ASX Announcement

Commonwealth Bank

Items impacting CBA's financial reporting

Tuesday, 5 August 2025 Sydney: Commonwealth Bank of Australia (CBA) today provides an update on changes to financial reporting impacting the FY25 financial results.

1. Notable items included within Operating expenses in 2H25

During the half ended 30 June 2025, the Group has recognised $130 million of provisions (pre-tax) relating to:

- $45 million of additional restructure provision associated with ongoing changes to the operating model of Bankwest. These include the transitioning of Bankwest to a digital bank and the transition of Bankwest business banking to CBA.
- $52 million of costs related to domestic customer remediation and $33 million of costs related to the remediation of ASB customers.

To present a transparent view of the business' performance, these items will be excluded from the underlying operating expenses for the Group. Operating expenses for the Group will be presented both on an underlying and headline basis.

2. Changes to disclosures in the Profit Announcement and Annual Report

The following changes to the presentation of disclosures in the Profit Announcement and Annual Report have been made to enhance readability and consistency.

- Loans and other receivables disclosures including those related to credit quality and expected credit losses are presented by Home Loans, Consumer Finance and Business and Corporate portfolios in line with the management product view of the lending portfolio.
- The loans past due disclosure has been revised to include additional ageing categories covering all loan exposures (performing and non-performing) which are contractually past due in line with the requirements of APRA Prudential Standard Credit Risk Management (APS 220).
- The presentation of movement in non-performing exposures presentation has been updated to align to requirements under APRA's revised Prudential Standard for Public Disclosure (APS 330).
- Disclosures of movements in loan impairment provisions have been simplified with the related changes in credit exposures now disclosed in a narrative description for the current period rather than in a tabular format.
- The distribution of financial instruments by credit quality is presented on a total committed exposure basis.

In addition, Operating Performance has been included as a subtotal to the Divisional Performance tables to improve readability.

Impacted disclosures are presented in Attachment A.

3. Pillar 3 report

APRA's revised Prudential Standard for Public Disclosure (APS 330) became effective on 1 January 2025. Under the revised APS 330, CBA is required to disclose key prudential metrics and information in accordance with the requirements issued by the Basel Committee on Banking Supervision and APRA. On transition to the revised APS 330, authorised deposit-taking institutions are permitted to omit comparative information when disclosures are reported for the first time. Comparative information has been included in CBA's June 2025 Pillar 3 report where it is available.

4. Full year results announcement

CBA is scheduled to announce its full year results on 13 August 2025. A virtual results briefing will be webcast with Chief Executive Officer, Matt Comyn, and Chief Financial Officer, Alan Docherty, at 10:30am (Australian Eastern Standard time) on 13 August 2025. This briefing will be available via webcast on the Commonwealth Bank Investor Centre (www.commbank.com.au/results).

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

Danny John
Media Relations
02 9595 3219
Media@cba.com.au

Melanie Kirk
Investor Relations
02 9118 7113
CBAInvestorRelations@cba.com.au

Attachment A

Profit Announcement

2.1 Loans and Other Receivables

	31 Dec 24 $M	30 Jun 24 $M
Australia		
Home loans [2] [3]	615,522	596,346
Consumer finance	15,447	15,336
Business and corporate loans [4]	224,289	220,652
Total Australia	855,258	832,334
New Zealand		
Home loans [2] [3]	69,686	68,273
Consumer finance	1,422	1,426
Business and corporate loans	33,051	32,808
Total New Zealand	104,159	102,507
Other overseas		
Home loans [2] [3]	61	82
Business and corporate loans	17,906	15,025
Total other overseas	17,967	15,107
Gross loans and other receivables	977,384	949,948
Less:		
Provisions for loan impairment		
Collective provisions	(5,294)	(5,200)
Individually assessed provisions	(735)	(712)
Unearned Income [5]		
Term loans	(1,427)	(1,363)
Lease financing	(524)	(463)
	(7,980)	(7,738)
Net loans and other receivables	969,404	942,210

