electricity generated from on-site solar panels)	Comprised of energy consumed from renewable electricity purchased and electricity generated from on-site solar panels in Australia during the reporting period. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Total Waste (commercial and data centres) operations)	Total waste included landfill waste, recycled waste and secure paper recycled waste generated and collected from CBA and Bankwest commercial buildings during the reporting period, under the Group's operational control in Australia. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Training completion rate – Code of Conduct	Percentage of employees who have been assigned or completed the 'Code of Conduct' learning module recorded in the Group's learning management system (PeopleLink) as at 30 June. It includes employees who have a learning due date after 30 June. Excludes the training completion rates of terminated employees and the employees of ASB businesses in New Zealand. Numbers prior to FY19 are for completion of 'Our Commitments' training. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Training completion rate – mandatory learning	Percentage of employees who have been assigned or completed the Group mandatory learning modules recorded in the Group's learning management system (PeopleLink) as at 30 June. It includes employees who have a learning due date after 30 June. Excludes the training completion rates of terminated employees and the employees of ASB businesses in New Zealand. The Group's mandatory learning modules are: Code of Conduct; Conflicts of Interest; Valuing Privacy; Health, Safety and Wellbeing; Workplace Conduct (which includes Sexual Harassment); Group Securities Insider Trading; Financial Crime (which includes Anti-Bribery and Corruption, Anti-Money Laundering and Counter-Terrorism Financing); Fraud; Resolving Customer Complaints; Information Security; and The Group Risk Management Approach. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Transition Plan	A plan that, at a minimum: • contains a time-bound decarbonisation plan which is aligned to the goal of the Paris Agreement to limit global warming to well below two degrees above pre-industrial levels; and • includes the client's Scope 1, 2 and 3 emissions. CBA will engage a third party to assess applicable Clients' Transition Plans against the above two requirements.

Term	Definition
Transition risks	Risks arising from transitioning to a low carbon economy due to changes in domestic and international policy and regulatory settings, technological innovation, social adaptation and market changes, which can result in changes to costs, income and profits, investment preferences and asset viability.
Waste (commercial operations) – landfill	Tonnes of waste to landfill generated per annum from CBA and Bankwest commercial buildings under the Group's operational control in Australia during the reporting period. Waste to landfill data is based on combination of invoiced amounts and estimates based on an average tonnes per m^2 of net lettable area. Invoiced amounts are estimated by the total number of bin lifts using density conversion factors or actual weighed amounts where available.
Waste (commercial operations) – recycled	Tonnes of recycled waste generated per annum from CBA and Bankwest buildings under the Group's operational control in Australia during the reporting period. Recycled waste data is a combination of invoiced amounts and estimates based on an average tonnes per m^2 of net lettable area. Invoiced amounts are estimated by the total number of bin lifts using density conversion factors or actual weighed amounts where available.
Waste (commercial operations) – secure paper recycled	Tonnes of secured paper waste collected from CBA and Bankwest commercial buildings under the Group's operational control in Australia during the reporting period. Secured paper waste is shredded and recycled in a secure process to protect privacy. Based on invoiced volumes which are estimated using average weight per bin collected. In FY22, the process changed to also include onsite volumetric measurement at selected sites.
Water	Water consumption includes tenanted usage from CBA and Bankwest commercial buildings and data centres during the reporting period under Group's operational control in Australia. Water usage is based on a combination of invoiced amounts and estimates based on an average usage per m^2 of net lettable area. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
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.
Whistleblower cases	Number of whistleblower cases on-boarded into the Group's SpeakUP Program during the reporting period. PT Bank Commonwealth (PTBC) is included up to 30 April 2024 and Colonial First State is included up to 1 December 2021, after which time our divestment from these businesses was complete. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Women in Executive Manager and above roles	The percentage of roles at the level of Executive Manager and above filled by women, in relation to the total headcount at these levels as at 30 June. PT Bank Commonwealth (PTBC) is included up to 30 April 2024, after which time our divestment from this business was complete. Excludes ASB businesses in New Zealand. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Women in Manager and above roles	The percentage of roles at the level of Manager and above (including Branch Managers) filled by women, in relation to the total headcount at these levels as at 30 June. PT Bank Commonwealth (PTBC) is included up to 30 April 2024, after which time our divestment from this business was complete. Excludes ASB businesses in New Zealand. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.
Women in Senior Leadership (Group Executives)	The percentage of executive roles that are filled by women as at 30 June. These roles are direct reports of the Chief Executive Officer with authority and responsibility for planning, directing and controlling the Group's activities. For the list of current executives, refer to pages 94–97.
Women in workforce	The percentage of roles filled by women, in relation to the total headcount as at 30 June. PT Bank Commonwealth (PTBC) is included up to 30 April 2024, after which time our divestment from this business was complete. Excludes ASB businesses in New Zealand. This is the Criteria for the accompanying Selected Sustainability Information assured by PwC to a limited assurance level.

