

Commonwealth Bank of Australia
U.S. Disclosure Document

For the half year ended 31 December 2024

Results for announcement to the market ¹**Report for the half year ended 31 December 2024**

	\$M	
Revenue from ordinary activities ²	14,098	up 4%
Profit/(loss) from ordinary activities after tax attributable to Equity holders	5,134	up 8%
Net profit/(loss) for the period attributable to Equity holders	5,134	up 8%
Dividends (distributions)		
Interim dividend - fully franked (cents per share)		225
Record date for determining entitlements to the dividend		20 February 2025

1 Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

2 The financial results of discontinued operations are excluded from the individual account lines of the Bank's performance and are reported as a single cash net profit after tax line item. Discontinued operations mainly relates to transitional service agreement activities for divested entities such as CFS.

This Report (this "Document") should be read in conjunction with:

- The Commonwealth Bank of Australia Annual U.S. Disclosure Document – Year Ended 30 June 2024 (the "2024 Annual U.S. Disclosure Document");
- The Commonwealth Bank of Australia Financial Report (U.S. Version) – Year Ended 30 June 2024 which contains the Financial Statements for the years ended 30 June 2022, 2023 and 2024 and as at 30 June 2022, 2023 and 2024 (the "2024 Financial Report");
- The Commonwealth Bank of Australia Financial Report (U.S. Version) – Year Ended 30 June 2023 which contains the Financial Statements for the years ended 30 June 2021, 2022 and 2023 and as at 30 June 2021, 2022 and 2023 (the "2023 Financial Report");
- The Commonwealth Bank of Australia Basel III Pillar 3 Capital Adequacy and Risk Disclosures as at 31 December 2024 (the "December 2024 Capital Disclosure Report"); and
- The Commonwealth Bank of Australia Basel III Pillar 3 Capital Adequacy and Risk Disclosures as at 30 June 2024 (the "June 2024 Capital Disclosure Report", and, together with the December 2024 Capital Disclosure Report, the "Capital Disclosure Reports").

In each case, these are found on the U.S. Investor Website located at www.commbank.com.au/usinvestors (the "U.S. Investor Website").

The terms "Bank" and "CBA" refer to the Commonwealth Bank of Australia and the terms "Group", "we" and "our" refer to the Bank and its consolidated subsidiaries. Certain other terms used in this Document are defined in Appendix 4.6 to this Document.

This Document, the 2024 Annual U.S. Disclosure Document, the 2024 Financial Report, the Capital Disclosure Reports and the 2023 Financial Report are each presented in Australian dollars unless stated otherwise.

The Group's financial year ends on June 30 of each year. References to the 2024 Financial Year are to the year ended 30 June 2024 and prior financial years are referred to in a similar manner.

Except where otherwise stated, all figures in this Document relate to the half year ended 31 December 2024. The terms "prior comparative period" and "1H24" refer to the half year ended 31 December 2023, while the terms "prior half" and "2H24" refer to the half year ended 30 June 2024 and the terms "current period", "current half" and "1H25" refer to the half year ended 31 December 2024.

Except where otherwise indicated, references to "Notes" or a "Note" are to Notes or a Note, as the case may be, to the Financial Statements for the half years ended December 31, 2024, June 30, 2024 and December 31, 2023 contained in this Document (the "Financial Statements").

Except otherwise stated, commentary in this Document are prepared on a cash basis.

Segment Disclosure

The Group conducts its businesses through five segments: Retail Banking Services; Business Banking; Institutional Banking and Markets; New Zealand; and Corporate Centre and Other. Balances disclosed in the "Divisional Performance", are spot balances, unless otherwise stated.

Contents

1	Disclosures	1
2	Highlights	9
3	Group Performance Analysis	17
	Financial Performance and Business Review	18
	Net Interest Income	20
	Other Operating Income	22
	Operating Expenses	23
	Investment Spend	24
	Capitalised Software	25
	Loan Impairment Expense	26
	Taxation Expense	27
	Group Assets and Liabilities	28
4	Group Operations & Business Settings	31
	Loan Impairment Provisions and Credit Quality	32
	Capital	36
	Financial System Regulation in the United States	39
	Leverage Ratio	41
	Dividends	41
	Liquidity	42
	Funding	44
	Net Stable Funding Ratio (NSFR)	46
	Corporate Governance	47
5	Divisional Performance	49
	Divisional Summary	50
	Retail Banking Services	52
	Business Banking	57
	Institutional Banking and Markets	61
	New Zealand	65
	Corporate Centre and Other	71
6	Directors' Report and Financial Statements	73
7	Appendices	125

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Contents

1 Disclosures

Special Note Regarding Forward-Looking Statements	2
Financial Information Definitions	3
Impact of Foreign Currency Movements	5
Critical Accounting Policies and Estimates	6
Risk Factors	8

Disclosures

Special Note Regarding Forward-Looking Statements

Certain statements under the captions “Highlights”, “Risk Factors”, “Group Performance Analysis”, “Retail Banking Services”, “Business Banking”, “Institutional Banking and Markets”, “New Zealand”, “Corporate Centre and Other”, “Group Operations and Business Settings” and elsewhere in this Document constitute “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, with respect to the financial condition, operations and business of the Group and certain plans and objectives of the management of the Group. Such forward looking statements, including economic forecasts and assumptions and business and financial projections, involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include strategic risk arising from changes in the Group’s external and internal operating environment, a downturn in the macroeconomic environment, particularly in the Australian or New Zealand economies, declines in the residential and commercial property sectors, being subject to extensive regulation and operating in an environment that is subject to political scrutiny, competition and digital disruption, environmental and social risks, organisational capability and culture risks, failure to maintain capital adequacy requirements, reputational risk, sub-optimal investment allocation and delivery risks, including through acquisitions or divestments of businesses, credit risk, operational risk associated with being a large financial institution, cyber-security risk, technology risk, data management risk, third party risk, transaction processing risk, non-technology business disruption risk, artificial intelligence risk, modelling risk, fraud risk, employment risk, accounting and taxation risk, compliance risk, the possibility of incurring substantial legal liability or regulatory action being taken against the Group, inappropriate staff conduct, financial crime legislation compliance risk, privacy legislation compliance risk, liquidity and funding risks, inability to access international debt markets due to financial and credit market conditions, failure to maintain adequate levels of liquidity and funding, failure to maintain credit ratings, failure to hedge effectively against market risks (including adverse fluctuations in exchange rates) and various other factors, many of which may be beyond the Group’s control. Given these risks, uncertainties and other factors, potential investors are cautioned not to place undue reliance on such forward-looking statements.