1 Comparative information has been restated to conform to the presentation in the current period.
2 Home loans balance includes residential mortgages that have been assigned to securitisation vehicles and covered bond trusts. Further details on these residential mortgages are disclosed in Note 4.4 of the Annual Report.
3 These balances are presented gross of mortgage offset balances as required under accounting standards.
4 Business and corporate loans include $618 million as at 31 December 2024 (30 June 2024: $634 million) in relation to certain transaction product arrangements that include both lending and deposit features and where credit balances are not allowed to be netted against the debit balances drawn under the arrangement.
5 Unearned income relates to business and corporate loans.

Attachment A

Profit Announcement

2.2 Provisions for Impairment and Asset Quality

Revised loans past due disclosure as defined in APS 220 Credit Risk Management.

	As at 31 December 2024			
	Home Loans $M	Other Personal [1] $M	Other Commercial Industrial $M	Total $M
Loans past due [2]				
Past due 1 - 29 days	11,750	394	1,943	**14,087**
Past due 30 - 59 days	2,622	141	377	**3,140**
Past due 60 - 89 days	1,434	88	152	**1,674**
Past due 90 - 179 days	2,100	145	293	**2,538**
Past due 180 days or more	2,378	24	833	**3,235**
Total loans past due	**20,284**	**792**	**3,598**	**24,674**

	As at 30 June 2024			
	Home Loans $M	Other Personal [1] $M	Other Commercial Industrial $M	Total $M
Loans past due [2]				
Past due 1 - 29 days	10,300	417	1,951	**12,668**
Past due 30 - 59 days	2,785	138	353	**3,276**
Past due 60 - 89 days	1,487	93	157	**1,737**
Past due 90 - 179 days	2,168	161	286	**2,615**
Past due 180 days or more	2,133	27	636	**2,796**
Total loans past due	**18,873**	**836**	**3,383**	**23,092**

1 Included in these balances are credit card facilities and other unsecured portfolio managed facilities.
2 An exposure is considered past due from the first day of missed payment and includes loans past due that are in the process of curing.

Attachment A

Profit Announcement

2.2 Provisions for Impairment and Asset Quality

To align with the presentation of the revised Pillar 3 disclosure, the changes to the movement in non-performing exposures now includes distinct categories for *New to non-performing status* and *Returned to performing status.* Changes in the existing portfolio are disclosed in *Other changes.*

	Full Year Ended	Half Year Ended
	30-Jun-24	31-Dec-24
	$M	$M
Movement in non-performing exposures		
Non-performing exposures - opening balance	7,724	9,638
New to non-performing status	5,751	3,739
Balances written off	(806)	(356)
Returned to performing status	(1,815)	(1,682)
Other changes [1]	(1,216)	(1,026)
Non-performing exposures - closing balance	**9,638**	**10,313**

1 Other changes include repayments of facilities, increases in existing non-performing facilities and other exposure changes.

Attachment A

Annual Report

3.1 Loans and other receivables

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

This section provides details of the Group's lending portfolio by product type.

	Group[1] 30 Jun 24 $M	Bank[1] 30 Jun 24 $M
Australia		
Home loans [2] [3]	596,346	589,614
Consumer finance	15,336	15,336
Business and corporate loans [4]	220,652	220,375
Total Australia	832,334	825,325
Overseas		
Home loans [2] [3]	68,355	82
Consumer finance	1,426	–
Business and corporate loans [4]	47,833	15,734
Total overseas	117,614	15,816
Gross loans and other receivables	949,948	841,141
Less:		
Provisions for loan impairment:		
Collective provisions	(5,200)	(4,700)
Individually assessed provisions	(712)	(621)
Unearned income [5]:		
Terms loans	(1,363)	(1,363)
Lease financing	(463)	(433)
	(7,738)	(7,117)
Net loans and other receivables	942,210	834,024

1 Comparative information has been restated to conform to the presentation in the current year.
2 Home loans balance includes residential mortgages that have been assigned to securitisation vehicles and covered bond trusts. Further details on these residential mortgages are disclosed in Note 4.4 of the Annual Report.
3 These balances are presented gross of mortgage offset balances as required under accounting standards.
4 Business and corporate loans include $634 million as at 30 June 2024 (Bank: $634 million) in relation to certain transaction product arrangements that include both lending and deposit features and where credit balances are not allowed to be netted against the debit balances drawn under the arrangement.
5 Unearned income relates to business and corporate loans.

