ASX Announcement

1Q25 Trading Update

For the quarter ended 30 September 2024[1]
Reported 13 November 2024

Delivering through continued customer focus and disciplined execution

These results demonstrate ongoing focus on delivering for our customers, and disciplined operational and strategic execution. Many Australians continue to be challenged by cost of living pressures. We have continued to support our customers, invest in our franchise, and provide strength and stability for the broader economy.

We have maintained strong balance sheet settings. Our CET1 capital ratio remains well above the minimum regulatory requirement. We have maintained provision coverage levels. We have made good progress on our FY25 funding requirements with A$11 billion in long-term wholesale funding raised to date, so we can play our part in supporting economic growth by lending to productive parts of the economy.

Our balance sheet strength, and solid financial performance, supported the payment of $4.2 billion in dividends in the quarter to around 830,000 direct shareholders and more than 13 million Australians through their superannuation. We have purchased over $750 million of shares in the quarter to satisfy the 2H24 Dividend Reinvestment Plan.

Inflation is moderating, but at a slowing pace, and global geopolitical tensions are creating uncertainty. Growth in the Australian economy remains slow, as higher rates continue to weigh on consumer demand and bring inflation back to the target range. We remain optimistic on the overall outlook and the Australian economy remains fundamentally sound. We remain focused on supporting our customers, investing for the future, generating sustainable returns for our shareholders, and providing strength and stability for the broader economy to achieve a brighter future for all.

Chief Executive Officer, Matt Comyn

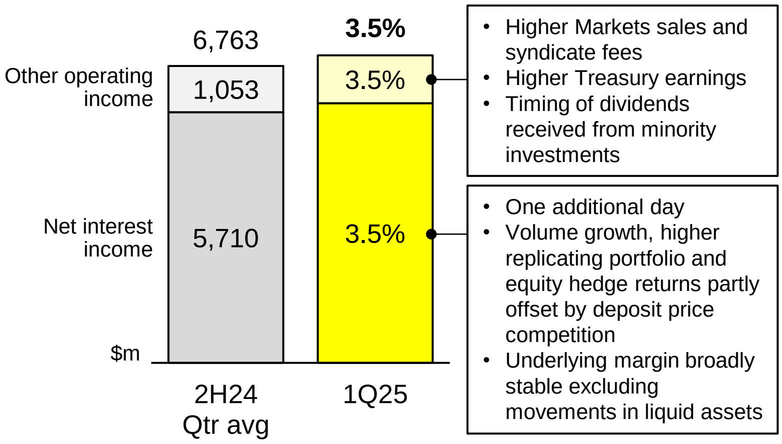
Overview

- Unaudited statutory NPAT of ~$2.5 billion[2] in the quarter. Unaudited cash NPAT of ~$2.5 billion[2,3] up 5% on 2H24 quarterly average (up 3% on a day-weighted basis) and flat on the prior comparative quarter.
- Operating income up 3.5% (up 2% on a day-weighted basis) driven by one additional day in the quarter, profitable volume growth across core lending and deposit products, and timing of dividends received from minority investments.
- Operating expenses up 3%[4] due to wage inflation, increased investment spend and one additional day in the quarter.
- Operating performance up 5% on the 2H24 quarterly average (up 4% on a day-weighted basis), up 1% on the prior comparative quarter.
- Loan impairment expense of $160 million, with collective provisions slightly higher. Portfolio credit quality remained sound. Home lending arrears remained stable, with modest improvement in unsecured consumer arrears in line with seasonal trends, and troublesome and impaired assets were marginally higher.
- Strong balance sheet settings maintained, with a customer deposit funding ratio of 77%, LCR of 131%, and NSFR of 115%.
- A$11 billion of new long-term wholesale funding has been issued this financial year to date across multiple markets and products.
- CET1 (Level 2) ratio of 11.8%, up 29bpts before the payment of $4.2 billion in 2H24 dividends to ~830,000 shareholders, with $2.0 billion of organically generated capital.

