Basel III Pillar 3

Capital Adequacy and Risk Disclosures as at 30 June 2025

Commonwealth Bank of Australia

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The release of this announcement was authorised by the Board.

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1 Introduction

The Commonwealth Bank of Australia (CBA) is an Authorised Deposit-taking Institution (ADI) regulated by the Australian Prudential Regulation Authority (APRA) under the authority of the *Banking Act 1959* (Cth).

This document is prepared for CBA and its subsidiaries (the Group) in accordance with the Board approved policy and APRA's revised Prudential Standard for Public Disclosures (APS 330), that came into effect from 1 January 2025. Under the revised standard, Australian ADIs are required to comply with the "Disclosure requirements" Standard issued by the Basel Committee on Banking Supervision (BCBS), subject to certain modifications by APRA[1]. The revised standard includes new disclosures with prescribed presentation format. On transition to the revised standard, ADIs are permitted to omit comparative information when new disclosures are reported for the first time. The Group has included comparative information where it is available.

The document presents information on the Group's capital adequacy, Risk Weighted Assets (RWA) calculations, Group's leverage and liquidity ratios in accordance with prescribed regulatory methodologies.

For capital adequacy the Group reports information on credit risk (including securitisation), traded market risk, interest rate risk in the banking book (IRRBB) and operational risk.

The Group is required to report its assessment of capital adequacy on a Level 2 basis. Level 2 is defined as the Consolidated Banking Group excluding an insurance entity and certain entities through which securitisation of the Group's assets is conducted.

The Group is predominantly accredited to use the Advanced Internal-Ratings Based (AIRB) approach for credit risk and the Standardised Measurement Approach (SMA) for operational risk. The Group is also required to assess its traded market risk and IRRBB requirements under Pillar 1 of the Basel capital framework.

The Group engaged the external auditor (PwC) to perform assurance procedures over the Pillar 3 report in accordance with the Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.*

The Group's Pillar 3 documents including disclosures of capital instruments are available on the Group's corporate website: commbank.com.au/regulatorydisclosures.

The Group in Review

Summary Group Capital Adequacy Ratios (Level 2)	30 Jun 25 %	31 Dec 24 %	30 Jun 24 %
Common Equity Tier 1	**12.3**	12.2	12.3
Additional Tier 1	**1.6**	1.9	2.0
Tier 1	**13.9**	14.1	14.3
Tier 2	**7.0**	6.6	6.6
Total Capital	**20.9**	20.7	20.9

Group Capital Ratios

As at 30 June 2025, the Group's Basel III Common Equity Tier 1 (CET1), Tier 1 and Total Capital ratios were 12.3%, 13.9% and 20.9%, respectively.

Leverage Ratio

The Group's leverage ratio which is defined as Tier 1 Capital as a percentage of total exposures, was 4.7% as at 30 June 2025.

Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) requires Australian ADIs to hold sufficient liquid assets to meet 30 day Net Cash Outflows (NCO) projected under an APRA prescribed severe liquidity stress scenario. The Group maintained an average LCR of 130% in the June 2025 quarter.

Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) is the ratio of the amount of Available Stable Funding (ASF) to the amount of Required Stable Funding (RSF) over a one year horizon. Factors prescribed by APRA are used to determine the stable funding requirement of assets and the stability of alternative sources of funding. The Group's NSFR was 115% at 30 June 2025.

1 The revised APS 117 *Capital Adequacy: Interest Rate Risk in the Banking Book* (APS 117) will become effective from 1 October 2025. Disclosures in relation to interest rate risk in the banking book will be updated following the implementation of the revised APS 117.

Introduction (continued)

The Group in Review (continued)

Policy Framework and Risk Management Culture

The Group regularly benchmarks and aligns its policy framework against existing prudential and regulatory standards. Potential developments in Australian and international standards, along with global best practice are also considered in the framework.

To support its policy framework, the Group continues to monitor and take actions to enhance and strengthen its risk culture. The Group has a formal Risk Management Approach (RMA) that creates clear obligations and transparency over risk management and strategy decisions. A risk accountability model (Three Lines of Accountability) requires business management to operate responsibly by taking well understood and managed risks that are appropriately and adequately priced.

The application of the RMA is reflected in the Group's overall asset quality and capital position. CBA is one of the few banking institutions with an AA-Aa2 credit rating.

The Group's capital and forecasting process and capital plans are in place to support a sufficient capital buffer above minimal levels to be maintained at all times. The Group manages its capital by regularly and simultaneously considering regulatory capital requirements, rating agency views on the capital required to maintain the Group's credit rating, the market response to capital levels and stress testing. The Group's management of its capital adequacy is supported by robust capital management processes applied in each Business Unit (BU). The results are reinforced by integration into the Group's risk-adjusted performance and pricing processes.

2 Regulatory Capital Framework Overview

The Group is required to report the calculation of RWA and the assessment of capital adequacy on a Level 2 basis (refer to section 3 *Scope of Application* for further details). APRA has set minimum regulatory capital requirements for ADIs that define what is acceptable as capital and provide for methods of measuring the risks incurred by banks so that the "need" for capital can be compared to the amount of capital "at hand". The Basel Regulatory capital framework is based on three pillars as summarised below:

Basel Capital Framework		
Pillar 1 Minimum Capital Requirements	**Pillar 2** Supervisory Review Process	**Pillar 3** Market Discipline
Credit Risk Interest Rate Risk in the Banking Book [1] Traded Market Risk Operational Risk	Firm-wide risk oversight Internal Capital Adequacy Assessment Process considers: additional risks, capital buffers and targets and risk concentrations	Regular disclosure to the market covering both qualitative and quantitative aspects of capital adequacy and risk disclosures

1 Applicable to Pillar 1 in Australia only (Pillar 2 elsewhere).

Pillar 1 – Minimum Capital Requirements

APRA has implemented a set of capital, liquidity and funding reforms based on the Basel Committee on Banking Supervision (BCBS) "Basel III" framework. The objectives of the reforms are to increase the quality, consistency and transparency of capital, to enhance the risk coverage framework, and to reduce systemic and pro-cyclical risk.

From 1 January 2023, APRA has required IRB banks, such as CBA to maintain a minimum CET1 Capital ratio or Prudential Capital Requirement (PCR) of 4.5%. An additional CET1 capital conservation buffer (CCB) of 5.75%, inclusive of a Domestic Systemically Important Bank (DSIB) requirement of 1% and a Countercyclical Capital Buffer (CCyB) of 1%, bringing the total CET1 requirement to 10.25%.

Pillar 2 – Supervisory Review Process

ICAAP

Under Pillar 2, APRA requires each bank to have in place and report confidentially its Internal Capital Adequacy Assessment Process (ICAAP). The Group updates the ICAAP annually. The ICAAP document provides details on:

- the Group's capital position and regulatory minimums;
- a three year capital forecast;
- stress testing and contingent capital planning;
- key capital management policies; and
- details on key processes and supporting frameworks.

Pillar 3 – Market Discipline

Disclosures

To enhance transparency in Australian financial markets, APRA requires ADIs to provide public disclosure of information on the risk management practices and capital adequacy in line with the requirements in the revised APS 330 that became effective from 1 January 2025. Under the revised standard, Australian ADIs are required to comply with the "Disclosure requirements" Standard issued by the BCBS, subject to certain modifications by APRA. Pillar 3 qualitative and quantitative disclosures are made in detail in this document as part of the Group's 30 June 2025 financial year reporting. Detailed quantitative information is released at the Group's December half year with summarised quantitative information released for March and September quarters. These reports are published on the Group's corporate website, together with the Group's public disclosure of capital instruments, potential G-SIBs indicators and remuneration: Commbank.com.au/regulatorydisclosures.

3 Scope of Application

This document has been prepared in accordance with the Board approved policy and the requirements as set out in APS 330.

APRA adopts a tiered approach to the measurement of an ADI's capital adequacy:

- **Level 1**: The Parent Bank (CBA) and offshore branches (the Bank) and APRA approved Extended Licensed Entities (ELE);
- **Level 2**: the Consolidated Banking Group excluding an insurance entity and certain entities through which securitisation of the Group's assets is conducted; and
- **Level 3**: the conglomerate group including the Group's insurance entity (the Group).

Most of the disclosures in this document are undertaken on a Level 2 basis. Additional disclosure of capital ratios relating to material ADIs within the Group together with the Level 1 capital ratios are included in Section 4 of this document.

ASB Bank Limited (ASB) operates under Advanced accreditation status and is subject to regulation by the Reserve Bank of New Zealand (RBNZ).

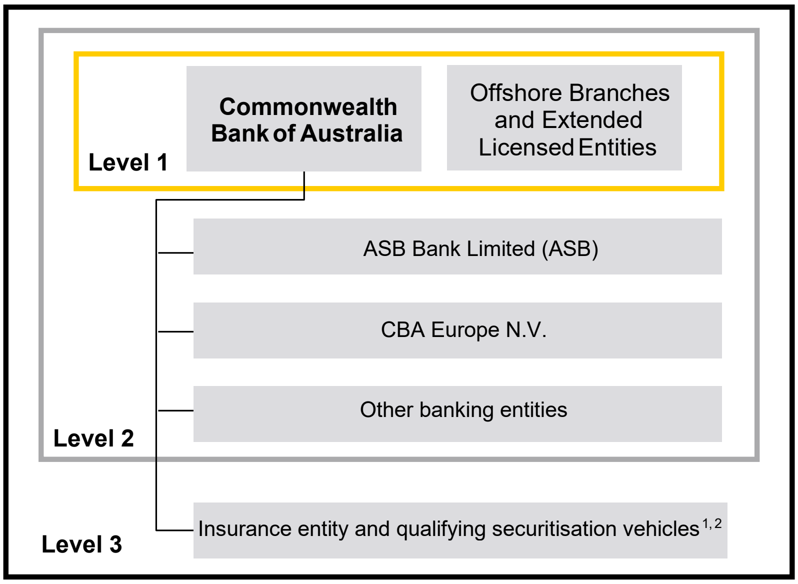
CBA Europe N.V applies the Standardised capital methodology in calculating its local regulatory capital requirements. Effective from March 2022, APRA approved CBA Europe N.V. use of the Internal Ratings Based approach (IRB) for the purpose of determining the Group's capital requirement on a Level 2 basis.

Restrictions on transfer of funds or regulatory capital within the Group

The transfer of regulatory capital and funding within the Group is subject to restrictions imposed by local regulatory requirements. In particular, APS 222 *Associations with Related Entities* establishes prudential limits on the level of exposure that the Bank may have to a related entity.

The Bank and all of the subsidiaries of the Group are adequately capitalised. There are no capital deficiencies in non-consolidated (regulatory) subsidiaries in the Group.

APS 330 reporting structure



1 Refer to LIA in *Appendices* for a detailed list of non-consolidated entities.
2 Securitisation that meets APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation* (APS 120).

4 Capital

Capital Adequacy

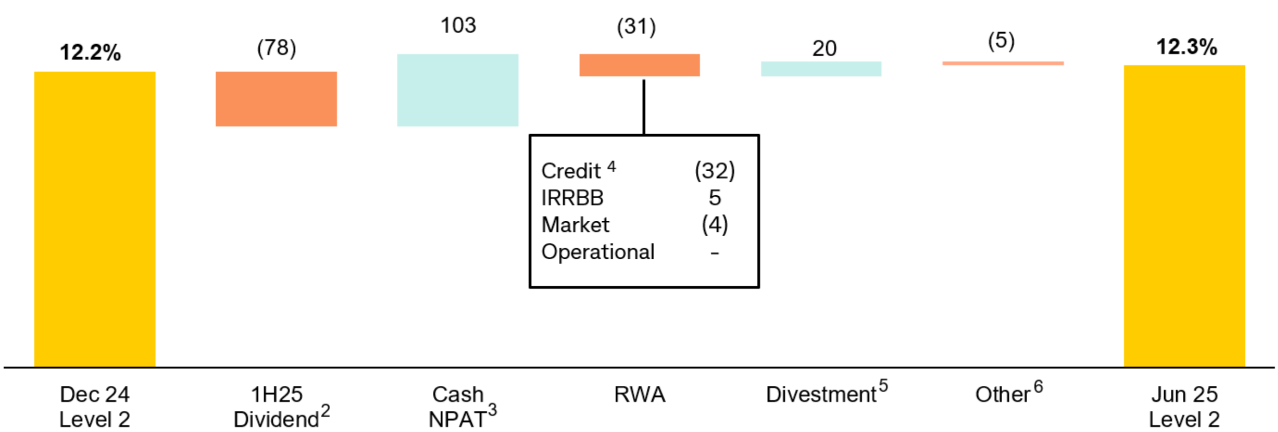
The Group actively manages its capital to balance the perspectives of various stakeholders (regulators, rating agencies and shareholders). This is achieved by optimising the mix of capital, while maintaining adequate capital ratios throughout the financial year. The Group's capital is managed within a formal framework, the ICAAP, which is an integration of risk, financial and capital management processes.

APRA advises the Group of its Prudential Capital Requirement (PCR), which represents the regulatory minimum CET1, Tier 1 and Total capital ratios that the Group is required to maintain at all times. In order to ensure there is no breach of these minimum levels, APRA expects the Group to maintain a prudent buffer over these prescribed minimum levels. The PCR is subject to an ongoing review by APRA and is formally reassessed on an annual basis. The Group is required to inform APRA immediately of any breach or potential breach of its PCR, including details of remedial action taken or planned to be taken.

The Group has a range of instruments and methodologies available to effectively manage capital. These include issuances and buy-backs of ordinary shares, dividend and DRP policies, subordinated loan capital issuances qualifying as Tier 2 Capital, and the redemption of existing Additional Tier 1 Capital and Tier 2 Capital instruments according to their terms and conditions. All major capital related initiatives require approval by the Board.

The Group's capital position is monitored on a continuous basis and reported monthly to the Executive Leadership Team of the Group and at regular intervals throughout the year to the Board Risk and Compliance Committee. Capital forecasts are updated on a continuous basis and a detailed capital plan is presented to the Board annually.

Capital – CET1 (APRA)[1]



1 Due to rounding, numbers presented in this section may not sum precisely to the totals provided.
2 The 2025 interim dividend included the on-market purchase of $682 million of shares (CET1 impact of -14 bpts) in respect of the Dividend Reinvestment Plan.
3 Excludes net equity accounted profits/losses and impairments from associates as they are capital neutral with offsetting changes in regulatory capital deductions.
4 Excludes impact of foreign exchange movements which is included in 'Other'.
5 Relates to the sale of the remaining shareholding interests in both the Bank of Hangzhou Co Ltd (HZB) and the Vietnam International Commercial Joint Stock Bank (VIB).
6 Includes impact of intangibles, FX impact on Credit RWA, equity accounted profits/losses and impairments from associates, movements in reserves and other regulatory adjustments.

Capital Position

The Group's CET1 ratio (APRA) was 12.3% as at 30 June 2025, an increase of 10 basis points from 31 December 2024 and in line with 30 June 2024. The CET1 ratio was well above APRA's regulatory requirement at all times throughout the full year ended 30 June 2025. Key drivers of the change in CET1 for the 6 months ended 30 June 2025 were:

- capital generated from earnings;
- completion of the divestment of the remaining interest in both the HZB and VIB; partly offset by
- the payment of the 1H25 dividend;
- higher Credit Risk and Traded Market Risk RWA, partly offset by lower IRRBB RWA; and
- other regulatory adjustments and movement in reserves.

Further details on the movements in RWA are provided on pages 15-16.

Capital (continued)

Capital Initiatives

The following significant capital initiatives were undertaken during the year ended 30 June 2025:

Common Equity Tier 1 Capital

The Dividend Reinvestment Plan (DRP) in respect of both the 2024 final dividend and the 2025 interim dividend, was satisfied in full by the on-market purchase of shares. The participation rate was 18.1% for both DRPs.

As at 30 June 2025, the Group has completed $300 million of the $1 billion on-market share buy-back previously announced on 9 August 2023 (2,706,964 ordinary shares at an average price of $110.72). No share buy-back activity was undertaken in 2H25.

Additional Tier 1 Capital

In April 2025, the Group redeemed $1,365 million of CommBank PERLS X Capital Notes that are Basel III compliant Additional Tier 1 Capital.

Tier 2 Capital

The Group issued the following Basel III compliant subordinated notes:

- AUD1,500 million in November 2024;
- USD1,250 million in March 2025;
- CHF180 million in April 2025;
- AUD1,100 million in June 2025; and
- AUD400 million in June 2025.

The Group redeemed EUR1,000 million Basel III compliant subordinated notes in October 2024.

Regulatory Framework

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

The minimum Tier 1 Capital requirement as at 30 June 2025 was 11.75%.

To satisfy APRA's loss-absorbing capacity requirements, the minimum total capital ratio requirement for D-SIBs, including CBA, is 16.75%, increasing to 18.25% from 1 January 2026.

Regulatory Developments

IRRBB Consultation

On 8 July 2024, APRA released the final revised APS 117 *Capital Adequacy: Interest Rate Risk in the Banking Book* (APS 117), which sets out the requirements that an ADI must meet in managing its interest rate risk in the banking book (IRRBB). The revised APS 117 will come into effect on 1 October 2025.

Traded Market Risk and Counterparty Credit Risk

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

New Zealand bank capital adequacy requirements

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

The RBNZ announced in March 2025 that they will conduct a review of key capital settings for New Zealand deposit takers such as ASB. Recommendations are expected by the end of 2025.

As at 30 June 2025, the CET1, Tier 1 and Total capital ratio requirements for ASB were 9%, 11.5% and 13.5%, respectively.

1 In July 2025, APRA announced that the CCyB for Australian exposures will remain at 1%. The Group has limited exposures to those offshore jurisdictions which a CCyB in excess of 0% has been imposed.

Capital (continued)

Regulatory Developments (continued)

APRA Additional Tier 1 (AT1) Capital Consultation

On 8 July 2025, APRA released a consultation package entitled "Removing Additional Tier 1 capital from the prudential framework", outlining proposed technical amendments to prudential standards, reporting standards and practice guides to implement and manage the impacts of removing AT1 Capital from the capital framework. APRA expects to finalise amendments to the prudential framework before the end of 2025.

This follows APRA's earlier update on 9 December 2024, in a letter entitled "A more effective capital framework for a crisis: Update", confirming that AT1 Capital will be phased out from the capital framework. Large, internationally active banks such as CBA will be able to replace the current 1.5% of AT1 Capital with 0.25% of CET1 Capital and 1.25% of Tier 2 Capital, with the Total Capital requirement remaining unchanged.

These changes will be effective from 1 January 2027. Existing AT1 instruments will be eligible to be included as Tier 2 Capital from this date until their first scheduled call date. During the transition period, the legal terms of AT1 instruments will remain in effect, with AT1 Capital absorbing losses ahead of Tier 2 in a resolution event. In addition, the leverage ratio and large and related party exposure limits are proposed to be maintained at current levels, however calculated on a CET1 basis rather than Tier 1 from 1 January 2027.

Prudential framework for groups

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

Targeted changes to ADI liquidity and capital standards

On 24 July 2024, APRA finalised its targeted revisions to ADIs' liquidity and capital requirements with the aim to ensure that ADIs have strong crisis preparedness, prudently value their liquid assets and minimise potential contagion risks. These changes came into effect from 1 July 2025.

Group Regulatory Capital Position

Summary Group Capital Adequacy Ratios (Level 2)	30 Jun 25 %	31 Dec 24 %	30 Jun 24 %
Common Equity Tier 1	**12.3**	12.2	12.3
Additional Tier 1	**1.6**	1.9	2.0
Tier 1	**13.9**	14.1	14.3
Tier 2	**7.0**	6.6	6.6
Total Capital	**20.9**	20.7	20.9

Group Regulatory Capital Position	30 Jun 25 $M	31 Dec 24 $M	30 Jun 24 $M
Ordinary share capital and treasury shares	**33,775**	33,775	33,793
Reserves	**1,242**	(900)	(2,147)
Retained earnings	**43,911**	42,518	41,546
Common Equity Tier 1 Capital before regulatory adjustments	**78,928**	75,393	73,192
Common Equity Tier 1 regulatory adjustments	**(17,961)**	(16,522)	(15,501)
Common Equity Tier 1 Capital	**60,967**	58,871	57,691
Additional Tier 1 Capital	**7,907**	9,272	9,272
Tier 1 Capital	**68,874**	68,143	66,963
Tier 2 Capital	**34,829**	31,562	30,828
Total Capital	**103,703**	99,705	97,791
Risk Weighted Assets	**496,145**	482,369	467,551

Capital (continued)

Capital Ratios: Level 1 and Major Subsidiaries

Significant Group ADIs	30 Jun 25 %	31 Dec 24 %	30 Jun 24 %
CBA Level 1 CET1 Capital ratio	**12.4**	12.1	12.4
CBA Level 1 Tier 1 Capital ratio	**14.1**	14.2	14.6
CBA Level 1 Total Capital ratio	**21.8**	21.3	21.8
ASB CET1 Capital ratio [1]	**14.4**	14.8	14.9
ASB Tier 1 Capital ratio [1]	**14.4**	14.8	14.9
ASB Total Capital ratio [1]	**15.8**	16.3	16.3

1 Calculated in accordance with the RBNZ prudential requirements.

CBA Level 1	30 Jun 25 $M	31 Dec 24 $M	30 Jun 24 $M
Common Equity Tier 1 Capital	**55,978**	53,607	52,621
Additional Tier 1 Capital	**7,907**	9,272	9,272
Tier 1 Capital	**63,885**	62,879	61,893
Tier 2 Capital	**34,619**	31,365	30,586
Total Capital	**98,504**	94,244	92,479
Risk Weighted Assets	**452,589**	441,640	425,161

ASB Banking Group [1]	30 Jun 25 NZ$M	31 Dec 24 NZ$M	30 Jun 24 NZ$M
Common Equity Tier 1 Capital	**10,857**	10,904	10,635
Additional Tier 1	**–**	–	–
Tier 1 Capital	**10,857**	10,904	10,635
Tier 2 Capital	**1,005**	1,083	1,003
Total Capital	**11,862**	11,987	11,638
Risk Weighted Assets	**75,257**	73,761	71,415

1 Calculated in accordance with the RBNZ prudential requirements.

Refer to tables CC1 and CC2 in *Appendices* for the details of the calculation of the Group's regulatory capital.

5 Leverage Ratio

The Group's leverage ratio, defined as Tier 1 Capital as a percentage of total exposures, was 4.7% as at 30 June 2025. The ratio declined by 20 basis points on the prior half with an increase in exposures, the redemption of PERLS X and the payment of the 1H25 dividend, partly offset by capital generated from earnings.

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

Summary Group Leverage Ratio	30 Jun 25	31 Dec 24	30 Jun 24
Tier 1 Capital ($M)	**68,874**	68,143	66,963
Total Exposures ($M) [1]	**1,453,694**	1,393,974	1,339,175
Leverage Ratio (%)	**4.7**	4.9	5.0

1 Total exposures is the sum of on balance sheet exposures, derivatives, securities financing transactions (SFTs), and off balance sheet exposures, net of any Tier 1 regulatory deductions, as outlined in APS 110 *Capital Adequacy* (APS 110).

Refer to tables LR1 and LR2 in *Appendices* for the details of the calculation of the leverage ratio.

6 Risk Weighted Assets

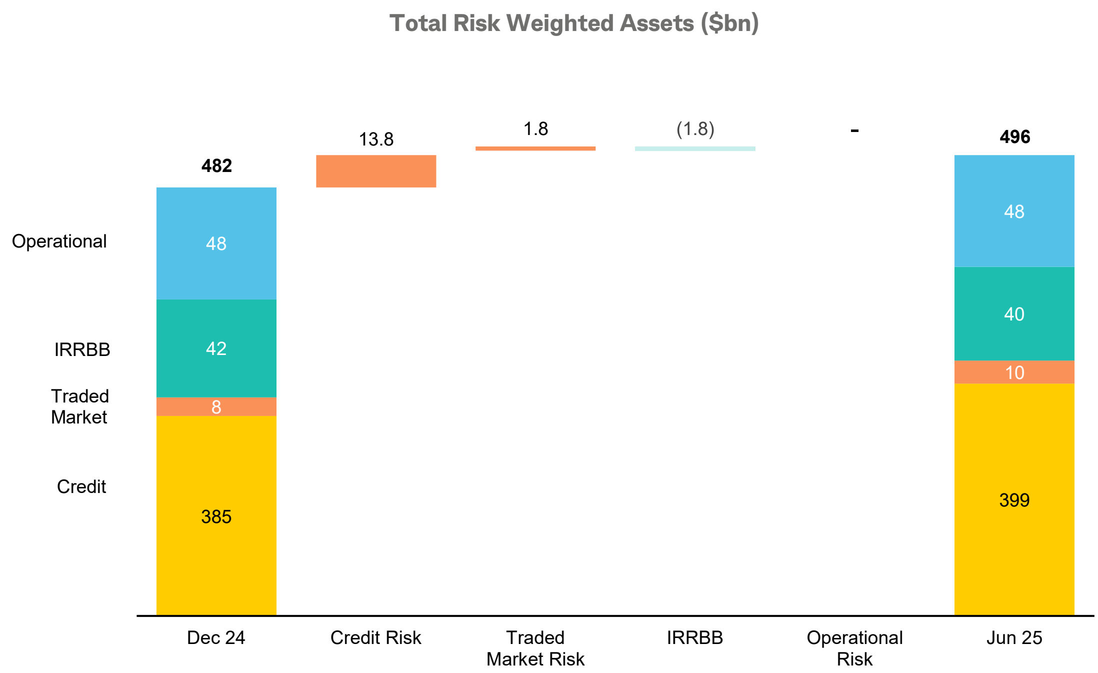
RWA are calculated using the AIRB approach for the majority of the Group's credit risk exposures and using the Foundation or Standardised approach as required under the Australian prudential standards. For CBA's New Zealand Subsidiary, ASB, RWA are calculated using the RBNZ prudential rules subject to certain APRA-prescribed adjustments. The Group must use the External Ratings-based Approach where a securitisation exposure is externally rated by an External Credit Assessment Institution (ECAI) or for which an inferred rating is available. Where the Group cannot use the External Ratings-based Approach, the Group must use the Supervisory Formula Approach.

Risk Weighted Assets	30 Jun 25 $M	31 Dec 24 $M	30 Jun 24 $M
Credit Risk	**398,928**	385,117	370,444
of which: IRB (excluding counterparty credit risk)	**363,693**	349,191	338,676
of which: counterparty credit risk and other [1]	**35,235**	35,926	31,768
Traded Market Risk	**9,752**	7,949	8,488
Interest Rate Risk in the Banking Book	**39,841**	41,679	43,644
Operational Risk	**47,624**	47,624	44,975
Total Risk Weighted Assets	**496,145**	482,369	467,551

1 Includes credit valuation adjustment, securitisation, standardised portfolios and settlement risk RWA.

Total Group RWA [1]

Total RWA increased $13.8 billion or 2.9% on the prior half to $496.1 billion, mainly driven by higher Credit RWA and Traded Market Risk RWA, partly offset by lower IRRBB.



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

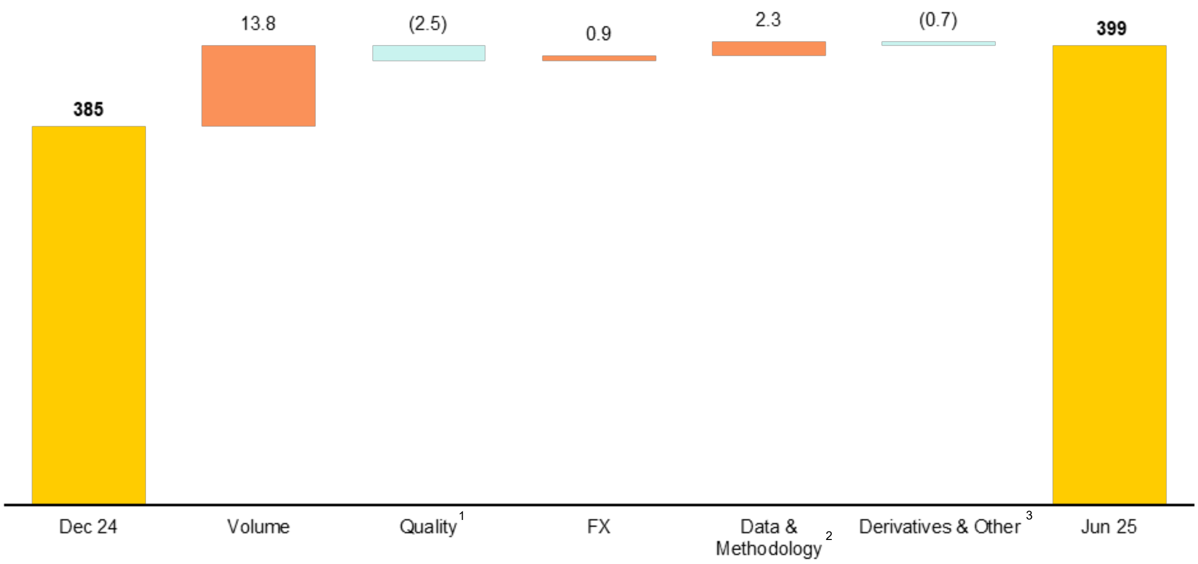
Risk Weighted Assets (continued)

Credit Risk RWA

Credit risk RWA increased $13.8 billion or 3.6% on the prior half to $398.9 billion. The key drivers include:

- volume growth (increase of $13.8 billion) across commercial portfolios, domestic residential mortgages, New Zealand portfolios and financial institutions;
- credit quality improvement (decrease of $2.5 billion) from lower risk weights for residential mortgages, commercial portfolios and New Zealand portfolios;
- foreign currency movements (increase of $0.9 billion);
- data & methodology (increase of $2.3 billion) due to the implementation of a self-imposed home loan risk weight floor; and
- derivatives and other (decrease of $0.7 billion) from lower derivatives partly offset by volume growth in securitisation and standardised portfolios.

Credit Risk Weighted Assets ($bn)



1 Credit quality includes portfolio mix.
2 Includes data and methodology, credit risk estimates changes and regulatory treatments.
3 Includes credit valuation adjustment, securitisation, standardised portfolios and settlement risk RWA.

Traded Market Risk RWA

Traded Market Risk RWA increased by $1.8 billion or 23% on the prior half year to $9.8 billion primarily driven by increased client activity.

Interest Rate Risk in the Banking Book (IRRBB) RWA

IRRBB RWA decreased by $1.8 billion or 4% on the prior half to $39.8 billion, primarily driven by lower interest rates in Australia.

Operational Risk RWA

As required by APS 115 *Capital Adequacy: Standardised Measurement Approach to Operational Risk*, operational risk RWA as at 30 June 2025 and 31 December 2024 have been determined based on the annual average value of the relevant components of the Group's net income over the financial years ended 30 June 2024, 2023 and 2022.

Risk Weighted Assets (continued)

OV1: Overview of RWA

The following table provides an overview of total RWA by risk types with further details on the key drivers of the movements in RWA are provided on pages 15 to 16.