Risk factors applicable to the Group, including those referred to above, are detailed on page 8 of this Document and pages 17 to 26 of the 2024 Annual U.S. Disclosure Document.

Disclosures (continued)

Financial Information Definitions

Basis of Preparation

The consolidated Financial Statements of the Group for the half years ended 31 December 2024, 30 June 2024 and 31 December 2023 comply with International Financial Reporting Standards ("IFRS").

This Document, the 2024 Annual U.S. Disclosure Document, the 2024 Financial Report, the 2023 Financial Report and the Capital Disclosure Reports are each presented in Australian dollars, unless otherwise stated.

This Document does not include all Notes of the type included in the 2024 Financial Report and therefore cannot be expected to provide as full an understanding of the financial position and financial performance of the Group as that given by the 2024 Financial Report. As a result, this Document should be read in conjunction with the 2024 Annual U.S. Disclosure Document, the 2024 Financial Report and the 2023 Financial Report.

The accounting policies and methods of computation adopted in the preparation of the Financial Statements are consistent with those adopted and disclosed in the 2024 Financial Report.

Discontinued Operations and Businesses Held for Sale

PT Bank Commonwealth

On 16 November 2023, the Group announced that it entered into a binding agreement to sell its 99% shareholding in its Indonesian banking subsidiary, PT Bank Commonwealth (PTBC), to PT Bank OCBC NISP Tbk (OCBC Indonesia), a subsidiary of Oversea-Chinese Banking Corporation Limited (OCBC) for an upfront cash consideration of \$188 million. The sale completed on 1 May 2024, resulting in a total post-tax loss of \$298 million. The loss includes a \$133 million impairment loss on remeasurement of PTBC's net assets to fair value, an additional \$100 million loss recognised upon completion of the sale, and \$65 million of separation costs.

Vietnam International Commercial Joint Stock Bank

During the half year ended 31 December 2024, the Group sold approximately 15% of the shares on issue in Vietnam International Commercial Joint Stock Bank (VIB) via the Ho Chi Minh Stock Exchange. This resulted in a gain of \$43 million, from both the disposal of shares and reclassification of the holding from investment in associate to fair value through other comprehensive income. As at 31 December 2024, the Group's remaining 4.4% shareholding in VIB with a carrying value of \$163 million is classified as an asset held for sale.

Refer to Note 7.3 to the Financial Statements included in this Document for further information.

Non-GAAP Financial Measures

In addition to its statutory financial results reported in this Document, the 2024 Financial Report and the 2023 Financial Report which are prepared in accordance with IFRS, the Group reports and describes certain "non-GAAP financial measures" (as defined by the U.S. Securities and Exchange Commission's Regulation G) of the financial performance and results of the Group. These non-GAAP financial measures are not calculated in accordance with IFRS. This Document and the 2024 Annual U.S. Disclosure Document contain reconciliations of these non-GAAP financial measures to the Group's financial results prepared in accordance with IFRS.

Net Profit after Tax

The management discussion and analysis in this Document presents Net profit after tax on both a "statutory basis" and a "cash basis".

Net profit after tax ("statutory basis") is prepared in accordance with the Corporations Act 2001 (Cth) (the "Corporations Act") and the Australian Accounting Standards, which comply with IFRS. References to "statutory profit", "statutory net profit after tax" or "statutory earnings" in this Document have the same meaning as "Net profit after tax ("statutory basis)".

Net profit after tax ("cash basis") is a non-GAAP financial measure that is defined by management as net profit after tax and non-controlling interests, before non-cash items including hedging and IFRS volatility, and gains or losses on acquisitions, disposal, closure, capital repatriation and demerger of controlled businesses, or associates that are not discontinued operations. Net profit after tax ("cash basis") is management's preferred measure of the Group's financial performance. This measure is used by management to present what it believes to be a clear view of the Group's underlying operating results, excluding certain items that the Group believes introduce volatility and/or one-off distortions of the Group's performance. These items, such as hedging and IFRS volatility, are calculated consistently period on period and do not discriminate between positive and negative adjustments. A reconciliation of the Group's net profit after tax from "cash basis" to "statutory basis" is set out in Appendix 4.3 to this Document. A reconciliation of the Net profit after tax ("cash basis") to Net profit after tax ("statutory basis") by business segment is provided in Note 2.4 to the Financial Statements included in this Document. A list of items excluded from Net profit after tax ("cash basis") and their description is set out on page 11 of this Document. References to "cash profit" or "cash earnings" in this Document have the same meaning as "Net profit after tax ("cash basis)".

Prior period restatements

During the half year ended 31 December 2024, the Group implemented certain changes discussed below that were applied retrospectively. Where necessary, comparative information has been restated to conform to the presentation in the current half. Such restatements have been footnoted throughout the Financial Statements and in this Document. Refer to Note 1.1 to the Financial Statements included in this Document and Appendix 4.7 of this Document for further detail on the prior period restatements.

