

ASX Announcement



2023 Annual General Meeting – Chair’s Address

Wednesday, 11 October 2023 SYDNEY: In accordance with ASX Listing Rule 3.13.3, Commonwealth Bank of Australia (CBA) attaches Paul O’Malley’s Chair Address, to be delivered at CBA’s 2023 Annual General Meeting (AGM) today in Sydney.

The AGM webcast can be viewed by accessing the “View webcast” link on CBA’s AGM website at commbank.com.au/agm.

The release of this announcement was authorised by the Continuous Disclosure Committee of CBA.

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Opening remarks

I am pleased to welcome you to our 2023 Annual General Meeting.

I acknowledge shareholders who are here in person, those who are online, as well as those who pre-submitted questions ahead of the meeting. I will cover some of the key themes from those questions in this address.

It has been an eventful 12 months since our last meeting, and there is much on which to provide an update.

Australia remains a desirable destination for labour and capital, with a low unemployment rate and positive signs for the future. However, as you would know many of the challenges I spoke about last year remain.

The legacies of covid and natural disasters are still being felt across our communities, and many Australians are under financial pressure due to the sharp rise in the cost of living.

Cyber-crime, fraud and scams are increasing, and expectations are rising on organisations to manage the risks and capitalise on the opportunities presented by climate change.

Throughout the year we continued to support our customers and communities by helping them respond to a changing economic environment.

Our purpose – to build a brighter future for all – continued to guide our decisions and actions as we served more than 17 million customers across the Group in 2023.

Strategic ambition

Our strategy – to build tomorrow's bank today for our customers – reflects a bold ambition.

We aim to be the trusted financial partner in the lives of all of our customers, and we are committed to using the Bank's strength and reach to support our customers, our communities and the economy.

Our sustained investment in technology underpins our digital leadership, and throughout the year we continued to build world-class engineering, data and artificial intelligence capability.

That investment has seen us create tools that give our customers better visibility of and control over their money, and a more personalised and relevant way to interact with us.

For a quarter of Australia's businesses, we are their main financial institution. Throughout the year we made it easier for them to start, run and grow those businesses. The growth in our business lending demonstrates the Bank's ability to help improve productivity and bolster economic stability.

Empowering over 50,000 employees to help our customers more effectively has continued to be a focus for us. We want each interaction our customers have with us to be exceptional, and we want to fix any problems fast.

Our scale and position means we are well placed to help Australia transition to a more resilient and sustainable economy. Aligned to our purpose and strategy, CBA remains committed to playing our part and supporting Australia's transition to a net-zero economy by 2050.

Business performance

The Bank performed strongly during the 2023 financial year.

We reported a cash net profit after tax of \$10.2 billion, up six per cent on the previous year.



We announced a fully franked dividend of \$4.50 per share, 65 cents higher than the 2022 dividend.

We returned \$10 billion to shareholders via dividends and share buy-backs during the year.

Prudent capital management means our balance sheet remains strong. This strength has enabled us to support customers as well as deliver positively for you, our shareholders.

A strong balance sheet ensures an orderly execution of our funding plans in uncertain environments, while maintaining flexibility. Delivering stable earnings contributes to the strength of Australia's banking system, helping to provide confidence and stability for businesses and consumers.

Simpler, better foundations

During the year, we continued to evolve the ways in which we deliver for our customers, communities, people and shareholders.

Since the APRA Prudential Inquiry, we have significantly improved our governance, culture and accountability. That work has seen us reset our cultural foundations, as well as our leadership principles, purpose and values.

We will always be focused on sustaining the progress we have made, and improving and strengthening our processes, mindsets and behaviours.

Supporting our customers

As I mentioned earlier, we know many Australians are under pressure in the current environment.

While most of our customers remain well positioned, there is no doubt that many are finding the current environment very tough.

We continue to see only a small number of customers falling behind on repayments. Many customers have been able to take practical steps to adapt to the higher rate environment.

We aim to proactively support customers in need.

We are acutely aware that the challenges people face often disproportionately affect the most vulnerable.

I'm pleased to let you know that momentum continues to grow in our Next Chapter initiative, which has now helped almost 5,000 victim-survivors of domestic and financial abuse through the Financial Independence Hub, delivered in partnership with Good Shepherd. The Hub is delivering positive outcomes for participants as they move towards financial recovery, independence, and increased financial resilience, no matter who they bank with.

Rise of fraud and scams

An issue of great concern to many Australians, and to us at the Bank, is the rise of fraud and scams.

Any loss a customer sustains through a fraud or scam is concerning, and we have made it a significant priority to reduce the incidence of this type of crime. It is encouraging to see CommBank customer losses have decreased over the past 12 months as a result of some of the initiatives we have implemented.