		RWA			Minimum capital requirements [1]
		30 Jun 25	31 Mar 25	31 Dec 24	30 Jun 25
		$M	$M	$M	$M
1	**Credit risk (excluding counterparty credit risk)**	**383,003**	372,431	367,994	30,641
2	Of which: standardised approach (SA)	**19,310**	18,490	18,803	1,545
3	Of which: foundation internal ratings-based (FIRB) approach [2]	**39,625**	35,540	36,072	3,170
4	Of which: supervisory slotting approach	**9,033**	8,845	8,893	723
5	Of which: advanced internal ratings-based (AIRB) approach [2] [3]	**315,035**	309,556	304,226	25,203
6	**Counterparty credit risk (CCR)**	**8,053**	7,772	8,846	644
7	Of which: standardised approach for counterparty credit risk	**7,348**	7,125	8,236	588
9	Of which: other CCR	**705**	647	610	56
10	Credit valuation adjustment (CVA)	**3,841**	4,162	4,589	307
15	Settlement risk	**–**	–	3	–
16	**Securitisation exposures in banking book**	**4,031**	3,719	3,685	322
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	**1,329**	1,416	1,302	106
19	Of which: securitisation standardised approach (SEC-SA)	**2,702**	2,303	2,383	216
20	**Market risk**	**9,752**	6,869	7,949	780
21	Of which: standardised approach (SA) [4]	**1,834**	1,355	1,458	147
22	Of which: internal model approach (IMA) [5]	**7,918**	5,514	6,491	633
	Interest rate risk in the banking book	**39,841**	41,914	41,679	3,188
24	**Operational risk**	**47,624**	47,624	47,624	3,810
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	**–**	–	–	–
26	Output floor applied (%)	**72.5**	72.5	72.5	n/a
27	Floor adjustment	**–**	–	–	n/a
29	**Total**	**496,145**	484,491	482,369	39,692

1 Minimum total capital requirement in accordance with APS 110 *Capital Adequacy* is 8% of RWA.
2 Includes non-retail overlays of $0.5 billion (31 March 2025 and 31 December 2024: $0.5 billion) and IPRE risk weight floor of $2.6 billion (31 March 2025 and 31 December 2024: $2.9 billion).
3 Includes a $2.4 billion self-imposed residential mortgage risk weight floor (31 March 2025 and 31 December 2024: $nil).
4 Represents specific market risk RWA in relation to interest rate risk.
5 Includes internal model approach RWA in relation to VaR of $1.6 billion (31 March 2025: $1.4 billion; 31 December 2024: $1.6 billion) and SVaR of $6.3 billion (31 March 2025: $4.1 billion; 31 December 2024: $4.9 billion).

CRE(e): Overview of EAD and credit RWA by approach

The table below provides an overview of EAD and credit RWA by asset class. The table excludes derivative and SFTs exposures subject to counterparty credit risk requirements and securitisation exposures. Details on the key drivers of the movement in credit RWA are provided on page 16.

	30 Jun 2025				31 Dec 2024			
	EAD		RWA		EAD		RWA	
Asset Category	**$M**	**%**	**$M**	**%**	**$M**	**%**	**$M**	**%**
Subject to AIRB approach								
Corporate (incl. SME Corporate) [1]	**183,130**	**13.7**	**96,933**	**25.3**	172,280	13.5	92,343	25.1
SME retail	**19,633**	**1.5**	**11,323**	**3.0**	19,595	1.5	10,897	3.0
Residential mortgage [2]	**691,020**	**51.9**	**149,143**	**38.9**	671,965	52.8	144,873	39.4
Qualifying revolving retail	**22,784**	**1.7**	**5,210**	**1.4**	22,984	1.8	5,222	1.4
Other retail	**8,924**	**0.7**	**9,023**	**2.4**	9,074	0.7	9,102	2.4
Total subject to AIRB approach	**925,491**	**69.5**	**271,632**	**71.0**	895,898	70.3	262,437	71.3
Subject to FIRB approach								
Corporate - large [1]	**51,010**	**3.8**	**27,667**	**7.2**	49,307	3.9	25,839	7.0
Sovereign	**140,363**	**10.5**	**2,447**	**0.6**	129,827	10.2	2,278	0.6
Financial institution	**35,029**	**2.6**	**9,511**	**2.5**	31,678	2.5	7,955	2.2
Total subject to FIRB approach	**226,402**	**16.9**	**39,625**	**10.3**	210,812	16.6	36,072	9.8
Specialised lending	**5,796**	**0.4**	**4,675**	**1.2**	5,842	0.5	4,713	1.3
Subject to standardised approach								
Corporate (incl. SME Corporate)	**944**	**0.1**	**930**	**0.2**	751	0.1	744	0.2
SME retail	**866**	**0.1**	**650**	**0.2**	851	0.1	639	0.2
Sovereign	**1**	**–**	**1**	**–**	1	–	1	–
Residential mortgage	**18,365**	**1.4**	**7,432**	**1.9**	17,635	1.4	7,197	2.0
Other retail	**329**	**–**	**331**	**0.1**	291	–	292	0.1
Other assets [3]	**16,370**	**1.2**	**6,091**	**1.6**	12,309	1.0	6,013	1.6
Total subject to standardised approach	**36,875**	**2.8**	**15,435**	**4.0**	31,838	2.6	14,886	4.1
RBNZ regulated entities	**137,306**	**10.4**	**51,636**	**13.5**	129,074	10.0	49,886	13.5
Total for credit risk	**1,331,870**	**100.0**	**383,003**	**100.0**	1,273,464	100.0	367,994	100.0

1 Includes non-retail overlays of $0.5 billion (31 December 2024: $0.5 billion) and IPRE risk weight floor of $2.6 billion (31 December 2024: $2.9 billion).
2 Includes a $2.4 billion self-imposed residential mortgage risk weight floor (31 December 2024: $nil).
3 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

CMS1: Comparison of modelled and standardised RWA at risk level

The Group is predominantly accredited to use its own internal models to determine the capital requirements for Credit Risk, Market Risk and IRRBB. APRA's ADI capital framework has been calibrated such that the capital requirements using the internal model methods tend to be lower than standardised capital requirements. This calibration has the policy objectives of encouraging investment by banks in advanced modelling capabilities and associated technology, data and specialist skills and enabling banks to more accurately allocate capital for risk.

The Group's total RWA is above the 72.5% minimum set by the BCBS and APRA as a safeguard to ensure that the capital benefit for advanced banks is not excessive and does not unfairly disadvantage standardised banks.

The following table provides details of the comparison of modelled and standardised RWA by risk type. Details on the key drivers of the movements in RWA are provided on pages 15 to 16.

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		30 June 2025			
		RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA	RWA calculated using full standardised approach (ie used in the base of the output floor)
		$M	$M	$M	$M
1	Credit risk (excluding counterparty credit risk)	363,693	19,310	**383,003**	574,094
2	Counterparty credit risk	7,659	394	**8,053**	17,034
3	Credit valuation adjustment	n/a	3,841	**3,841**	3,841
4	Securitisation exposures in the banking book	–	4,031	**4,031**	4,031
5	Market risk	7,918	1,834	**9,752**	9,752
	Interest rate risk in banking book	39,841	–	**39,841**	–
6	Operational risk	n/a	47,624	**47,624**	47,624
7	Residual RWA	n/a	–	**–**	–
8	**Total**	**419,111**	**77,034**	**496,145**	**656,376**

		31 December 2024			
		RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA	RWA calculated using full standardised approach (ie used in the base of the output floor)
		$M	$M	$M	$M
1	Credit risk (excluding counterparty credit risk)	349,191	18,803	**367,994**	549,828
2	Counterparty credit risk	8,394	452	**8,846**	20,187
3	Credit valuation adjustment	n/a	4,589	**4,589**	4,589
4	Securitisation exposures in the banking book	–	3,685	**3,685**	3,685
5	Market risk	6,491	1,458	**7,949**	7,949
	Interest rate risk in banking book	41,679	–	**41,679**	–
6	Operational risk	n/a	47,624	**47,624**	47,624
7	Residual RWA	n/a	3	**3**	3
8	**Total**	**405,755**	**76,614**	**482,369**	**633,865**

The difference between internally modelled RWA and the associated full standardised approach RWA for credit risk is mainly driven by residential mortgage and corporate (including large and SME corporate) asset classes.

CMS2: Comparison of modelled and standardised RWA for credit risk at asset class level

The table below provides details of the comparison of modelled and standardised credit RWA at asset class level. Details on the key drivers of the movements in credit RWA are provided on page 16.

		30 June 2025			
		RWA for modelled approaches that banks have supervisory approval to use	RWA for column (a) if re-computed using the standardised approach	Total Actual RWA	RWA calculated using full standardised approach (ie used in the base of the output floor)
		$M	$M	$M	$M
1	Corporate (incl. Large and SME corporate)	124,600	192,856	125,530	193,785
2	Sovereign	2,447	4,461	2,448	4,461
3	Financial institution	9,511	21,727	9,511	21,727
4	SME retail	11,323	10,387	11,973	11,037
5	Residential mortgage	149,143	236,951	156,575	244,383
6	Qualifying revolving retail	5,210	11,205	5,210	11,205
7	Other retail	9,023	7,456	9,354	7,786
8	Specialised lending	4,675	6,547	4,675	6,547
9	Other assets [1]	–	–	6,091	6,091
10	RBNZ regulated entities	47,761	63,196	51,636	67,072
11	**Total**	**363,693**	**554,786**	**383,003**	**574,094**

1 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

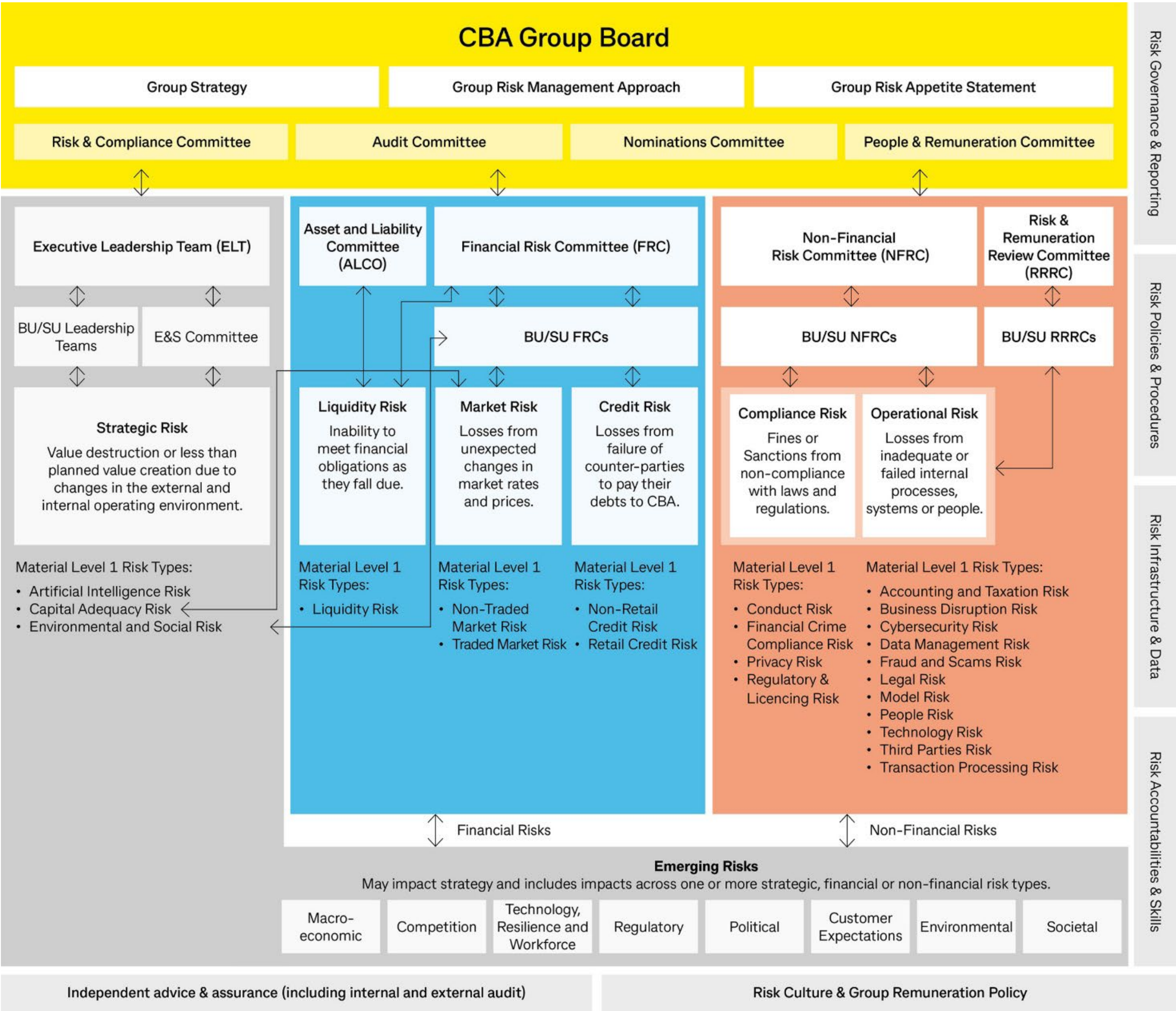
		31 December 2024			
		RWA for modelled approaches that banks have supervisory approval to use	RWA for column (a) if re-computed using the standardised approach	Total Actual RWA	RWA calculated using full standardised approach (ie used in the base of the output floor)
		$M	$M	$M	$M
1	Corporate (incl. Large and SME corporate)	118,182	181,453	118,926	182,197
2	Sovereign	2,278	3,478	2,279	3,479
3	Financial institution	7,955	20,512	7,955	20,512
4	SME retail	10,897	10,340	11,536	10,980
5	Residential mortgage	144,873	230,322	152,070	237,516
6	Qualifying revolving retail	5,222	11,267	5,222	11,267
7	Other retail	9,102	7,339	9,394	7,632
8	Specialised lending	4,713	6,441	4,713	6,441
9	Other assets [1]	–	–	6,013	6,013
10	RBNZ regulated entities	45,969	59,872	49,886	63,791
11	**Total**	**349,191**	**531,024**	**367,994**	**549,828**

1 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

7 Risk Management

OVA: Bank risk management approach

The Group is exposed to financial, non-financial and strategic risks through the products and services it offers. The Group manages these material risks through its Risk Management Framework (RMF). 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 section.

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 Strategy's Financial Plan, sets out the approach to implementing the Group's strategic objectives; and assesses material risks associated with the implementation of 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 maximum 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 Group's approach to managing risk and the key elements, including the RMF, the RAS and the Three Lines of Accountability (3LoA) model, that give effect to this approach.

Risk Management Framework (continued)

The RMF is underpinned by four Risk Framework Enablers that allow us to effectively identify, measure, monitor, and respond to our risks.

Risk Governance and Reporting

The Board has ultimate responsibility for the Group's risk governance. The Board Risk & Compliance Committee oversees the RMF and helps formulate the Group's risk appetite for consideration by the Board. The Committee is also responsible for:

- the governance of risks impacting the Group;
- monitoring the risk appetite and assessing the overall risk profile of the Group within the Material Risk Types;
- monitoring the effectiveness of the compliance management framework impacting the Material Risk Types; and
- risk culture and behaviours.

At management level, risk governance is undertaken by a structured hierarchy of personal delegations, management committees and forums across the Group and within the Business Units (BUs) and Support Units (SUs).

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 Board Risk & Compliance Committee, although select matters are reported directly to the Board as required. Controls reporting is provided to the Board Audit Committee. The Chairs of the Board Risk & Compliance and Audit Committees 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 Risk Types and translate appetite into our daily business activities

Risk Infrastructure and Data

The Risk Framework is supported by systems and processes that together provide the infrastructure for the management of the Group's Material Risk Types:

- **Risk processes** to identify, assess, escalate, monitor and manage risks, issues and incidents;
- **Management Information Systems** to measure and aggregate risks across the Group; and
- **Data, risk models and tools**, including significant calculators.

Stress Testing

Use of stress testing in risk management

Stress testing is a key business and risk management tool used by the Group to understand, quantify and manage the Group's risks. Stress testing is applied across the organisation and is used to support:

- **Strategic assessment:** Stress testing is used to inform material business decisions, including strategic planning, business planning and portfolio management decisions.
- **Risk exploration and identification**: Stress testing is used in the Group's risk identification and assessment processes. This includes identifying material and relevant risks, vulnerabilities and other factors that may affect the Group's resilience and assessing the potential impact on the Group's risk profile under a range of adverse conditions and scenarios.
- **Capital and liquidity adequacy:** Stress testing is used to assess and manage the Group's capital and liquidity adequacy frameworks. This includes informing capital and liquidity targets, minimums and trigger levels. It is also used to develop and test capital and liquidity management strategy and policies, including identifying weaknesses, potential constraints and shortfalls. This assessment is incorporated in the Group's ICAAP. It is also used to test the effectiveness of mitigation strategies, including actions in the Contingency Funding Plan and Recovery Plan.
- **Risk bearing capacity and management:** Stress testing is used to assess the Group's resilience and capacity to bear risks. This is assessed through identification of events or a combination of events that may result in extraordinary losses or gains or make the control of risk difficult at the Group and portfolio levels; undertaking reverse stress testing to explore scenarios and risks that could lead to extreme outcomes for the Group; and calibrating the Board's risk appetite and limits against outcomes from these stress tests.

In the second half of 2025, a Group-wide internal stress test was completed. The concluding results of this stress test were used to inform the Group's capital adequacy and sustainability of the Group's dividend and operating performance. Underlying conclusions from this exercise will be included in the Group's 2025 ICAAP.

The Group also conducts reverse stress tests and ad-hoc stress tests, along with targeted portfolio or risk-specific stress tests across credit risk portfolios, market risk (including IRRBB) and operational risk scenario analysis.

Methodology and scenarios adopted

The Group undertakes a regular programme of stress testing annually, including internal stress tests and regulatory exercises. These stress tests assess the Group's balance sheet resilience from the impact of macroeconomic scenarios with varying levels of severity, consideration for systemic and idiosyncratic shocks and a range of risks.

Stress testing methodologies and modelling links macroeconomic scenarios to key drivers for each risk and business area. Material assumptions, including expert judgement support are documented and justified. The stress testing process utilises the Group's lines of business, independent Line 2 reviewers and various subject matter experts across different risks and products to provide input, review and challenge of stress results, assumptions and methodologies.

Risk Management (continued)

Risk Management Framework (continued)

Governance

To enable the accuracy and plausibility of the stress test process and results, comprehensive review and challenge is undertaken for each stress test. This features senior stakeholder engagement through the Asset and Liability Committee and Stress Testing Steering Committee. Additionally, the Board provides oversight of the design, execution and results of the Group's stress tests.

Risk Accountabilities and Skills

The Three Lines of Accountability (3LoA) model organises our risk accountabilities 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 Material Risk Type including design of policies, mitigation strategies and the capabilities needed to manage the Material Risk Type.

The effective management of our Material Risk Types 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 Group 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;
- **The RMA Group Mandatory Learning Module** provide foundational knowledge of the RMF and RMA for all Group employees;
- **Risk Management Capability Framework** provides the education, experience and exposure to build risk skills and judgement effectively within the Group; and
- **'Getting Started with the Group'** and ongoing learning supports employees in gaining the knowledge, skills and behaviours required to work effectively across the Group.

Risk Culture and Conduct Risk

Our risk culture reflects the beliefs and behaviours within the Group and determines how risks are identified, measured, monitored, and responded to. These behaviours, which guide decision making and good risk management, are embodied in our values and leadership principles, ensuring that our actions align with our core beliefs. The Group's risk culture framework aims to sustain and improve our risk culture through an annual Board risk culture assessment, where the Board and senior management form a view of the Group's risk culture. This is supported by the Group risk culture response plan, which addresses organisational focus areas and is further reinforced by business unit risk culture self-reflections that drive improvement at local levels.

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.

Risk Management (continued)

Material Risk Types

Description	Governing Policies and Committees	Key controls and risk mitigation strategies
Credit Risk (Section 8)		
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 Policy • Group Loan Loss Provisioning Framework • Group and BU Credit Risk Standards **Key Management Committees:** • 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 the Group is 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 (Section 11)		
Market risk is the potential of adverse impact on the profitability and/or net worth of the Group from changes in market rates or prices. 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 Standard **Key Management Committees:** • Financial Risk Committee • 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; • Activity is concentrated in client facing portfolios with non-client facing management activity used to support broader business objectives, governed by trading delegations; • 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 Defined Benefit Fund net asset position.

Risk Management (continued)

Material Risk Types (continued)

Description	Governing Policies and Committees	Key controls and risk mitigation strategies
Liquidity Risk (Section 14)		
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). The Group is exposed to liquidity risk through: • Funding Liquidity Risk; and • Market Liquidity Risk.	**Governing Policy:** • Group Liquidity Policy **Key Management Committees:** • Asset and Liability Committee • Stress Testing Steering Committee	• Defined liquidity Risk Appetite metrics, with reference to severe yet plausible and moderate stress testing, 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; • Severe market and idiosyncratic stress test scenarios; and • The Contingent Funding Plan provides strategies for addressing liquidity shortfalls in a crisis situation.

Material Risk Types (continued)

<table>
<tr><th>Description</th><th>Governing Policies and Committees</th><th>Key controls and risk mitigation strategies</th></tr>
<tr><td colspan="3">Operational Risk (Section 13)</td></tr>
<tr><td>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;
• Business Disruption Risk;
• Cybersecurity Risk;
• 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 or software failures);
• Third Parties Risk; and
• Transaction Processing Risk.</td><td>Governing Policies:
• Operational Risk Management Framework (ORMF)
• Group Information Security (IS) Policy
• Group Data Management Policy
• Group Fraud and Scams Management Policy
• Group Whistleblower Policy
• Group Model Risk Policy
• Group Business Continuity Management Policy
• Group Protective Security Policy
• Group IT Service Management Policy
• Group Supplier Lifecycle Policy
• Group Product Development and Distribution Policy
• Group Conflicts Management Policy
• Legal Services Policy
• Group External Financial Reporting Policy
• Group Tax Policy
Key Management Committees:
• Non-Financial Risk Committee
• BU/SU Non-Financial Risk Committees
• Model Risk Governance Committee (MRGC)
• Executive Leadership Team Financial Risk Committee
• Supplier Governance Council
• Technology Controls Council
• BU/SU Executive Portfolio Group (EPG)</td><td>• 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;
• Change Management Risk 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.</td></tr>
</table>

Material Risk Types (continued)

<table>
<tr><th>Description</th><th>Governing Policies and Committees</th><th>Key controls and risk mitigation strategies</th></tr>
<tr><td colspan="3">Compliance Risk</td></tr>
<tr><td>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, protection and destruction of the personal or credit information of individuals;
• Financial crime (regulation relating to Anti Money Laundering (AML), Counter Terrorism Financing (CTF), 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).</td><td>Governing Policies:
• Group Compliance Management Framework (CMF) and policies
• Joint AML/CTF Group Program (Part A /Part B)
• Anti-Bribery and Corruption Policy
• Anti-Tax Evasion Facilitation Policy
• Group 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 Personal Trading Policy
• Group Conflicts Management Policy

Key Management Committees:
• Executive Financial Crime Risk Committee
• Financial Crime Risk Committee
• Group/BU/SU NFRCs
• Product Governance forums</td><td>Regulatory and Licencing Risk (R&L) 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;
• R&L 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
• Compliance, including Part A and Part B of the 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 maintain accurate customer information;
• Risk assessments on our customers, products and channels to understand 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.</td></tr>
</table>

Material Risk Types (continued)

Description	Governing Policies and Committees	Key controls and risk mitigation strategies
Compliance Risk (continued)		
		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 better 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 asking 'Must We?', 'Can We?' and 'Should We?' to deliver the right outcome for our customers.

Risk Management (continued)

Material Risk Types (continued)

Description	Governing Policies and 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 the Group's external and internal operating environments. Most often, the operating environment changes or events that are material enough to affect our strategy, arise from, or can have an impact across, one or more of the other financial, non-financial or specific strategic sub-risk types below. 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. • **Environmental and Social (E&S) Risk:** The risk of adverse impacts on the environment and society from the Group's activities; or adverse impacts to the Group's franchise value, business model and profitability from not appropriately responding to existing and changing environmental and social issues; and • **Artificial Intelligence Risk:** The risk of failing to execute on strategy or loss of competitive advantage due to failure to deliver AI systems responsibly and/or in a timely manner.	**Governing Policies:** • Group Strategic Risk Management Policy • Group Capital Policy • Capital Management of Subsidiaries and Branches Policy • Group Stress Testing Policy • Risk- adjusted Performance Measurement Policy • Group Remuneration Policy • Group Diversity, Equity and Inclusion Policy • Group Environmental and Social Policy • Group Continuous Disclosure Policy • Group Public Disclosure of Prudential Information Policy • Group External Communication and Engagement Policy • Group Publicly Issued Documents and Marketing Materials Policy • Group Artificial Intelligence Policy	**Strategic Risk Management Policy** The Strategic Risk Management Policy (SRMP) 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, reports and responds to Strategic Risk throughout its processes of: • Strategy development, approval and review; • Planning and resource allocation; • Development of the Group Business Plan; • Monitoring changes and identifying 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. **Environmental and Social 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 and Governance (ESG) lending tool applied to certain lending decisions; • Corporate Responsibility programs; and • Supplier Code of Conduct for adherence to CBA's E&S standards.

Risk Management (continued)

Material Risk Types (continued)

Description	Governing Policies and Committees	Key controls and risk mitigation strategies
Strategic Risk (continued)		
	Key Management Committees: • Executive Leadership Team • ELT Environmental and Social Committee • Asset and Liability Committee (ALCO) • Non-Financial Risk Committee • ELT Risk and Remuneration Review Committee (RRRC) • Stress Testing Steering Committee • Generative AI Council • AI Risk Committee	**Artificial Intelligence Risk** • Defined AI risk indicators in the Group RAS; • Intersecting risk frameworks and policy suites for the management of AI related risks and compliance with AI principles; • AI talent, capability and skills development; • Strategic partnership for AI; and • Protocols, and Playbooks and Toolkits for AI.

8 Credit Risk

CRA: General qualitative information about credit risk

Credit risk is the potential for loss arising from failure of a borrower to meet their contractual obligations to the Group. It arises primarily from lending activities, the provision of guarantees (including letters of credit), investments in bonds and notes, financial markets transactions, credit enhancements, securitisations and other associated activities.

The Group maintains a robust system of controls and processes to optimise the Group's credit risk-taking activities.

Credit risk is managed at both the Group and BU level. The key credit risk related functions support the overall risk management responsibilities of the Board Risk & Compliance Committee and senior management as discussed in section 7 *Risk Management* of this document.

The Group applies the following elements for effective credit risk management practice in its day-to-day business activities:

- Credit Risk Management Framework with associated policies, standards, resources and processes; and
- Credit Risk Rating and Measurement (pages 49-53).

Credit Risk Management Framework

The Board Risk & Compliance Committee oversees the Group's approach to credit risk management which is implemented via the Group Credit Risk Framework. The Group Credit Risk Framework is approved annually by the ELT Financial Risk Committee and is designed to achieve credit portfolio outcomes that are consistent with the Group's risk appetite, risk / return expectations and regulatory requirements.

The Group has clearly defined credit policies and standards for the approval and management of credit risk. 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 RAS requires that there is appropriate diversification of credit risk. This is achieved through monitoring of key credit risk indicators at portfolio level as well as established policies that include limits for the key dimensions of the credit portfolio for:

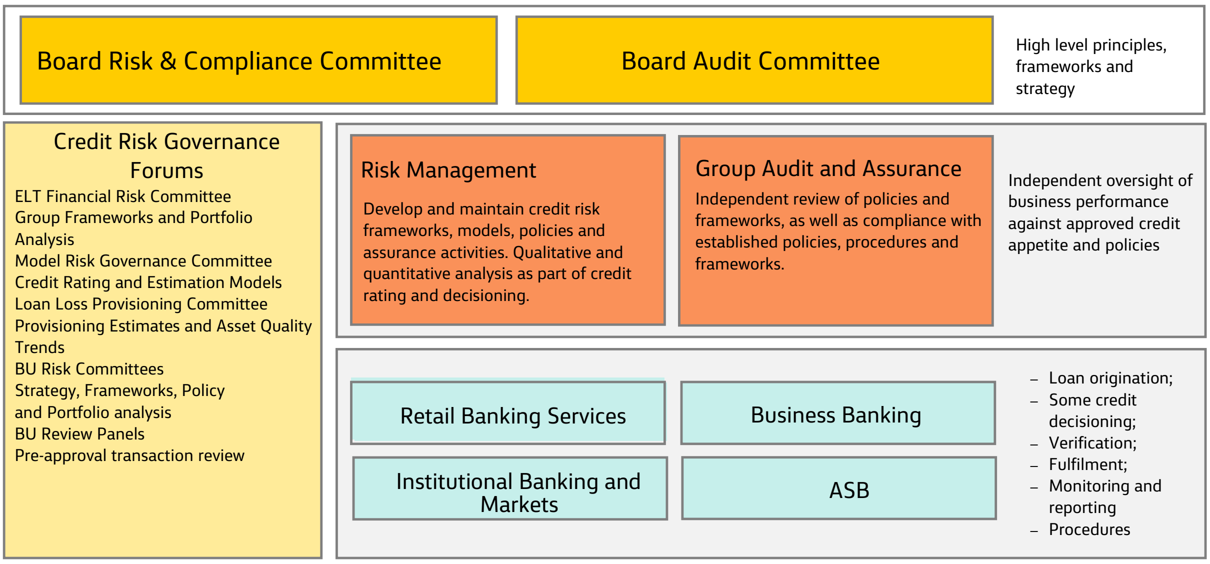
- individual borrowers, or groups of related borrowers;
- industry sectors; and
- geography (e.g. country risk).

Experts in each BU are accountable for identifying ways to diversify credit risk exposure in their businesses, all within the policy limits.

Credit risk reporting covers whole of life credit risk management activities. Reporting and monitoring occurs within BUs and escalates to ELT Financial Risk Committee and Board for Retail and Non-Retail portfolios. Regular reporting includes credit portfolio growth, portfolio composition, credit quality of new acquisition and stock portfolios, Watch list, arrears and non-performing exposures, monitoring of Credit Risk RAS outcomes, stress testing of Group or BU credit portfolios and thematic and more detailed reviews of industry sectors, products and geographic portfolios.

Operationally independent credit assurance and hindsight activities are carried out across the Group's credit portfolio within BUs, Risk Management and Group Audit. Credit Risk Assurance, within Group Operational Risk, reviews non-retail credit portfolios and BU compliance with policies and processes, application of credit risk ratings and other key practices on a regular basis. Credit Risk Assurance reports its findings to BU Risk Committees, the ELT Financial Risk Committee (FRC) and the Board Risk & Compliance Committee as appropriate. 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 chart below illustrates the approach taken to manage credit risk in the Group.



8.1 Credit quality, non-performing exposures and provisions

CRB: Additional disclosure related to the credit quality of assets

The Group relies on APS 220 *Credit Risk Management* (APS 220) and the Group Credit Standard - *Troublesome and Non-Performing Assets* for the classification and management of credit exposures considered to be non-performing, and the management, monitoring and reporting of credit risk across the Group. The regulatory definitions of non-performing, past due and restructured exposures in accordance with APS 220 *Credit Risk Management* and the Group Credit Standard - *Troublesome and Non-Performing Assets* are provided below.

Non-performing exposures

Credit exposures are classified as non-performing when they are in default. Default is considered to have occurred with regards to a particular borrower or counterparty when either:

- they are 90 calendar days or more past due on a credit obligation to the Group; and/or
- the Group considers they are unlikely to pay their credit obligations to the Group in full, without recourse by the Group to actions such as realising available security.

A credit exposure that has been classified as non-performing may be reclassified to performing when all of the following criteria are met:

- the borrower or counterparty does not have any credit exposure 90 days or more past-due;
- the borrower's or counterparty's situation has improved so that full repayment of the credit exposure is likely;
- repayments have been made when due over a continuous repayment period of at least 90 calendar days, or at least six months for restructured exposures; and
- no individually assessed provision is held.