Cash NPAT Unaudited	Volumes[5] Balance growth	Deposit funding Ratio	CET1 ratio Level 2
~$2.5bn 5% vs 2H24 Qtr avg (up 3% day-weighted) Flat vs 1Q24	System multiple (Sep 24 vs Jun 24): Business lending 1.0x, Household deposits 1.0x, Home lending 1.3x Balance growth (Sep 24 vs Sep 23): Business lending 9.9%, Household deposits 6.5%, Home lending 4.5%	77% Deposit funding as % of total funding	11.8% >11% target operating range[6]

Operating performance

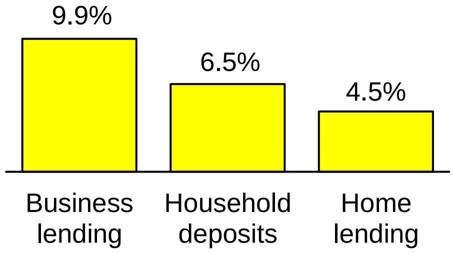
Operating income



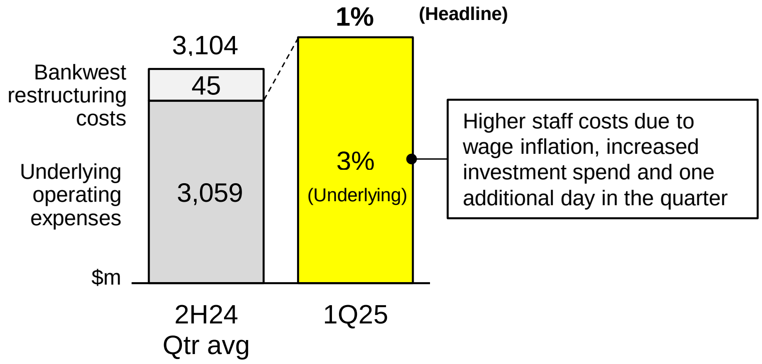
Australian volume growth[5]