Matt will talk about some of the important actions we're taking.

Commitment to sustainability

Climate change is an area where we received a number of pre-submitted questions.



This past year has been challenging for our customers and communities in Australia and New Zealand impacted by weather-related events. Managing the risks and opportunities of climate change, and supporting our customers both continue to be a focus.

This year we published our second Climate Report, providing an update on our progress against the roadmap outlined in our inaugural Climate Report last year.

During the financial year, we made further progress towards the sector-level glidepaths we published in 2022. Building on these targets, we set new sector-level glidepaths for Australian housing and heavy industry aligned with limiting global warming to 1.5°C.

Our Sustainability Funding Target of \$70 billion in cumulative funding by 2030 helps us as we seek to support sustainable industries and asset types. We have provided \$44.7 billion in cumulative funding towards that target.

Our Environmental & Social Framework – which sets out our approach to managing the environmental and social impacts of our business – was also updated, and this year we introduced new commitments to support the transition.

In our Framework update, the Board carefully considered the right policy settings to support energy security, meet our net-zero aspirations, provide transparency to the market, and assist businesses and communities through the transition.

Subject to Australia having a secure energy platform, we will no longer be providing project finance to new or expanded oil and/or gas extraction projects. We've clarified our expectations for certain customers to have published transition plans from 2025, those transition plans need to include Scope 1, 2 and 3 emissions.

Noting the growing focus on natural capital and biodiversity, our E&S Framework acknowledges the developments of the United Nations Biodiversity Conference and recognises the importance of taking action to maintain, enhance and restore biodiversity.

We have expanded our human rights commitments by expecting that our suppliers will respect the rights of Indigenous peoples as outlined in our Supplier Code of Conduct.

We remain focused on the critical issue of modern slavery and human trafficking. We're continuing to take action across the Group to assess and address modern slavery and human trafficking risks in our operations and supply chain. We will be outlining our progress in our annual Modern Slavery Statement.

Reconciliation

This year we released our seventh Reconciliation Action Plan (RAP), the third to achieve Elevate status. We released our first RAP in 2008.

The RAP sets out our plan to improve products and services for First Nations peoples, to increase the number of Indigenous employees, and to grow the participation of Aboriginal and Torres Strait Islander businesses in our supply chain, and to support Indigenous businesses particularly in the area of carbon reduction initiatives.

The development of our RAP was guided by our Indigenous Advisory Council, which we have worked with since 2014.

In 2022, we also established our Indigenous Leadership Team – a group of Indigenous leaders from within the bank who can act as a source of both advice and challenge.

An important issue where we have carefully considered our role, and on which we received pre-submitted questions, is the Voice.



Supporting Indigenous communities is aligned with our company purpose, and the Closing the Gap report makes clear that social and economic outcomes for Indigenous people in this country are unacceptable.

Our own experience has been that listening to Indigenous voices has improved the way we support First Nations customers, employees and community members. We state clearly in our Reconciliation Action Plan that we will support more First Nations' voices informing First Nations' solutions.

Our support for reconciliation is consistent with our focus on sustainable practices, policies, and outcomes to create long-term value for our customers, communities and shareholders.

For these reasons, we reached a view that the Bank should be supportive of the Voice.

We know that changes to the Constitution are not made lightly, and we acknowledge that many of our staff, customers and shareholders might believe that there are different ways to support Indigenous Australians.

We are very respectful of these different views.

Board Movements

Turning to the Board now.

Current Non-Executive Directors, Mr Rob Whitfield AM and Mr Simon Moutter, are standing for re-election, with the support of the Board.

Genevieve Bell AO announced her retirement from the Board effective from 31 October 2023, as she prepares to take up her new role as Vice Chancellor of the Australian National University.

Ms Bell was appointed to the CBA Board on 1 January 2019 and has been a member of the People & Remuneration Committee and the Nominations Committee.

On behalf of the Board, I would like to thank Genevieve for her significant contribution to CBA during her tenure. Genevieve's skills and experience have been extremely valuable to the Board. We congratulate Genevieve on her appointment as Vice Chancellor.

We will continue to work on CBA Board Renewal to ensure succession arrangements are in place.

Closing remarks

Shareholders, your Bank has performed well during the financial year.

Our balance sheet strength has enabled us to support people through challenging times, our strategy is delivering for our stakeholders, and our employees are working with our customers at the forefront of their decision-making, and our purpose top of mind.

The Bank will continue to be guided by our purpose, and your Board will continue to work closely with Matt and his leadership team to become the trusted financial partner for more Australians.

I now invite our CEO, Matt Comyn, to address the meeting.