Past due exposures

A credit exposure is considered past-due from the first day of a missed payment and includes any amount due under the contract (including principal, interest, fees or any other amount). A credit exposure subject to a regular repayment schedule is considered 90 days past-due when:

- at least 90 calendar days have elapsed since the due date of a contractual payment which has not been met in full; and
- the total amount unpaid outside contractual arrangements is equivalent to at least 90 days' worth of contractual payments.

Restructured exposures

Restructured exposures occur where the Group grants a borrower or counterparty concessions due to financial difficulty which would not usually be offered to borrowers or counterparties in good standing under normal market conditions. Restructures are only granted where the Group is satisfied that the modified terms can be met. Examples of relevant concessions include (but are not limited to) extending loan terms; rescheduling principal or interest; forgiving, deferring or postponing principal, interest or fees; or capitalising arrears.

Restructures may be classified as performing or non-performing. A performing restructure occurs when a borrower or counterparty does not meet the definition of a non-performing exposure (including that it would not have been treated as non-performing at the time of restructure had the restructure not been granted) and the restructured terms are commercial in nature and would be provided in the ordinary course of business. If a restructure is applied to a non-performing exposure, it continues to be classified as non-performing until it meets the requirements for reclassification to performing status.

Accounting provisions for credit losses

APS 220 requires provisions to be adequate and consistent with the objectives of Australian Accounting Standards. APS 111 *Capital Adequacy: Measurement of Capital* (APS 111) requires the Group to reduce CET1 capital to the extent the amount of regulatory expected losses is in excess of APRA defined eligible provisions.

The Group assesses and measures credit losses in accordance with AASB 9 *Financial Instruments* (AASB 9).

The AASB 9 expected credit loss (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. 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. The definition of default used in ECL models is consistent with the regulatory definition in APS 220 and the Group Credit Standard - *Troublesome and Non-Performing Assets*.

- **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.

8.1 Credit quality, non-performing exposures and provisions (continued)

- **Stage 3 – Lifetime ECL – Non-performing loans**
  Financial assets in default are transferred to Stage 3 and an impairment provision equivalent to lifetime ECL is recognised.

ECL is a 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.

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.

A monthly assessment is undertaken to assess the quality of the credit portfolio to determine the loan impairment expense and provisions.

Collective provisions

The Group uses the following AASB 9 collective provisioning models in calculating ECL for significant portfolios:

- *Retail lending*: Home Loans model, Credit Cards model, Personal Loans model; and
- *Non-retail lending*: Corporate Commercial Real Estate (CRE) Risk Rated model, Corporate Non-CRE Risk Rated model, Asset Finance model, Retail SME model.

For each significant portfolio, ECL is calculated as a product of the Exposure at Default (EAD), Probability of Default (PD) and Loss Given Default (LGD). 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. This is distinct from the long-run and downturn estimates used for the calculation of regulatory expected losses.

Individually Assessed Provisions

Defaulted secured retail exposures and defaulted non-retail exposures are assessed for impairment through an Individually Assessed Provisions (IAP) process. 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.

For the standardised capital approach, collective provisions on performing exposures are categorised as general provisions; specific provision balances include accounting collective provisions on non-performing exposures in addition to individually assessed provisions.

Refer to Note 3.2 of the Group's 2025 Annual Report for further details on the Group's ECL impairment models.

8.1 Credit quality, non-performing exposures and provisions (continued)

CR1: Credit quality of assets

The table below provides an overview of the credit quality of the Group's lending assets and debt securities.

		30 June 2025						
		Gross carrying values of			Of which ECL accounting provisions for credit losses on SA exposures			
		Non-performing exposures $M	Performing exposures $M	Allowances / impairments $M	Allocated in regulatory category of Specific $M	Allocated in regulatory category of General $M	Of which ECL accounting provisions for credit losses on IRB exposures $M	Net values $M
1	Loans	10,627	980,108	5,966	48	115	5,803	984,769
2	Debt securities	–	101,567	4	–	1	3	101,563
3	Off-balance sheet exposures	352	224,824	402	1	4	397	224,774
4	**Total**	**10,979**	**1,306,499**	**6,372**	**49**	**120**	**6,203**	**1,311,106**

CR2: Changes in stock of non-performing loans and debt securities

The table below shows changes in gross carrying amount of non-performing loans, debt securities and off-balance sheet instruments during the half year ended 30 June 2025.

	Movement in non-performing loans, debt securities and off-balance sheet instruments	For the half year ended 30 Jun 25 $M
1	Non-performing loans, debt securities and off-balance sheet instruments at end of the previous reporting period	**10,297**
2	Loans, debt securities and off-balance sheet instruments that became non-performing since the last reporting period	4,241
3	Returned to performing status	(1,922)
4	Amounts written off	(386)
5	Other changes	(1,251)
6	**Non-performing loans, debt securities and off-balance sheet instruments at end of the reporting period**	**10,979**

Non-performing exposures increased $0.7 billion or 7% on the prior half to $11.0 billion driven by a seasonal increase in arrears in the well-secured home lending portfolio.

8.1 Credit quality, non-performing exposures and provisions (continued)

CRB(e)(i): Credit exposures by portfolio type and geographic distribution

The following tables provide supplementary breakdown of exposures by geographical areas. The tables exclude derivative and SFTs exposures subject to counterparty credit risk requirements, equity and securitisation exposures.

	30 June 2025			
Portfolio Type	Australia $M	New Zealand $M	Other $M	Total $M
Corporate (incl. Large and SME corporate)	221,810	3,376	9,898	**235,084**
Sovereign	108,349	470	31,545	**140,364**
Financial institution	19,740	11	15,278	**35,029**
SME retail [1]	20,496	–	3	**20,499**
Residential mortgage	709,333	–	52	**709,385**
Qualifying revolving retail	22,784	–	–	**22,784**
Other retail	9,253	–	–	**9,253**
Specialised lending	2,465	–	3,331	**5,796**
Other assets [2]	16,003	10	357	**16,370**
RBNZ regulated entities	–	137,306	–	**137,306**
Total credit exposures [3]	**1,130,233**	**141,173**	**60,464**	**1,331,870**

1 Including SME retail secured by residential property.
2 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.
3 Geographical segmentation of exposures is based on the location of the office in which these items were booked.

	31 December 2024			
Portfolio Type	Australia $M	New Zealand $M	Other $M	Total $M
Corporate (incl. Large and SME corporate)	209,778	3,092	9,468	**222,338**
Sovereign	103,881	463	25,484	**129,828**
Financial institution	17,234	11	14,433	**31,678**
SME retail [1]	20,446	–	–	**20,446**
Residential mortgage	689,539	–	61	**689,600**
Qualifying revolving retail	22,984	–	–	**22,984**
Other retail	9,365	–	–	**9,365**
Specialised lending	2,419	–	3,423	**5,842**
Other assets [2]	11,992	14	303	**12,309**
RBNZ regulated entities	–	129,074	–	**129,074**
Total credit exposures [3]	**1,087,638**	**132,654**	**53,172**	**1,273,464**

1 Including SME retail secured by residential property.
2 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.
3 Geographical segmentation of exposures is based on the location of the office in which these items were booked.

Total credit exposures increased by $58.4 billion or 5% on the prior half to $1,331.9 billion primarily driven by volume growth across commercial portfolios, domestic residential mortgages, New Zealand portfolios and financial institutions.

8.1 Credit quality, non-performing exposures and provisions (continued)

CRB(e)(ii): Credit exposures by portfolio type and industry sector

The following tables provide supplementary breakdown of exposures by industry sectory. The tables exclude derivative and SFTs exposures subject to counterparty credit risk requirements, equity and securitisation exposures.

	30 June 2025							
	Industry Sector							
	Consumer	Finance & Insurance	Business Services	Agriculture & Forestry	Construction	Mining, Oil & Gas	Wholesale & Retail Trade	Transport & Storage
Portfolio Type	$M	$M	$M	$M	$M	$M	$M	$M
Corporate (incl. Large and SME corporate)	–	2,388	11,313	20,627	7,398	3,272	22,649	19,511
Sovereign	–	–	–	–	–	–	–	–
Financial institution	–	35,029	–	–	–	–	–	–
SME retail [1]	–	391	2,036	1,479	2,955	120	2,816	1,305
Residential mortgage	709,385	–	–	–	–	–	–	–
Qualifying revolving retail	22,784	–	–	–	–	–	–	–
Other retail	9,253	–	–	–	–	–	–	–
Specialised lending	–	–	–	2	–	28	375	847
Other assets [2]	2,650	84	20	19	18	1	14	14
RBNZ regulated entities	84,769	2,872	1,774	11,029	1,252	13	3,931	1,031
Total credit exposures	**828,841**	**40,764**	**15,143**	**33,156**	**11,623**	**3,434**	**29,785**	**22,708**

	Industry Sector (continued)							
	Manufacturing	Commercial Property [3]	Government Admin. & Defence	Health & Community Services	Entertainment Leisure & Tourism	Electricity Gas & Water	Other	Total
Portfolio Type	$M	$M	$M	$M	$M	$M	$M	$M
Corporate (incl. Large and SME corporate)	13,977	84,848	–	12,225	17,117	8,995	10,764	**235,084**
Sovereign	–	–	140,364	–	–	–	–	**140,364**
Financial institution	–	–	–	–	–	–	–	**35,029**
SME retail	1,064	1,635	–	1,063	1,332	44	4,259	**20,499**
Residential mortgage	–	–	–	–	–	–	–	**709,385**
Qualifying revolving retail	–	–	–	–	–	–	–	**22,784**
Other retail	–	–	–	–	–	–	–	**9,253**
Specialised lending	164	–	–	–	54	4,229	97	**5,796**
Other assets [2]	37	40	–	8	7	–	13,458	**16,370**
RBNZ regulated entities	1,475	11,026	13,518	1,916	830	781	1,089	**137,306**
Total credit exposures	**16,717**	**97,549**	**153,882**	**15,212**	**19,340**	**14,049**	**29,667**	**1,331,870**

1 SME retail business lending secured by residential property has been allocated by industry.
2 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.
3 Commercial Property includes Real Estate Investment Trusts (REIT) and excludes Business Services.

8.1 Credit quality, non-performing exposures and provisions (continued)

CRB(e)(ii): Credit exposures by portfolio type and industry sector (continued)

	31 December 2024							
	Industry Sector							
Portfolio Type	Consumer $M	Finance & Insurance $M	Business Services $M	Agriculture & Forestry $M	Construction $M	Mining, Oil & Gas $M	Wholesale & Retail Trade $M	Transport & Storage $M
Corporate (incl. Large and SME corporate)	–	2,410	11,274	18,966	6,864	3,587	21,995	18,917
Sovereign	–	–	–	–	–	–	–	–
Financial institution	–	31,678	–	–	–	–	–	–
SME retail [1]	–	379	2,008	1,517	2,862	122	2,818	1,311
Residential mortgage	689,600	–	–	–	–	–	–	–
Qualifying revolving retail	22,984	–	–	–	–	–	–	–
Other retail	9,365	–	–	–	–	–	–	–
Specialised lending	–	–	–	2	–	61	435	915
Other assets [2]	2,613	98	8	26	11	17	25	392
RBNZ regulated entities	80,005	2,703	1,826	10,653	1,202	9	3,696	952
Total credit exposures	**804,567**	**37,268**	**15,116**	**31,164**	**10,939**	**3,796**	**28,969**	**22,487**

	Industry Sector (continued)							
Portfolio Type	Manufacturing $M	Commercial Property [3] $M	Government Admin. & Defence $M	Health & Community Services $M	Entertainment Leisure & Tourism $M	Electricity Gas & Water $M	Other $M	Total $M
Corporate (incl. Large and SME corporate)	13,447	79,048	–	11,023	16,460	8,434	9,913	**222,338**
Sovereign	–	–	129,828	–	–	–	–	**129,828**
Financial institution	–	–	–	–	–	–	–	**31,678**
SME retail [1]	1,055	1,683	–	1,073	1,288	46	4,284	**20,446**
Residential mortgage	–	–	–	–	–	–	–	**689,600**
Qualifying revolving retail	–	–	–	–	–	–	–	**22,984**
Other retail	–	–	–	–	–	–	–	**9,365**
Specialised lending	184	–	–	–	52	4,092	101	**5,842**
Other assets [2]	49	47	–	8	6	–	9,009	**12,309**
RBNZ regulated entities	1,434	10,510	11,536	1,866	814	750	1,118	**129,074**
Total credit exposures	**16,169**	**91,288**	**141,364**	**13,970**	**18,620**	**13,322**	**24,425**	**1,273,464**

1 SME retail business lending secured by residential property has been allocated by industry.
2 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.
3 Commercial Property includes Real Estate Investment Trusts (REIT) and excludes Business Services.

Total credit exposures increased $58.4 billion or 5% on the prior half to $1,331.9 billion primarily driven by the following sectors:

- Consumer increased $24.3 billion or 3% on the prior half to $828.8 billion due to increased home lending exposures;
- Government, Administration and Defence increased by $12.5 billion or 9% to $153.9 billion mainly due to balance sheet liquidity management activities; and
- Commercial Property increased by $6.3 billion or 7% to $97.5 billion primarily as a result of improving market conditions which has seen increased sales volumes.

8.1 Credit quality, non-performing exposures and provisions (continued)

CRB(e)(iii): Credit exposures by portfolio type and residual maturity

The following tables provide supplementary breakdown of exposures by residual maturity. The tables exclude derivative and SFTs exposures subject to counterparty credit risk requirements, equity and securitisation exposures.

	30 June 2025				
	≤ 12mths	1 ≤ 5yrs	> 5 years	No specified maturity	Total
Portfolio Type [1]	**$M**	**$M**	**$M**	**$M**	**$M**
Corporate (incl. Large and SME corporate)	77,581	147,037	10,466	–	**235,084**
Sovereign	51,522	35,267	53,575	–	**140,364**
Financial institution	23,490	11,161	378	–	**35,029**
SME retail [2]	7,693	8,245	4,561	–	**20,499**
Residential mortgage	2,495	1,081	691,392	14,417	**709,385**
Qualifying revolving retail	–	–	–	22,784	**22,784**
Other retail	375	5,029	2,772	1,077	**9,253**
Specialised lending	1,326	3,636	834	–	**5,796**
Other assets [3]	2,709	251	12	13,398	**16,370**
RBNZ regulated entities	37,712	16,316	83,278	–	**137,306**
Total credit exposures	**204,903**	**228,023**	**847,268**	**51,676**	**1,331,870**

1 Maturity banding is based on contractual life of exposures.
2 Including SME retail secured by residential property.
3 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

	31 December 2024				
	≤ 12mths	1 ≤ 5yrs	> 5 years	No specified maturity	Total
Portfolio Type [1]	**$M**	**$M**	**$M**	**$M**	**$M**
Corporate (incl. Large and SME corporate)	70,721	141,597	10,020	–	**222,338**
Sovereign	44,517	33,307	52,004	–	**129,828**
Financial institution	22,450	8,933	295	–	**31,678**
SME retail [2]	7,277	8,473	4,696	–	**20,446**
Residential mortgage	2,268	1,081	671,187	15,064	**689,600**
Qualifying revolving retail	–	–	–	22,984	**22,984**
Other retail	329	4,863	3,120	1,053	**9,365**
Specialised lending	1,298	3,216	1,328	–	**5,842**
Other assets [3]	2,774	498	83	8,954	**12,309**
RBNZ regulated entities	34,460	15,614	79,000	–	**129,074**
Total credit exposures	**186,094**	**217,582**	**821,733**	**48,055**	**1,273,464**

1 Maturity banding is based on contractual life of the exposures.
2 Including SME retail secured by residential property.
3 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

8.1 Credit quality, non-performing exposures and provisions (continued)

CRB(f)(i): Non-performing exposures, related provisions and actual losses by industry sector

The following table provides information about non-performing exposures, specific provisions and actual losses by industry.

	30 June 2025		
	Non performing exposures [1]	Specific provision balance	Full year actual losses [2]
Industry Sector	**$M**	**$M**	**$M**
Consumer	8,205	592	408
Government Administration & Defence	–	–	–
Finance & Insurance	23	12	6
Business Services	177	59	20
Agriculture & Forestry	343	35	8
Mining, Oil & Gas	9	2	(1)
Manufacturing	236	93	38
Electricity, Gas & Water	–	–	–
Construction	329	117	55
Wholesale & Retail Trade	365	216	29
Transport & Storage	217	88	9
Commercial Property	353	30	2
Entertainment, Leisure & Tourism	217	121	13
Health & Community Services	361	115	1
Other	144	37	23
Total	**10,979**	**1,517**	**611**

1 Excludes non-performing exposures in securitisation entities that meet APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation*.
2 Losses stemming from lower risk IPRE lending and overall losses from IPRE lending are less than 0.3% and 0.5% of outstanding IPRE exposures, respectively, in each of the past 3 years to 30 June 2025.

8.1 Credit quality, non-performing exposures and provisions (continued)

CRB(f)(i): Non-performing exposures, related provisions and actual losses by industry sector (continued)

	31 December 2024		
	Non performing exposures [1]	Specific provision balance	Half year actual losses [2]
Industry Sector	**$M**	**$M**	**$M**
Consumer	7,458	578	199
Government Administration & Defence	–	–	–
Finance & Insurance	30	18	1
Business Services	169	59	11
Agriculture & Forestry	394	40	3
Mining, Oil & Gas	12	2	–
Manufacturing	290	103	–
Electricity, Gas & Water	–	–	–
Construction	321	130	37
Wholesale & Retail Trade	407	200	23
Transport & Storage	289	59	3
Commercial Property	310	22	2
Entertainment, Leisure & Tourism	218	112	4
Health & Community Services	236	127	1
Other	163	39	6
Total	**10,297**	**1,489**	**290**

1 Excludes non-performing exposures in securitisation entities that meet APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation*.
2 Losses stemming from lower risk IPRE lending and overall losses from IPRE lending are less than 0.3% and 0.5% of outstanding IPRE exposures, respectively, in each of the past 3 years to 31 December 2024.

Non-performing exposures increased $0.7 billion or 7% on the prior half to $11.0 billion driven by a seasonal increase in arrears in the well-secured home lending portfolio.

Specific provisions increased by $28 million or 2% on the prior half to $1,517 million primarily due to higher individually assessed provisions for a few single name customers in transport and storage, as well as wholesale and retail trade sectors and consumer lending portfolios. This increase was partially offset by reductions related to single name customers in the construction, health and community services and manufacturing industries.

8.1 Credit quality, non-performing exposures and provisions (continued)

CRB(f)(ii): Non-performing exposures, related provisions and actual losses by portfolio

The following table provides information about non-performing exposures, related provisions and actual losses by portfolio.

	30 June 2025		
	Non performing exposures [1]	Specific provision balance	Full year actual losses [2]
Portfolio	$M	$M	$M
Corporate (Inc. Large and SME Corp.)	1,985	552	134
Sovereign	–	–	–
Financial Institution	2	1	–
SME Retail	354	142	48
Residential Mortgage	6,403	293	17
Qualifying Revolving Retail	80	53	124
Other Retail	118	93	221
Specialised Lending	134	134	–
Other Assets	1	–	–
RBNZ Regulated Entities	1,902	249	67
Total	**10,979**	**1,517**	**611**

1 Excludes non-performing exposures in securitisation entities that meet APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation*.
2 Losses stemming from lower risk IPRE lending and overall losses from IPRE lending are less than 0.3% and 0.5% of outstanding IPRE exposures, respectively, in each of the past 3 years to 30 June 2025.

	31 December 2024		
	Non performing exposures [1]	Specific provision balance	Half year actual losses [2]
Portfolio	$M	$M	$M
Corporate (Inc. Large and SME Corp.)	1,986	566	61
Sovereign	–	–	–
Financial Institution	1	1	–
SME Retail	317	118	19
Residential Mortgage	5,789	321	9
Qualifying Revolving Retail	77	50	59
Other Retail	101	72	106
Specialised Lending	121	118	–
Other Assets	24	14	–
RBNZ Regulated Entities	1,881	229	36
Total	**10,297**	**1,489**	**290**

1 Excludes non-performing exposures in securitisation entities that meet APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation*.
2 Losses stemming from lower risk IPRE lending and overall losses from IPRE lending are less than 0.3% and 0.5% of outstanding IPRE exposures, respectively, in each of the past 3 years to 31 December 2024.

8.1 Credit quality, non-performing exposures and provisions (continued)

CRB(f)(iii): Non-performing exposures and related provisions by geographic region

The following table provides information about non-performing exposures and the related provisions by geographic region.

	30 June 2025		
	Non performing exposures [2]	Specific provision balance	General provision balance
Geographic Region [1]	**$M**	**$M**	**$M**
Australia	9,054	1,258	4,311
New Zealand	1,873	245	383
Other	52	14	166
Total	**10,979**	**1,517**	**4,860**

1 Balances are reported based on the risk domicile of the borrower.
2 Excludes non-performing exposures in securitisation entities that meet APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation*.

	31 December 2024		
	Non performing exposures [2]	Specific provision balance	General provision balance
Geographic Region [1]	**$M**	**$M**	**$M**
Australia	8,265	1,250	4,275
New Zealand	1,867	229	369
Other	165	10	94
Total	**10,297**	**1,489**	**4,738**

1 Balances are reported based on the risk domicile of the borrower.
2 Excludes non-performing exposures in securitisation entities that meet APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation*.

Specific provisions increased by $28 million or 2% on the prior half to $1,517 million reflecting downgrades for a small number of single name customers and increased arrears in the home lending portfolio.

General provisions increased by $122 million or 3% on the prior half to $4,860 million reflecting portfolio growth, increased geopolitical risk and higher consumer arrears.

8.1 Credit quality, non-performing exposures and provisions (continued)

CRB(g): Ageing analysis of accounting past-due exposures

	30 June 2025				
	Past due 30 - 59 days	Past due 60 - 89 days	Past due 90 - 179 days	Past due 180 days or more	Total loans past due [2]
Portfolio Type [1]	**$M**	**$M**	**$M**	**$M**	**$M**
Corporate (incl. Large and SME corporate)	278	196	235	574	**1,283**
Sovereign	3	–	–	–	**3**
Financial institution	–	–	–	–	**–**
SME retail	60	56	81	134	**331**
Residential mortgage	2,181	1,253	2,039	2,387	**7,860**
Qualifying revolving retail	40	28	50	1	**119**
Other retail	74	54	97	11	**236**
Specialised lending	–	–	–	121	**121**
Other assets [3]	–	–	–	–	**–**
RBNZ regulated entities	389	201	257	365	**1,212**
Total credit exposures	**3,025**	**1,788**	**2,759**	**3,593**	**11,165**

1 Excludes exposures in securitisation entities that meet APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation*.
2 Total of exposures that are past due 30 days.
3 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

CRB(h): Restructured exposures

The table below provides information about the Group's non-performing restructured exposures and their level of security. Well-secured exposures are exposures where the value of collateral is sufficient to ensure that the Group will recover the outstanding principal, including any previously due but unpaid interest or fees, and other previously unpaid amounts, and any estimated shortfall in all remaining cash flows due over the life of the exposure.

	As at
	30 Jun 25
	$M
Non-performing restructured [1]	**2,238**
of which: well-secured	2,071
of which: not well-secured	167

1 A non-performing restructured exposure refers to a credit facility whose terms have been modified on non-commercial terms due to the borrower's financial difficulty or hardship.

8.2 Portfolios subject to standardised and supervisory risk weights

CRD: Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk

The standardised approach is used by the Group for portfolios or segments where there isn't a modelled approach, the Group doesn't have enough information to apply a modelled approach or where the relevant prudential standards require a standardised approach to be used.

Portfolios or segments under APS 112: *Capital Adequacy: Standardised Approach to Credit Risk* include:

- some retail SME (overdrawn accounts with no prior credit risk exposure);
- non-retail exposures without risk ratings;
- some standard residential property loans (including purchased portfolios);
- non-standard residential property loans as defined in APS 112 including:
  - interest only loans for predominantly personal purposes with an LVR greater than 80% and an interest only term greater than 5 years and no recent servicing assessment;
  - property exposures originated since 1 January 2023 where assessment does not result in a positive determination of the borrower's ability to meet repayment obligations; and
  - reverse mortgages and loans to self-managed superannuation funds;
- margin lending; and
- other assets (including property, plant and equipment, lease right of use assets and the residual value of assets under operating leases).

The risk weights for these portfolios and segments have been applied in accordance with APS 112 and, where applicable, with consideration to the type of security held:

- for loans secured by residential property, consideration is given with respect to loan purpose, the Loan to Value Ratio (LVR); and whether lenders mortgage insurance (LMI) is held.
- for loans secured by commercial property, consideration is given to the LVR and the dependency on property cash flows.
- the Group's definition of internal risk ratings used for Corporate, Financial Institutions and Sovereign exposures has been aligned to equivalent rating grades provided by external credit assessment institutions including S&P Global Ratings and Moody's Investors Services. The Group make use of external credit ratings only in relation to a small portion of portfolios subject to the standardised approach.

Exposures to central counterparties as defined under APS 180 *Capital Adequacy: Counterparty Credit Risk*:

- central counterparties; and
- credit valuation adjustments (CVA).

The Group continues to review portfolios that use the standardised approach. Approval to apply the advanced approach will be sought from APRA when the size of exposures and number of customers within these portfolios are sufficient to qualify for advanced approaches and have the ability to be monitored.

For RBNZ regulated entities risk weights pertaining to standardised portfolios have been applied in accordance with RBNZ prudential requirements. Portfolios that use the standardised approach include Personal loans, Retail SME, Bank, Sovereign, Central counterparties, CVA and Other assets.

8.2 Portfolios subject to standardised and supervisory risk weights (continued)

CR4: Standardised approach – credit risk exposure and credit risk mitigation effects

The table below provides information about the effect of credit risk mitigation techniques by portfolio using regulatory exposure amounts. The table excludes derivative and SFTs exposures subject to counterparty credit risk requirements, equity and securitisation exposures.

EAD post-CCF and post-CRM is derived by applying relevant CCFs to committed but undrawn exposures and provisioning is deducted from the outstanding drawn non-performing balances. The Group does not apply CRMI on the standardised portfolio.

	30 June 2025					
	Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
	On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet	RWA	RWA density [1]
Portfolio Type	$M	$M	$M	$M	$M	%
1 Sovereign	400	1	1	–	1	95
6 Corporate (incl. SME corporate)	737	498	737	207	930	98
8 SME retail	495	697	495	371	650	75
9 Residential mortgage	16,827	3,343	16,815	1,550	7,432	40
Other retail	150	449	150	179	331	100
11 Other assets [2]	15,414	2,325	15,414	956	6,091	37
RBNZ regulated entities	18,298	1,142	18,298	573	3,875	21
12 Total	**52,321**	**8,455**	**51,910**	**3,836**	**19,310**	**35**

1 RWA density is calculated based on unrounded numbers.

2 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

8.2 Portfolios subject to standardised and supervisory risk weights (continued)

CR5(i): Standardised approach - exposures by asset classes and risk weights

The table below shows the post-CCF and post-CRM exposures by asset class and risk weights. The table excludes derivative and SFTs exposures subject to counterparty credit risk requirements, equity and securitisation exposures.

EAD post-CCF and post-CRM is derived by applying relevant CCFs to committed but undrawn exposures and provisioning is deducted from the outstanding drawn non-performing balances. The Group does not apply CRMI on the standardised portfolio.

		30 June 2025																									
		Risk weight																									
	Portfolio Type	0% $M	20% $M	25% $M	30% $M	35% $M	40% $M	45% $M	50% $M	55% $M	60% $M	65% $M	70% $M	75% $M	80% $M	85% $M	90% $M	95% $M	100% $M	105% $M	110% $M	130% $M	150% $M	>150% $M	1,250% $M	6,250% $M	Total $M
1	Sovereign	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	–	–	–	–	–	–	–	**1**
6	Corporate (incl. SME corporate)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	432	–	–	5	–	507	–	–	–	–	–	**944**
8	SME retail	–	–	–	–	–	–	–	–	–	–	–	–	865	–	–	–	–	–	–	–	–	1	–	–	–	**866**
9	Residential mortgage	–	3,005	2,429	2,997	4,168	1,299	1,000	1,033	154	–	98	7	–	28	19	–	3	1,848	153	–	32	92	–	–	–	**18,365**
	Other retail	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	326	–	–	–	3	–	–	–	**329**
11	Other assets [1]	7,983	2,896	–	–	–	–	–	63	–	49	–	28	1	–	52	5	–	5,112	–	122	–	13	46	–	–	**16,370**
	RBNZ regulated entities	12,643	1,176	–	–	715	737	–	1,012	–	–	–	5	5	–	–	1	–	2,570	–	–	–	7	–	–	–	**18,871**
	Total	**20,626**	**7,077**	**2,429**	**2,997**	**4,883**	**2,036**	**1,000**	**2,108**	**154**	**49**	**98**	**40**	**871**	**28**	**503**	**6**	**3**	**9,862**	**153**	**629**	**32**	**116**	**46**	**–**	**–**	**55,746**

1 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

8.2 Portfolios subject to standardised and supervisory risk weights (continued)

CR5(ii): Standardised approach - exposures amounts and CCFs by risk weight

The table below shows the exposure amounts and CCFs applied to on and off balance sheet exposures, categorised based on risk weight band of converted exposures. The table excludes derivative and SFTs exposures subject to counterparty credit risk requirements, equity and securitisation exposures.

EaD post-CCF and post-CRM is derived by applying relevant CCFs to committed but undrawn exposures and provisioning is deducted from the outstanding drawn non-performing balances. The Group does not apply CRMI on the standardised portfolio.

		30 June 2025			
		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF [1]	Exposure (post-CCF and post-CRM)
	Risk weight	**$M**	**$M**	**%**	**$M**
1	Less than 40%	35,956	4,736	43.4	38,012
2	40–70%	5,280	512	45.8	5,485
3	75%	499	698	53.3	871
	80%	28	–	–	28
4	85%	363	341	41.2	503
5	90–100%	9,464	1,785	43.6	9,871
6	105–130%	558	380	67.1	814
7	150%	127	3	47.9	116
8	250%	46	–	–	46
9	400%	–	–	–	–
10	1250%	–	–	–	–
11	**Total exposures**	**52,321**	**8,455**	**45.4**	**55,746**

1 Weighting is based on off-balance sheet exposure (pre-CCF).

Credit Risk (continued)

8.2 Portfolios subject to standardised and supervisory risk weights (continued)

CR10: IRB (specialised lending under the slotting approach)

The table below shows specialised lending exposures by slotting category, split by residual maturity.

		30 June 2025									
					Exposure amount [1]						
		On-balance sheet amount	Off-balance sheet amount	Risk Weight [2]	PF	OF	CF	IPRE	Total	RWA [1]	Expected Losses
Regulatory categories	**Residual maturity**	$M	$M	%	$M	$M	$M	$M	$M	$M	$M
Strong	Less than 2.5 years	965	384	**70%**	706	119	–	429	1,254	908	5
	Equal to or more than 2.5 years	1,490	366	**70%**	1,270	283	–	134	1,687	1,190	7
Good	Less than 2.5 years	3,615	775	**90%**	1,458	–	229	2,487	4,174	3,981	33
	Equal to or more than 2.5 years	1,368	726	**90%**	1,342	31	–	507	1,880	1,741	15
Satisfactory		957	82	**115%**	153	7	2	672	834	1,037	23
Weak		68	–	**250%**	32	14	–	22	68	176	5
Default		208	–	–	54	–	146	9	209	–	104
Total		**8,671**	**2,333**		**5,015**	**454**	**377**	**4,260**	**10,106**	**9,033**	**192**

1 Includes $4.3 million of exposures and $4.4 million RWA in relation to specialised lending exposures in the Group's RBNZ regulated entities. Pursuant to APRA requirements, the related RWA amounts have been multiplied by a scaling factor of 1.10.