Growth	+$2.1bn	+$14.9bn	+$8.6bn	Sep 24 vs Jun 24
System multiple	1.0x	1.0x	1.3x	

Sep 24 vs Sep 23

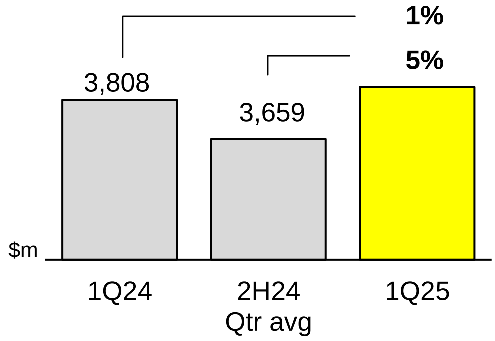


Operating expenses



Operating performance

Operating income less operating expenses

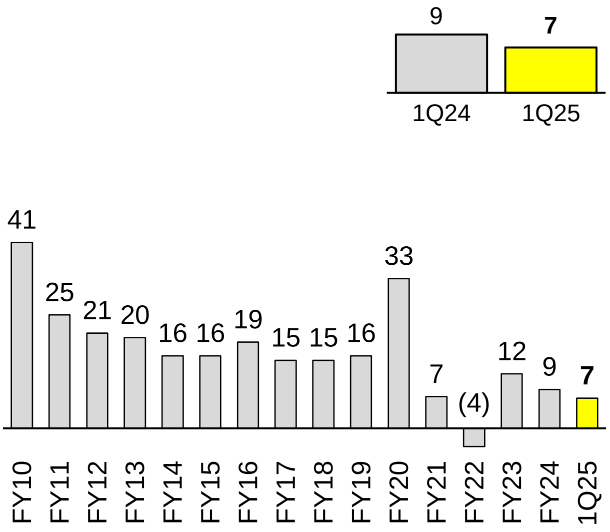


- Operating income was 3.5% higher in the quarter (up 2% on a day-weighted basis), with higher net interest income and other operating income.
- Net interest income was 3.5% higher (up ~2.5% on a day-weighted basis), with one additional day, volume growth, and earnings on replicating portfolio and equity hedges, partly offset by deposit price competition. The large build-up of liquid assets to fully repay the RBA Term Funding Facility in 2H24 caused volatility in the headline margin. Excluding liquids, the underlying margin was broadly stable in the quarter.
- Other operating income was 3.5% higher (up ~2.5% on a day-weighted basis), primarily driven by higher Markets sales income and syndicate fees, higher Treasury earnings and timing of dividends received from minority investments.
- Improved momentum in volume growth was delivered across home lending and household deposits in the quarter. In the Retail Bank transaction accounts have continued to grow with an increase of ~121,000 accounts in the quarter driven by continued non-migrant and migrant account openings. Home loans grew $8.6 billion at 1.3x system for the three months to September 2024 with continued focus on retaining existing customers in a highly competitive market and improved acquisition volumes. Proprietary mix for home loans represented 66% of new business flows for the quarter[7]. Household deposits grew $14.9 billion in the quarter, in line with system.
- We have continued to grow our Business Bank franchise in the quarter through a focus on gaining transaction banking relationships. We have delivered strong growth in business transaction accounts which increased ~29,000 in the quarter, and now have over 1.27 million accounts, an increase of 9% on the prior comparative period. Business lending also grew in line with system in the quarter, with diversified growth across sectors.
- Operating expenses (excluding prior period one-off Bankwest restructuring costs[4]) increased by 3% mainly due to wage inflation, increased investment spend, and one additional day in the quarter.
- Operating performance was 5% higher than the 2H24 quarterly average (up 4% on a day-weighted basis), and 1% higher than the prior comparative quarter.

Provisions and credit quality

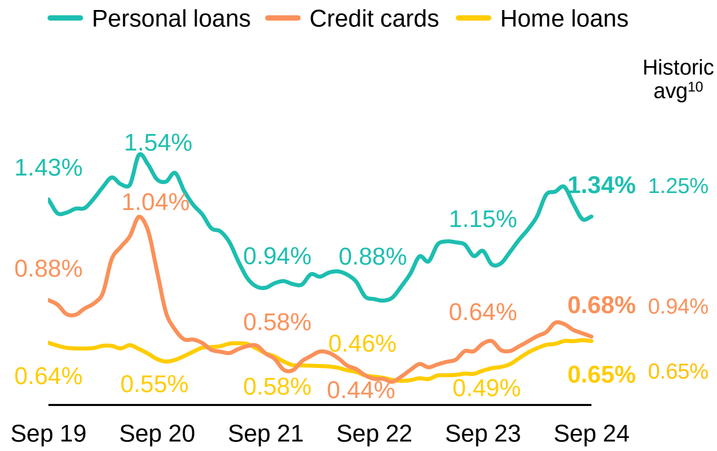
Loan loss rate[8]

bpts



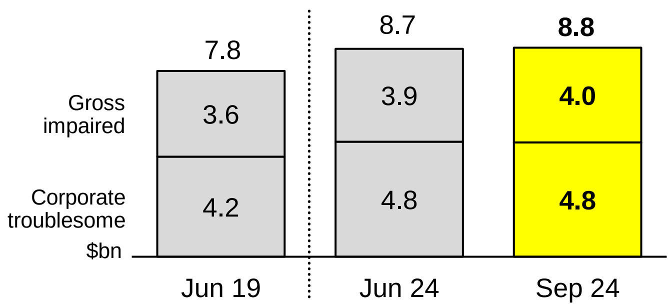
Consumer arrears[9]

90+ days



Troublesome and impaired assets

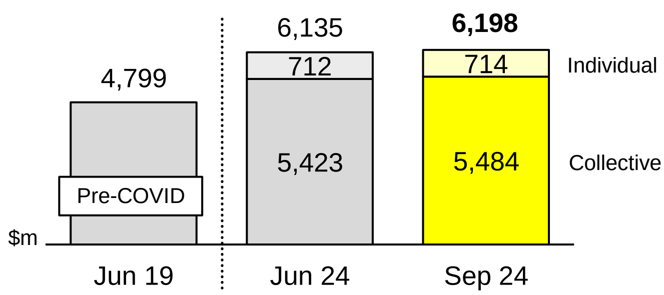
% of TCE:	0.72%	0.63%	**0.63%**
Historic avg[10]:			0.91%