Re-segmentation

The Group made a number of allocations and reclassifications including the transfer of some customers between Retail Banking Services, Business Banking and Institutional Banking and Markets segments, and refinements to the allocation of support unit costs. These changes have not impacted the Group's net profit but have resulted in changes to the presentation of the Income Statement and Balance Sheet of the affected segments. These changes have been applied retrospectively.

Disclosures (continued)

Financial Information Definitions (continued)

Other Non-GAAP Financial Measures

Other non-GAAP financial measures included in this Document are:

- Earnings per share (“cash basis”) – the Group presents its earnings per share on both a statutory and a cash basis. Earnings per share (“cash basis”) is defined by management as Net profit after tax (“cash basis”) as described above, divided by the weighted average number of the Group's ordinary shares over the relevant period. The weighted average number of shares incorporates the discount element of any dividend rights plan, and excludes treasury shares related to investments in the Bank's shares held for future issuance at vesting of related share based payment awards.

- The dividend payout ratio and dividend cover are presented on both a statutory and cash basis. The dividend payout ratio (“statutory basis”) is calculated by dividing the dividends paid on the Group's ordinary shares by the net profit after tax (“statutory basis”), net of dividends on other equity instruments. The dividend payout ratio (“cash basis”) is calculated by dividing the dividends paid on the Group's ordinary shares by net profit after tax (“cash basis”). “Dividend cover – statutory” is calculated as net profit after tax (“statutory basis”) net of dividends on other equity instruments, divided by dividends on the Group's ordinary shares for the applicable period. “Dividend cover – cash” is calculated as net profit after tax (“cash basis”), divided by dividends on the Group's ordinary shares for the applicable period. These ratios are provided on both a statutory and cash basis because net profit after tax, the primary component of these ratios, is also presented on a statutory and cash basis, for the reasons described above.

Disclosures (continued)

Impact of Foreign Currency Movements

The Group's consolidated financial results are presented in Australian dollars. In order to prepare the Group's consolidated financial results, the financial results of any reporting entities of the Group with a functional currency other than Australian dollars are translated into Australian dollars for each reporting period. As foreign exchange rates are subject to change, the Group's financial results can be affected by the prevailing rate of the

Australian dollar at the time of such translations. The effects of these translations on various segments of the Group's business are noted throughout this Document.

The movement of the Australian dollar against the following currencies is highlighted in the table below. Unless noted otherwise, rates are sourced from Reuters.

Exchange Rates Utilised ¹	Currency	As at		
		31 Dec 24	30 Jun 24	31 Dec 23
AUD 1.00 =	USD	0.6219	0.6628	0.6839
	EUR	0.5978	0.6198	0.6183
	GBP	0.4954	0.5245	0.5362
	NZD	1.1042	1.0929	1.0764
	JPY	97.2314	106.7477	96.7806

Average Exchange Rates Utilised ²	Currency	Half Year Ended		
		31 Dec 24	30 Jun 24	31 Dec 23
AUD 1.00 =	USD	0.6613	0.6588	0.6529
	EUR	0.6109	0.6091	0.6033
	GBP	0.5124	0.5207	0.5207
	NZD	1.0998	1.0813	1.0804
	JPY	99.7786	100.1463	95.4224

¹ End of day, Sydney time.

² Rates are the six month period average of End of day, Sydney time.

The Group hedges foreign currency exposures on debt issues and significant foreign currency earnings exposures in offshore locations.

For further information regarding the composition of the Group's income by location please refer to Note 2.4 to the Financial Statements included in this Document.

Disclosures (continued)

Critical Accounting Policies and Estimates

The application of the Group's accounting policies requires the use of judgement, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, and are reviewed on an ongoing basis. Actual results may differ from these estimates, which could impact the Group's net assets and profit.

Where applicable, each note in the 2024 Financial Report discloses the accounting policy for the transactions and balances, which provides information to assist in the understanding of how the numbers are measured, recognised and disclosed. An explanation of these policies and the related critical accounting judgements and estimates applied by the Group is set out below. For further information regarding the Group's accounting policies, see Notes 1.1 to 7.4 to the Financial Statements included in this Document and Notes 1.1 to 12.4 to the 2024 Financial Report.

Provisions for Impairment of Financial Assets

When estimating the provisions for impairment, management judgement was applied in respect of forecasting forward-looking scenarios. Forward-looking information is incorporated into both the Group's assessment of whether there has been a significant increase in credit risk ("SICR") event and in its estimate of expected credit losses ("ECL"). Refer to Note 3.2 to the Financial Statements included in this Document for further information.

Sensitivity of provisions for impairment to changes in forward looking assumptions

The Group applies four alternative macro-economic scenarios (Central, Upside, Downside and Severe downside scenarios) to reflect a probability-weighted range of possible future outcomes in estimating ECL.

The table below provides approximate levels of provisions for impairment under the Central and Downside scenarios assuming 100% weighting was applied to each scenario and holding all other assumptions constant. These scenarios and their associated weights have been selected based on the expected range of potential future loss outcomes.

	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Reported probability weighted ECL	6,227	6,135	5,982
100% Central scenario	3,873	3,956	3,769
100% Downside scenario	8,145	7,883	7,934

Sensitivity of provisions for impairment to SICR assessment criteria

If 1% of Stage 1 credit exposures as at 31 December 2024 was included in Stage 2, provisions for impairment would increase by approximately \$118 million (30 June 2024: \$119 million; 31 December 2023: \$116 million).

If 1% of Stage 2 credit exposures as at 31 December 2024 was included in Stage 1, provisions for impairment would decrease by approximately \$25 million (30 June 2024: \$24 million; 31 December 2023: \$25 million).