2 Risk-weight (%) exclude APRA's 1.1 scaling factor for specialised lending exposures of the RBNZ regulated banking subsidiary, whereas RWA ($m) is after application of this scaling factor.

8.3 Portfolios subject to internal ratings-based approaches

CRE: Qualitative disclosure related to IRB models

Model development, validation and approval

Model development, validation and monitoring is typically undertaken by different teams within CBA:

- Credit risk model development is undertaken in the Model Development Centre of Excellence (CoE) which sits in the central Group Financial Risk function;
- Model validation is undertaken by the Model Risk and Validation (MRV) CoE which sits in the central Enterprise Risk function. It owns the Model Risk Policy Framework and independently reviews new models, material changes to existing models, and model monitoring outcomes. The framework includes details on development, validation and monitoring controls expected across the model life-cycle; and
- Credit Risk Model Owners are responsible for model monitoring. The Credit risk models are typically owned by divisional Chief Risk Offices (CRO), with the exception being Group-wide models which are owned centrally in Group Financial Risk.

Model governance, including model approval is undertaken by the Executive Leadership Team Financial Risk Committee (ELT FRC) and its delegate committees (e.g. the Model Risk Governance Committee). As per the requirements under APS 113 *Capital Adequacy: Internal Ratings-based Approach to Credit Risk* (APS 113), all new credit risk models or material changes to existing models used for capital purposes must be approved by APRA prior to implementation.

Relationship between Risk Management and Internal Audit

Risk Management is structurally independent from Group Audit & Assurance (GA&A) via separate reporting lines at the Group Executive level. The GA&A Charter notes that GA&A staff must have no direct operational responsibility or authority over any activities audited. Accordingly, they do not implement internal controls, develop procedures, install systems, prepare records or engage in any activity that may impair their professional judgment. Various members of GA&A are standing invitees to the ELT FRC, Model Risk Governance Committee (MRGC) or Sub-Committee (MRGSC).

Independence between model development and review

The divisional CROs that own models and the Group Financial Risk teams that both own and build models have separate structural reporting lines to the Group CRO. These are independent of Enterprise Risk's MRV team, which also reports through to the Group CRO and provides independent review and governance of the models.

Scope and content of credit risk model reporting

There is an extensive suite of quantitative and qualitative board and management reporting which covers model health, data, systems, processes and controls.

Specifically, IRB framework reporting is provided to the Board Risk and Compliance Committee, ELT FRC, ELT Non-Financial Risk Committee (NFRC), MRGC, MRGSC and Business Unit governance forums (e.g. their FRCs and NFRCs).

The primary quantitative metrics for tracking overall credit model health are Board-approved Risk Appetite Statement (RAS) and management risk indicators. RAS indicators include the number of under-performing material models and the quantum of regulatory-enforced overlays. Key risk indicators include (among other things): framework compliance rates, model override rates, the scope of model use and statistics on model findings.

APS 113 Accreditation

The Group, with the exception of some relatively small portfolios, is accredited to use Internal Ratings-based approaches to calculate its capital requirements under APS 113.

Credit Risk Measurement

The measurement of credit risk is based on an internal credit risk rating system which uses expert judgement and analytical PD Rating Models to calculate credit risk estimates, including borrower PD, facility LGD, and facility EAD. These are inputs into the estimation of Expected Loss (EL) and Unexpected Loss (UL) for the credit portfolio.

8.3 Portfolios subject to internal ratings-based approaches (continued)

Probability of Default (PD)

The PD, expressed as a percentage, is the estimate of the population of borrowers or counterparties assigned to a PD grade that will default within a one year period. It reflects a borrower's ability to generate sufficient cash flows in the future to meet the terms of all of its credit obligations to the Group. A summary of PD rating methodology for various segments of the credit portfolio is provided below.

PD rating methodology by portfolio segment

Portfolio Segment	PD Rating Methodology
Sovereign exposures	Expert judgement assigned risk rating, informed but not driven by rating agency views.
Financial Institution exposures (including Banks)	PD Rating Calculator or expert judgement assigned risk rating.
Corporate exposures (including property, agri-business)	Combination of expert judgement and PD Rating Model assigned risk ratings depending on the industry sector.
SME corporate exposures	PD Rating Model and expert judgement assigned risk rating.
SME retail exposures	SME behaviour score assigned PD pools.
Consumer retail exposures (including residential mortgages, qualifying revolving credit and other retail)	Depending on the product, PD pools are assigned using product specific application scorecards, behavioural scorecards, payment status or a combination thereof.

PD estimates are based on a long-run average default rate based on the Group's historical data, supplemented with external data where applicable. Borrower or counterparty risk characteristics and account performance criteria are used to define retail PD pools. Pools may be combined to ensure the number of exposures within a given pool is sufficient to allow quantification of reliable estimates and to facilitate validation of loss characteristics at the pool level.

Models are independently validated and confidence intervals are calculated to statistically demonstrate that PD estimates are adequately calibrated to actual default rates, and for assessing that retail pools meaningfully differentiate risk. PD model results are calibrated to obtain long-run PDs that reflect the central tendency over a full economic cycle.

The credit risk portfolio has two major PD rating segments:

(i) Risk-Rated; and

(ii) Retail Managed.

(i) Risk-Rated Segment

The Risk-rated segment comprises non-retail exposures including corporate, financial institution and sovereign exposures.

The Group assesses the credit risk of risk-rated exposures using a PD Masterscale, which includes 24 PD grades (16 performing, 6 weak/doubtful, 1 restructured and 1 defaulted).

Borrowers that are risk-rated are assigned a PD rating primarily using a PD Rating model or via expert judgement where appropriate.

PD ratings models are statistical models designed to predict the rating of a borrower using information about the customer such as their financial condition, their management capability and integrity, and their account behaviour. The Group has eleven key risk-rated PD models which include general models that cover a variety of industries, and bespoke models for segments such as Agribusiness and Commercial Property.

Under expert judgement, an experienced Credit Officer assigns a rating based on their assessment of the customer and the rating may be influenced by ratings assigned by ECAIs, benchmark rating criteria, management capability and integrity, market or other relevant information.

The PD rating maps to a probability of default estimate, which represents the risk of default over a one-year horizon. The Group uses a Through-The-Cycle (TTC) approach, whereby PD ratings are based on longer term considerations to capture a borrower's ability to perform through a credit cycle.

The Group's PD estimates are subject to regulatory floors i.e. for Corporate and Financial borrowers, a 5 basis points PD floor applies.

PD ratings fall into the following categories:

8.3 Portfolios subject to internal ratings-based approaches (continued)

Probability of Default (PD) (continued)

Internal ratings structure for credit risk exposures and mapping to external ratings

Category	Internal Rating	Probability of Default	S&P Rating	Moody's Rating	Description
Exceptional	A0 to A3	0% - 0.035%	AAA to AA-	Aaa to Aa3	A strong profit history with principal and interest repayments covered by large stable cash operating surpluses.
Very Strong/Strong	B1 to C3	>0.035% - 0.446%	A+ to BBB-	A1 to Baa3	A strongly performing business with principal and interest payments well protected by stable cash operating surpluses.
Good/Satisfactory	D1 to E3	>0.446% - 6.656%	BB+ to B	Ba1 to B2	A soundly performing business with sufficient operating cash surpluses to meet all principal and interest payments.
Weak/Doubtful	F1 to G3	>6.656%	B- to CC	B3 to Ca	Profitability of the business has been weak and the capacity to meet financial commitments is diminished with a potential for default.
Restructured	R	100% [1]	–	–	Concessions of interest and/or principal obligations have been provided due to the borrower's financial difficulty, rending the facility non-commercial to the Group.
Defaulted	H	100%	D	C	Default (as defined in section CR1).

1 From January 2023 onwards.

Assignment of PD ratings are reviewed at least annually with higher risk exposures being reviewed more frequently. Rating reviews are also initiated when material new information on a borrower is available or there is a request for new credit.

(ii) Retail Managed Segment

This segment has nine key PD models for sub-segments covering housing loan, credit card, personal loan facilities, and personal overdrafts. It also includes two key PD models for SME retail and asset finance which covers most non-retail lending where the aggregated credit exposure to a group of related borrowers or counterparties is less than $1.5 million.

These retail PD models generally use scorecards to risk rank exposures based on information such as loan (e.g. loan to value ratio) and product (e.g. owner occupied) characteristics. These scorecards, or other segmentation approaches, are used to assign exposures to PD pools. Each PD pool has an associated PD estimate which measures the long-run probability of default. Borrowers with similar risk characteristics, products and subject to the same origination process are allocated the same PD.

The Group's retail PD estimates are subject to regulatory floors i.e. 5 basis points floor exists for all retail portfolios and 10 basis points floor for qualifying revolving retail (QRR) exposures that are classified as revolvers.

Portfolios in the Retail Managed Segment are managed using behavioural scoring systems and a delinquency band approach (e.g. actions taken when loan payments are greater than 30 days past due differ from actions when payments are greater than 60 days past due) and are reviewed by the relevant Risk Management team.

Retail exposures are classified as secured or unsecured. Unsecured facilities (e.g. credit cards) are generally written off once they reach 180 days past due (unless arrangements have been made between the borrower and the Group).

Retail exposures are classified as non-performing when payment on a facility is 90 days or more past due, or there are indications of unlikeliness to pay (e.g. a write-off amount exists against the facility).

Common PD, EAD and LGD methodologies are followed in constructing the internal ratings process for residential mortgages, qualifying revolving retail exposures and other retail advances.

8.3 Portfolios subject to internal ratings-based approaches (continued)

Loss Given Default (LGD)

LGDs are derived using data from accounts that were in default during any given month within the modelling observation period.

LGD is estimated as the net present value of the post default loss, including an allowance for internal and external costs, expressed as a percentage of the EAD.

Amounts recovered and the associated costs of recovery after the point of default are discounted using an appropriate discount rate inclusive of a risk premium.

LGD is impacted by:

- The level of security cover and the type of collateral held;
- Liquidity and volatility of collateral value;
- Carrying costs (effectively the costs of providing a facility that is not generating an interest return); and
- Realisation costs.

For calculating regulatory capital an estimated downturn LGD is used that reflects likely recovery rates under stressed economic conditions. Models are independently validated and back-testing of actual losses is performed to assess the adequacy of LGD estimates.It is recognised that some accounts will cure after entering default. Cure rates are an important aspect of estimating a downturn LGD that is consistent with economic recession conditions. LGD estimates may be adjusted for exposures that have remained in default for a long time period (e.g. more than five years) and are not yet finalised.

For large corporate, corporate, SME corporate and SME retail borrowers or counterparties, where collateral is provided as security, an LGD rating is applied based on the security cover ratio, after taking into consideration the security lending margins applied to various security asset types. The LGD rating provides an estimate of the likely loss in the event of default, based on past experience. Secured commercial exposures receive an LGD rating of A-F. By way of examples:

- An LGD rating of A is applied only to very well secured exposures where the security cover ratio exceeds 140%;
- An LGD rating of C reflects a security cover ratio of 100%; and
- An LGD rating of F applies where the security cover is greater than 0% and less than 40%.

Across the group there are two key LGD models that cover these portfolios with the split based on those that are SME retail, and non SME retail borrowers. A specialist asset finance LGD model is also used where the underlying exposure is to finance an asset.

For retail exposures, accounts are segmented into homogeneous LGD pools based on product/loan type, secured/unsecured status, Current Loan to Value ratio, and other relevant attributes. The LGD modelling approach for Australian retail exposures secured by residential real estate considers the likelihood of liquidation and a collateral haircut model which determines the loss given liquidation.

The Group has policies, standards and procedures in place setting out the circumstances where acceptable and appropriate collateral is to be taken, including valuation parameters, review frequency and independence of valuation.

Collateral types are discussed in further detail in section 8.4 Credit Risk Mitigation.

Exposure at Default (EAD)

EAD is the estimate of the amount of the facility that will be outstanding at default. For facilities already in default, it is the actual amount outstanding.

EAD for loans and commitments is based on the amount outstanding, plus the amount undrawn multiplied by a Credit Conversion Factor (CCF). The CCF represents the amount by which the undrawn limit is expected to be drawn as a facility enters default.

For non-retail and non-revolving retail exposures, the Group uses Supervisory CCF estimates, as prescribed under APS 113. There are different CCFs depending on the type of commitment e.g. trade facilities, performance guarantees, facilities with certain drawdown.

For revolving retail exposures, CCF is modelled using factors including limit usage, arrears and loan type. Retail CCF estimates are subject to regulatory floors based on the type of commitment.

Expected Loss (EL)

Regulatory EL is a hybrid measure of expected stressed loss and is calculated by multiplying PD, Downturn LGD and EAD for non-defaulted exposures. For defaulted exposures EL is calculated as follows:

- supervisory factors for exposures subject to supervisory slotting (e.g. project finance, corporate finance, object finance exposures);
- the Best Estimate of Expected Loss (BEEL) for exposures under the advanced approaches. For CBA this is estimated as the provisions assigned to defaulted exposure; and
- LGD multiplied by EAD for exposures subject to the Foundation IRB approach (e.g. large corporate, sovereign and financial institution exposures).

Credit Risk (continued)

8.3 Portfolios subject to internal ratings-based approaches (continued)

Unexpected Loss (UL)

The Group holds capital to cover for Unexpected Losses. In the APRA capital framework, capital is held to cover losses up to a 99.9% percentile.

Uses of Internal Estimate of Credit Risk Components other than for Regulatory Purposes

The Group uses its credit risk factors for a number of purposes:

- *Management of credit risk concentrations*: through the Large Credit Exposure, Industry Sector Concentration and Country Risk Exposure policies;
- *Loan origination and credit quality control*: through the generation and monitoring of credit risk ratings and setting of risk appetite;
- *Calculation of collective provisions*: the PD and LGD non-retail grades are used to inform collective provisioning amounts;
- *Capital Budgeting*: through modelling of business plans under expected and stressed scenarios; and
- *Aligning risk culture to the Group's risk appetite*: through its internal risk-based pricing performance framework, which ensures the Group generates appropriate economic returns through its pricing framework at both a transaction level and a portfolio level. This is done by factoring long-run EL into interest margins and fees and implementation of Profit After Capital Charge and Return on Target Equity frameworks.

Credit Risk Ratings

The Group has a central Credit Risk Rating matrix which maps the PD and long-run LGD to a number which broadly aligns with expected loss bands.

Credit Risk (continued)

8.3 Portfolios subject to internal ratings-based approaches (continued)

CR6: IRB - Credit risk exposures by portfolio and PD range

The table below shows the detailed key parameters used for the calculation of capital requirements of credit risk exposure under the IRB approach, broken down by asset class and PD range.

Subject to AIRB approach		30 June 2025											
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD [1]	Number of borrowers	Average LGD	Average maturity	RWA [2]	RWA density [3]	Expected Loss	Provisions
Portfolio Type	PD Range	$M	$M	%	$M	%		%	Years	$M	%	$M	$M
Corporate	0.00 to <0.15	6,430	2,279	41	7,336	0.07	260	28	2.7	1,460	20	2	
(incl. SME corporate)	0.15 to <0.25	15,946	3,885	43	17,617	0.21	696	27	2.5	6,311	36	10	
	0.25 to <0.50	17,233	3,891	45	19,003	0.37	1,398	23	2.2	7,220	38	16	
	0.50 to <0.75	18,944	5,112	58	21,899	0.55	3,778	23	1.8	9,541	44	28	
	0.75 to <2.50	80,148	16,858	52	88,800	1.27	22,275	24	1.8	49,261	55	275	
	2.50 to <10.00	22,326	3,272	50	23,952	4.00	10,394	25	1.4	17,021	71	236	
	10.00 to <100.00	2,432	291	48	2,571	26.92	1,019	28	1.3	3,775	147	194	
	100.00 (Default)	1,891	129	47	1,952	100.00	1,690	30	1.6	2,344	120	662	
	Sub-total	**165,350**	**35,717**	**50**	**183,130**	**2.71**	**41,510**	**25**	**1.9**	**96,933**	**53**	**1,423**	**2,112**
SME retail	0.00 to <0.15	26	457	100	483	0.10	10,169	49		67	14	–	
	0.15 to <0.25	179	687	100	865	0.19	12,626	40		160	18	1	
	0.25 to <0.50	993	1,248	100	2,241	0.39	20,987	34		555	25	3	
	0.50 to <0.75	138	1	100	139	0.55	5,455	37		43	31	–	
	0.75 to <2.50	6,672	2,054	100	8,726	1.36	52,507	36		4,131	47	44	
	2.50 to <10.00	3,860	1,329	100	5,189	4.16	64,053	39		3,894	75	79	
	10.00 to <100.00	1,460	174	100	1,633	17.85	8,364	35		1,748	107	106	
	100.00 (Default)	329	27	100	357	100.00	3,107	44		725	203	134	
	Sub-total	**13,657**	**5,977**	**100**	**19,633**	**5.06**	**177,268**	**37**		**11,323**	**58**	**367**	**276**

1 Average PD is calculated using EAD at the end of the period.
2 Includes RWA overlays.
3 RWA density is calculated based on unrounded numbers.

Credit Risk (continued)

8.3 Portfolios subject to internal ratings-based approaches (continued)

CR6: IRB – Credit risk exposures by portfolio and PD range

		30 June 2025											
Subject to AIRB approach		**Original on-balance sheet gross exposure**	**Off-balance sheet exposures pre CCF**	**Average CCF**	**EAD post CRM and post-CCF**	**Average PD [1]**	**Number of borrowers**	**Average LGD**	**Average maturity**	**RWA [2]**	**RWA density [3]**	**Expected Loss**	**Provisions**
Portfolio Type	**PD Range**	**$M**	**$M**	**%**	**$M**	**%**		**%**	**Years**	**$M**	**%**	**$M**	**$M**
Residential mortgage	0.00 to <0.15	227,654	53,855	100	281,508	0.08	742,470	14		18,014	6	31	
	0.15 to <0.25	101,884	12,498	100	114,382	0.18	302,015	16		11,223	10	32	
	0.25 to <0.50	88,288	6,877	100	95,166	0.34	249,481	17		15,803	17	54	
	0.50 to <0.75	52,563	2,107	100	54,671	0.57	151,009	18		13,767	25	54	
	0.75 to <2.50	99,351	2,277	100	101,627	1.34	282,242	17		44,472	44	236	
	2.50 to <10.00	36,294	153	100	36,447	3.82	109,963	18		31,087	85	257	
	10.00 to <100.00	1,012	5	100	1,017	16.66	3,216	16		1,388	137	27	
	100.00 (Default)	6,187	15	100	6,202	100.00	16,499	20		13,389	216	285	
	Sub-total	**613,233**	**77,787**	**100**	**691,020**	**1.47**	**1,856,895**	**16**		**149,143**	**22**	**976**	**1,768**
Qualifying revolving retail	0.00 to <0.15	3,485	12,525	87	14,372	0.10	1,633,727	85		808	6	12	
	0.15 to <0.25	86	570	65	455	0.19	81,868	81		41	9	1	
	0.25 to <0.50	927	2,104	80	2,611	0.31	381,698	84		371	14	7	
	0.50 to <0.75	9	47	80	47	0.60	5,336	85		11	24	–	
	0.75 to <2.50	1,904	1,327	92	3,130	1.24	398,227	84		1,287	41	33	
	2.50 to <10.00	1,542	325	103	1,878	5.12	253,280	84		2,064	110	81	
	10.00 to <100.00	190	21	126	216	36.22	204,903	84		461	213	66	
	100.00 (Default)	71	5	89	75	100.00	13,176	85		167	224	51	
	Sub-total	**8,214**	**16,924**	**86**	**22,784**	**1.37**	**2,972,215**	**85**		**5,210**	**23**	**251**	**413**
Other retail	0.00 to <0.15	1	33	99	34	0.10	9,943	107		10	29	–	
	0.15 to <0.25	–	–	–	–	–	1	–		–	–	–	
	0.25 to <0.50	308	64	100	372	0.30	31,608	76		166	45	1	
	0.50 to <0.75	413	213	100	626	0.66	139,355	87		498	79	4	
	0.75 to <2.50	3,862	803	100	4,663	1.45	393,480	58		3,457	74	42	
	2.50 to <10.00	2,350	77	100	2,427	4.57	190,063	84		3,263	134	93	
	10.00 to <100.00	640	45	100	686	21.50	924,620	87		1,463	213	129	
	100.00 (Default)	115	1	100	116	100.00	23,141	85		166	143	87	
	Sub-total	**7,689**	**1,236**	**100**	**8,924**	**5.02**	**1,712,211**	**71**		**9,023**	**101**	**356**	**521**

1 Average PD is calculated using EAD at the end of the period.
2 Includes RWA overlays.
3 RWA density is calculated based on unrounded numbers.

Credit Risk (continued)

8.3 Portfolios subject to internal ratings-based approaches (continued)

CR6: IRB – Credit risk exposures by portfolio and PD range

Subject to AIRB approach		30 June 2025											
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD [1]	Number of borrowers	Average LGD	Average maturity	RWA [2]	RWA density [3]	Expected Loss	Provisions
Portfolio Type	PD Range	$M	$M	%	$M	%		%	Years	$M	%	$M	$M
RBNZ regulated entities													
Non-retail	0.00 to <0.15	741	584	95	1,293	0.07	66	54	2.2	385	30	–	
	0.15 to <0.25	2,928	1,063	87	3,854	0.22	715	34	1.8	1,279	33	3	
	0.25 to <0.50	3,355	752	85	3,995	0.37	847	28	1.9	1,473	37	4	
	0.50 to <0.75	5,095	932	81	5,854	0.55	1,583	27	1.8	2,623	45	9	
	0.75 to <2.50	11,191	1,815	81	12,667	1.14	4,910	25	1.8	6,568	52	37	
	2.50 to <10.00	1,515	179	71	1,642	4.21	883	27	1.6	1,390	85	20	
	10.00 to <100.00	290	97	94	381	20.71	144	34	1.0	697	183	26	
	100.00 (Default)	255	20	89	273	100.00	129	39	1.2	624	228	73	
	Sub-total	**25,370**	**5,442**	**84**	**29,959**	**2.07**	**9,277**	**29**	**1.8**	**15,039**	**50**	**172**	**302**
RBNZ regulated entities													
Retail	0.00 to <0.15	8,356	4,106	100	12,461	0.15	74,830	15		746	6	3	
	0.15 to <0.25	–	–	–	–	–	–	–		–	–	–	
	0.25 to <0.50	16,109	2,207	100	18,316	0.45	197,387	21		3,259	18	17	
	0.50 to <0.75	12,021	1,009	100	13,030	0.66	103,129	21		3,087	24	18	
	0.75 to <2.50	29,668	1,564	100	31,232	1.22	305,446	23		12,305	39	88	
	2.50 to <10.00	7,339	182	100	7,522	2.97	97,496	25		5,534	74	57	
	10.00 to <100.00	–	–	–	–	–	–	–		–	–	–	
	100.00 (Default)	1,594	11	100	1,605	100.00	11,080	23		3,433	214	129	
	Sub-total	**75,087**	**9,079**	**100**	**84,166**	**2.85**	**789,368**	**21**		**28,364**	**34**	**312**	**241**
Total subject to AIRB approach		**908,600**	**152,162**	**73**	**1,039,616**	**1.61**	**7,558,744**	**21**	**1.9**	**315,035**	**28**	**3,857**	**5,633**

1 Average PD is calculated using EAD at the end of the period.
2 Includes RWA overlays.
3 RWA density is calculated based on unrounded numbers.

Credit Risk (continued)

8.3 Portfolios subject to internal ratings-based approaches (continued)

CR6: IRB – Credit risk exposures by portfolio and PD range

Subject to FIRB approach		30 June 2025											
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD [1]	Number of borrowers	Average LGD	Average maturity	RWA [2]	RWA density [3]	Expected Loss	Provisions
Portfolio Type	PD Range	$M	$M	%	$M	%		%	Years	$M	%	$M	$M
Corporate - Large	0.00 to <0.15	7,853	9,807	43	12,086	0.07	208	42	2.3	2,858	24	4	
	0.15 to <0.25	11,742	12,288	44	17,120	0.21	427	43	2.4	7,837	46	16	
	0.25 to <0.50	6,026	6,668	47	9,169	0.37	417	43	2.2	5,609	61	15	
	0.50 to <0.75	4,672	2,641	47	5,909	0.55	238	37	2.6	4,308	73	12	
	0.75 to <2.50	4,555	3,127	50	6,026	1.16	408	41	2.5	6,187	103	29	
	2.50 to <10.00	183	263	62	337	3.37	94	42	1.4	416	123	4	
	10.00 to <100.00	103	163	48	182	20.45	10	46	1.0	452	248	17	
	100.00 (Default)	129	117	45	181	100.00	4	49	1.5	–	–	89	
	Sub-total	**35,263**	**35,074**	**45**	**51,010**	**0.80**	**1,806**	**42**	**2.4**	**27,667**	**54**	**186**	**348**
Sovereign	0.00 to <0.15	140,082	3,163	17	140,068	0.02	327	7	2.8	2,342	2	2	
	0.15 to <0.25	265	82	33	292	0.25	132	25	3.4	103	35	–	
	0.25 to <0.50	–	–	69	–	0.37	8	32	1.0	–	34	–	
	0.50 to <0.75	1	4	40	3	0.55	6	50	1.0	2	67	–	
	0.75 to <2.50	–	1	49	–	1.82	14	4	1.0	–	9	–	
	2.50 to <10.00	–	–	40	–	5.05	1	50	1.0	–	162	–	
	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
	Sub-total	**140,348**	**3,250**	**17**	**140,363**	**0.02**	**488**	**7**	**2.8**	**2,447**	**2**	**2**	**5**

1 Average PD is calculated using EAD at the end of the period.
2 Includes RWA overlays.
3 RWA density is calculated based on unrounded numbers.

Credit Risk (continued)

8.3 Portfolios subject to internal ratings-based approaches (continued)

CR6: IRB – Credit risk exposures by portfolio and PD range

Subject to FIRB approach		30 June 2025											
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD [1]	Number of borrowers	Average LGD	Average maturity	RWA [2]	RWA density [3]	Expected Loss	Provisions
Portfolio Type	**PD Range**	**$M**	**$M**	**%**	**$M**	**%**		**%**	**Years**	**$M**	**%**	**$M**	**$M**
Financial institution	0.00 to <0.15	23,776	21,223	31	30,900	0.06	466	49	1.2	6,754	22	9	
	0.15 to <0.25	1,654	1,631	50	2,467	0.19	141	51	1.3	1,238	50	2	
	0.25 to <0.50	677	411	45	863	0.37	56	53	2.3	851	99	2	
	0.50 to <0.75	123	119	73	210	0.55	38	43	1.9	187	89	–	
	0.75 to <2.50	497	292	40	580	1.06	111	30	1.9	475	82	2	
	2.50 to <10.00	4	1	68	5	5.32	24	31	1.5	6	125	–	
	10.00 to <100.00	–	–	–	–	–	1	–	–	–	–	–	
	100.00 (Default)	3	–	56	4	100.00	6	47	1.1	–	–	2	
	Sub-total	**26,734**	**23,677**	**33**	**35,029**	**0.11**	**843**	**49**	**1.3**	**9,511**	**27**	**17**	**30**
Total subject to FIRB approach		**202,345**	**62,001**	**39**	**226,402**	**0.21**	**3,137**	**21**	**2.5**	**39,625**	**18**	**205**	**383**
All Portfolios		**1,110,945**	**214,163**	**73**	**1,266,018**	**1.61**	**7,561,881**	**21**	**2.2**	**354,660**	**28**	**4,062**	**6,016**

1 Average PD is calculated using EAD at the end of the period.
2 Includes RWA overlays.
3 RWA density is calculated based on unrounded numbers.

8.3 Portfolios subject to internal ratings-based approaches (continued)

CR7: IRB – Effect on RWA of credit derivatives used as CRM techniques

The table below provides a breakdown of IRB credit risk RWAs before and after credit derivatives CRM effects. The table excludes securitisation positions, equity, and non-credit obligation assets. The use of credit derivatives as a CRM technique has insignificant impact on the Group's RWA results.

	30 June 2025	
	Pre-credit derivatives RWA	Actual RWA
Portfolio Type	$M	$M
Subject to AIRB approach		
Corporate (incl. SME corporate)	96,933	96,933
SME retail	11,323	11,323
Residential mortgage	149,143	149,143
Qualifying revolving retail	5,210	5,210
Other retail	9,023	9,023
Total AIRB approach	**271,632**	**271,632**
Subject to FIRB approach		
Corporate - large	27,671	27,667
Sovereign	2,447	2,447
Financial Institution	9,511	9,511
Total FIRB approach	**39,629**	**39,625**
Specialised lending	4,675	4,675
RBNZ regulated entities	47,761	47,761
Total	**363,697**	**363,693**

CR8: RWA flow statements of credit risk exposures under IRB

The following table summarises the movements of credit RWA under the Internal Ratings Based (IRB) Approach. The table excludes derivative and SFTs exposures subject to counterparty credit risk requirements, equity and securitisation exposures. Details on the key drivers of the movements in credit RWA are provided on page 16.

		RWA amounts		
		Quarter ended		Half year ended
		30 Jun 25	31 Mar 25	30 Jun 25
		$M	$M	$M
1	**RWA as at end of previous reporting period**	**353,941**	349,191	**349,191**
2	Asset size [1]	**8,641**	5,146	**13,787**
3	Asset quality	**(1,958)**	(586)	**(2,544)**
4	Model updates [2]	**2,540**	–	**2,540**
5	Methodology and policy	**(201)**	–	**(201)**
6	Acquisitions and disposals	**–**	–	**–**
7	Foreign exchange movements	**730**	190	**920**
8	Other	**–**	–	**–**
9	**RWA as at end of reporting period**	**363,693**	353,941	**363,693**

1 Includes organic changes in book size (including origination of new businesses and maturing loans) but excludes changes in book size resulting from acquisition or disposal of entities.

2 Includes a $2.4 billion self-imposed residential mortgage risk weight floor (31 March 2025: $nil).

Credit Risk (continued)

8.3 Portfolios subject to internal ratings-based approaches (continued)

CR9: IRB – Backtesting of probability of default (PD) per portfolio

The table below provides a comparison of the PD used in the Group's IRB models with the effective default rates of the Group's borrowers in order to validate the reliability of PD calculations for exposures. The data is computed for the 12-month period from 1 April 2024 to 31 March 2025 for all portfolio types. The information does not include the impact of RWA overlays and risk floors.