Provisioning

Total credit provisions

TP/CRWA[11]:	1.29%	1.66%	**1.65%**
CP/CRWA[11]:	1.05%	1.46%	**1.46%**

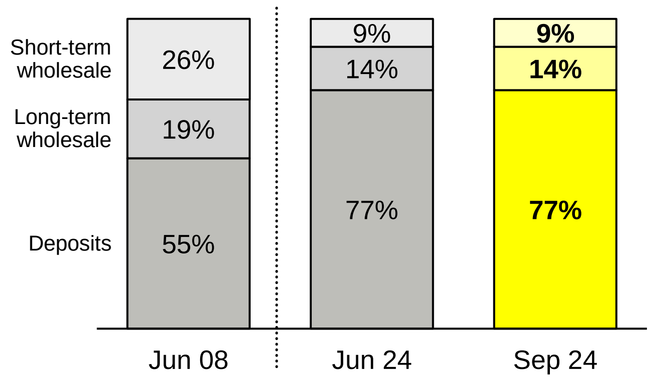


- Loan impairment expense was $160 million in the quarter, or 7bpts of average Gross Loans and Acceptances (GLAA).
- Consumer arrears have been favourably impacted by seasonal trends and supported by higher FY24 average tax refunds and changes to income tax rates and thresholds. Home loan arrears were stable at 0.65%, in line with the historic average. Credit card and personal loan arrears decreased during the quarter (-6bpts and -16bpts respectively).
- Troublesome and impaired assets (TIA) were marginally higher at $8.8 billion or 0.63% of total committed exposures (TCE) driven by higher impaired home loans primarily relating to well-secured restructures. TIAs as a percentage of TCE remain well below the historic average.
- Total credit provisions were $6.2 billion, with a slight increase in collective provisions to $5.5 billion broadly in line with portfolio volume growth, and individual provisions flat at $0.7 billion.
- Strong provision coverage was maintained with total provision coverage ratio of 1.65%.

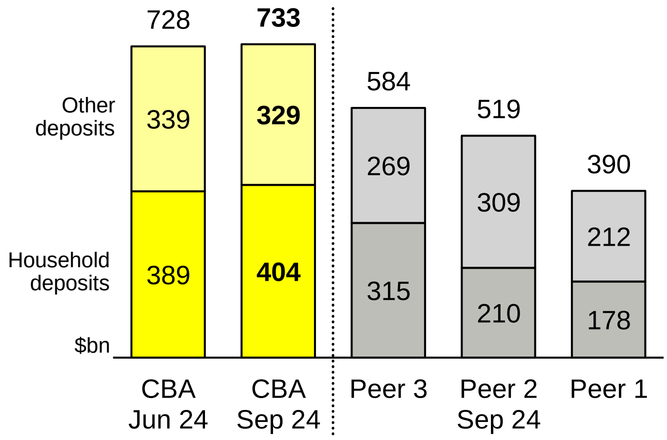
Funding and liquidity

Funding composition

% of total funding

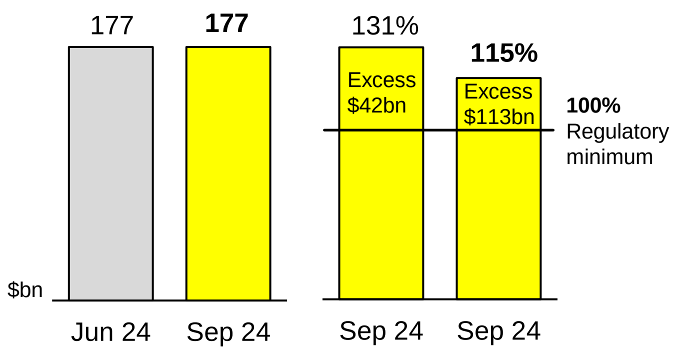


Australian deposits[12]



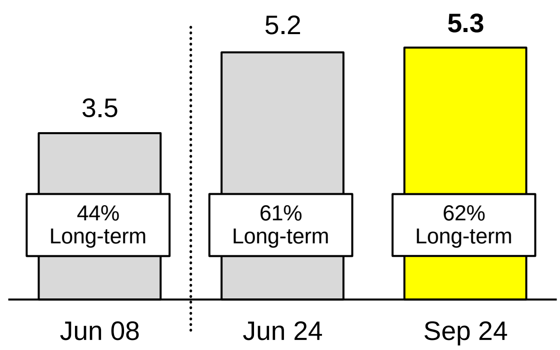
Liquid assets[13] — LCR — NSFR

Qtr avg — Qtr avg — Spot



Wholesale funding

Portfolio tenor (years)