Provisions (Other than Impairment of Financial Assets)

Provisions are recognised for present obligations arising from past events where a payment to settle the obligation is probable and can be reliably estimated. Where the effect of the time value of money is material, the amount of the provision is measured as the present value of expenditures required to settle the obligation, based on a market observable rate. Where a payment to settle an obligation is not probable or cannot be reliably estimated, no provision is recognised. Such obligations are disclosed as contingent liabilities. Refer to Notes 7.1 and 7.2 to the Financial Statements included in this Document for further information.

Leases

Judgement has been applied by the Group in assessing which arrangements contain a lease, the period over which the lease exists and the variability of future cash flows when recognising right-of-use assets. The Group assesses at each Balance Sheet date useful lives and residual values and whether there is any objective evidence of impairment.

In determining the value in use of assets held as lessor, the Group incorporates the cash inflows over the lease term, as well as the expected selling price on expiry of the lease. Market disruption, lower demand for assets, decline in asset prices as well as credit events specific to individual lessees can result in a reduction of the asset's recoverable values.

If an asset's carrying amount is greater than its recoverable amount, the carrying amount is written down immediately to its recoverable amount.

Consolidation of Structured Entities

The Group exercises judgement at inception and periodically thereafter, to assess whether a structured entity should be consolidated based on the Bank's power over the relevant activities of the entity and the significance of its exposure to variable returns of the structured entity. Such assessments are predominantly required for the Group's securitisation program, structured transactions and involvement with investment funds.

Disclosures (continued)

Critical Accounting Policies and Estimates (continued)

Financial Instruments at Fair Value

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. On initial recognition, the transaction price generally represents the fair value of the financial instrument, unless there is observable information from an active market that provides a more appropriate fair value.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations, without any deduction for transaction costs. Assets and long positions are measured at a quoted bid price. Liabilities and short positions are measured at a quoted asking price. Where the Group has positions with offsetting market risks, mid-market prices are used to measure the offsetting risk positions and a quoted bid or asking price adjustment is applied only to the net open position as appropriate.

Non-market quoted financial instruments are mostly valued using valuation techniques based on observable inputs except where observable market data is unavailable. Where market data is unavailable the financial instrument is initially recognised at the transaction price, which is generally the best indicator of fair value. This may differ from the value obtained from the valuation model. The timing of the recognition in the Income Statement of this initial difference in fair value depends on the individual facts and circumstances of each transaction, but is never later than when the market data becomes observable. The difference may be either amortised over the life of the transaction, recognised when the inputs become observable or on de-recognition of the instrument, as appropriate.

The fair value of Over-the-Counter ("OTC") derivatives includes credit valuation adjustments ("CVA") for derivative assets to reflect the credit worthiness of the counterparty. Fair value of uncollateralized derivative assets and uncollateralised derivatives liabilities incorporate funding valuation adjustments ("FVA") to reflect funding costs and benefits to the Group. These adjustments are applied after considering any relevant collateral or master netting arrangements.

Valuation techniques are used to estimate the fair value of securities. When using valuation techniques the Group makes maximum use of market inputs and relies as little as possible on entity specific inputs. It incorporates all factors that the Group believes market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Data inputs that the Group relies upon when valuing financial instruments relate to counterparty credit risk, volatility, correlation and extrapolation.

Periodically, the Group calibrates its valuation techniques and tests them for validity using prices from any observable current market transaction in the same instruments (i.e. without modification or repackaging) and any other available observable market data. Refer to Note 6.1 to the Financial Statements included in this Document for further information.

Goodwill

Goodwill is allocated to cash generating units whose recoverable amount is calculated for the purpose of impairment testing. The recoverable amount calculation relies primarily on publicly available earnings multiples.

Taxation

Provisions for taxation require significant judgement with respect to outcomes that are uncertain. For such uncertainties, the Group has estimated the tax provisions based on the expected outcomes. A deferred tax asset is only recognised to the extent that it is probable that future taxable profits will be available for it to be used against. Refer to Note 2.5 to the Financial Statements included in this Document for further information.

Superannuation Obligations

The Group currently sponsors three defined benefit superannuation plans for its employees. Actuarial valuations of the plans' obligations and fair value of the plans' assets are performed semi-annually.

The actuarial valuations of plan obligations are dependent on a series of assumptions, including inflation rates, discount rates, and salary growth rates. Changes in these assumptions impact the fair value of the plans' obligations, assets, superannuation expense and actuarial gains and losses recognised in Other Comprehensive Income. Refer to Note 2.3 to the Financial Statements included in this Document for further information.

Trail Commission Revenue

The measurement of trail commission liabilities is dependent on assumptions about the behavioural life and future outstanding balances of the underlying transactions. A provision for trail commissions is only recognised to the extent that the Group can reliably estimate the future cash flows arising from a past event.

Effective Interest Rate

When applying the effective interest method the Group has estimated the behavioural term of each loan portfolio by reference to historical prepayment rates and the contractual maturity. Refer to Note 3.1 to the Financial Statements included in this Document for further information.

Disclosures (continued)

Risk Factors

Details of significant risk factors applicable to the Group are set forth under the section entitled “Risk Factors” on pages 17 to 26 of the 2024 Annual U.S. Disclosure Document. That section describes the principal risk factors that have materially impacted and could further materially affect the Group’s businesses, revenues, operating income, net income, net assets, reputation, liquidity and capital resources. The “Risk Factors” set forth therein are in addition to, and should be read in conjunction with, the “Special Note Regarding Forward-Looking Statements” on page 2 of this Document and Appendices 2.1 and 2.2 to this Document. The risk factors described in the 2024 Annual U.S.

Disclosure Document should also be read in conjunction with the updates provided in the rest of this Document, in particular “Note 7.2 Customer Remediation, Litigation, Investigations and reviews, other matters” on pages 116 to 119 of this Document and “Note 7.4 Subsequent Events” in this Document. Appendix 2.1 to this Document provides details on how the Group manages its credit, market (traded and non-traded), funding and liquidity risks in the course of carrying on its business. Appendix 2.2 to this Document provides details on the Group’s counterparty and other credit risk exposures. Also refer to Notes 9.1 to 9.4 of the 2024 Financial Report.