Attachment A

Annual Report

3.2 Loan impairment expense and provisions for impairment

	Group			
	Performing		Non-performing	
	Stage 1	Stage 2	Stage 3	Total [1]
	$M	$M	$M	$M
Opening balance as at 1 July 2023	**1,709**	**2,889**	**1,352**	**5,950**
Transfers to/(from)				
Stage 1	1,476	(1,469)	(7)	–
Stage 2	(736)	962	(226)	–
Stage 3	(47)	(392)	439	–
Net re-measurement on transfers between stages	(1,073)	1,667	525	1,119
Net financial assets originated	343	(852)	(319)	(828)
Movement in existing IAP (including IAP write-backs)	–	–	174	174
Movements due to risk parameters and other changes	123	(4)	248	367
Loan impairment expense for the period [2]	86	(88)	834	832
Write-offs [2]	–	–	(764)	(764)
Recoveries	–	–	128	128
Foreign exchange and other commitments	9	14	47	70
Reclassified to assets held for sale	(9)	(21)	(51)	(81)
Closing balance as at 30 June 2024	**1,795**	**2,794**	**1,546**	**6,135**

1 As at 30 June 2024, total provisions include $223 million in relation to financial guarantees and other off balance sheet instruments.
2 Loan impairment expense for the year ended 30 June 2024 excludes a $30 million benefit recognised by the Group in relation to credit exposures reclassified to assets held for sale. Write-offs for the year ended 30 June 2024 exclude $43 million recognised by the Group in relation to credit exposures reclassified to assets held for sale.

Attachment A

Annual Report

3.2 Loan impairment expense and provisions for impairment

	Bank			
	Performing		Non-performing	
	Stage 1	Stage 2	Stage 3	Total [1]
	$M	$M	$M	$M
Opening balance as at 1 July 2023	**1,540**	**2,645**	**1,165**	**5,350**
Transfers to/(from)				
Stage 1	1,420	(1,415)	(5)	–
Stage 2	(695)	852	(157)	–
Stage 3	(45)	(356)	401	–
Net re-measurement on transfers between stages	(1,040)	1,647	399	1,006
Net financial assets originated	327	(832)	(271)	(776)
Movement in existing IAP (including IAP write-backs)	–	–	153	153
Movements due to risk parameters and other changes	146	(11)	215	350
Loan impairment expense for the period [2]	113	(115)	735	733
Write-offs [2]	–	–	(703)	(703)
Recoveries	–	–	119	119
Foreign exchange and other commitments	10	16	41	67
Reclassified to assets held for sale	–	–	(42)	(42)
Closing balance as at 30 June 2024	**1,663**	**2,546**	**1,315**	**5,524**

1 As at 30 June 2024, total provisions include $203 million in relation to financial guarantees and other off balance sheet instruments.

2 Loan impairment expense for the year ended 30 June 2024 excludes an $18 million benefit recognised by the Bank in relation to credit exposures reclassified to assets held for sale. Write-offs for the year ended 30 June 2024 exclude $41 million recognised by the Bank in relation to credit exposures reclassified to assets held for sale.