Subject to AIRB approach		External rating equivalent	External rating equivalent	Weighted average PD	Arithmetic average PD by borrowers	Number of borrowers: End of previous year	Number of borrowers: End of the year	Non-performing borrowers in the year	of which: new non-performing borrowers in the year	Average historical annual default rate [2]
Portfolio Type	**PD Range [1]**	**S&P**	**Moodys**	**%**	**%**	**#**	**#**	**#**	**#**	**%**
Corporate (incl. SME corporate)	0.00 to <0.15	AAA to A-	Aaa - A3	0.07	0.08	258	233	–	–	–
	0.15 to <0.25	BBB+ to BBB	Baa1 to Baa2	0.21	0.23	1,045	637	2	–	0.07
	0.25 to <0.50	BBB-	Baa3	0.37	0.37	1,497	1,259	–	–	0.25
	0.50 to <0.75	BB+	Ba1	0.55	0.55	4,717	3,485	18	–	0.43
	0.75 to <2.50	BB to BB-	Ba2 to Ba3	1.24	1.29	20,838	19,644	127	3	1.08
	2.50 to <10.00	B+ to B-	B1 to B3	4.04	3.86	5,009	9,624	104	1	3.59
	10.00 to <100.00	CCC+ to CCC-	Caa1 to Caa3	26.17	26.61	929	945	191	–	26.31
	100.00 (Default)	D	Ca to C	100.00	100.00	1,258	1,209			
SME retail	0.00 to <0.15	AAA to A-	Aaa - A3	0.10	0.10	10,605	10,101	6	–	0.09
	0.15 to <0.25	BBB+ to BBB	Baa1 to Baa2	0.19	0.19	12,940	12,697	37	2	0.20
	0.25 to <0.50	BBB-	Baa3	0.39	0.39	21,036	20,778	102	2	0.37
	0.50 to <0.75	BB+	Ba1	0.55	0.55	6,686	5,792	24	1	0.52
	0.75 to <2.50	BB to BB-	Ba2 to Ba3	1.37	1.26	55,021	52,647	637	32	0.93
	2.50 to <10.00	B+ to B-	B1 to B3	4.16	3.26	69,578	65,422	1,632	26	2.61
	10.00 to <100.00	CCC+ to CCC-	Caa1 to Caa3	17.36	19.13	7,302	8,331	1,096	6	15.56
	100.00 (Default)	D	Ca to C	100.00	100.00	2,425	2,670			
Residential mortgage	0.00 to <0.15	AAA to A-	Aaa - A3	0.07	0.07	718,884	730,204	1,045	28	0.07
	0.15 to <0.25	BBB+ to BBB	Baa1 to Baa2	0.18	0.18	289,979	296,933	933	39	0.16
	0.25 to <0.50	BBB-	Baa3	0.34	0.34	243,884	245,165	1,331	50	0.29
	0.50 to <0.75	BB+	Ba1	0.57	0.57	158,362	149,637	1,384	44	0.46
	0.75 to <2.50	BB to BB-	Ba2 to Ba3	1.39	1.39	312,430	287,846	4,826	85	1.06
	2.50 to <10.00	B+ to B-	B1 to B3	3.86	3.96	116,121	105,737	3,831	276	2.80
	10.00 to <100.00	CCC+ to CCC-	Caa1 to Caa3	16.66	16.66	2,825	2,594	352	–	13.32
	100.00 (Default)	D	Ca to C	100.00	100.00	14,145	16,296			

1 The Group's internal PD grades have been mapped to the fixed PD ranges defined for disclosure, with the midpoints of the grades sitting within the range.

2 The average historical default rate is calculated using data from 2014 based on the asset class determined by the relevant regulatory standards at the time.

Credit Risk (continued)

8.3 Portfolios subject to internal ratings-based approaches (continued)

Subject to AIRB approach		External rating equivalent	External rating equivalent	Weighted average PD	Arithmetic average PD by borrowers	Number of borrowers		Non-performing borrowers in the year	of which: new non-performing borrowers in the year	Average historical annual default rate [2]
						End of previous year	End of the year			
Portfolio Type	PD Range [1]	S&P	Moodys	%	%	#	#	#	#	%
Qualifying revolving retail	0.00 to <0.15	AAA to A-	Aaa - A3	0.10	0.10	1,596,694	1,611,336	1,042	12	0.11
	0.15 to <0.25	BBB+ to BBB	Baa1 to Baa2	0.19	0.19	78,929	81,445	116	5	0.16
	0.25 to <0.50	BBB-	Baa3	0.31	0.31	394,724	355,541	1,252	47	0.29
	0.50 to <0.75	BB+	Ba1	0.60	0.60	5,164	4,983	37	25	0.40
	0.75 to <2.50	BB to BB-	Ba2 to Ba3	1.22	1.22	396,093	387,823	4,425	338	0.91
	2.50 to <10.00	B+ to B-	B1 to B3	5.30	5.69	261,930	257,864	15,592	1,477	4.97
	10.00 to <100.00	CCC+ to CCC-	Caa1 to Caa3	35.06	36.04	26,413	25,591	8,656	280	25.07
	100.00 (Default)	D	Ca to C	100.00	100.00	12,784	13,136			
Other retail [3]	0.00 to <0.15	AAA to A-	Aaa - A3	0.09	0.10	10,582	10,087	17	–	0.10
	0.15 to <0.25	BBB+ to BBB	Baa1 to Baa2	0.19	0.19	15	14	–	–	0.38
	0.25 to <0.50	BBB-	Baa3	0.30	0.32	29,352	31,011	91	12	0.24
	0.50 to <0.75	BB+	Ba1	0.66	0.66	144,248	140,436	737	47	0.54
	0.75 to <2.50	BB to BB-	Ba2 to Ba3	1.79	1.68	361,592	358,591	4,457	681	1.22
	2.50 to <10.00	B+ to B-	B1 to B3	4.61	4.45	188,075	186,419	6,885	1,313	3.17
	10.00 to <100.00	CCC+ to CCC-	Caa1 to Caa3	21.84	19.50	248,377	288,781	60,723	27,072	16.52
	100.00 (Default)	D	Ca to C	100.00	100.00	23,242	20,981			
Specialised lending	0.00 to <0.15	AAA to A-	Aaa - A3	0.09	0.09	–	7	–	–	1.90
	0.15 to <0.25	BBB+ to BBB	Baa1 to Baa2	0.19	0.20	21	22	–	–	–
	0.25 to <0.50	BBB-	Baa3	0.37	0.37	24	17	–	–	–
	0.50 to <0.75	BB+	Ba1	0.55	0.55	19	19	–	–	–
	0.75 to <2.50	BB to BB-	Ba2 to Ba3	1.21	1.20	19	27	–	–	1.38
	2.50 to <10.00	B+ to B-	B1 to B3	4.45	4.34	3	8	–	–	3.99
	10.00 to <100.00	CCC+ to CCC-	Caa1 to Caa3	15.21	15.21	1	1	–	–	27.57
	100.00 (Default)	D	Ca to C	100.00	100.00	2	2			

1 The Group's internal PD grades have been mapped to the fixed PD ranges defined for disclosure, with the midpoints of the grades sitting within the range.
2 The average historical default rate is calculated using data from 2014 based on the asset class determined by the relevant regulatory standards at the time.
3 Includes borrowers with newly funded transaction accounts that became non-performing due to being overdrawn during the observation period.

Credit Risk (continued)

8.3 Portfolios subject to internal ratings-based approaches (continued)

CR9: IRB - Backtesting of probability of default (PD) per portfolio (continued)

Subject to AIRB approach		External rating equivalent	External rating equivalent	Weighted average PD	Arithmetic average PD by borrowers	Number of borrowers: End of previous year	Number of borrowers: End of the year	Non-performing borrowers in the year	of which: new non-performing borrowers in the year	Average historical annual default rate [2]
Portfolio Type	**PD Range [1]**	**S&P**	**Moodys**	**%**	**%**	**#**	**#**	**#**	**#**	**%**
RBNZ regulated entities										
Non-retail	0.00 to <0.15	AAA to A-	Aaa - A3	0.08	0.08	45	63	–	–	–
	0.15 to <0.25	BBB+ to BBB	Baa1 to Baa2	0.21	0.21	686	720	–	–	0.06
	0.25 to <0.50	BBB-	Baa3	0.37	0.37	738	857	–	–	0.02
	0.50 to <0.75	BB+	Ba1	0.55	0.55	1,585	1,602	–	–	0.40
	0.75 to <2.50	BB to BB-	Ba2 to Ba3	1.16	1.21	5,143	5,465	35	–	0.54
	2.50 to <10.00	B+ to B-	B1 to B3	4.21	4.18	1,009	1,133	32	–	2.25
	10.00 to <100.00	CCC+ to CCC-	Caa1 to Caa3	22.99	22.29	151	162	41	–	17.52
	100.00 (Default)	D	Ca to C	100.00	100.00	102	162			
Retail	0.00 to <0.15	AAA to A-	Aaa - A3	0.15	0.15	67,861	72,690	354	44	0.24
	0.15 to <0.25	BBB+ to BBB	Baa1 to Baa2	–	–	–	–	–	–	0.20
	0.25 to <0.50	BBB-	Baa3	0.45	0.39	197,235	194,394	1,617	71	0.39
	0.50 to <0.75	BB+	Ba1	0.66	0.66	106,004	102,486	1,328	60	0.56
	0.75 to <2.50	BB to BB-	Ba2 to Ba3	1.21	1.29	282,393	302,224	5,908	255	0.69
	2.50 to <10.00	B+ to B-	B1 to B3	2.99	3.22	116,002	103,081	3,871	161	2.61
	10.00 to <100.00	CCC+ to CCC-	Caa1 to Caa3	–	–	–	–	–	–	4.85
	100.00 (Default)	D	Ca to C	100.00	100.00	10,222	11,002			

1 The Group's internal PD grades have been mapped to the fixed PD ranges defined for disclosure, with the midpoints of the grades sitting within the range.
2 The average historical default rate is calculated using data from 2014 based on the asset class determined by the relevant regulatory standards at the time.

Credit Risk (continued)

8.3 Portfolios subject to internal ratings-based approaches (continued)

CR9: IRB - Backtesting of probability of default (PD) per portfolio (continued)

Subject to FIRB approach		External rating equivalent	External rating equivalent	Weighted average PD	Arithmetic average PD by borrowers	Number of borrowers: End of previous year	Number of borrowers: End of the year	Non-performing borrowers in the year	of which: new non-performing borrowers in the year	Average historical annual default rate [2]
Portfolio Type	**PD Range [1]**	**S&P**	**Moodys**	**%**	**%**	**#**	**#**	**#**	**#**	**%**
Corporate - Large	0.00 to <0.15	AAA to A-	Aaa - A3	0.07	0.07	157	160	–	–	0.08
	0.15 to <0.25	BBB+ to BBB	Baa1 to Baa2	0.21	0.20	304	330	–	–	0.03
	0.25 to <0.50	BBB-	Baa3	0.37	0.37	303	336	–	–	0.18
	0.50 to <0.75	BB+	Ba1	0.55	0.55	207	201	–	–	0.29
	0.75 to <2.50	BB to BB-	Ba2 to Ba3	1.04	1.15	292	330	–	–	1.40
	2.50 to <10.00	B+ to B-	B1 to B3	3.80	4.55	76	102	–	–	3.68
	10.00 to <100.00	CCC+ to CCC-	Caa1 to Caa3	32.70	18.58	12	6	1	–	43.04
	100.00 (Default)	D	Ca to C	100.00	100.00	4	4			
Sovereign	0.00 to <0.15	AAA to A-	Aaa - A3	0.02	0.03	288	295	–	–	–
	0.15 to <0.25	BBB+ to BBB	Baa1 to Baa2	0.22	0.24	112	115	–	–	–
	0.25 to <0.50	BBB-	Baa3	0.37	0.37	6	5	–	–	–
	0.50 to <0.75	BB+	Ba1	0.55	0.55	3	6	–	–	–
	0.75 to <2.50	BB to BB-	Ba2 to Ba3	0.87	0.95	3	13	–	–	–
	2.50 to <10.00	B+ to B-	B1 to B3	5.05	5.05	3	2	–	–	–
	10.00 to <100.00	CCC+ to CCC-	Caa1 to Caa3	31.00	31.00	–	–	–	–	–
	100.00 (Default)	D	Ca to C	100.00	100.00	–	–			
Financial institution	0.00 to <0.15	AAA to A-	Aaa - A3	0.06	0.06	742	798	–	–	–
	0.15 to <0.25	BBB+ to BBB	Baa1 to Baa2	0.19	0.20	164	191	–	–	–
	0.25 to <0.50	BBB-	Baa3	0.37	0.37	52	41	–	–	–
	0.50 to <0.75	BB+	Ba1	0.55	0.55	36	36	–	–	–
	0.75 to <2.50	BB to BB-	Ba2 to Ba3	0.98	1.28	132	170	–	–	–
	2.50 to <10.00	B+ to B-	B1 to B3	3.76	4.72	27	47	–	–	–
	10.00 to <100.00	CCC+ to CCC-	Caa1 to Caa3	15.21	15.21	2	11	–	–	–
	100.00 (Default)	D	Ca to C	100.00	100.00	3	3			

1 The Group's internal PD grades have been mapped to the fixed PD ranges defined for disclosure, with the midpoints of the grades sitting within the range.
2 The average historical default rate is calculated using data from 2014 based on the asset class determined by the relevant regulatory standards at the time.

Credit Risk (continued)

8.4 Credit risk mitigation

CRC: Qualitative disclosure related to credit risk mitigation techniques

Collateral

The Group has policies, standards and procedures in place setting out the acceptable collateral for mitigating credit risk. These include valuation parameters, review frequency and independence of valuation.

The collateral type, value, liquidity, realisation costs, security lending margin and loss experience are key determinants of the LGD percentage that is assigned to a credit risk exposure. Collateral held for any credit facility is valued, recorded and controlled in the manner explained below.

Real Estate Collateral

Real estate collateral values can only be used for assigning secured or partially secured LGD estimates where the following criteria are met:

- Objective market value of collateral - the collateral must be valued by an independent valuer or via an approved alternative valuation approach at no more than the current fair value taking into account the prevailing market conditions including the time taken for the liquidation or realisation of the collateral;
- Revaluation - the Group monitors the value of collateral and updates the value, when appropriate, so that the value is current;
- Insurance - steps are taken to ensure that property taken as collateral is adequately insured at origination, with documentation requiring the borrower or counterparty to maintain adequate insurance over the life of the credit exposure;
- Prior claim - other parties may have senior claims to the Group on an asset offered for collateral. For example, council rates and land tax usually benefit from specific legal protection. The impact of such claims needs to be considered when assessing collateral values; and
- Environment - the risk of environmental liability arising in respect of the collateral must be appropriately assessed, monitored and where appropriate, reflected in the valuation of collateral.

Home loans must be secured by mortgages over borrowers' residential properties as the primary security. In limited circumstances, collateral in the form of cash, commercial property or second mortgages may be provided in addition to residential property. Except for some relatively small portfolios, for loans with an LVR of higher than 80%, either a Low Deposit Premium or margin is levied, or Lender's Mortgage Insurance (LMI) is taken out to protect the Group by covering the difference between the principal amount plus interest owing and the net amount received from selling the collateral upon default.

Non-Real Estate Collateral

Non-real estate collateral may only be assigned secured or partially secured LGD estimates where there is a sound process for determining the value of the collateral. Monitoring processes appropriate for the exposure and the collateral type are required to be in place. The main non-real estate collateral types include:

- Cash (usually in the form of a charge over a term deposit) and other liquid assets (e.g. bonds, shares, investment funds);
- Fixed or floating charges over a company's assets, including stock, debtors and work in progress; and
- A charge over assets being financed (e.g. vehicles, equipment).

Other forms of credit risk mitigation

The Group mitigates it's credit exposure by entering into master netting arrangements with counterparties with whom it undertakes a significant volume of transactions. Counterparty credit risk is reduced by master netting arrangements under which, in an event of default, all transactions and amounts due between the Group entity and the counterparty are terminated and settled on a net basis.

The Group mitigates it's counterparty credit risk exposure from dealing in Markets type products through the use of Credit Support Annexes (CSAs) and clearing of eligible trades with Central Counterparties (CCPs). CSAs require the counterparty (or the Group) to post collateral when mark-to-market positions exceed agreed thresholds and minimum transfer amounts and may require either party to post initial margin amounts.

Other forms of credit risk mitigation include Credit Risk Mitigation Instruments (CRMI) to either reduce or transfer credit risk. CRMIs include purchasing credit derivatives (e.g. credit default swaps) and/or guarantees from highly rated banks, corporates or credit insurers. To be an eligible credit risk mitigation instrument, the credit derivative, insurance instrument or guarantee must be contractually binding, have legal certainty and be non-cancellable.

8.4 Credit risk mitigation (continued)

Portfolio Management

The Group applies a Board approved Large Credit Exposure Policy (LCEP). This policy governs the authority of management with regards to the amount of credit provided to any single counterparty, or group of connected counterparties (as determined by applying the Group Aggregation Standard).

The objective of the LCEP is to limit the risk of catastrophic loss to the Group through over-exposure to the failure of a single counterparty, or group of connected counterparties. The LCEP is reviewed annually.

Usage of LCEP limits is determined at both individual counterparty and group of connected counterparties levels. Limits are tiered by the counterparty type and the PD rating.

Management reports to the ELT Financial Risk Committee and the Board Risk & Compliance Committee at least four times a year, on:

- all single counterparties or groups of connected counterparties with limits greater than the LCEP limits; and
- the 20 largest exposure groups on a Total Committed Exposure basis (i.e. committed limits plus utilised uncommitted limits) for Financial Institution and Government groups, and Commercial customer groups.

All relevant borrower or counterparty-specific credit submissions prominently display relative compliance with the LCEP limits.

Credit risk concentration limits are in place to ensure portfolio diversification and prevent over-concentration to industries or countries. Periodic stress tests of major credit risk concentrations are conducted to identify potential impacts to the credit portfolio's performance from changes in market conditions (such as changes in interest rates, droughts, etc.). Action is taken where necessary to reduce the severity of losses.

8.4 Credit risk mitigation (continued)

CR3: Credit risk mitigation techniques overview

The table below provides a breakdown of loans and advances and debt securities by different credit risk mitigation techniques. Amounts presented are net of provisions for credit losses.

	30 June 2025				
	Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees [1]	Exposures secured by credit derivatives
	$M	$M	$M	$M	$M
1 Loans	64,382	920,387	919,756	631	–
2 Debt securities	100,521	1,042	1,042	–	–
3 Total	**164,903**	**921,429**	**920,798**	**631**	**–**
4 Of which non-performing	100	9,117	9,117	–	–

1 Includes $573 million of financial guarantees provided by financial institutions and $58 million provided by sovereign counterparties.

9 Counterparty Credit Risk

CCRA: Qualitative disclosure related to CCR

Definition

Counterparty credit risk (CCR) is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows arising from over-the-counter derivatives, exchange-traded derivatives, securities financing transactions (SFTs) or long settlement transactions. An economic loss would occur if the transaction or a portfolio of transactions, including collateral, with the counterparty has a positive economic value for the Group at the time of default. Unlike an exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending counterparty faces the risk of loss, CCR creates a bilateral risk of loss whereby the market value for many different types of transactions can be positive or negative to either counterparty. The market value of CCR transactions varies over time with the movement in the underlying market factors. The exposure to CCR arises from both bilateral transactions and transactions cleared through central counterparties (CCPs).

CCR management

CCR exposure for derivatives and SFTs is measured as Potential Future Exposure (PFE) which is modelled internally. CCR limits are set based on an assessment of counterparty risk, available risk mitigation techniques, product type, tenor and other factors. Limits are approved by delegated authority holders. The Group utilises various techniques to reduce or mitigate CCR. This includes central clearing through CCPs and the use of master netting agreements and margining or collateralisation arrangements. Netting and margining arrangements for derivatives are generally documented under an ISDA Master Agreement with a Credit Support Annex (CSA), while the Global Master Repurchase Agreement (GMRA) or Global Master Securities Lending Agreement (GMSLA) is generally used for SFTs. Margining arrangements lower the risk that arises from market movements by requiring the counterparty or the Group to post collateral to cover changes in mark-to-market valuations.

Wrong-way risk

Wrong-way risk occurs when a counterparty's exposures are adversely correlated with its credit quality. There are two types of wrong-way risk:

- general wrong-way risk arises when the counterparty's probability of default (PD) is positively correlated with general market risk factors;
- specific wrong-way risk arises when the exposure to a particular counterparty and the PD of the counterparty are highly correlated.

The Group requires the business to obtain prior approval before undertaking wrong-way risk transactions outside pre-agreed guidelines.

The Group monitors for transactions with specific wrong-way risk while general wrong-way risk is monitored through modelling at the portfolio level.

Credit rating downgrade

The Group has a number of credit rating dependent agreements in relation to CCR transactions that could trigger collateral posting requirements in the event of a credit rating downgrade. The Group monitors collateral that it may be required to post in relation to credit rating dependent agreements.

As at 30 June 2025, a one-notch downgrade in the Group's rating would have resulted in a further $67 million of collateral being posted to other counterparties, and a two-notch downgrade would have resulted in an additional $332 million collateral being posted by the Group.

Counterparty Credit Risk (continued)

CCR1: Analysis of CCR exposures by approach

The table below provides the capital requirements for CCR exposures by approach. The table excludes exposures to central counterparties (CCPs). Exposures to CCPs are disclosed in table CCR8.

		30 June 2025				
		Replacement cost	Potential future exposure	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
		$M	$M		$M	$M
1	SA-CCR (for derivatives)	6,082	11,214	1.4	24,133	7,153
	Current exposure method (for derivatives)				54	54
4	Comprehensive Approach for credit risk mitigation (for SFTs)				3,475	417
	RBNZ regulated entities [1]				935	213
6	**Total**					**7,837**

1 Includes $432 million of EAD and $210 million of RWA in relation to CCR derivative exposures under the current exposure method and $503 million of EAD and $3 million of RWA in relation to CCR SFT exposures under the comprehensive approach for credit risk mitigation.

CCR3: Standardised approach – CCR exposures by regulatory portfolio and risk weights

The table below provides a breakdown of CCR exposures subject to the standardised approach by portfolio and risk weight. The table excludes exposures cleared through CCPs.

	30 June 2025								
	Risk weight								
	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Portfolio Type	$M	$M	$M	$M	$M	$M	$M	$M	$M
Corporate (incl. SME corporate)	–	–	–	–	–	1	–	–	1
Sovereign	–	–	–	–	–	–	–	–	–
SME retail	–	–	–	–	–	1	–	–	1
Residential mortgage	–	–	–	–	–	–	–	–	–
Other retail	–	–	–	–	–	–	–	–	–
Other assets [1]	–	–	–	–	–	54	–	–	54
RBNZ regulated entities	472	–	143	185	–	2	–	–	802
Total	**472**	**–**	**143**	**185**	**–**	**58**	**–**	**–**	**858**

1 Includes immaterial contributions from other standardised asset classes, including Domestic public sector entities, Commercial property, Land acquisition, development and construction, and Bank.

Counterparty Credit Risk (continued)

CCR4: IRB – CCR exposures by portfolio and probability of default (PD) scale

The table below provides key parameters used in the calculation of capital requirements for CCR exposures under the IRB approach broken down by portfolio and PD range. The table excludes exposures cleared through CCPs.

Subject to AIRB approach		30 June 2025						
		EAD post-CRM	Average PD	Number of borrowers	Average LGD	Average maturity	RWA	RWA density [1]
Portfolio Type	**PD scale**	$M	%	#	%	Years	$M	%
Corporate (incl. SME corporate)								
	0.00 to <0.15	563	0.06	45	45	1.2	79	14
	0.15 to <0.25	288	0.20	113	38	2.1	114	40
	0.25 to <0.50	323	0.37	136	33	2.5	165	51
	0.50 to <0.75	216	0.55	163	42	1.4	140	65
	0.75 to <2.50	438	1.15	544	35	1.6	335	77
	2.50 to <10.00	46	4.17	121	38	1.1	51	112
	10.00 to <100.00	2	28.83	6	36	1.0	5	200
	100.00 (Default)	–	100.00	1	50	1.0	–	688
	Sub-total	**1,876**	**0.59**	**1,129**	**39**	**1.7**	**889**	**47**
SME retail								
	0.00 to <0.15	–	–	–	–		–	–
	0.15 to <0.25	–	0.19	2	65		–	30
	0.25 to <0.50	2	0.39	64	58		1	42
	0.50 to <0.75	–	–	–	–		–	–
	0.75 to <2.50	2	1.01	83	61		2	70
	2.50 to <10.00	1	4.83	28	64		1	106
	10.00 to <100.00	–	11.11	1	65		–	127
	100.00 (Default)	–	–	–	–		–	–
	Sub-total	**5**	**1.53**	**178**	**60**		**4**	**66**
RBNZ regulated entities								
	0.00 to <0.15	6	0.09	15	57	2.3	2	35
	0.15 to <0.25	14	0.24	25	46	1.8	6	42
	0.25 to <0.50	29	0.37	44	49	2.1	19	65
	0.50 to <0.75	18	0.55	75	36	1.9	10	55
	0.75 to <2.50	45	1.06	165	35	1.8	29	65
	2.50 to <10.00	5	3.75	26	27	1.8	4	79
	10.00 to <100.00	3	15.21	2	50	1.0	7	252
	100.00 (Default)	–	100.00	3	50	1.0	–	19
	Sub-total	**120**	**1.14**	**355**	**41**	**1.9**	**77**	**64**
Total subject to AIRB approach		**2,001**	**0.65**	**1,662**	**39**	**1.7**	**970**	**48**

1 RWA density is calculated based on unrounded numbers.

Counterparty Credit Risk (continued)

CCR4: IRB – CCR exposures by portfolio and probability of default scale (PD) (continued)

Subject to FIRB approach		30 June 2025						
		EAD post-CRM	Average PD	Number of borrowers	Average LGD	Average maturity	RWA	RWA density [1]
Portfolio Type	**PD scale**	$M	%	#	%	Years	$M	%
Corporate - Large								
	0.00 to <0.15	1,087	0.07	60	45	2.4	288	26
	0.15 to <0.25	2,195	0.22	123	49	2.1	1,063	48
	0.25 to <0.50	391	0.37	65	51	1.5	235	60
	0.50 to <0.75	204	0.55	26	50	1.4	150	74
	0.75 to <2.50	112	1.03	36	52	1.3	113	101
	2.50 to <10.00	7	3.67	4	59	0.9	12	167
	10.00 to <100.00	120	19.20	2	50	3.8	371	308
	100.00 (Default)	–	–	–	–	–	–	–
	Sub-total	**4,116**	**0.80**	**316**	**48**	**2.1**	**2,232**	**54**
Sovereign								
	0.00 to <0.15	3,881	0.02	44	7	1.4	37	1
	0.15 to <0.25	34	0.15	1	50	0.2	8	22
	0.25 to <0.50	27	0.37	2	50	0.1	11	42
	0.50 to <0.75	–	–	–	–	–	–	–
	0.75 to <2.50	–	–	–	–	–	–	–
	2.50 to <10.00	–	–	–	–	–	–	–
	10.00 to <100.00	–	–	–	–	–	–	–
	100.00 (Default)	–	–	–	–	–	–	–
	Sub-total	**3,942**	**0.03**	**47**	**8**	**1.4**	**56**	**1**
Financial institution								
	0.00 to <0.15	16,157	0.05	599	52	0.9	3,141	19
	0.15 to <0.25	1,171	0.19	147	67	1.6	879	75
	0.25 to <0.50	159	0.37	26	69	1.6	181	114
	0.50 to <0.75	4	0.55	5	58	1.5	5	117
	0.75 to <2.50	34	1.00	68	50	0.4	34	100
	2.50 to <10.00	13	2.97	46	57	0.4	24	180
	10.00 to <100.00	8	15.21	7	51	1.0	24	296
	100.00 (Default)	–	–	–	–	–	–	–
	Sub-total	**17,546**	**0.07**	**898**	**53**	**0.9**	**4,288**	**24**
Total subject to FIRB approach		**25,604**	**0.18**	**1,261**	**45**	**1.2**	**6,576**	**26**
All Portfolios		**27,605**	**0.22**	**2,923**	**45**	**1.2**	**7,546**	**27**

1 RWA density is calculated based on unrounded numbers.

CCR5: Composition of collateral for CCR exposures

The table below provides information about collateral posted or received by the Group to support or reduce the CCR exposures related to derivative transactions and SFTs, including transactions cleared through CCPs.

	30 June 2025					
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated $M	Unsegregated $M	Segregated $M	Unsegregated $M	$M	$M
Cash – domestic currency	–	418	–	818	19,407	62,762
Cash – other currencies	–	4,442	375	5,721	41,581	40,967
Domestic sovereign debt	–	18	500	–	33,938	9,377
Domestic semi government	–	–	–	152	18,871	7,964
Other sovereign debt	296	130	2,508	138	36,193	41,814
Government agency debt	–	–	–	–	3,045	1,682
Corporate bonds	–	–	–	–	11,715	14,426
Equity securities	–	–	–	–	395	–
Other collateral	–	–	–	–	2,517	3,035
Total	**296**	**5,008**	**3,383**	**6,829**	**167,662**	**182,027**

CCR6: Credit derivatives exposures

The table below shows the Group's exposures to credit derivative transactions.

	30 June 2025	
	Protection bought $M	Protection sold $M
Notionals		
Single-name credit default swaps	92	23
Index credit default swaps	4,678	2,837
Total return swaps	–	–
Credit options	–	–
Other credit derivatives	–	–
Total notionals	**4,770**	**2,860**
Fair values		
Positive fair value (asset)	–	49
Negative fair value (liability)	(87)	–

CCR8: Exposures to central counterparties

The table below provides a breakdown of exposures and RWA related to the Group's exposure to CCPs.

		30 June 2025	
		EAD (post-CRM)	RWA
		$M	$M
1	**Exposures to QCCPs (total)**		**216**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	2,651	76
3	(i) OTC derivatives	1,575	36
4	(ii) Exchange-traded derivatives	1,076	40
5	(iii) Securities financing transactions	–	–
6	(iv) Netting sets where cross-product netting has been approved	–	–
7	Segregated initial margin [1]	3,199	
8	Non-segregated initial margin	1,381	46
9	Pre-funded default fund contributions	132	94
10	Unfunded default fund contributions [2]	418	–
11	**Exposures to non-QCCPs (total)**		**–**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	–	–
13	(i) OTC derivatives	–	–
14	(ii) Exchange-traded derivatives	–	–
15	(iii) Securities financing transactions	–	–
16	(iv) Netting sets where cross-product netting has been approved	–	–
17	Segregated initial margin	–	
18	Non-segregated initial margin	–	–
19	Pre-funded default fund contributions	–	–
20	Unfunded default fund contributions	–	–

1 Segregated initial margin is excluded from exposure calculations, as outlined in APS 180 *Capital Adequacy: Counterparty Credit Risk*.
2 Unfunded default fund is excluded from exposure calculations under APS180 *Capital Adequacy: Counterparty Credit Risk*.

CVAA: General qualitative disclosure requirements related to CVA

Definition

Credit Valuation Adjustment (CVA) is the market value of CCR associated with a portfolio of derivative trades with a given counterparty.

CVA risk management

The Group has a centralised XVA function responsible for monitoring and managing the CVA risk to a loss minimisation mandate within a clearly defined operating framework that is consistent with the Group's risk appetite. Business policies, processes and controls within the operating framework include the production of daily P&L and risk indicators, monitoring of source data accuracy and system output, adherence to the trading delegations manual and market risk limits framework, annual risk and control self-assessment, completion of mandatory training and incident reporting.

The Group has a robust set of detection rules at trade, portfolio and business level that identify all positions subject to CVA risk, all required counterparty credit and market data inputs and ensures they are captured in the CVA calculation engine at trade inception.

CVA risk is measured via the generation of CVA sensitivities that quantify the expected impact on the CVA due to changes in counterparty credit spreads and underlying market risk factors including interest rates, fx rates and volatility.

CVA risk is managed in line with a hedging policy that aims to minimise the losses associated with adverse movements in the CVA by entering in to positions in eligible hedge instruments that mitigate counterparty credit risk, and underlying market factor risk within a defined limits framework.