Contents

2 Highlights

Group Performance Summary	10
Non-Cash Items included in Statutory Profit	11
Key Performance Indicators	12
Market Share	15
Credit Ratings	15

Highlights

Group Performance Summary

Group Performance Summary	Half Year Ended ¹ ("statutory basis")			Half Year Ended ¹ ("cash basis")				
	31 Dec 24 \$M	31 Dec 23 \$M	Dec 24 vs Dec 23 %	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Net interest income	11,934	11,404	5	11,934	11,420	11,404	5	5
Other operating income	2,164	2,174	–	2,163	2,105	2,245	3	(4)
Total operating income	14,098	13,578	4	14,097	13,525	13,649	4	3
Operating expenses	(6,372)	(6,098)	4	(6,372)	(6,207)	(6,011)	3	6
Operating performance	7,726	7,480	3	7,725	7,318	7,638	6	1
Loan impairment expense	(320)	(415)	(23)	(320)	(387)	(415)	(17)	(23)
Net profit before tax	7,406	7,065	5	7,405	6,931	7,223	7	3
Corporate tax expense	(2,264)	(2,228)	2	(2,273)	(2,114)	(2,204)	8	3
Net profit after tax from continuing operations	5,142	4,837	6	5,132	4,817	5,019	7	2
Net loss after tax from discontinued operations ²	(8)	(78)	90	1	5	6	(80)	(83)
Net profit after tax	5,134	4,759	8	5,133	4,822	5,025	6	2
(Loss)/gain on acquisition, disposal, closure and demerger of businesses	n/a	n/a	n/a	–	(176)	(294)	large	large
Hedging and IFRS volatility	n/a	n/a	n/a	1	(11)	28	large	(96)
Net profit after tax ("statutory basis")	5,134	4,759	8	5,134	4,635	4,759	11	8
Statutory net profit after tax, by division								
Retail Banking Services				2,712	2,616	2,649	4	2
Business Banking				2,002	1,894	1,896	6	6
Institutional Banking and Markets				590	482	605	22	(2)
New Zealand				753	534	815	41	(8)
Corporate Centre and Other				(923)	(891)	(1,206)	(4)	23
Net profit after tax ("statutory basis")	5,134	4,759	8	5,134	4,635	4,759	11	8

1 Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for further details.

2 The financial results of discontinued operations are excluded from the individual account lines of the Bank's performance and are reported as a single cash net profit after tax line item. Discontinued operations mainly includes Colonial First State ("CFS") and associated transitional service agreements.

Highlights (continued)

Non-Cash Items included in Statutory Profit

This Document discloses the net profit after tax on both a statutory and cash basis. The statutory basis is prepared in accordance with the Corporations Act and the Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). The cash basis is used by management to present what it believes to be a clear view of the Bank's operating results. It is not a measure based on cash accounting or cash flows. The items excluded from cash profit, such as hedging and IFRS volatility and gains or losses on acquisition, disposal, closure, capital repatriation and demerger of businesses are calculated consistently with the prior year and prior half disclosures and do not discriminate between positive and negative adjustments. A list of items excluded from cash profit is provided in the table below. A reconciliation of the Group's net profit after tax from "cash basis" to "statutory basis" is set out in Appendix 4.3 to this Document. A reconciliation of the Net profit after tax ("cash basis") to Net profit after tax ("statutory basis") by business segment is provided in Note 2.4 to the Financial Statements included in this Document.

	Half Year Ended				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Non-Cash Items Included in Statutory Profit	\$M	\$M	\$M		
Loss on acquisition, disposal, closure and demerger of businesses	–	(176)	(294)	large	large
Hedging and IFRS volatility	1	(11)	28	large	(96)
Total non-cash items (after tax)	1	(187)	(266)	large	large

Non-cash items attributable to continuing and discontinued operations are set out below:

	Half Year Ended				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Non-Cash Items Included in Statutory Profit	\$M	\$M	\$M		
Gain/(loss) on acquisition, disposal, closure and demerger of businesses ¹	9	(162)	(210)	large	large
Hedging and IFRS volatility	1	(11)	28	large	(96)
Non-cash items (after tax) from continuing operations	10	(173)	(182)	large	large
Loss on acquisition, disposal, closure and demerger of businesses ²	(9)	(14)	(84)	36	89
Non-cash items (after tax) from discontinued operations	(9)	(14)	(84)	36	89
Total non-cash items (after tax)	1	(187)	(266)	large	large

¹ Includes gains and losses net of transaction and separation costs associated with the disposal of Count Financial, PT Bank Commonwealth and other businesses.

² Includes gains and losses net of transaction and separation costs associated with the disposal of CFS and the deconsolidation of CommInsure Life.

Highlights (continued)

Key Performance Indicators

Key Performance Indicators ¹	Half Year Ended			Dec 24 vs	Dec 24 vs
	31 Dec 24	30 Jun 24	31 Dec 23	Jun 24 %	Dec 23 %
Group Performance from continuing operations					
Statutory net profit after tax (\$M)	5,142	4,644	4,837	11	6
Cash net profit after tax (\$M)	5,132	4,817	5,019	7	2
Net interest margin (%)	2.08	2.00	1.99	8 bpts	9 bpts
Operating expenses to total operating income (%)	45.2	45.9	44.0	(70)bpts	120 bpts
Spot number of full-time equivalent staff (FTE)	49,682	48,887	48,930	2	2
Average number of FTE	49,307	49,274	49,216	–	–
Effective corporate tax rate (%)	30.7	30.5	30.5	20 bpts	20 bpts
Average interest earning assets (\$M) ²	1,135,859	1,148,062	1,140,693	(1)	–
Assets under management (AUM) - average (\$M)	20,280	19,142	18,625	6	9
Group Performance including discontinued operations					
Statutory net profit after tax (\$M)	5,134	4,635	4,759	11	8
Cash net profit after tax (\$M)	5,133	4,822	5,025	6	2
Net interest margin (%)	2.08	2.00	1.99	8 bpts	9 bpts
Operating expenses to total operating income (%)	45.2	45.9	44.1	(70)bpts	110 bpts
Spot number of full-time equivalent staff (FTE)	49,682	48,887	48,930	2	2
Effective corporate tax rate (%)	30.7	30.5	30.5	20 bpts	20 bpts

¹ Presented on a "cash basis" unless stated otherwise.