Attachment A

Annual Report

9.2 Credit risk

Distribution of financial instruments by credit quality

	Group [1] 30 June 2024			
	Stage 1 Performing $M	Stage 2 [2] Performing $M	Stage 3 Non-performing $M	Total $M
Home loans				
Credit grade:				
Investment	453,412	6,104	–	**459,516**
Pass	238,998	41,076	–	**280,074**
Weak	182	803	6,727	**7,712**
Total home loans	**692,592**	**47,983**	**6,727**	**747,302**
Impairment provision	**(994)**	**(516)**	**(570)**	**(2,080)**
Provisions to credit exposure %	**0.1**	**1.1**	**8.5**	**0.3**
Consumer finance				
Credit grade:				
Investment	19,726	1,065	–	**20,791**
Pass	10,911	3,305	–	**14,216**
Weak	813	813	238	**1,864**
Total consumer finance	**31,450**	**5,183**	**238**	**36,871**
Impairment provision	**(366)**	**(464)**	**(157)**	**(987)**
Provisions to credit exposure %	**1.2**	**9.0**	**66.0**	**2.7**
Business and corporate				
Credit grade:				
Investment	146,730	20,606	–	**167,336**
Pass	75,251	111,216	–	**186,467**
Weak	235	6,741	2,619	**9,595**
Total business and corporate	**222,216**	**138,563**	**2,619**	**363,398**
Impairment provision	**(435)**	**(1,814)**	**(819)**	**(3,068)**
Provisions to credit exposure %	**0.2**	**1.3**	**31.3**	**0.8**
Total credit exposures				
Credit grade:				
Investment	619,868	27,775	–	**647,643**
Pass	325,160	155,597	–	**480,757**
Weak	1,230	8,357	9,584	**19,171**
Total credit exposures	**946,258**	**191,729**	**9,584**	**1,147,571**
Total impairment provision	**(1,795)**	**(2,794)**	**(1,546)**	**(6,135)**
Provision to credit exposure %	**0.2**	**1.5**	**16.1**	**0.5**

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

Attachment A

Annual Report

9.2 Credit risk (continued)

Distribution of financial instruments by credit quality

	Bank [1] 30 June 2024			
	Stage 1 Performing $M	Stage 2 [2] Performing $M	Stage 3 Non-performing $M	Total $M
Home loans				
Credit grade:				
Investment	438,399	5,932	–	**444,331**
Pass	178,537	36,838	–	**215,375**
Weak	182	803	5,340	**6,325**
Total home loans	**617,118**	**43,573**	**5,340**	**666,031**
Impairment provision	**(935)**	**(476)**	**(456)**	**(1,867)**
Provisions to credit exposure %	**0.2**	**1.1**	**8.5**	**0.3**
Consumer finance				
Credit grade:				
Investment	18,843	1,032	–	**19,875**
Pass	9,407	3,191	–	**12,598**
Weak	812	799	196	**1,807**
Total consumer finance	**29,062**	**5,022**	**196**	**34,280**
Impairment provision	**(346)**	**(451)**	**(135)**	**(932)**
Provisions to credit exposure %	**1.2**	**9.0**	**68.9**	**2.7**
Business and corporate				
Credit grade:				
Investment	139,053	18,344	–	**157,397**
Pass	65,675	92,996	–	**158,671**
Weak	236	6,024	2,209	**8,469**
Total business and corporate	**204,964**	**117,364**	**2,209**	**324,537**
Impairment provision	**(382)**	**(1,619)**	**(724)**	**(2,725)**
Provisions to credit exposure %	**0.2**	**1.4**	**32.8**	**0.8**
Total credit exposures				
Credit grade:				
Investment	596,295	25,308	–	**621,603**
Pass	253,619	133,025	–	**386,644**
Weak	1,230	7,626	7,745	**16,601**
Total credit exposures	**851,144**	**165,959**	**7,745**	**1,024,848**
Total impairment provision	**(1,663)**	**(2,546)**	**(1,315)**	**(5,524)**
Provision to credit exposure %	**0.2**	**1.5**	**17.0**	**0.5**

1 Comparative information has been restated to conform to the presentation in the current year.
2 The assessment of significant increase in credit risk includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risk at an industry, geographic location or a particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 64% of Stage 2 credit exposures for the Bank as at 30 June 2024.