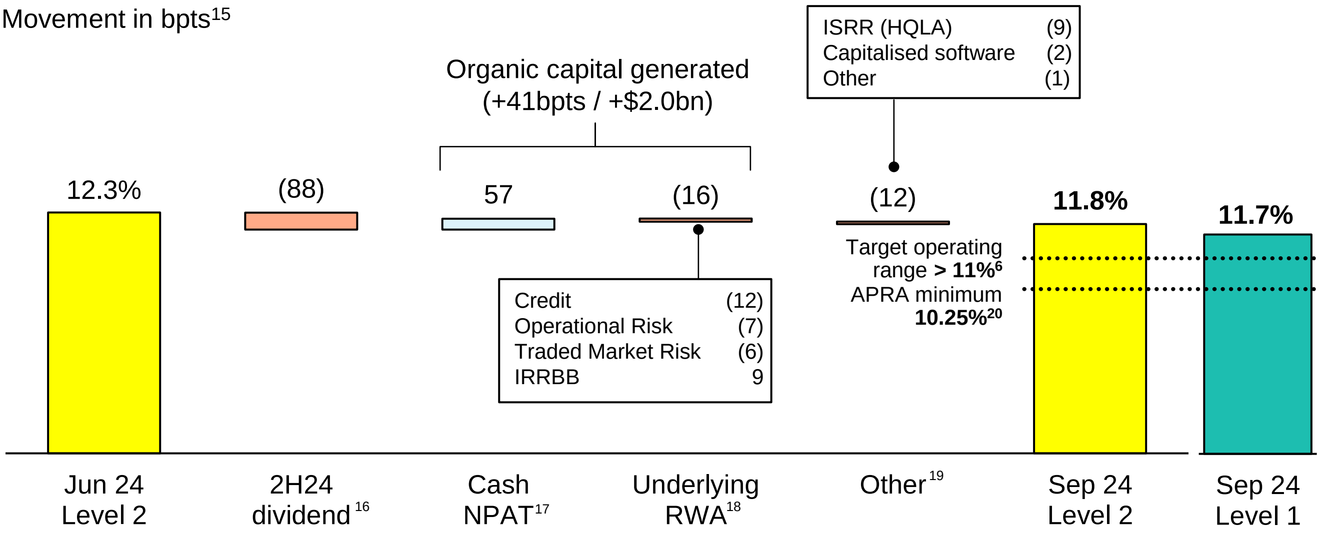


- Balance sheet settings remained strong in the quarter. Customer deposit funding represented 77% of total funding and household deposits grew $14.9 billion in the quarter. Reduction in other deposits of $10.2 billion in the quarter primarily driven by the migration of institutional pooled lending and deposit facilities reported on a gross basis, to a Group Limit Facility[14] product which requires reporting on a net basis. The proportion of short-term wholesale funding remained well below historic levels.
- The Bank's long-term wholesale funding position remained conservatively positioned, accounting for 62% of total wholesale funding with a weighted average portfolio tenor of 5.3 years. We have made good progress on our FY25 funding requirements, with approximately A$11 billion of new long-term wholesale funding issued this financial year to date across multiple markets and products against $25 billion of FY25 maturities.
- The Bank's Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) remained well above regulatory minimums.

Capital

CET1 %

Movement in bpts[15]



- The Bank maintained a strong capital position with a CET1 (Level 2) ratio of 11.8% as at 30 September 2024, well above APRA's minimum regulatory requirement of 10.25%. In the quarter, CET1 (Level 2) ratio increased 29bpts after allowing for the impact of the 2H24 dividend (-88bpts), with capital generated from earnings (+57bpts) partly offset by an increase in total RWA (-16bpts), and other items (-12bpts). Other items included the impact of revaluation losses on the HQLA portfolio, higher capitalised software and other regulatory adjustments.
- The Bank has completed the purchase of more than $750 million of shares on market to neutralise the impact of the 2H24 Dividend Reinvestment Plan, reflecting strong participation at 18.1%.
- Credit RWA (excl. FX) increased by $4.6 billion (-12bpts) in the quarter primarily driven by volume growth. Operational Risk RWA increased $2.6bn (-7bpts) reflecting higher operating income over the three year rolling period of the standardised calculation approach. Traded Market Risk RWA increased by $2.1 billion (-6bpts) mainly driven by Stressed VaR from client activity. IRRBB RWA decreased by $3.4 billion (+9bpts) driven by lower long-term swap rates in Australia and New Zealand.
- CBA's Level 2 Tier 1 and Total Capital ratios as at 30 September 2024 were 13.7% and 20.1%, respectively.
- CBA's CET1 (Level 1) ratio as at 30 September 2024 was 11.7%, marginally lower than CET1 (Level 2) ratio reflecting the impact of the payment of 2H24 final dividend in the quarter and lower ASB dividends in preparation for higher RBNZ capital requirements.