² Average interest earning assets are net of average mortgage offset balances.

Highlights (continued)

Key Performance Indicators (continued)

Key Performance Indicators	Half Year Ended			Dec 24 vs	Dec 24 vs
	31 Dec 24	30 Jun 24	31 Dec 23	Jun 24 %	Dec 23 %
Shareholder Returns from continuing operations					
Earnings Per Share (EPS) (cents) ¹					
Statutory basis - basic	307.5	277.6	288.9	11	6
Cash basis - basic	306.9	288.0	299.8	7	2
Return on equity (ROE) (%) ¹					
Statutory basis	13.8	12.8	13.3	100 bpts	50 bpts
Cash basis	13.7	13.3	13.8	40 bpts	(10)bpts
Shareholder Returns including discontinued operations					
Earnings Per Share (EPS) (cents) ¹					
Statutory basis - basic	307.0	277.1	284.3	11	8
Cash basis - basic	307.0	288.3	300.1	6	2
Return on equity (ROE) (%) ¹					
Statutory basis	13.7	12.8	13.1	90 bpts	60 bpts
Cash basis	13.7	13.3	13.8	40 bpts	(10)bpts
Dividends per share - fully franked (cents)	225	250	215	(10)	5
Dividend cover - "statutory basis" (times)	1.4	1.1	1.3	27	8
Dividend cover - "cash basis" (times)	1.4	1.2	1.4	17	–
Dividend payout ratio (%) ¹					
Statutory basis	73	90	76	(large)	(300)bpts
Cash basis	73	87	72	(large)	100 bpts
Capital including discontinued operations					
Common Equity Tier 1 (APRA) (%)	12.2	12.3	12.3	(10)bpts	(10)bpts
Risk weighted assets (RWA) (\$M)	482,369	467,551	463,644	3	4
Leverage Ratio (APRA) (%)	4.9	5.0	5.0	(10)bpts	(10)bpts
Funding and Liquidity Metrics including discontinued operations					
Liquidity Coverage Ratio (%) ²	127	136	136	(large)	(large)
Weighted Average Maturity of Long-Term Debt (years) ³	5.1	5.2	5.2	(0.1)years	(0.1)years
Customer Deposit Funding Ratio (%) ⁴	77	78	77	(100)bpts	–
Net Stable Funding Ratio (%)	116	116	121	–	(500)bpts
Credit Quality Metrics including discontinued operations					
Loan impairment expense annualised as a % of average GLAAs	0.07	0.08	0.09	(1)bpt	(2)bpts
Gross non-performing exposures as a % of TCE	0.72	0.70	0.58	2 bpts	14 bpts
Credit risk weighted assets (RWA) (\$M)	385,117	370,444	368,735	4	4

¹ For definitions refer to Appendix 4.6.

² Quarterly average.

³ Represents the weighted average maturity (WAM) of outstanding long-term wholesale debt with a residual maturity greater than 12 months including drawdowns of the RBA Term Funding Facility (TFF) and the RBNZ term lending facilities.

⁴ Customer deposit includes central bank and interbank deposits previously classified as short-term wholesale funding. Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" of this Document for further details.

Highlights (continued)

Key Performance Indicators (continued)

Key Performance Indicators	Half Year Ended ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Retail Banking Services					
Statutory net profit after tax (\$M)	2,712	2,616	2,649	4	2
Net interest margin (%)	2.49	2.50	2.55	(1)bpt	(6)bpts
Average interest earning assets (\$M) ²	453,324	441,976	437,850	3	4
Statutory operating expenses to total operating income (%)	39.5	39.1	37.9	40 bpts	160 bpts
Risk weighted assets (\$M)	176,633	175,908	174,104	–	1
Business Banking					
Statutory net profit after tax (\$M)	2,002	1,894	1,896	6	6
Net interest margin (%)	3.36	3.37	3.41	(1)bpt	(5)bpts
Average interest earning assets (\$M) ²	233,614	224,126	217,993	4	7
Statutory operating expenses to total operating income (%)	31.9	31.7	31.5	20 bpts	40 bpts
Risk weighted assets (\$M)	147,041	143,541	138,776	2	6
Institutional Banking and Markets					
Statutory net profit after tax (\$M)	590	482	605	22	(2)
Net interest margin (%)	0.93	0.87	0.84	6 bpts	9 bpts
Average interest earning assets (\$M)	166,027	171,748	170,901	(3)	(3)
Statutory operating expenses to total operating income (%)	41.8	45.8	41.0	(400)bpts	80 bpts
Risk weighted assets (\$M)	80,279	72,901	73,977	10	9
New Zealand					
Statutory net profit after tax (A\$M)	753	534	815	41	(8)
Net interest margin (ASB) (%) ³	2.30	2.24	2.21	6 bpts	9 bpts
Average interest earning assets (ASB) (NZ\$M) ³	127,398	124,873	126,081	2	1
Statutory operating expenses to total operating income (ASB) (%) ³	40.9	39.9	39.8	100 bpts	110 bpts
Risk weighted assets - APRA basis (A\$M) ⁴	58,305	59,702	59,926	(2)	(3)
Risk weighted assets - RBNZ basis (NZ\$M) ⁵	73,761	71,415	70,673	3	4
AUM - average (ASB) (NZ\$M) ³	22,234	20,733	20,150	7	10

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for further details.