Hedge effectiveness is monitored daily via the production of P&L for the in-scope derivatives portfolio alongside the associated hedge instruments across all market factors, along with periodic quantitative assessment of key correlation measures for hedge relationships.

Under APS 180 *Capital Adequacy: Counterparty Credit Risk* (APS 180) the Group is subject to a CVA capital charge in relation to potential losses associated with a deterioration in the credit worthiness of its OTC derivatives counterparties. As at 30 June 2025, the Group's RWA in relation to CVA risk and the related capital requirement were $3.8 billion and $307 million respectively (31 December 2024: CVA RWA of $4.6 billion; capital requirement of $367 million).

10 Securitisation

SECA: Qualitative disclosure requirements relating to securitisation exposures

Definition

Securitisation is a financing structure where the cash flow from a pool of assets is used to service obligations to at least two different tranches or classes of creditors (typically holders of debt securities), with each class or tranche reflecting a different degree of credit risk (i.e. one class of creditor is entitled to receive payments from the pool before another class of creditors).

Securitisations may be categorised as either:

- Traditional securitisation - a securitisation where the pool is transferred (or assigned) to, and held by, or otherwise held directly in its name by, a Special Purpose Vehicle (SPV); or
- Synthetic securitisation - a securitisation whereby the credit risk, or part of the credit risk, of a pool is transferred to a third party which need not be an SPV. The transfer of credit risk can be undertaken through the use of funded (e.g. credit linked notes) or unfunded (e.g. credit default swaps) credit derivatives or guarantees.

Securitisation Activities

The Group is involved in the following types of business activities that give rise to securitisation exposures:

- Group originated securitisations – where the Group equitably assigns home loans it has originated to an SPV, which in turn raises wholesale funding by the issuance of notes to external investors. The Medallion Programme is the Group's securitisation programme of CBA originated residential mortgage loans. CBA has also established internal securitisations where CBA, and ASB, retain the notes issued to use as collateral to raise contingent liquidity from the RBA or RBNZ respectively;
- Third party securitisations – where assets are originated by parties other than the Group. Such transactions usually have added layers of credit protection, whether it is lender's mortgage insurance, over-collateralisation, cash reserves and/or other subordinated credit support. The nature of the underlying assets is similar to those that the Group would normally support in a non-securitised form including residential and commercial mortgages, personal loans, revolving credit exposures, and vehicle loans and equipment financing. The Group acts as a funder/note holder;
- The purchase of asset/mortgage backed securities for trading or portfolio investment; and
- The provision of interest rate swaps, cross-currency swaps and/or liquidity support facilities to an external SPV where the Group may be the arranger, lead manager and/or originator of the respective securities or underlying assets.

The Group does not currently act as a sponsor for any special purpose entities (SPEs) nor manage, advise or invest in affiliated entities nor provide implicit support to any such entities.

Strategic Issues

For the Group, securitisation has provided and will continue to provide a source of liquidity through RBA repurchase transactions and an external funding source. The Group, when undertaking an intermediary role for third party securitisations, receives fee based income and ancillary business in other banking products.

Regulatory Compliance

APRA's requirements in managing the capital and risks associated with securitisation activities and exposures are set out in APS 120 *Securitisation* (APS 120) and Prudential Practice Guide APG 120 *Securitisation* (APG 120).

To be compliant with the standard the Group has policies and procedures that include:

- appropriate risk management systems to identify, measure, monitor and manage the risks arising from the Group's involvement in securitisation;
- monitoring the effects of securitisation on its risk profile, including credit quality, and how it has aligned with its risk management practices;
- measures to ensure that it is not providing implicit support for a securitisation;
- the Group's securitisation activities also need to comply with other prudential standards applicable to any Balance Sheet exposure; and
- the Group uses a hierarchy detailed in APS 120 to determine the credit rating grade for regulatory capital purposes. The two approaches the Group uses are the External Ratings-based Approach (ERBA Approach) or the Supervisory Formula Approach (SFA Approach).

Securitisation (continued)

SECA: Qualitative disclosure requirements relating to securitisation exposures (continued)

Risk Assessment

Securitisation activities expose the Group to risks including liquidity risk, market risk, operational risk and credit risk, which are managed in accordance with the Group's respective risk management frameworks. Where the Group arranges either a Group originated or third party securitisation transaction, the capital markets issuance will be rated by at least one ECAI based on their respective rating models. The Group uses recognised ECAI including S&P Global Ratings, Moody's Investors Service and/or Fitch Ratings for both Group originated and third party securitisation transactions.

The Group undertakes credit assessments on all securitisation transactions. In addition to compliance with the securitisation and other prudential standards, credit risk assessment of securitisation exposures is performed in accordance with the Group's policies and procedures.

The risk assessment takes into account a wide range of credit, reputation, origination, concentration and servicing factors related to the underlying portfolio of assets being securitised in addition to the capital structure of the proposed securitisation SPV.

Where a securitisation exposure is held through a warehouse structure prior to externalising via the debt capital markets, the credit ratings of the warehouse facility are also assessed by the Group using the rating methodologies of the ECAI and/or other models accepted by APRA.

Credit Approval

Credit approval authorities relating to securitisation are restricted to officers with appropriately badged delegations. Risk Management is responsible for approval and limit management and monitoring for all securitisations. Proposed exposures that exceed individual approval authorities are referred to the relevant pricing and capital allocation forums for decisioning.

Securitisation Risk Management Framework

Exposure Reporting and Monitoring

All securitisation exposures and limits are recorded on appropriate risk systems and monitored for limit and capital compliance.

Where exposures are fair valued for accounting purposes, the transactions are monitored under the Group's Market Risk Management Framework (refer section 11, page 79). This includes a limit framework and monitoring around the size and turnover of such exposures, and a robust independent price validation process conducted on the prices used to value those exposures. All securitisation limits and exposures are reviewed in accordance with the Group's approved Risk Management Framework which in turn is subject to periodic internal (internal audits and reviews) and external reviews (conducted by external audit and APRA).

The Bank receives underlying pool data for all its securitisation exposures and undertakes ongoing analysis and modelling as required under its policies and procedures and to meet APS 120 due diligence requirements. Where exposures are externally rated, the ratings are also monitored. The Group has no exposure to resecuritisation transactions.

Exposure Aggregation

Securitisation SPVs are bankruptcy remote entities. Generally, there is no legally enforceable obligation on the asset originator or issuer to provide ongoing credit support to such transactions and they are mostly not aggregated for either Group Large Credit Exposure Policy or APRA prudential standard compliance. Aggregation is assessed on a case by case basis having regard to the proposed structure. The Group will aggregate, where appropriate, the broader banking exposures to the proposed originator and/or issuing entities in making its determinations.

Group Originated Securitisations

General Principles

Where the Group intends to securitise assets it has originated, it ensures the terms and conditions applicable to the proposed securitisation and any support facilities or dealings are arm's length and market based and compliant with APRA's prudential regulations.

Where the Group has sold assets to an SPV but retains a servicer role in managing those assets on behalf of the SPV the Group ensures those securitised assets are effectively ring-fenced from the Group's own assets. Where the Group or its subsidiary provides support services such as servicing to the SPV, these need to be subject to arm's length, market based terms and be of an equivalent standard available in the market.

Purchase of Securities issued under Group Originated Securitisation

Any purchases of either securities issued by an SPV or assets of an SPV must be arm's length in nature and approved under the Group's credit approval process. The Group's SPVs under the Medallion programme are consolidated for accounting purposes.

The Group holds less than 20% (except permitted underwritings as per APS 120) of the public senior securities outstanding issued by an SPV for Group originated securitisations.

The aggregated value of all securities held by the Group under its various public Medallion programme does not exceed 10% of the Group's Level 2 capital (except permitted security underwritings as per APS 120).

Securitisation (continued)

SECA: Qualitative disclosure requirements relating to securitisation exposures (continued)

Summary of Accounting Policies

Securitisations may, depending on the individual arrangement, result in:

- continued recognition of the securitised assets on the Balance Sheet of the Group;
- continued recognition of the assets to the extent of the Group's continuing involvement in those assets (as defined within AASB 9 *Financial Instruments*); or
- derecognition of the assets and the separate recognition, as assets or liabilities, of any rights and obligations created or retained in the transfer of assets to the securitisation vehicle.

A securitisation transaction is first assessed for any potential requirement to consolidate the vehicles used.

The assessment is made considering the requirements of AASB 10 *Consolidated Financial Statements* (AASB 10). AASB 10 prescribed control as the single basis for consolidation for all entities, regardless of the nature of the investee. The Group exercises judgement at inception and periodically, to assess whether a SPV should be consolidated based on the Bank's control over the relevant activities of the entity and the significance of its exposure to variable returns of the structured entity.

For the Group's accounting policy on the derecognition of financial assets and financial liabilities and the measurement of any retained interests, refer to the 2025 Annual Report.

The valuation process of any retained interests in securitisation exposures primarily focuses on quotations from third parties and calibrated valuations from market standard models with key inputs such as spreads to discount rates, default and recovery rates that may be observable or unobservable.

Assets are valued according to the normal methods appropriate to the asset class. As at 30 June 2025 and 31 December 2024, the Group had no assets awaiting securitisation.

The Group discloses contractual commitments, such as liquidity lines, and applies the accounting policies as set out in the 2025 Annual Report. The Group provides support for securitisation transactions to the extent of those contractual obligations.

Securitisation (continued)

SEC1: Securitisation exposures in the banking book

The table below provides the carrying values of securitisation exposures across all securitisation activities in the banking book.

		30 June 2025					
		Bank acts as originator / sponsor [1]			Bank acts as investor		
		Traditional $M	Synthetic $M	Sub-total $M	Traditional $M	Synthetic $M	Sub-total $M
1	**Retail (total)**	**75,996**	**–**	**75,996**	**13,831**	**–**	**13,831**
	– of which						
2	Residential mortgage	75,996	–	**75,996**	12,623	–	**12,623**
3	Credit card	–	–	**–**	285	–	**285**
4	Other retail exposures	–	–	**–**	923	–	**923**
5	Re-securitisation	–	–	**–**	–	–	**–**
6	**Wholesale (total)**	**–**	**–**	**–**	**3,901**	**–**	**3,901**
	– of which						
7	Loans to corporates	–	–	**–**	–	–	**–**
8	Commercial loans	–	–	**–**	635	–	**635**
9	Lease and receivables	–	–	**–**	3,051	–	**3,051**
10	Other wholesale	–	–	**–**	215	–	**215**

1 Includes funding only, capital relief and self-securitisation exposures.

SEC2: Securitisation exposures in the trading book

The table below provides the carrying values of the Group's securitisation exposures across all securitisation activities in the trading book.

		30 June 2025					
		Bank acts as originator / sponsor			Bank acts as investor		
		Traditional $M	Synthetic $M	Sub-total $M	Traditional $M	Synthetic $M	Sub-total $M
1	**Retail (total)**	**5**	**–**	**5**	**199**	**–**	**199**
	– of which						
2	Residential mortgage	5	–	**5**	199	–	**199**
3	Credit card	–	–	**–**	–	–	**–**
4	Other retail exposures	–	–	**–**	–	–	**–**
6	**Wholesale (total)**	**–**	**–**	**–**	**–**	**–**	**–**
	– of which						
7	Loans to corporates	–	–	**–**	–	–	**–**
8	Commercial loans	–	–	**–**	–	–	**–**
9	Lease and receivables	–	–	**–**	–	–	**–**
10	Other wholesale	–	–	**–**	–	–	**–**

Securitisation (continued)

SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor

The table below provides exposures and associated regulatory capital requirements under APS 120 in relation to the Group's banking book securitisation activities as originator. The Group does not act as sponsor in securitisation activities.

	30 June 2025														
	Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			RWA (by regulatory approach)			Capital charge after cap			
	≤20%	>20%-50%	>50%-100%	>100%-<1250%	1250%	SEC-ERBA & SEC-IAA	SEC-SA	1250%	SEC-ERBA & SEC-IAA	SEC-SA	1250%	SEC-ERBA & SEC-IAA	SEC-SA	1250%
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
1 Total exposures	**89**	**–**	**–**	**–**	**–**	**89**	**–**	**–**	**16**	**–**	**–**	**1**	**–**	**–**
2 Traditional securitisation	**89**	**–**	**–**	**–**	**–**	**89**	**–**	**–**	**16**	**–**	**–**	**1**	**–**	**–**
– of which:														
3 Securitisation	**89**	**–**	**–**	**–**	**–**	**89**	**–**	**–**	**16**	**–**	**–**	**1**	**–**	**–**
of which:														
4 Retail underlying	89	–	–	–	–	89	–	–	16	–	–	1	–	–
6 Wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9 Synthetic securitisation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
– of which:														
10 Securitisation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
of which:														
11 Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12 Wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Securitisation (continued)

SEC4: Securitisation exposures in the banking book and associated capital requirements – bank acting as investor

The table below provides exposures and associated regulatory capital requirements under APS 120 in relation to the Group's banking book securitisation activities as investor.

		30 June 2025													
		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			RWA (by regulatory approach)			Capital charge after cap		
		≤20%	>20%-50%	>50%-100%	>100%-<1250%	1250%	SEC-ERBA & SEC-IAA	SEC-SA	1250%	SEC-ERBA & SEC-IAA	SEC-SA	1250%	SEC-ERBA & SEC-IAA	SEC-SA	1250%
		$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
1	**Total exposures**	**24,096**	**587**	**9**	**–**	**–**	**7,027**	**17,665**	**–**	**1,313**	**2,702**	**–**	**105**	**216**	**–**
2	**Traditional securitisation**	**24,096**	**587**	**9**	**–**	**–**	**7,027**	**17,665**	**–**	**1,313**	**2,702**	**–**	**105**	**216**	**–**
	– of which:														
3	Securitisation	**24,096**	**587**	**9**	**–**	**–**	**7,027**	**17,665**	**–**	**1,313**	**2,702**	**–**	**105**	**216**	**–**
	of which:														
4	Retail underlying	19,647	262	9	–	–	3,953	15,965	–	793	2,422	–	63	194	–
6	Wholesale	4,449	325	–	–	–	3,074	1,700	–	520	280	–	42	22	–
9	**Synthetic securitisation**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	– of which:														
10	Securitisation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	of which:														
11	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	Wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–

11 Market Risk

Market risk is the potential adverse impact on the profitability and/or net worth of the Group from changes in interest rates, foreign exchange rates, equity and commodity prices, credit spreads, and the resale value of assets under residual value guarantees.

The Group makes a distinction between traded and non-traded market risk for the purposes of risk management, measurement and reporting. Traded market risk principally arises from the Group's trading book activities within the Institutional Banking and Markets business and its subsidiary financial institutions.

Non-traded market risk includes interest rate risk that arises from banking book activities, non-traded equity risk, structural foreign exchange risk and lease residual value risk.

Market Risk Management Governance Overview

The Group's appetite for market risk is determined by the Board and is expressed via the Group's Risk Appetite Statement and its framework of limits and policies. The limits are designed to manage the volatility in earnings and value due to market risk. The policies establish a sound operating environment for market risk, which is consistent with the governance and control standards of the Group and conform to prudential regulatory requirements.

The market risk profile of the Group is overseen by the Board Risk and Compliance Committee and senior executive management. The Market Risk Oversight area provides support to the Board Risk and Compliance Committee and ALCO in the performance of their market risk management accountabilities.

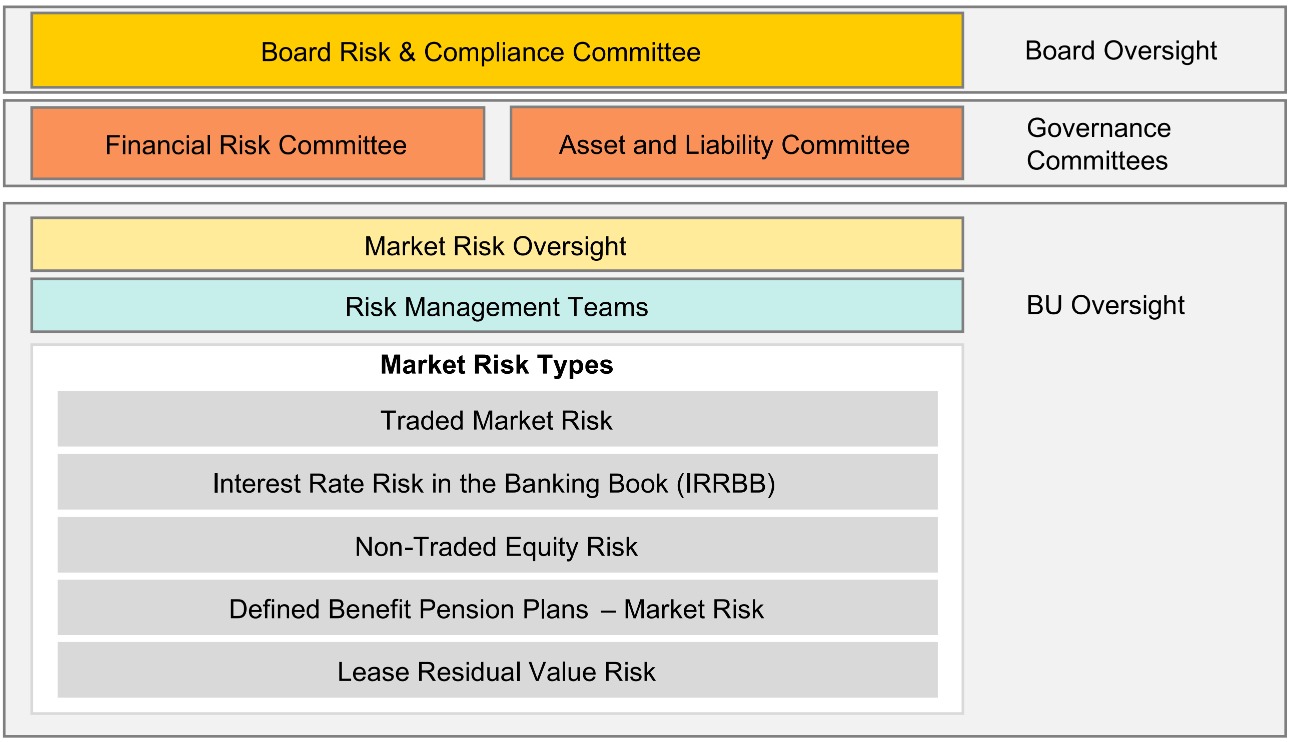
Market risk may only be generated by authorised business areas across the Group. The key functional areas that must be established to support market risk activity comprise:

- An approved Trading, Treasury or Origination function;
- An independent Market Risk Oversight area; and
- A Senior Management Oversight Committee.

The chart below summarises governance arrangements for market risk.

The Market Risk Oversight area supports the implementation of the Board approved policies through the establishment of Market Risk Standards and other documents that define the operational requirements for managing market risk, including details of sub-limits, stress testing, key controls, delegations, reporting and escalation requirements. The Market Risk Oversight area is responsible for the daily monitoring and analysis of risk positions. Senior management has oversight of market risk performance against risk and return expectations on a monthly basis. The Board Risk and Compliance Committee meets approximately six times each year and considers the operation of the Market Risk Management Framework together with any issues that may arise.

Market Risk Governance



Market Risk (continued)

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.

Stressed VaR (SVaR) is calculated for traded market risk using the same methodology as the regular traded market risk VaR except that the historical data is taken from a 1 year observation period of significant market volatility as seen during the Global Financial Crisis (GFC).

The stress events considered for market risk are extreme but plausible market movements, and have been back-tested against moves seen during 2008 and 2009 at the height of the GFC. The results are reported to the Board Risk and Compliance Committee and the Group's ALCO on a regular basis. Stress tests also include a range of forward looking macroeconomic scenario stresses.

Market Risk (continued)

Traded market risk

The Group trades and distributes financial market products and provides risk management solutions to customers on a global basis.

The objectives of the Group's financial markets activities are to:

- provide risk management and capital market products and services to customers;
- efficiently assist in managing the Group's own market risks; and
- conduct profitable market making within a controlled framework to assist in the provision of products and services to customers.

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.

The Group participates in all major markets across interest rate, foreign exchange, debt, equity and commodity products as required to provide treasury, capital markets and risk management services to customers of the Group.

Income is earned through market making and from warehousing market risk. Trading positions are valued at fair value and taken to profit and loss on a mark-to-market basis. Market liquidity risk is controlled by concentrating trading activity in highly liquid markets.

The Group measures and manages traded market risk through a combination of VaR and stress test limits, together with other key controls including permitted instruments, sensitivity limits and term restrictions. Thus, traded market risk is managed under a clearly defined risk appetite within the Group Market Risk Policy and limit structure approved by the Board Risk and Compliance Committee. Risk is monitored by the independent Market Risk Oversight function.

Capital calculation methods

The Group is accredited by APRA as an Internal Model user for regulatory capital calculation for Group trading book activity.

Consequently, general market risk regulatory capital is calculated for interest rates (including credit spread), foreign exchange, equity and commodity risk using this model.

There are also a small number of products in the trading book for which regulatory capital is determined using the standard method. In accordance with the standard method, the Group applies the maturity method against these products for capital calculations, and a specific risk charge is calculated for debt specific and equity position risk. Inflation linked products and a small number of path dependent rates related products are managed in this manner.

Traded market risk by Modelling Method

The breakdown of RWA for traded market risk by modelling method is summarised in the table below.

Traded Market Risk RWA by Modelling Approach	30 Jun 25 $M	31 Dec 24 $M	30 Jun 24 $M
Internal model approach	**7,918**	6,491	7,354
Standard method	**1,834**	1,458	1,134
Total Traded Market Risk RWA	**9,752**	7,949	8,488

Traded market risk under the standard method

The capital requirement for traded market risk under the standard method is disclosed in following table.

Exposure Type	30 Jun 25 $M	31 Dec 24 $M	30 Jun 24 $M
Interest rate risk	**146.7**	116.6	90.7
Equity risk	**–**	–	–
Foreign exchange risk	**–**	–	–
Commodity risk	**–**	–	–
Total	**146.7**	116.6	90.7
Risk Weighted Asset equivalent [1]	**1,834**	1,458	1,134

1 Risk Weighted Assets equivalent is the capital requirements multiplied by 12.5 in accordance with APS 110.

Market Risk (continued)

Traded market risk (continued)

Traded market risk under the internal model

The VaR and SVaR results calculated under the internal model approach are summarised in following table.

	Aggregate VaR Over the Reporting Period			
	Mean value	Maximum value	Minimum value	As at balance date
Average VaR [1]	**$M**	**$M**	**$M**	**$M**
Over the 6 months to 30 June 2025	39	49	29	41
Over the 6 months to 31 December 2024	50	81	32	39
Over the 6 months to 30 June 2024	62	86	37	37

1 10 day, 99.0% confidence interval over the reporting period.

	Aggregate SVaR Over the Reporting Period			
	Mean value	Maximum value	Minimum value	As at balance date
Stressed VaR [1]	**$M**	**$M**	**$M**	**$M**
Over the 6 months to 30 June 2025	**140**	**193**	**79**	**171**
Over the 6 months to 31 December 2024	138	211	80	192
Over the 6 months to 30 June 2024	105	167	71	116

1 10 day, 99.0% confidence interval over the reporting period.

Market Risk (continued)

Traded market risk (continued)

Internal model approach – back-test results

The Internal model is subject to back-testing against hypothetical profit and loss. In the 6 months to 30 June 2025 there was one back-test outlier. The back-test results are summarised in the tables below. A comparison of VaR with actual gains or losses during the 6 months to 30 June 2025 are illustrated in a table below.

Summary Table of the Number of Back-Testing Outliers [1]	
Over the 6 months to 30 June 2025	1
Over the 6 months to 31 December 2024	–
Over the 6 months to 30 June 2024	–

1 10 day, 99.0% confidence interval over the reporting period.

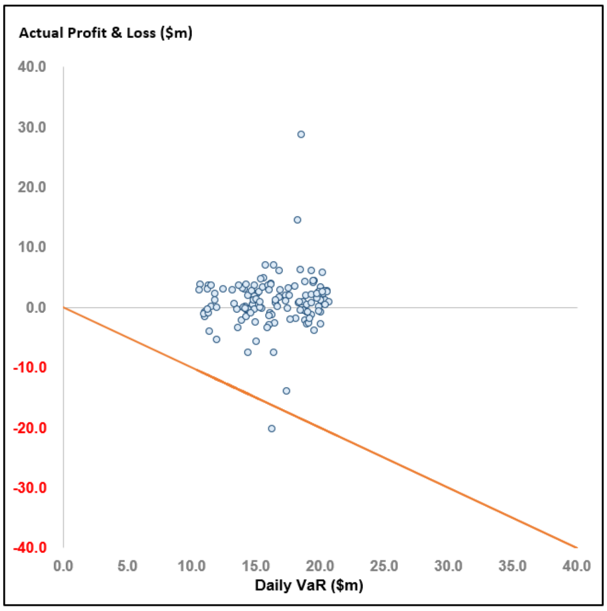
Details of back-testing outliers

	Over the Reporting Period 1 January 2025 to 30 June 2025	
Date	Hypothetical loss $M	VaR 99% $M
4 April 2025	32	16

	Over the Reporting Period 1 July 2024 to 31 December 2024	
Date	Hypothetical loss $M	VaR 99% $M
	–	–

	Over the Reporting Period 1 January 2024 to 30 June 2024	
Date	Hypothetical loss $M	VaR 99% $M
	–	–

Comparison of VaR estimates outliers with actual gains/losses experiences for the 6 months ended 30 June 2025



Market Risk (continued)

Non-traded market risk

Non-traded market risk activities are governed by the Group Market Risk Policy approved by the Board Risk and Compliance Committee. The policy describes the framework that governs all the activities performed in relation to 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 banking subsidiaries, ASB and CBA Europe N.V., each manage their own domestic IRRBB in accordance with its own risk management policies and the policies of the Group.

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:

(i) 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 a sensitivity analysis which applies an instantaneous 100 basis point parallel shock in interest rates across the yield curve.

The prospective change to 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 to 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 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 analyses.

(ii) Economic Value

Interest rate risk from an 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 the 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 for all Balance Sheet assets and liabilities due 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.

Determining Interest Rate Risk in the Banking Book

APRA requires Australian banks accredited for the Advanced Approach under the Basel III framework to incorporate regulatory capital for IRRBB in their assessment of Total Capital. The capital requirement associated with IRRBB is measured by the Group's internal measurement model which incorporates the following risk calculations:

- Repricing and yield curve risks, which arise from repricing mismatches between assets and liabilities, are jointly determined from the distribution of changes in the economic value of the banking book as a consequence of interest rate changes (overall level of the yield curve and the shape of the yield curve). A historical simulation VaR approach is used, with IRRBB regulatory capital determined with respect to a one year holding period and a 99.0% level of confidence. Interest rate scenarios are constructed over a historical observation period of six years.
- Basis risk is measured as the risk of loss in earnings of the banking book arising from differences between the actual and expected interest margins on banking book items. The IRRBB regulatory capital requirement for basis risk is measured under a dynamic simulation approach, as the change in net interest income over a 12 month forecast period, in response to an adverse change to implied forward cash rates.
- Optionality risk is measured as the risk of loss in economic value owing to the existence of stand-alone or embedded options in the banking book, to the extent that such potential losses are not included in the measurement of repricing, yield curve or basis risks. Optionality risk arising from a departure from assumed prepayment behaviour is calculated from a stressed prepayment rate scenario by the VaR model.

Market Risk (continued)

Non-traded market risk (continued)

Determining Interest Rate Risk in the Banking Book (continued)

- Optionality risk arising from the use of replicating portfolios for indeterminate maturity or discretionary rate items is measured by the VaR model under an applied mismatch between the underlying product balances and the unhedged term asset positions.
- The embedded loss or gain in banking book items not accounted for on a mark-to-market basis is measured and included in the regulatory capital for IRRBB. The embedded loss or gain measures the difference between the book value and economic value of banking book activities, based on transfer-priced assets and liabilities.
- These interest rate risk calculations are summed (subject to the capital requirement not being less than zero in total) and multiplied by 12.5 to derive regulatory RWA for IRRBB in accordance with APS 110.

Stress testing of Interest Rate Risk in the Banking Book

Stress testing of IRRBB measures the impact of extreme but plausible market movements on both an earnings and an economic value basis. The results are reported to the Board Risk & Compliance Committee and the Group ALCO on a regular basis.

The Stress Testing figures in the table below represent expected net change in the economic value of assets and liabilities, held for purposes other than trading, based on a 200 basis point parallel rate shock. In addition the table below includes the regulatory RWA for IRRBB.

Market Risk (continued)

Non-traded market risk (continued)

Interest Rate Risk in the Banking Book

Stress Testing: Interest Rate Shock Applied	Change in Economic Value 30 Jun 25 $M	31 Dec 24 $M	30 Jun 24 $M
AUD			
200 basis point parallel increase	**(810)**	(540)	(556)
200 basis point parallel decrease	**865**	569	564
NZD			
200 basis point parallel increase	**(340)**	(306)	(361)
200 basis point parallel decrease	**348**	312	374
USD			
200 basis point parallel increase	**(103)**	(66)	(69)
200 basis point parallel decrease	**114**	69	68
Other			
200 basis point parallel increase	**(22)**	(1)	(9)
200 basis point parallel decrease	**23**	2	10

Regulatory RWA [1]	30 Jun 25 $M	31 Dec 24 $M	30 Jun 24 $M
Interest rate risk in the banking book	**39,841**	41,679	43,644

1 Refer to page 16 for commentary.

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 arises 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 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. The lease residual value risk within the Group is controlled through the Risk Management Framework approved by the Board Risk and Compliance Committee. Supporting this framework is an internal Market Risk Standard document, which has a risk limit framework that includes asset, geographic and maturity concentration limits, and stress testing that is performed by the Market Risk Oversight function. Regulatory capital is held under APS 112 (refer to section CRD in *Credit Risk*).

Defined benefit plans

As part of the Commonwealth Bank Group Super Fund's (the Fund) merger with Australian Retirement Trust (ART), all defined benefit, defined contribution and lifetime pension members were transferred to ART in two tranches which completed in November 2023 and November 2024 (refer to Note 10.2 in the 2025 Annual Report). As at 30 June 2025, the Group is exposed to market risk in relation to the defined benefit plans in ART.

12 Operational Risk

ORA: General qualitative information on a bank's operational risk framework

Definitions

Operational risk is the risk of loss arising from inadequate or failed internal processes, systems or people, or from external events. Operational risk for these purposes includes compliance risk which is defined as 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.

Operational risk includes legal, regulatory, fraud, business continuity and technology risks but excludes strategic and reputational risks. However, the impact to brand and reputation arising from operational risk events is considered as part of the assessment of operational risks.

Operational Risk Management Framework

The Group's Operational Risk Management Framework (ORMF) covers the structures, policies, systems, processes, and people within the Group that identify, measure, evaluate, control, mitigate, monitor, and report internal and external operational risks. Compliance risk is managed under the ORMF.

The ORMF aligns with the Group's Risk Appetite Statement (RAS), the Group's Strategy and Business Plan and supports the Group in meeting the requirements of Prudential Standard APS 115 *Capital Adequacy: Standardised Measurement Approach to Operational Risk* (APS 115).

Structure and Organisation of the Operational Risk Function

The Operational Risk function within the Risk Management Support Unit forms part of Line 2 in the 3 Lines of the Group's Accountability model. The Executive General Manager (EGM) of Enterprise Risk is the head of the function and is accountable for designing and maintaining an effective ORMF to identify, measure, and monitor risks.

Most CBA operational risk staff are organized into teams aligned with each Business Unit/Support Unit (BU/SU). These teams may either be stand-alone Operational Risk teams or part of a combined Operational Risk and Compliance team. The primary factors determining the size and structure of each team are the size and complexity of the BU/SU they support.