Appendix

Key financials reconciliation	2H24 $m	2H24 Qtr avg $m	Movement 1Q25 vs 1Q24	Movement 1Q25 vs 2H24 Qtr avg
Total operating income	13,525	6,763	2%	3.5%
Operating expenses ex. restructuring costs	(6,118)	(3,059)	4%	3%
Bankwest restructuring costs	(89)	(45)	*n/a*	*n/a*
Total operating expenses	(6,207)	(3,104)	4%	1%
Operating performance	7,318	3,659	1%	5%
Loan impairment expense	(387)	(194)	(19%)	(18%)
Cash NPAT from continuing operations	4,817	2,409	Flat	5%

Footnotes

1. Unless otherwise stated, the financial results are presented on a 'continuing operations' basis and all financial comparisons are to the average of the two quarters of the second half of FY24. Refer to the Appendix for a reconciliation of key financials.
2. Rounded to the nearest $100 million.
3. The Group's results are presented on a cash basis unless otherwise stated. The cash basis is used by management to present a clear view of the Group's operating results. It is not a measure based on cash accounting or cash flows nor a statutory measure presented in accordance with Australian Accounting Standards that are audited or reviewed in accordance with Australian Auditing Standards. The items excluded from cash profit, such as hedging and IFRS volatility and losses or gains on acquisition, disposal, closure, capital repatriation and demerger of businesses are calculated consistently period on period and do not discriminate between positive and negative adjustments. Refer to page 3 of the Profit Announcement for the full year ended 30 June 2024 for further details and a list of items excluded from cash profit. The Group's financial statements, prepared in accordance with the *Corporations Act 2001* (Cth) and Australian Accounting Standards, and audited (full year) or reviewed (half year) by the Group's auditors in accordance with Australian Auditing Standards, are made available on the Group's Investor Centre website.
4. Excludes $89 million of Bankwest restructuring costs in 2H24.
5. Source: RBA Lending and Credit Aggregates (home and business lending excl. IB&M) and APRA Monthly Authorised Deposit Taking Institution (ADI) Statistics (household deposits). CBA business lending multiple estimate is based on Business Banking growth rate (excl. IB&M) over published APRA & RBA Total business lending data (excl. estimated institutional lending balances).
6. CBA expects to operate with a post-dividend CET1 ratio of greater than 11.0%, except in circumstances of unexpected capital volatility.
7. Excludes Bankwest and Residential Mortgage Group.
8. Loan impairment expense as a percentage of average GLAA annualised.
9. Group consumer arrears including New Zealand.
10. Historic average from August 2008 to June 2023.
11. Total Provisions (TP) as a ratio of Credit Risk Weighted Assets (CRWA) and Collective Provisions (CP) as a ratio of CRWA. CRWA on Basel III basis. June 2024 and September 2024 represents CRWA based on revised APRA capital framework effective from 1 January 2023.
12. Source: APRA Monthly ADI Statistics. Total resident deposits (excludes negotiable certificates of deposit).
13. High Quality Liquid Assets as defined by APS210.
14. Group Limit Facility One Account allows customers to notionally group multiple business transaction accounts into one single obligation by offsetting credit and debit balances, applying interest to the net balance and accessing shared limits.
15. Due to rounding, numbers presented in this section may not sum precisely to the totals provided.
16. 2H24 dividend: includes the on-market purchase of shares in respect of the Dividend Reinvestment Plan.
17. Excludes equity accounted profits/losses and impairments from investments, which are neutral from a regulatory capital perspective due to the offsetting increase in capital deductions.
18. Excludes impact of FX movements on Credit RWA which is included in 'Other'.
19. Other includes the impact of revaluation of the HQLA portfolio, increase in capitalised software, FX impact on Credit RWA and movements in reserves and other regulatory adjustments including equity investments.
20. Inclusive of 1% default countercyclical capital buffer which may be varied by APRA in the range of 0% to 3.5%.

Important Information

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The release of this announcement was authorised by the Board.