² Net of average mortgage offset balances.

³ Key financial metrics represent ASB only and are calculated in New Zealand dollar terms.

⁴ Risk weighted assets (A\$M) calculated in accordance with APRA requirements.

⁵ Risk weighted assets (NZ\$M) calculated in accordance with RBNZ requirements.

Highlights (continued)

Market Share

Market Share	As at ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24	Dec 24 vs Dec 23
	%	%	%		
Home loans - RBA ²	24.6	24.5	24.6	10 bpts	–
Home loans - APRA ³	25.4	25.2	25.2	20 bpts	20 bpts
Credit cards - APRA ³	27.7	27.4	29.0	30 bpts	(130)bpts
Other household lending - APRA ^{3 4}	22.9	22.3	22.0	60 bpts	90 bpts
Household deposits - APRA ³	26.5	26.5	26.6	–	(10)bpts
Business lending - RBA ²	17.2	17.0	17.0	20 bpts	20 bpts
Business lending - APRA ^{3 5}	18.7	18.4	18.3	30 bpts	40 bpts
Business deposits - APRA ^{3 5}	21.8	22.4	22.8	(60)bpts	(100)bpts
Equities trading ⁶	3.3	3.3	3.3	–	–
NZ home loans	21.1	20.9	21.0	20 bpts	10 bpts
NZ customer deposits	18.6	18.7	18.6	(10)bpts	–
NZ business and rural lending	17.2	17.1	17.1	10 bpts	10 bpts

1 Comparatives have been updated to reflect market restatements. Refer to Market share Definitions section in Appendix 4.6 to this Document for further information, including source materials.

2 System source: RBA Lending and Credit Aggregates.

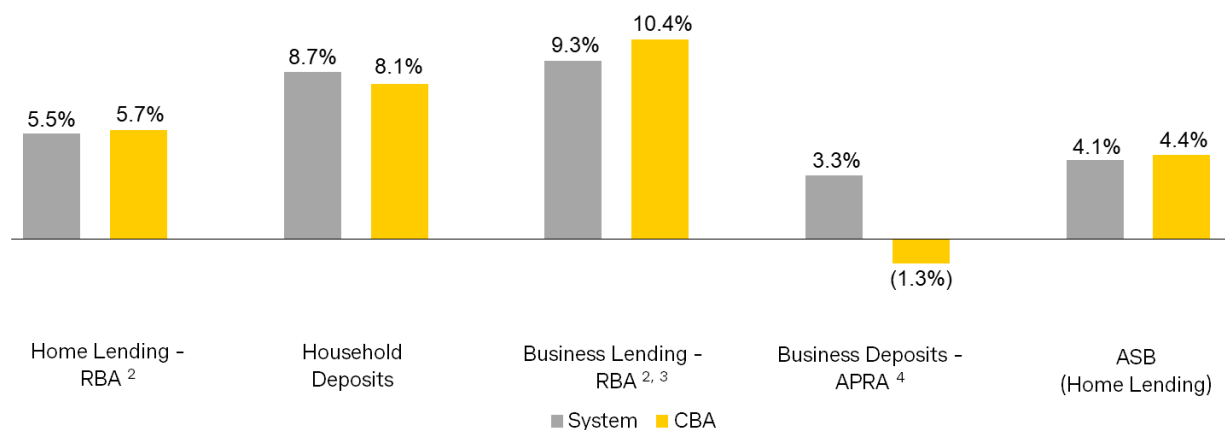
3 System source: APRA's Monthly Authorised Deposit-taking Institutions Statistics (MADIS) publication.

4 Other Household Lending market share includes personal loans, margin loans and other forms of lending to individuals.

5 Represents business lending to and business deposits by non-financial businesses under APRA definitions.

6 Represents CommSec traded value as a percentage of total Australian Equities markets, on a 12 month rolling average basis.

CBA growth against System ¹ Balance growth - 12 months to December 2024



1 System and CBA Source: RBA/APRA/RBNZ.

2 System source: RBA Lending and Credit Aggregates.

3 CBA Domestic Business lending growth (including Institutional Lending but excludes Cash Management Pooling Facilities).

4 System and CBA Source: APRA Deposits by non-financial businesses.

Credit Ratings ¹

Credit Ratings	Long-term	Short-term	Outlook
Fitch Ratings	AA-	F1+	Stable
Moody's Investors Service	Aa2	P-1	Stable
S&P Global Ratings	AA-	A-1+	Stable

1 A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by an assigning rating agency. Ratings should be evaluated independently of any other information.

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Contents

3 Group Performance Analysis

Financial Performance and Business Review	18
Net Interest Income	20
Other Operating Income	22
Operating Expenses	23
Investment Spend	24
Capitalised Software	25
Loan Impairment Expense	26
Taxation Expense	27
Group Assets and Liabilities	28

Group Performance Analysis

Financial Performance and Business Review

Comments are versus prior comparative period unless stated otherwise (continuing operations basis ¹).

The Bank's statutory net profit after tax (NPAT) from continuing operations for the half year ended 31 December 2024 increased \$305 million or 6% on the prior comparative period to \$5,142 million. The Bank's statutory NPAT (including discontinued operations) increased \$375 million or 8% on the prior comparative period to \$5,134 million.

Cash net profit after tax ("cash NPAT" or "cash profit") from continuing operations increased \$113 million or 2% on the prior comparative period to \$5,132 million. The result was driven by a 3% increase in operating income and a \$95 million decrease in loan impairment expense, partly offset by a 6% increase in operating expenses.