Important notices

Climate-related statements

This Report contains certain climate-related statements which are subject to uncertainties, limitations, risks and assumption associated with climate-related information and the ever-changing environment we operate in. The information in this Report should be read in conjunction with the qualifications and guidance included in this Report as well as the 2024 Climate Report available at commbank.com.au/2024climatereport.

Non-IFRS information

Readers should also be aware that certain financial data in this Report may be considered "non-International Financial Reporting Standards financial measures" (non-IFRS measures) under Regulatory Guide 230 'disclosing non-IFRS financial information' published by ASIC, including, Net Profit After Tax – ("cash basis"), earnings per share ("cash basis"), dividend payout ratio ("cash basis") and dividend cover ("cash basis"). Although the Group believes that these "non-IFRS" measures provide a useful means through which to examine the underlying performance of the business, such "non-IFRS measures" do not have a standardised meaning prescribed by Australian Accounting Standards or IFRS and therefore may not be comparable to similarly titled measures presented by other entities. They should be considered as supplements to the financial statement measures that have been presented in accordance with the Australian Accounting Standards or IFRS and not as a replacement or alternative for them. Readers are cautioned not to place undue reliance on any such measures.

Guidance on forward-looking statements

This Report contains certain forward-looking statements with respect to the financial condition, capital adequacy, operations and business of the Group and certain plans and objectives of the management of the Group. Such forward-looking statements speak only as at the date of this Report and undue reliance should not be placed upon such statements. Although the Group currently believes the forward-looking statements have a reasonable basis, they are not certain and involve known and unknown risks and assumptions, many of which are beyond the control of the Group, which may cause actual results, conditions or circumstances to differ materially from those expressed or implied in such statements. Readers are cautioned not to place undue reliance on forward-looking statements particularly in light of: current economic conditions, geopolitical events, and global banking uncertainty including recent examples of instability in the banking system and regulatory, government and central bank responses.

Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "would", "could", "expect", "intend", "plan", "aim", "estimate", "target", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding the Group's intent, belief or current expectations with respect to the Group's business and operations, market conditions, results of operations and financial condition, capital adequacy and risk management. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements, whether as a result of new information, future events or results or otherwise, is disclaimed. The Group is under no obligation to update any of the forward-looking statements contained within this presentation, subject to applicable disclosure requirements.

Forward-looking statements may also be made – verbally and in writing – by members of the Group's management in connection to this Report. Such statements are also subject to the same limitations, uncertainties and assumptions which are set out in this Report.

Contact us

Registered office

Commonwealth Bank Place South
Level 1, 11 Harbour Street
Sydney NSW 2000

Telephone: +61 2 9262 8200
commbank.com.au

International locations

commbank.com.au/internationallocations

Share Registry

Link Market Services
Level 12, 680 George Street
Sydney NSW 2000

Mail: Link Market Services
Locked Bag A14 Sydney South NSW 1235

Telephone: +61 1800 022 440
Email: cba@linkmarketservices.com.au
linkmarketservices.com.au

Please note, Link Market Services (part of Link Group) was acquired by Mitsubishi UFJ Trust & Banking Corporation, a consolidated subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG) on 16 May 2024.

Link Group is now known as MUFG Pension & Market Services. Mailing and contact information is currently unchanged. Over the coming months, Link Market Services will also progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

American Depositary Receipt (ADR) program

CBA ADRs are negotiable securities issued by BNY, with one ADR representing one CBA ordinary share. They are traded under the symbol CMWAY and are classified as Level 1. They are not listed on any exchange and are only traded over-the-counter via brokers.

ADR Investors who hold ADRs via a broker should contact their US broker directly for queries relating to their holdings.

Registered ADR Holders – held via Computershare – should contact the registry directly:

Computershare Investor Services
P. O. Box 43078
Providence RI 02940-3078
USA

U.S. Toll Free Telephone: 1-888-BNY-ADRS (1-888-269-2377)
Telephone for International Callers: 1-201-680-6825
Website: https://www-us.computershare.com/investor
E-Mail: shrrelations@cpushareownerservices.com

CBA Investor Relations

Telephone: +61 2 9118 7113
Email: CBAInvestorRelations@cba.com.au
commbank.com.au/investors

All other enquiries

commbank.com.au/contactus

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Communication design, consultancy and production.
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