BU/SU Operational Risk teams are tasked with embedding ORMF practices within their respective BU/SU and seeking to ensure that Line 1 risk management activities maintain operational risk within the stated appetite. Operational Risk Teams, have a direct reporting line to the BU/SU-aligned Chief Risk Officer and a dotted line to the EGM of Enterprise Risk.

Operational Risk Mitigation through Insurance

The Group insures against selected unexpected insurable operational risk losses. The Group's insurance program is structured based upon the Group's risk appetite. In designing the insurance program, the adequacy and appropriateness of cover are considered along with the Group's operational risk profile. The insurance program is reviewed by the Board.

Compliance Management Framework

The purpose of the Group Compliance Management Framework (CMF) is to describe the Group's approach to compliance management and its commitment to compliance. It sets out the requirements that together ensure the Group manages its compliance obligations, relationships and obligations to regulators and its compliance risks. The ORMF works in alignment with the CMF to help identify, assess, manage, and report compliance risk on a consistent and reliable basis.

System of Record

The ORMF and CMF are supported by a single platform, internally referred to as RiskInSite, which enables consistent application of both frameworks across the Group. This includes the assessment of operational and compliance risks, monitoring and review activities, escalation and remediation of control weaknesses, incident management and reporting to management and the Board.

Roles and Responsibilities

Every staff member has a responsibility for managing operational risk. Individual role holder accountabilities are articulated within each Standard under the relevant Policy. Within the Group, accountability for operational risk has been structured into a Three Lines of Accountability model, as described in section 7 *Risk Management*.

ORA: General qualitative information on a bank's operational risk framework (continued)

Management Reporting

The Group's operational risk reporting framework is designed to encourage that operational risk is consistently monitored, assessed, and escalated to executive management and the board of directors. The scope of our framework includes:

- *Risk identification and assessment*: the Group employs a structured approach to identify and assess operational risks across all business units / support units. This includes qualitative assessments, scenario analysis, and control effectiveness reviews.
- *Reporting to Executive Leadership Team Non-Financial Risk Committee*: operational risk metrics, long-dated, high-rated issue summaries, and control performance indicators are reported periodically to executive management. These reports highlight emerging risks, trends, and any breaches of risk appetite.
- *Board-level oversight*: the board receives operational risk reports three times per year that include aggregated risk profiles, updates on remediation actions, and outcomes of material Line 2 reviews. These reports are aligned with our enterprise risk management strategy and support informed decision-making.
- *Escalation protocols*: material risk events are escalated immediately to the office of the CEO through predefined channels to ensure timely intervention and oversight.

Operational Risk Capital Measurement Approach

The Group determines its operational risk regulatory capital in accordance with the APRA-prescribed Standardised Measurement Approach (SMA) in APS 115. Under this approach, the Group calculates its operational risk regulatory capital based on its business indicator, a financial statement-based proxy for its operational risk exposure.

The business indicator is based on the average of the most recent three years of audited annual financial reports, updated as part of September quarter reporting each year following finalisation of the annual financial report.

Operational Risk (continued)

OR1: Historical losses

The table below presents the aggregate operational losses incurred over the past 10 financial years, based on the identification date of the loss event. Complex loss events can remain open across reporting years whilst being remediated, and loss values are updated throughout the lifecycle of the loss management as impacts are known. This can result in movement of loss events for prior periods as these value updates may affect whether an incident meets minimum reporting thresholds. Each value across the ten-year period reflects this change.

		30 Jun 25	30 Jun 24	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20	30 Jun 19	30 Jun 18	30 Jun 17	30 Jun 16	Ten-year average
Using $30,000 threshold												
1	Total amount of operational losses net of recoveries (no exclusions) ($M)	**85**	363	213	237	195	277	1,999	519	181	706	478
2	Total number of operational risk losses (#)	**418**	602	664	690	585	353	359	305	332	307	462
3	Total amount of excluded operational risk losses ($M)	**–**	–	–	–	–	–	–	–	–	–	–
4	Total number of exclusions (#)	**–**	–	–	–	–	–	–	–	–	–	–
5	Total amount of operational losses net of recoveries and net of excluded losses ($M)	**85**	363	213	237	195	277	1,999	519	181	706	478
Using $150,000 threshold												
6	Total amount of operational losses net of recoveries (no exclusions) ($M)	**64**	332	181	206	168	263	1,984	505	166	692	456
7	Total number of operational risk losses (#)	**72**	118	156	187	155	124	123	80	85	78	118
8	Total amount of excluded operational risk losses ($M)	**–**	–	–	–	–	–	–	–	–	–	–
9	Total number of exclusions (#)	**–**	–	–	–	–	–	–	–	–	–	–
10	Total amount of operational losses net of recoveries and net of excluded losses ($M)	**64**	332	181	206	168	263	1,984	505	166	692	456
Details of operational risk capital calculation												
11	Are losses used to calculate the ILM (yes/no)?	**No**										
12	If “no” in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards (yes/no)?	**No**										
13	Loss event threshold: $30,000 or $150,000 for the operational risk capital calculation if applicable	**n/a**										

OR2: Business indicator and subcomponents

The table below provides information in relation to the business indicator (BI) and its subcomponents used in the calculation of the Group's operational risk capital and RWA for the period from 30 September 2024 to 30 June 2025.

BI and its subcomponents		30 Jun 24 $M	30 Jun 23 $M	30 Jun 22 $M
1	**Interest, lease and dividend component [1 2]**	**20,540**		
1a	Interest and lease income	57,467	43,214	23,973
1b	Interest and lease expense	36,663	21,288	5,162
1c	Interest earning assets [3]	1,208,556	1,200,232	1,149,427
1d	Dividend income	55	25	–
2	**Services component [1 4]**	**3,286**		
2a	Fee and commission income	3,023	2,818	2,896
2b	Fee and commission expense	88	86	119
2c	Other operating income	139	202	204
2d	Other operating expense	556	274	292
3	**Financial component [1 5]**	**1,873**		
3a	Net P&L on the trading book	2,384	1,445	797
3b	Net P&L on the banking book	307	168	518
4	**BI [6]**	**25,699**		
5	Business indicator component (BIC) [7]	3,810		
Disclosure on the BI:				
6a	BI gross of excluded divested activities	25,773		
6b	Reduction in BI due to excluded divested activities [8]	(74)		

1 Business indicator components represent averages for the most recent three financial years.
2 The interest, lease and dividend component is calculated as the lesser of the average net interest and lease income and 2.25% of interest earning assets, plus the average of dividend income.
3 Interest earning assets as at the end of each financial year.
4 The services component is calculated as the higher of the average fee and commission income and expense, plus the higher of the average other operating income and expense.
5 The financial component is calculated as the sum of the average net profit or loss on the trading and banking book.
6 Business indicator is a sum of the interest, lease and dividend component, services component and financial component.
7 Calculated as the business indicator multiplied by 12%, plus 3% of the amount by which the business indicator exceeds $1.5 billion.
8 The Group completed the sale of PT Bank Commonwealth (PTBC) on 1 May 2024. The calculation of the BI excludes the divested activities of PTBC.

OR2: Business indicator and subcomponents (continued)

The table below provides information in relation to the business indicator (BI) and its subcomponents used in the calculation of the Group's operational risk capital and RWA for the period from 30 September 2023 to 30 June 2024.

	BI and its subcomponents	30 Jun 23 $M	30 Jun 22 $M	30 Jun 21 $M
1	**Interest, lease and dividend component [1,2]**	**19,753**		
1a	Interest and lease income	43,310	24,079	24,910
1b	Interest and lease expense	21,331	5,206	6,531
1c	Interest earning assets [3]	1,201,877	1,151,170	1,032,711
1d	Dividend income	25	–	2
2	**Services component [1,4]**	**3,230**		
2a	Fee and commission income	2,842	2,952	2,834
2b	Fee and commission expense	91	125	104
2c	Other operating income	202	204	258
2d	Other operating expense	274	292	497
3	**Financial component [1,5]**	**1,303**		
3a	Net P&L on the trading book	1,459	804	879
3b	Net P&L on the banking book	169	521	(78)
4	**BI [6]**	**24,287**		
5	Business indicator component (BIC) [7]	3,598		
Disclosure on the BI:				
6a	BI gross of excluded divested activities	24,287		
6b	Reduction in BI due to excluded divested activities	–		

1 Business indicator components represent averages for the most recent three financial years.
2 The interest, lease and dividend component is calculated as the lesser of the average net interest and lease income and 2.25% of interest earning assets, plus the average of dividend income.
3 Interest earning assets as at the end of each financial year.
4 The services component is calculated as the higher of the average fee and commission income and expense, plus the higher of the average other operating income and expense.
5 The financial component is calculated as the sum of the average net profit or loss on the trading and banking book.
6 Business indicator is a sum of the interest, lease and dividend component, services component and financial component.
7 Calculated as the business indicator multiplied by 12%, plus 3% of the amount by which the business indicator exceeds $1.5 billion.

OR3: Minimum required operational risk capital

The table below presents the operational risk regulatory capital requirements.

		30 Jun 25 $M	30 Jun 24 $M
1	Business indicator component (BIC)	**3,810**	3,598
2	Internal loss multiplier (ILM) [1]	**n/a**	n/a
3	Minimum required operational risk capital (ORC)	**3,810**	3,598
	Other regulatory capital charges	**–**	–
4	Operational risk RWA [2]	**47,624**	44,975

1 APS 115 does not prescribe an internal loss multiplier.
2 Operational risk RWA is operational risk capital multiplied by 12.5.

Operational risk RWA increased $2.6 billion or 5.9% on the prior year. This was mainly due to the increase in the interest, lease and dividend component of the BI due to higher net interest and lease income in the year ended 30 June 2024 compared to the year ended 30 June 2021 which is no longer included in the calculation of the three-year average. The increase in net interest and lease income was due to a higher interest rate environment and lending growth.

13 Liquidity Risk

LIQA: Liquidity risk management

Overview

The Group's liquidity and funding policies are designed to support it in meeting its obligations as and when they fall due by enabling it to raise funding on an unsecured or secured basis and, 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 support it in maintaining 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 and Funding 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%;
- central to the Group's liquidity management framework, the Group undertakes additional stress testing including severe and moderate 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 residential mortgage-backed securities (RMBS) with a minimum value of 30% of Group's Australian dollar LCR net cash outflows. The internal RMBS has mortgages securitised but retained by the Bank, and are repo-eligible collateral to obtain funding from 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

Liquidity Risk (continued)

Liquidity and Funding Policies and Management (continued)

- 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.

Liquidity modelling and forecasting is undertaken on a daily basis to ensure the Group meets its internal and regulatory liquidity requirements at all times. A regulatory liquidity management reporting system models and reports regulatory liquidity outcomes. Additionally a comprehensive Funds Transfer Pricing framework is in place to attribute the cost of funding and liquidity to business units and to provide appropriate incentives to inform business decision making.

Contingency Funding Plan

The Group maintains a Contingency Funding Plan (CFP) which details how the Group would respond to a liquidity stress event. The plan includes details of roles and responsibilities including the committee of responsible executives, early warning indicators and trigger events, 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 CBA Board on an annual basis.

LIQ1: Liquidity Coverage Ratio

The Group calculates its LCR position on a daily basis, ensuring a buffer is maintained over the minimum regulatory requirement of 100% and the Board's risk appetite. The Group maintained an average LCR of 130% in the June 2025 quarter. On a spot basis, the LCR ranged between 124% and 137% over the quarter.

The Group's mix of liquid assets consists of HQLA, such as cash, deposits with central banks, Australian semi-government and Commonwealth government securities. Liquid assets also include securities classified as liquid assets by the RBNZ. Liquid assets are distributed across the Group to support regulatory and internal requirements and are consistent with the distribution of liquidity needs by currency. Average liquid assets decreased $2.5 billion or 1.3% over the quarter.

NCO are modelled under an APRA prescribed 30 day severe liquidity stress scenario. The Group manages modelled NCO by maintaining a large base of low LCR outflow customer deposits and actively managing its wholesale funding maturity profile as part of its overall liquidity management strategy. Average NCO increased $1.0 billion or 0.7% over the quarter due to an increase in deposit cash outflows, partially offset by a decrease in wholesale funding maturities within the 30-day window.

		30 Jun 25 [1]		31 Mar 25 [1]	
		Total unweighted value (average) $M	Total weighted value (average) $M	Total unweighted value (average) $M	Total weighted value (average) $M
High-quality liquid assets					
1	Total HQLA [2]		183,896		186,402
Cash outflows					
2	Retail deposits and deposits from small business customers, of which:	**495,073**	**40,321**	**482,393**	**39,278**
3	Stable deposits	286,192	14,310	280,510	14,026
4	Less stable deposits	208,881	26,011	201,883	25,252
5	Unsecured wholesale funding, of which:	**188,967**	**80,027**	**189,975**	**81,744**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	95,227	22,930	93,593	22,537
7	Non-operational deposits (all counterparties)	85,782	49,139	85,468	48,293
8	Unsecured debt	7,958	7,958	10,914	10,914
9	Secured wholesale funding		**6,258**		**5,346**
10	Additional requirements, of which:	**201,208**	**28,899**	**193,091**	**27,346**
11	Outflows related to derivative exposures and other collateral requirements	7,315	7,315	7,436	7,436
12	Outflows related to loss of funding on debt products	–	–	–	–
13	Credit and liquidity facilities	193,893	21,584	185,655	19,910
14	Other contractual funding obligations	–	–	–	–
15	Other contingent funding obligations	**97,971**	**11,537**	**100,084**	**13,338**
16	**Total cash outflows**		**167,042**		**167,052**
Cash inflows					
17	Secured lending (e.g. reverse repos)	52,842	7,315	54,481	6,548
18	Inflows from fully performing exposures	16,075	10,921	15,294	10,420
19	Other cash inflows	7,731	7,731	10,012	10,012
20	**Total cash inflows**	**76,648**	**25,967**	**79,787**	**26,980**
			Total adjusted value		**Total adjusted value**
21	**Total HQLA**		183,896		186,402
22	**Total net cash outflows**		141,075		140,072
23	**Liquidity Coverage Ratio (%)**		130		133
Number of data points used (Business days)			61		62

1 The averages presented are calculated as simple averages of daily observations over the previous quarter.
2 Includes RBNZ securities of $1.3 billion and alternative liquid assets (ALA) of $nil (31 March 2025: RBNZ securities $2.1 billion; ALA $nil).

LIQ2: Net Stable Funding Ratio

The NSFR requires Australian ADIs to have sufficient Available Stable Funding (ASF) to meet their Required Stable Funding (RSF) over a one year horizon. The Group calculates its NSFR position daily, ensuring a buffer is maintained over the regulatory requirement of 100% and the Board's risk appetite. The ASF and RSF are calculated by applying factors prescribed by APRA, to liabilities, assets and off Balance Sheet commitments.

The Group's main sources of ASF are deposits from retail and SME customers, wholesale funding and capital. The main contributors to RSF are residential mortgages and loans to business and corporate customers.

The NSFR decreased from 116% at 31 March 2025 to 115% at 30 June 2025. Over the period, the Group's ASF increased 1.2% due to growth in retail and SME deposits, and an increase in regulatory capital. RSF increased 2.1% primarily due to growth in both residential mortgages and corporate lending.

		As at 30 June 2025				
		Unweighted value by residual maturity				
		No maturity $M	< 6 months $M	6 months to < 1 year $M	≥ 1 year $M	Weighted value $M
Available stable funding (ASF) item						
1	**Capital:**	**78,928**	**–**	**–**	**42,737**	**121,665**
2	Regulatory capital	78,928	–	–	42,737	**121,665**
3	Other capital instruments	–	–	–	–	**–**
4	**Retail deposits and deposits from small business customers:**	**475,741**	**137,701**	**17**	**30**	**568,705**
5	Stable deposits	278,084	53,129	10	2	**314,664**
6	Less stable deposits	197,657	84,572	7	28	**254,041**
7	**Wholesale funding:**	**171,003**	**243,105**	**60,727**	**111,814**	**246,790**
8	Operational deposits	103,396	–	–	–	**51,698**
9	Other wholesale funding	67,607	243,105	60,727	111,814	**195,092**
10	**Liabilities with matching interdependent assets**	**–**	**–**	**–**	**–**	**–**
11	**Other liabilities:**	**–**	**24,258**	**167**	**1,519**	**1,602**
12	NSFR derivative liabilities	–	9,938	–	–	**–**
13	All other liabilities and equity not included in the above categories	–	14,320	167	1,519	**1,602**
14	**Total ASF**					**938,762**
Required Stable Funding (RSF) Item						
15a	**Total NSFR high-quality liquid assets (HQLA)**					**6,431**
15b	**ALA**					**–**
15c	**RBNZ Securities**					**354**
16	**Deposits held at other financial institutions for operational purposes**					**–**
17	**Performing loans and securities:**	**18,881**	**138,767**	**72,360**	**889,697**	**746,398**
18	Performing loans to financial institutions secured by Level 1 HQLA	12,449	52,370	9,140	2,146	**13,198**
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	6,432	33,543	20,384	44,713	**60,901**
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	–	40,208	33,625	158,721	**171,092**
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	734	610	3,690	**3,071**
22	Performing residential mortgages, of which:	–	8,205	8,092	673,577	**489,044**
	are standard loans to individuals with a LVR of 80% or below	–	6,078	6,131	484,025	**320,721**
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	4,441	1,119	10,540	**12,163**
25	**Assets with matching interdependent liabilities**	**–**	**–**	**–**	**–**	**–**
26	**Other assets:**	**8,047**	**31,803**	**7,767**	**29,044**	**49,798**
27	Physical traded commodities, including gold	8,047	–	–	–	**6,840**
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)	–	1,588	–	–	**1,349**
29	NSFR derivative assets	–	6,669	–	–	**–**
30	NSFR derivative liabilities before deduction of variation margin posted	–	18,662	–	–	**3,732**
31	All other assets not included in the above categories	–	4,884	7,767	29,044	**37,877**
32	**Off-balance sheet items**	**–**	**225,490**	**–**	**–**	**11,015**
33	**Total RSF**					**813,996**
34	**Net Stable Funding Ratio (%)**					**115**

Liquidity Risk (continued)

LIQ2 – Net Stable Funding Ratio (continued)

		As at 31 March 2025				
		Unweighted value by residual maturity				
		No maturity $M	< 6 months $M	6 months to < 1 year $M	≥ 1 year $M	Weighted value $M
Available stable funding (ASF) item						
1	**Capital:**	**74,857**	**–**	**–**	**42,716**	**117,573**
2	Regulatory capital	74,857	–	–	42,716	117,573
3	Other capital instruments	–	–	–	–	–
4	**Retail deposits and deposits from small business customers:**	**467,411**	**137,166**	**26**	**144**	**560,777**
5	Stable deposits	276,046	53,737	7	7	313,308
6	Less stable deposits	191,365	83,429	19	137	247,469
7	**Wholesale funding:**	**155,153**	**219,311**	**71,027**	**116,440**	**247,205**
8	Operational deposits	91,356	–	–	–	45,678
9	Other wholesale funding	63,797	219,311	71,027	116,440	201,527
10	**Liabilities with matching interdependent assets**	**–**	**–**	**–**	**–**	**–**
11	**Other liabilities:**	**–**	**24,832**	**168**	**1,737**	**1,820**
12	NSFR derivative liabilities	–	11,634	–	–	–
13	All other liabilities and equity not included in the above categories	–	13,198	168	1,737	1,820
14	**Total ASF**					**927,375**
Required Stable Funding (RSF) Item						
15a	**Total NSFR high-quality liquid assets (HQLA)**					**6,203**
15b	**ALA**					**–**
15c	**RBNZ Securities**					**373**
16	**Deposits held at other financial institutions for operational purposes**					**–**
17	**Performing loans and securities:**	**19,544**	**133,696**	**67,641**	**873,947**	**730,786**
18	Performing loans to financial institutions secured by Level 1 HQLA	14,802	52,498	5,673	2,933	12,499
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	4,742	30,476	22,328	42,854	59,301
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	–	37,477	31,262	155,812	166,077
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	747	529	3,661	3,018
22	Performing residential mortgages, of which:	–	7,594	7,503	661,028	479,602
	are standard loans to individuals with a LVR of 80% or below	–	5,593	5,644	472,093	312,479
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	5,651	875	11,320	13,307
25	**Assets with matching interdependent liabilities**	**–**	**–**	**–**	**–**	**–**
26	**Other assets:**	**8,296**	**33,498**	**4,483**	**29,495**	**47,981**
27	Physical traded commodities, including gold	8,296	–	–	–	7,052
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)	–	1,551	–	–	1,319
29	NSFR derivative assets	–	6,266	–	–	–
30	NSFR derivative liabilities before deduction of variation margin posted	–	19,302	–	–	3,860
31	All other assets not included in the above categories	–	6,379	4,483	29,495	35,750
32	**Off-balance sheet items**	**–**	**224,733**	**–**	**–**	**11,639**
33	**Total RSF**					**796,982**
34	**Net Stable Funding Ratio (%)**					**116**

14 Appendices

KM1: Key metrics

The table below provides key regulatory metrics in relation to the Group's regulatory capital (including buffer requirements and ratios), RWA, leverage ratio, liquidity coverage ratio and net stable funding ratio.

		30 Jun 25 $M	31 Mar 25 $M	31 Dec 24 $M	30 Sep 24 $M	30 Jun 24 $M
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	**60,967**	57,513	58,871	55,618	57,691
2	Tier 1	**68,874**	66,785	68,143	64,890	66,963
3	Total capital	**103,703**	100,229	99,705	95,139	97,791
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	**496,145**	484,491	482,369	473,197	467,551
4a	Total risk-weighted assets (pre-floor)	**496,145**	484,491	482,369	473,197	467,551
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	**12.3**	11.9	12.2	11.8	12.3
5b	CET1 ratio (%) (pre-floor ratio)	**12.3**	11.9	12.2	11.8	12.3
6	Tier 1 ratio (%)	**13.9**	13.8	14.1	13.7	14.3
6b	Tier 1 ratio (%) (pre-floor ratio)	**13.9**	13.8	14.1	13.7	14.3
7	Total capital ratio (%)	**20.9**	20.7	20.7	20.1	20.9
7b	Total capital ratio (%) (pre-floor ratio)	**20.9**	20.7	20.7	20.1	20.9
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (%)	**3.75**	3.75	3.75	3.75	3.75
9	Countercyclical buffer requirement (%)	**0.83**	0.83	0.83	0.83	0.83
10	Bank G-SIB and/or D-SIB additional requirements (%)	**1.0**	1.0	1.0	1.0	1.0
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	**5.58**	5.58	5.58	5.58	5.58
12	CET1 available after meeting the bank's minimum capital requirements (%) [1]	**7.8**	7.4	7.7	7.3	7.8
	Basel III Leverage ratio					
13	Total Basel III leverage ratio exposure measure	**1,453,694**	1,410,610	1,393,974	1,366,087	1,339,175
14	Basel III leverage ratio (%)	**4.7**	4.7	4.9	4.8	5.0
	Liquidity Coverage Ratio (LCR)					
15	Total high-quality liquid assets (HQLA)	**183,896**	186,402	175,257	177,435	177,231
16	Total net cash outflow	**141,075**	140,072	138,117	135,187	130,753
17	LCR ratio (%)	**130**	133	127	131	136
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	**938,762**	927,375	909,249	880,872	872,447
19	Total required stable funding	**813,996**	796,982	780,913	767,765	749,021
20	NSFR ratio (%)	**115**	116	116	115	116

1 Represents CET1 capital in excess of the regulatory minimum requirement of 4.5%.

Capital

CC1: Composition of regulatory capital

The table below, which provides the breakdown of the Group's regulatory capital as at 30 June 2025, should be read in conjunction with CC2: Reconciliation of regulatory capital to balance sheet and Reconciliation between detailed capital disclosures template and regulatory balance. Further details on the key drivers of the movement in capital are provided on page 10.

		30 Jun 25 $M	Reconciliation Table Reference
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	33,560	Table A
2	Retained earnings	43,911	
3	Accumulated other comprehensive income (and other reserves)	1,242	
4	Directly issued capital subject to phase-out from CET1 capital (only applicable to non-joint stock companies)	–	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 capital)	–	
6	**Common Equity Tier 1 capital before regulatory adjustments**	**78,713**	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudent valuation adjustments	(11)	
8	Goodwill (net of related tax liability)	(5,289)	Table B
9	Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability)	(2,737)	Table B
10	Deferred tax assets (DTA) that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	–	Table C
11	Cash flow hedge reserve	(1,162)	
12	Shortfall of provisions to expected losses	–	
13	Securitisation gain on sale	–	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	(31)	
15	Defined benefit pension fund net assets	(417)	
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	–	
17	Reciprocal cross-holdings in common equity	–	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
20	MSR (amount above 10% threshold)	–	
21	DTA arising from temporary differences (amount above 10% threshold, net of related tax liability)	–	Table C
22	Amount exceeding the 15% threshold	–	
23	of which: significant investments in the common stock of financials	–	
24	of which: MSR	–	
25	of which: DTA arising from temporary differences	–	
26	National specific regulatory adjustments	(8,099)	
26a	of which: treasury shares	215	Table A
26b	of which: offset to dividends declared due to a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI	–	
26c	of which: deferred fee income	–	
26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23	(3,041)	Table F
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	(3,333)	Table C
26f	of which: capitalised expenses	(1,317)	
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	(308)	Table F
26h	of which: covered bonds in excess of asset cover in pools	–	
26i	of which: undercapitalisation of a non-consolidation subsidiary	–	
26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i	(315)	
27	Regulatory adjustments applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2 capital to cover deductions	–	
28	**Total regulatory adjustments to Common Equity Tier 1 capital**	**(17,746)**	
29	**Common Equity Tier 1 capital (CET1)**	**60,967**	

CC1: Composition of regulatory capital (continued)

		30 Jun 25 $M	Reconciliation Table Reference
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus	7,907	
31	of which: classified as equity under applicable accounting standards	–	
32	of which: classified as liabilities under applicable accounting standards	7,907	Table D
33	Directly issued capital instruments subject to phase-out from additional Tier 1 capital	–	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group additional Tier 1 capital)	–	
35	of which: instruments issued by subsidiaries subject to phase-out	–	
36	**Additional Tier 1 capital before regulatory adjustments**	**7,907**	Table D
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own additional Tier 1 instruments	–	
38	Reciprocal cross-holdings in additional Tier 1 instruments	–	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	–	
41	National specific regulatory adjustments	–	
42	Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	–	
43	**Total regulatory adjustments to additional Tier 1 capital**	**–**	
44	**Additional Tier 1 capital (AT1)**	**7,907**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**68,874**	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	33,079	Table E
47	Directly issued capital instruments subject to phase-out from Tier 2 capital	–	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	–	
49	of which: instruments issued by subsidiaries subject to phase-out	–	
50	Provisions	2,194	
51	**Tier 2 capital before regulatory adjustments**	**35,273**	
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	(30)	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	–	
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	(414)	
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	–	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	
56	National specific regulatory adjustments	–	
57	**Total regulatory adjustments to Tier 2 capital**	**(444)**	
58	**Tier 2 capital**	**34,829**	
59	**Total regulatory capital (= Tier 1 + Tier 2)**	**103,703**	
60	**Total risk-weighted assets**	**496,145**	

CC1: Composition of regulatory capital (continued)

		30 Jun 25 $M	Reconciliation Table Reference
	Capital adequacy ratios and buffers		
61	Common Equity Tier 1 capital (as a percentage of risk-weighted assets)	12.3	
62	Tier 1 capital (as a percentage of risk-weighted assets)	13.9	
63	Total capital (as a percentage of risk-weighted assets)	20.9	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets) [1]	10.08	
65	of which: capital conservation buffer requirement	3.75	
66	of which: bank-specific countercyclical buffer requirement	0.83	CCyB1
67	of which: higher loss absorbency requirement (D-SIB)	1.00	
68	Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	7.8	
	National minima (if different from Basel III)		
69	National minimum Common Equity Tier 1 capital adequacy ratio (if different from Basel III minimum)	–	
70	National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)	–	
71	National minimum Total capital adequacy ratio (if different from Basel III minimum)	–	
	Amounts below the thresholds for deduction (before risk-weighting)		
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	1,054	Table F
73	Significant investments in the common stock of financial entities	1,987	Table F
74	MSR (net of related tax liability)	–	
75	DTA arising from temporary differences (net of related tax liability)	3,333	Table C
	Applicable caps on the inclusion of provisions in Tier 2 capital		
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)	79	
77	Cap on inclusion of provisions in Tier 2 capital under standardised approach	294	
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to internal ratings-based approach (prior to application of cap)	2,115	
79	Cap for inclusion of provisions in Tier 2 capital under internal ratings-based approach	2,228	

1 Comprises a minimum CET1 ratio of 4.5%, capital conservation buffer of 3.75% (per row 65), D-SIB buffer of 1% (per row 67) and a countercyclical capital buffer (per row 66).

CC2: Reconciliation of regulatory capital to balance sheet

The table below provides comparison between the Group's consolidated balance sheet in accordance with the published financial statements and the regulatory balance sheet for the Level 2 Regulatory consolidated Group as at 30 June 2025. For further details on the balance sheet refer to the 2025 Annual Report.

	30 Jun 2025		
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	$M	$M	
Assets			
Cash and liquid assets	83,819	83,818	
Receivables from financial institutions	7,604	7,604	
Assets at fair value through income statement	96,370	96,370	
Derivative assets	24,719	24,719	
Investment securities:			
At amortised cost	633	633	
At fair value through other comprehensive income	107,018	107,018	
Assets held for sale	10	10	
Loans and other receivables	1,007,756	1,005,711	
Investment in regulatory non-consolidated subsidiaries	–	89	Table F
Property, plant and equipment	3,563	3,563	
Intangible assets	8,082	8,082	Table B
Deferred tax assets	2,599	2,599	Table C
Other assets	11,626	11,626	
Total assets	**1,353,799**	**1,351,842**	
Liabilities			
Deposits and other public borrowings	937,857	938,010	
Payables to financial institutions	27,956	27,956	
Liabilities at fair value through income statement	49,842	49,842	
Derivative liabilities	25,146	25,146	
Current tax liabilities	780	777	
Deferred tax liabilities	64	64	Table C
Provisions	2,831	2,831	
Term funding from central banks	1,131	1,131	
Debt issues	170,509	168,430	
Bills payable and other liabilities	19,934	19,969	
Loan capital	38,973	38,973	Table D
Total liabilities	**1,275,023**	**1,273,129**	
Shareholders' equity			
Ordinary share capital	33,560	33,560	Table A
Reserves	1,242	1,242	
Retained profits	43,974	43,911	
Total shareholders’ equity	**78,776**	**78,713**	

CC2: Reconciliation of regulatory capital to balance sheet (continued)

Reconciliation between detailed capital disclosures template and regulatory balance sheet

The following supplementary tables provide information in relation to the reconciliation of regulatory capital to the balance sheet for the Level 2 Group.

Table A	30 Jun 25 $M	Template Reference
Share Capital		
Total per Balance Sheet (Ordinary Share Capital) [1]	33,560	Row 1
Treasury Shares held by the Group's employee share scheme trusts (APRA specific adjustment)	215	Row 26a
Total Ordinary Share Capital and Treasury Shares	33,775	

Table B	30 Jun 25 $M	Template Reference
Goodwill and Other Intangibles		
Total per Balance Sheet [1]	8,082	
Less capitalised software and other intangibles separately disclosed in template	(2,793)	
Total per Capital Template - Goodwill	5,289	Row 8
Other intangibles (including capitalised software) per Balance Sheet	2,793	
Less deferred tax liability associated with other intangibles	(56)	
Total per Capital Template - Other Intangibles	2,737	Row 9

Table C	30 Jun 25 $M	Template Reference
Deferred Tax Assets		
Deferred tax assets per Balance Sheet [1]	2,599	
Less deferred tax liabilities per Balance Sheet [1]	(64)	
Net Deferred Tax Assets [2]	2,535	
Adjustments required in accordance with APRA prudential standards [3]	798	
Total per Capital Template	3,333	Row 26e, 75

1 Represents the balance per Level 2 Regulatory Balance Sheet.
2 Represents the balance of deferred tax assets net of deferred tax liabilities per Level 2 Regulatory Balance Sheet.
3 Represents the deferred tax balances associated with reserves ineligible for inclusion in regulatory capital, intangibles and the impact of limitations of netting of balances within the same jurisdiction.

CC2: Reconciliation of regulatory capital to balance sheet (continued)

Table D	30 Jun 25 $M	Template Reference
Additional Tier 1 Capital		
Total Loan Capital per Balance Sheet [1]	**38,973**	
Add fair value hedge adjustments [2]	**2,653**	
Total Loan Capital net of issue costs at their contractual values	**41,626**	
Less amount related to Tier 2 Capital Instruments	**(33,759)**	
Total Tier 1 Loan Capital	**7,867**	
Add issue costs [3]	**40**	
Total per Capital Template	**7,907**	Row 36
Additional Tier 1 Capital Instruments comprises		
Basel III Complying Instruments		
PERLS XII	**1,650**	
PERLS XIII	**1,180**	
PERLS XIV	**1,750**	
PERLS XV	**1,777**	
PERLS XVI	**1,550**	
Total Additional Tier 1 Capital Instruments	**7,907**	Row 36

Table E	30 Jun 25 $M	Template Reference
Tier 2 Capital Instruments		
Total included in Balance Sheet	**33,759**	
Less amount of Tier 2 debt issued by subsidiary ineligible for inclusion in the Group's Capital	**–**	
Add issue costs [3]	**49**	
Less amortisation of instruments [4]	**(729)**	
Total per Capital Template	**33,079**	Row 46, 47

1 Represents the balance per Level 2 Regulatory Balance Sheet.
2 For regulatory capital purposes, APRA requires these instruments to be included as if they were unhedged.
3 Unamortised issue costs relating to capital instruments are netted off against each instrument in the Balance Sheet. For regulatory capital purposes, these capital instruments are shown at face value. The unamortised issue costs are deducted from CET1 as part of capitalised expenses in Row 26f in the Table CC1.
4 APRA requires these instruments to be amortised by 20% of the original amount during each of the last five years to maturity.

Details on the main features of capital instruments included in the Group's regulatory capital (Ordinary Share Capital, Additional Tier 1 Capital and Tier 2 Capital) as required by APS 330 can be found at Commbank.com.au/regulatorydisclosures.

CC2: Reconciliation of regulatory capital to balance sheet (continued)

Table F	30 Jun 25 $M	Template Reference
Equity Investments		
Investment in commercial entities	**308**	Row 26g
Investments in significant financial entities	**1,898**	Row 26d, 73
Investments in non-significant financial entities	**1,054**	Row 26d, 72
	3,260	
Equity investment in non-consolidated subsidiaries	**89**	Row 26d, 73
Total per Capital Template [1] [2]	**3,349**	

1 Equity investments are included in assets at fair value through income statement, investment securities, investment in regulatory non-consolidated subsidiaries and other assets in the Level 2 Group balance sheet.

2 The aggregate of investments in significant financial entities of $1,898 million, investments in non-significant financial entities of $1,054 million and equity investment in non-consolidated subsidiaries of $89 million is a total of $3,041 million and is included in Row 26d in CC1. The remaining balance of $308 million related to investments in commercial entities.

CCyB1: Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement

CCyB, which is effective for Australian ADIs from 1 January 2016, represents an extension to the capital conservation buffer and may require an ADI to hold additional CET1 capital of up to 3.5%. The CCyB is calculated as the sum of the specific buffer set by APRA with respect to Australian private sector exposures and the weighted average for offshore private sector exposures where the CCyB has been enacted.

	30 June 2025			
Geographical breakdown [1]	**Countercyclical capital buffer rate %**	**RWA used in the computation of the countercyclical capital buffer $M**	**Bank-specific countercyclical capital buffer rate %**	**Countercyclical capital buffer [2] amount $M**
Australia	1.00	312,994		
United Kingdom	2.00	3,641		
Ireland	1.50	1,369		
France	1.00	829		
Germany	0.75	579		
Hong Kong	1.00	418		
Luxembourg	0.50	431		
Netherlands	2.00	411		
South Korea	1.00	328		
Sweden	2.00	44		
Other	0.50 to 2.50	57		
Sum [3]		**321,101**		
Other [4]		70,480		
Total		**391,581**	**0.83**	**4,125**

1 The geographical allocation is prepared on an ultimate risk basis.
2 The countercyclical capital buffer amount has been calculated using unrounded numbers.
3 Jurisdictions where non-zero countercyclical capital buffer rates apply.
4 Jurisdictions where countercyclical capital buffer rates of zero have been applied.

Leverage ratio

Leverage ratio is a non-risk-based measure introduced to supplement the risk-based capital requirements. It is designed to constrain the build-up of excessive leverage in the banking system. In accordance with APS 110, the ratio is calculated by dividing Tier 1 Capital by the total leverage ratio exposure measure.

LR1: Summary comparison of accounting assets vs leverage ratio exposure measure

The table below provides a reconciliation of the Group's total assets as at 30 June 2025 in accordance with the published financial statements and the total leverage ratio exposures determined under APS 110.

The key differences between the Group's total assets in accordance with the published financial statements and the total leverage ratio exposure measure are as follows:

- measurement of derivative financial instruments in accordance with accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB), compared to the application of the standardised approach for measuring counterparty credit risk exposures (SA-CCR) for the purposes of the leverage ratio exposure measure;
- off-balance sheet instruments are generally not recognised as assets in the financial statements but included in the calculation of the total leverage ratio exposure measure;
- SFTs exposures recognised in the financial statements at their reporting date values are included in the leverage ratio exposure measure based on the average month-end values during the quarter. In addition, SFTs exposures are adjusted to reflect counterparty credit risk in the calculation of the leverage ratio exposure measure; and
- total assets in accordance with the published financial statements are adjusted for regulatory capital deductions related to the Group's assets.

		30 Jun 25 $M
1	Total consolidated assets as per published financial statements	1,353,799
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	89
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	(2,045)
4	Adjustments for temporary exemption of central bank reserves (if applicable)	–
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	–
7	Adjustments for eligible cash pooling transactions	(2,305)
8	Adjustments for derivative financial instruments	8,581
9	Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	(5,767)
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	117,606
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	–
12	Other adjustments	(16,264)
13	**Leverage ratio exposure measure**	**1,453,694**

LR2: Leverage ratio common disclosure template

The table below shows the leverage ratio calculation and includes additional breakdowns of the leverage ratio exposure measure. Refer to page 14 for the details on the movements in the leverage ratio.

The ratio remained unchanged from the prior quarter, this was driven by an increase in exposures and the redemption of PERLS X, offset by capital generated from earnings.

		30 Jun 25 $M	31 Mar 25 $M
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	**1,248,216**	1,208,380
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	**8,253**	7,121
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	**(5,177)**	(3,940)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	**–**	–
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	**–**	–
6	(Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	**(18,569)**	(19,336)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**1,232,723**	**1,192,225**
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin, with bilateral netting and/or the specific treatment for client cleared derivatives)	**9,430**	9,367
9	Add-on amounts for potential future exposure associated with all derivatives transactions	**20,734**	21,713
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	**–**	–
11	Adjusted effective notional amount of written credit derivatives	**2,860**	2,540
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**(2,799)**	(2,508)
13	**Total derivative exposures (sum of rows 8 to 12)**	**30,225**	**31,112**
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	**101,450**	100,514
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**(31,714)**	(31,032)
16	Counterparty credit risk exposure for SFT assets	**3,404**	3,910
17	Agent transaction exposures	**–**	–
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	**73,140**	**73,392**
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	**229,011**	224,304
20	(Adjustments for conversion to credit equivalent amounts)	**(111,405)**	(110,423)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	**–**	–
22	**Off-balance sheet items (sum of rows 19 to 21)**	**117,606**	**113,881**
Capital and total exposures			
23	**Tier 1 capital**	**68,874**	66,785
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**1,453,694**	1,410,610
Leverage ratio			
25	**Leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)**	**4.7**	4.7
25a	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	**4.7**	4.7
26	**National minimum leverage ratio requirement (%)**	**3.5**	3.5
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	**69,736**	69,482
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	**1,453,694**	1,410,610
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	**1,453,694**	1,410,610
31	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	**4.7**	4.7
31a	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	**4.7**	4.7

Liquidity Risk

ENC: Asset encumbrance

The table below presents the carrying value of the Group's encumbered and unencumbered assets. For the purposes of this disclosure, encumbered assets are assets that the Group is restricted or prevented from liquidating, selling, transferring or assigning due to legal, regulatory, contractual or other constraints. The Group's sources of encumbrance include assets pledged under repurchase agreements, covered bonds, external securitisation and collateral. As at 30 June 2025, the Group has $123.7 billion of encumbered assets, which is predominantly debt securities of $58.4 billion and loans and advances of $54.4 billion.

	30 Jun 2025		
	Encumbered assets $M	Unencumbered assets $M	Total $M
Cash and liquid assets	135	83,684	83,819
Assets at fair value through income statement	50,236	46,134	96,370
Investment securities	8,211	99,440	107,651
Loans and other receivables	54,418	953,338	1,007,756
Property, plant and equipment	1,994	1,569	3,563
Other [1]	8,724	45,916	54,640
Total assets [2]	123,718	1,230,081	1,353,799

1 Represents other residual items disclosed in the balance sheet, as per the Group's published financial statements.

2 Total assets reflect the consolidated balance sheet number as reported in the Group's published financial statements.

Links between financial statements and regulatory exposures

LIA: Explanations of differences between accounting and regulatory exposure amounts

The legal entities included within the accounting scope of consolidation, but excluded from the Level 2 Regulatory Consolidated Group are detailed below:

- the following qualifying securitisation vehicles for which the Group has satisfied APRA's operational requirements for regulatory capital relief under APS 120 are deconsolidated for regulatory reporting purposes:
    - Medallion Trust Series 2017-1
    - Medallion Trust Series 2017-2
    - Medallion Trust Series 2018-1
    - Medallion Trust Series 2018-1P
    - Medallion Trust Series 2019-1
- CBA Captive Insurance Pte Ltd is a wholly owned insurance subsidiary of CBA that underwrites risks of the Group. This subsidiary is deconsolidated for regulatory reporting purposes and any equity invested in this captive insurer has been deducted from CET1 capital in accordance with APS 111. Additionally, the Group does not recognise surplus capital in the insurance subsidiary when calculating capital adequacy.

Refer to section 3 *Scope of Application* for further details on the APS 330 reporting structure.

Refer to table LI2 for the explanation of the differences between carrying values and amounts of exposures considered for regulatory purposes.

Information on the Group's valuation methodologies for financial instruments is provided in Note 9.5 of the 2025 Annual Report.

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

The table below provides an overview of the Group's balance sheet under accounting and regulatory consolidation scopes, and the mapping of reported balances to regulatory risk categories.

	30 June 2025						
			Carrying values of items: [1]				
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
	$M	$M	$M	$M	$M	$M	$M
Assets							
Cash and liquid assets	**83,819**	**83,818**	54,380	29,438	–	311	–
Receivables from financial institutions	**7,604**	**7,604**	1,141	6,463	–	1,607	–
Assets at fair value through income statement	**96,370**	**96,370**	13,849	49,514	–	89,327	464
Derivative assets	**24,719**	**24,719**	–	24,651	60	19,715	8
Investment securities:							
At amortised cost	**633**	**633**	–	–	633	–	–
At fair value through other comprehensive income	**107,018**	**107,018**	101,563	158	2,876	–	2,421
Assets held for sale	**10**	**10**	10	–	–	–	–
Loans and other receivables	**1,007,756**	**1,005,711**	984,769	856	14,165	2,388	3,533
Investment in regulatory non-consolidated subsidiaries	**–**	**89**	–	–	–	–	89
Property, plant and equipment	**3,563**	**3,563**	3,563	–	–	–	–
Intangible assets	**8,082**	**8,082**	–	–	–	–	8,082
Deferred tax assets	**2,599**	**2,599**	–	–	–	–	2,599
Other assets	**11,626**	**11,626**	8,664	824	–	756	1,382
Total assets	**1,353,799**	**1,351,842**	**1,167,939**	**111,904**	**17,734**	**114,104**	**18,578**
Liabilities							
Deposits and other public borrowings	**937,857**	**938,010**	–	8,739	–	–	929,271
Payables to financial institutions	**27,956**	**27,956**	–	4,197	–	67	23,759
Liabilities at fair value through income statement	**49,842**	**49,842**	–	40,011	–	48,023	–
Derivative liabilities	**25,146**	**25,146**	–	25,197	2	18,951	(53)
Current tax liabilities	**780**	**777**	–	–	–	–	777
Deferred tax liabilities	**64**	**64**	–	–	–	–	64
Provisions	**2,831**	**2,831**	–	–	–	–	2,831
Term funding from central banks	**1,131**	**1,131**	–	–	–	–	1,131
Debt issues	**170,509**	**168,430**	–	–	–	–	168,430
Bills payable and other liabilities	**19,934**	**19,969**	–	200	–	–	19,769
Loan capital	**38,973**	**38,973**	–	–	–	–	38,973
Total liabilities	**1,275,023**	**1,273,129**	**–**	**78,344**	**2**	**67,041**	**1,184,952**

1 Where an exposure attracts capital charges according to more than one risk category framework (e.g. derivatives, securities financing transactions and collateral associated with these products), the carrying value for the transaction is reported in all columns that attract a capital charge. As a result, the sum of values in columns corresponding to various risk frameworks does not always equal the total carrying value under the scope of regulatory consolidation.

LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

The table below presents the main differences between the accounting carrying values under the scope of regulatory consolidation and the exposure amounts for regulatory purposes. The regulatory exposures include the following additional components:

- *Off-balance sheet amounts and credit conversion factors (CCFs)*: off-balance sheet exposures consist of items such as undrawn commitments, financial guarantees and other off-balance sheet products. APRA-assigned CCFs are applied to these exposures based on their nature to determine the regulatory exposure amount;
- *Valuation differences*: driven by the regulatory valuation of derivatives and SFT which can differ from the accounting valuation. The regulatory valuation reflects the inclusion of potential future exposure amounts and the 1.4 SA-CCR alpha multiplier;
- *Netting rules*: the rules for netting financial assets with financial liabilities differ between accounting and regulatory treatments;
- *Consideration of provisions*: the differences arising from the consideration of provisions pertain to the grossing up of provisions associated with IRB exposures; and
- *CRM techniques*: these differences consist of eligible collateral recognised to mitigate regulatory exposures and reduce capital requirements in accordance with APS 112 and APS 113.

		30 June 2025				
			Items subject to:			
		Total $M	Credit risk framework $M	Securitisation framework $M	Counterparty credit risk framework $M	Market risk framework $M
1	**Asset carrying value amount under scope of regulatory consolidation [1]**	**1,333,264**	**1,167,939**	**17,734**	**111,904**	**114,104**
2	Liabilities carrying value amount under regulatory scope of consolidation [1]	**(88,177)**	–	(2)	(78,344)	(67,041)
3	**Total net amount under regulatory scope of consolidation**	**1,245,087**	**1,167,939**	**17,732**	**33,560**	**47,063**
4	Off-balance sheet amounts	**231,999**	224,950	7,049	–	
5	Differences in valuations	**25,772**	–	–	25,772	
6	Differences due to different netting rules, other than those already included in row 2	**(28,708)**	(2,140)	–	(26,568)	
7	Differences due to consideration of provisions	**6,173**	6,173	–	–	
8	Differences due to the use of credit risk mitigation techniques (CRMs)	**(1,066)**	(1,066)	–	–	
9	Differences due to credit conversion factors	**(63,986)**	(63,986)	–	–	
10	Differences due to securitisation with risk transfer	**–**	–	–	–	
11	**Exposure amounts considered for regulatory purposes**	**1,415,271**	**1,331,870**	**24,781**	**32,764**	

1 The total amount reflects the 'Carrying values under scope of regulatory consolidation' column less 'Not subject to capital requirements or subject to deduction from capital' column in template LI1. Therefore, the total amount will not equal the sum of 'Credit risk framework', 'Securitisation framework', 'Counterparty credit risk framework' and 'Market risk framework' columns above.

15 Governance and management attestation

Prudential Disclosure Policy

In line with APS 330, the Group maintains a Board-approved disclosure policy that sets out the Group's approach to determining the content of its prudential disclosures, and the internal controls and procedures for disclosures, including review and verification processes. The key elements of the policy are detailed below.

Approach to Determining Content of Prudential Disclosures

The Group's disclosure policy reflects the key principles of APS 330 and supports compliance of the Group's Pillar 3 disclosures with the requirements of APS 330. The disclosures consist of key prudential metrics and information on the Group's risk management approach, regulatory capital, credit risk, counterparty credit risk, securitisation, market risk, operational risk, interest rate risk in the banking book, countercyclical capital buffer requirement, leverage ratio, and liquidity. The Group ensures that these prudential disclosures are consistent with information reviewed by external auditors, supplied to APRA, or published elsewhere; and due consideration is given to disclosing information that is meaningful to users.

Internal Controls and Procedures for Disclosures

The Group maintains internal controls over the appropriateness and accuracy of the Pillar 3 disclosures, which are aligned with the verification process that is applied in the preparation of the Group's financial reports. Prior to each reporting cycle, the Group assesses the current reporting requirements and updates its Pillar 3 disclosures to reflect any regulatory or operational changes required.

The Group's disclosure policy clearly defines the roles and responsibilities of relevant stakeholders and mandates a formal approval framework to ensure adequate accountability and governance over the disclosures provided. The disclosures undergo an internal review process, with oversight from senior management to verify the integrity and reliability of the information. Structured review meetings are held to assess the completeness, accuracy, and underlying drivers of reported information; and subject matter experts are required to review and approve the completeness and accuracy of the data, reinforcing the quality of the disclosures.

The Group's disclosure policy also requires that the Group Chief Financial Officer (CFO), Group Chief Risk Officer (CRO), and Group Chief Executive Officer (CEO) review and endorse the disclosures. Board approval is required for the publication of the half-year (6 months ending 31 December) and full-year (year ending 30 June) Pillar 3 disclosures. The Group CFO, CRO, and CEO have delegated authority from the Board to jointly approve and authorise the publication of the Pillar 3 Report for the remaining quarters (quarters ending 31 March and 30 September).

Although the Pillar 3 disclosures are not required to be audited by an external auditor, the Group engages the external auditor (PwC) to perform assurance procedures over the Pillar 3 report in accordance with the Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*.

Governance and management attestation (continued)

Management attestation

Commonwealth Bank of Australia attests that:

Prudential disclosures for the Commonwealth Bank of Australia and its subsidiaries (the Group) are prepared in accordance with the "Disclosure requirements" Standard made by the Basel Committee on Banking Supervision (BCBS Standard), subject to modifications specified in APRA Prudential Standard APS 330 *Public Disclosure* (APS 330). In line with APS 330, the Group maintains a Board-approved disclosure policy that sets out the Group's approach to determining the content of its prudential disclosures, and the internal controls and procedures for disclosures, including review and verification processes. The Group's Pillar 3 Capital Adequacy and Risk Disclosures as at 30 June 2025 have been prepared in accordance with the Group's disclosure policy.

Alan Docherty

Group Chief Financial Officer

13 August 2025

16 Glossary

Term	Definition
Additional Tier 1 Capital (AT1)	Additional Tier 1 Capital is a concept defined by APRA and consists of high quality capital that essentially provides a permanent and unrestricted commitment of funds, is freely available to absorb losses, ranks behind the claims of depositors and other senior creditors in the event of a wind-up, and provides for fully discretionary capital distributions.
Advanced Internal Ratings-based (AIRB) Approach	This approach is used to measure credit risk in accordance with the Group's Basel III accreditation. This allows the Group to use internal estimates of PD and LGD (excluding senior unsecured and subordinated corporate exposures), with supervisory estimates to be used for EAD for the purposes of calculating regulatory capital.
ASB	ASB Bank Limited – a subsidiary of the Commonwealth Bank of Australia that is regulated by the RBNZ.
Australian Accounting Standards	The Australian Accounting Standards as issued by the Australian Accounting Standards Board (AASB).
Australian Prudential Regulation Authority (APRA)	The Australian Prudential Regulation Authority is an independent statutory authority that supervises institutions across banking, insurance and superannuation, and is accountable to the Australian parliament. The regulator of banks, insurance companies and superannuation funds, credit unions, building societies and friendly societies in Australia.
Authorised Deposit-taking Institution (ADI)	ADIs are corporations that are authorised under the Banking Act 1959 to carry on banking business in Australia.
Banking Book	The banking book is a term for assets on a bank's Balance Sheet that are expected to be held to maturity, usually consisting of customer loans to, and deposits from retail and corporate customers. The banking book can also include those derivatives that are used to hedge exposures arising from the banking book activity, including interest rate risk.
Basel III	Refers to the Basel Committee on Banking Supervision's framework for more resilient banks and banking systems issued in December 2010 (revised in June 2011), Capital requirements for bank exposures to central counterparties (July 2012), and the subsequent Basel III reforms finalised in December 2017.
Capital Floor	The capital floor is defined as the higher of total RWA as determined under the IRB approach, and 72.5% of total RWA as calculated under the standardised approach.
CBA	Commonwealth Bank of Australia – the head entity of the Group.
Central Counterparty (CCP)	A clearing house that interposes itself between counterparties to contracts traded in one or more financial markets, thereby ensuring the future performance of open contracts.
Collective Provision	All loans and receivables that do not have an individually assessed provision are assessed collectively for impairment. The Collective Provision is maintained to reduce the carrying value of the portfolio of loans to their estimated recoverable amounts. These provisions are reported in the Group's Financial Statements in accordance with Australian Accounting Standards (AASB 9 *Financial Instruments*).
Commercial Property	Basel asset class – a property exposure that is not a residential property or a land acquisition, development and construction exposure.
Common Equity Tier 1 (CET1) Capital	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.
Corporate	Basel asset class – this includes commercial credit risk where annual revenues are greater than or equal to $75 million but less than $750 million.
Corporate - Large	Basel asset class – applies to commercial credit risk where annual revenues are more than $750 million.
Credit Valuation Adjustment (CVA) Risk	The risk of mark-to-market losses related to deterioration in the credit quality of a derivative counterparty.
Domestic Public Sector Entity	Basel asset class – exposures that do not meet the definition of Sovereign exposures, but have a level of control or ownership by any level of the Australian Government or the RBA, including those which do not have specific revenue-raising powers.

Glossary (continued)

Term	Definition
Exposure at Default (EAD)	The extent to which the Group may be exposed upon default of a borrower.
Extended Licenced Entity (ELE)	An Extended Licensed Entity is comprised of an ADI and each subsidiary of an ADI as specified in any approval granted by APRA in accordance with Prudential Standard APS 222 *Associations with Related Entities.*
External Credit Assessment Institution (ECAI)	For example: Moody's Investor Services, S&P Global Ratings or Fitch Ratings.
Financial Institution	Basel asset class – primarily includes exposures which relate to: banking, the management of financial assets, lending, factoring, leasing, provision of credit enhancements, securitisation, investments, financial custody, central counterparty services, and proprietary trading.
Foundation Internal Ratings-based (FIRB) Approach	This approach is is used to measure credit risk in accordance with the Group's Basel III accreditation that allows the Group to use internal estimates of PD and rely on supervisory estimates for LGD and EAD for the purposes of calculating regulatory capital.
General Provisions	Collective Provisions classified as Stage 1 and Stage 2 in accordance with Australian Accounting Standards (AASB 9 *Financial Instruments*). All Stage 2 provisions are held on a purely forward-looking basis for future losses presently unidentified; hence all Stage 2 provisions (together with Stage 1) are classified as General Provisions.
Group	Commonwealth Bank of Australia and its subsidiaries.
High Quality Liquid Assets (HQLA)	Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value.
Individual provisions	Provisions made against individual facilities where there is objective evidence of impairment and full recovery of principal and interest is considered doubtful. These provisions are as reported in the Group's Financial Statements in accordance with the Australian Accounting Standards (AASB 9 *Financial Instruments*). Also known as individually assessed provisions or IAP.
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.
Land Acquisition Development or Construction (ADC)	Basel asset class – exposures secured by land acquired for development and construction purposes, or development and construction of any residential or commercial property.
Level 1	The Parent Bank (Commonwealth Bank of Australia), offshore branches (the Bank) and APRA approved Extended Licensed Entities.
Level 2	The level at which the Group reports its capital adequacy to APRA, being the Consolidated Banking Group comprising the ADI and all of its subsidiary entities other than the insurance business and certain entities through which securitisation of Group assets is conducted. This is the basis on which this report has been produced.
Level 3	The conglomerate group including the Group's insurance entity and qualifying securitisation entities.
Leverage Ratio	Tier 1 Capital divided by total exposures, expressed as a percentage.
Liquidity Coverage Ratio (LCR)	The LCR is a quantitative liquidity measure that is part of the Basel III reforms. It was implemented by APRA in Australia on 1 January 2015. It requires Australian ADIs to hold sufficient liquid assets to meet 30 day net cash outflows projected under an APRA-prescribed stress scenario.
Loss Given Default (LGD)	An estimate of the expected severity of loss for a credit exposure following a default event. LGD represents the fraction of EAD that is not expected to be recovered following default.
Net Cash Outflows (NCO)	Net cash outflows in the LCR are calculated by applying prescribed run-off factors on liabilities and various off Balance Sheet exposures that can generate a cash outflow in the next 30 days.

Glossary (continued)

Term	Definition
Net Stable Funding Ratio (NSFR)	The NSFR more closely aligns the behaviour term 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 ADI's 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.
Non-performing	An exposure that is in default.
Operational Risk under the Standardised Measurement Approach	The methodology used to measure operational risk, utilising an APRA prescribed formulaic approach which is largely dependent on profit or loss from ordinary banking activities.
Other Assets	Basel asset class – primarily includes Cash Items, Investments in Related Entities, Fixed Assets, Lease Assets and Margin Lending.
Other Retail	Basel asset class – primarily includes retail credit exposures not otherwise classed as a residential mortgage, SME retail or a qualifying revolving retail asset.
Past Due	Facilities are past due when a contracted amount, including principal or interest, has not been met when due, or when it is otherwise outside contracted arrangements.
Probability of Default (PD)	The PD reflects a borrower's ability to generate sufficient cash flows in the future to meet the terms of all of its credit obligations to the Group.
Prudential Capital Requirement (PCR)	The regulatory minimum CET1, Tier 1 and Total Capital ratios that the Group is required to maintain at all times.
Qualifying Revolving Retail (QRR)	Basel asset class – represents revolving exposures less than $0.1 million to individuals, unsecured and unconditionally cancellable by the Group. Only Australian retail credit cards qualify for this asset class.
RBA	Reserve Bank of Australia.
RBNZ	Reserve Bank of New Zealand.
RBNZ regulated entities	All references to RBNZ regulated entities refer to RBNZ regulated subsidiaries and include ASB exposures for which RWA are calculated using the RBNZ's prudential rules subject to certain APRA-prescribed adjustments.
Residential Mortgage	Basel asset class – retail exposures secured by residential mortgage property.
Risk Weighted Assets (RWA)	The value of the Group's on and off Balance Sheet assets are adjusted by risk weights calculated according to various APRA prudential standards.
Scaling Factor	In order to broadly maintain the aggregate level of capital in the global financial system post implementation of Basel II, the Basel Committee on Banking Supervision applies a scaling factor to the RWA amounts for credit risk under the IRB Retail, AIRB and FIRB approaches of 1.10. This is also applied to advanced exposures within RBNZ regulated entities.
Securities Financing Transactions (SFT)	APRA defines securities financing transactions as transactions such as repurchase agreements, reverse repurchase agreements, security lending and borrowing, and margin lending transactions, where the value of the transactions depends on the market valuation of securities and the transactions are typically subject to margin agreements.
Securitisation	Basel asset class – Group originated securitised exposures and the provision of facilities to customers in relation to securitisation activities.
SME Corporate	Basel asset class – Small and Medium Enterprise (SME) commercial credit risk where annual revenues are less than $75 million.
SME Retail	Basel asset class – Small and Medium Enterprise (SME) commercial credit risk where annual revenues are less than $75 million and exposures are less than $1.5 million.
Sovereign	Basel asset class – primarily claims on Australian and foreign governments, central banks (including the RBA), international banking agencies and regional development banks.
Specialised Lending	Basel asset classes subject to the supervisory slotting approach which include: object finance, project finance and commodity finance.
Specific Provisions	All provisions, both collectively and individually assessed, classified as Stage 3 in accordance with Australian Accounting Standards (AASB 9 *Financial Instruments*).

Term	Definition
Stage 1	On origination, an impairment provision equivalent to 12 months expected credit losses (ECL) is recognised, reflecting the credit losses expected to arise from defaults occurring over the next 12 months.
Stage 2	Financial assets that have experienced a significant increase in credit risk (SICR) since origination are transferred to Stage 2 and an impairment provision equivalent to lifetime ECL is recognised. Lifetime ECL is the 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	Non-performing (defaulted) financial assets are transferred to Stage 3 and an impairment provision equivalent to lifetime ECL is recognised.
Standardised Approach	An alternate approach to the assessment of credit, operational and traded market risk whereby an ADI uses external ratings agencies to assist in assessing credit risk and/or the application of specific values provided by regulators to determine RWA.
Stressed Value-at-Risk (SVaR)	Stressed Value-at-Risk uses the same methodology as VaR except that the historical data used is taken from a one year observation period of significant market volatility as seen during the Global Financial Crisis.
Term Funding Facility (TFF)	A facility provided by the RBA to certain ADIs to support lending to Australian businesses.
Tier 1 Capital	Comprises CET1 and Additional Tier 1 Capital.
Tier 2 Capital	Capital items that fall short of the necessary conditions to qualify as Tier 1 Capital.
Total Capital	Comprises CET1, Additional Tier 1 Capital and Tier 2 Capital.
Total Exposures (as used in the leverage ratio)	The sum of on Balance Sheet items, derivatives, securities financing transactions (SFTs), and off Balance Sheet items, net of any Tier 1 regulatory deductions that are already included in these items, as outlined in APS 110 *Capital Adequacy* (APS 110) Attachment D.
Trading Book	Exposures, including derivative products and other off Balance Sheet instruments that are held either with a trading intent or to hedge other elements of the trading book.
Value-at-Risk (VaR)	Value-at-Risk is a measure of potential loss using historically observed market volatility and correlation between different markets.

Important information

This report may contain certain forward-looking statements. These can generally be identified by the use of words such as “may”, “will”, “would”, “could”, “expect”, “aim”, “estimate” 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. Such forward-looking statements speak only as at the date of this report. 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, increasingly complex geopolitical setting, competition intensity, and the evolving technological landscape.

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 report, subject to applicable disclosure requirements.

This report includes disclosure of credit ratings. A credit rating is not a recommendation to buy, sell or hold any securities and may be changed at any time by the applicable credit ratings agency. Each credit rating should be evaluated independently of any other credit rating.