Operating income increased 3% on the prior comparative period. Key movements included:

- Net Interest Income (NII) increased 5%, primarily driven by a 9 basis point increase in Net Interest Margin (NIM), partly offset by a \$5 billion decrease in Average Interest Earning Assets (AIEA). Excluding the impact of liquid assets and institutional pooled facilities ² which have a broadly neutral impact on NII, growth was driven by a 4% increase in AIEA and a 2 basis point increase in NIM. The increase in NIM was primarily driven by higher earnings on capital and replicating portfolio hedges, and higher consumer finance margins, partly offset by the impact on lending and deposit margins from increased competition and unfavourable deposit mix. The increase in AIEA was mainly due to growth in home and business loans, partly offset by lower credit card balances, and lower reverse sale and repurchase agreements.
- Other operating income decreased 4% with lower income from Treasury and Markets activities including asset sales, trading income and unfavourable derivative valuation adjustments, as well as lower earnings from minority investments net of impairments, partly offset by higher volume driven commissions and lending fee income, higher equities income from higher volumes and two additional trading days, increase in institutional fees reflecting higher client activity, and higher Structured Asset Finance revenue.

Operating expenses ³ increased 6%, mainly driven by higher staff expenses due to inflation and two additional working days, and additional technology spend to support investment in AI capabilities and infrastructure modernisation, partly offset by productivity initiatives.

Loan impairment expense (LIE) decreased \$95 million, primarily driven by lower consumer collective provisions reflecting rising house prices. Home loan 90+ day arrears were 0.66%, an increase of 1 basis point on the prior half, supported by seasonal tax refunds and changes to tax rates and thresholds. Credit cards and Personal loans arrears were 0.68% and 1.32%, a decrease of 6 basis points and 18 basis points respectively on the prior half, supported by seasonal tax refunds and changes to tax rates and thresholds. Total provisions to CRWA were 1.62%, down 4 basis points on the prior half, reflecting higher credit risk weighted assets, partly offset by higher provisions.

CET1 was 12.2% as at 31 December 2024, compared to 12.3% at 30 June 2024, well above APRA's regulatory requirements. The movement was driven by the payment of the 2024 final dividend and higher total RWAs, partly offset by capital generated from earnings.

Earnings per share ("statutory basis") increased 6% on the prior year to 307.5 cents per share, primarily driven by an increase in statutory profit.

Return on equity ("statutory basis") increased 50 basis points to 13.8% due to the impact of higher statutory profit.

The interim dividend determined was \$2.25 per share, which is equivalent to 73% of the Bank's statutory profit.

Balance sheet strength and resilience is a key priority for the Bank. The Bank has managed key balance sheet risks in what it believes to be a sustainable and conservative manner, and has made strategic decisions designed to ensure strength in capital, funding and liquidity. In particular, the Bank has:

- Fulfilled a significant proportion of its funding requirements with customer deposits, accounting for 77% of total funding at 31 December 2024 (flat from 77% ⁴ at 31 December 2023);
- Issued new long-term wholesale funding of \$17 billion, bringing the portfolio Weighted Average Maturity (WAM ⁵) to 5.1 years (down from 5.2 years at 31 December 2023);
- Maintained its strong funding position, with long-term wholesale funding accounting for 68% of total wholesale funding (down 6% from 74% at 31 December 2023); and
- Managed the level of liquid assets and customer deposit growth to maintain our strong funding and liquidity positions, as illustrated by the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) being well above the regulatory minimum.

1 The financial results of discontinued operations are excluded from the individual account lines of the Bank's performance and are reported as a single cash net profit after tax line item. Discontinued operations mainly includes transitional service agreement activities for divested entities such as CFS.

2 Institutional pooled facilities are presented on a gross basis which increases AIEA without a corresponding increase in NII.

3 Reflecting underlying performance within operating expenses, excluding the impact of \$89 million of restructuring provision in the prior half.

4 Customer deposits include central bank and interbank deposits previously classified as short-term wholesale funding. Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" of this Document for further details.

5 The portfolio WAM excluding the RBNZ Term Lending Facilities as at 31 December 2024 was 5.1 years. In prior periods this metric included RBA TFF drawdowns (excluding RBA TFF and RBNZ Term Lending Facility: 30 June 2024: 5.2 years, 31 December 2023: 5.3 years).

Group Performance Analysis (continued)

Financial Performance and Business Review (continued)

In order to present a transparent view of the business' performance, operating performance is shown both on an underlying and headline basis.

	Half Year Ended ("cash basis")				
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Group Performance Summary					
Total operating income	14,097	13,525	13,649	4	3
Underlying operating expenses	(6,372)	(6,118)	(6,011)	4	6
<i>Restructuring and one-off item ¹</i>	–	(89)	–	(large)	–
Total operating expenses	(6,372)	(6,207)	(6,011)	3	6
Underlying operating performance	7,725	7,407	7,638	4	1
Operating performance	7,725	7,318	7,638	6	1
Loan impairment expense	(320)	(387)	(415)	(17)	(23)
Net profit before tax	7,405	6,931	7,223	7	3
Corporate tax expense	(2,273)	(2,114)	(2,204)	8	3
Net profit after tax from continuing operations ("cash basis")	5,132	4,817	5,019	7	2
Non-cash items - continuing operations ²	10	(173)	(182)	large	large
Net profit after tax from continuing operations ("statutory basis")	5,142	4,644	4,837	11	6
Net profit after tax from discontinued operations ("cash basis")	1	5	6	(80)	(83)
Non-cash items - discontinued operations ²	(9)	(14)	(84)	36	89
Net profit after tax ("statutory basis")	5,134	4,635	4,759	11	8

¹ Relates to the restructuring provision of \$89 million in the prior half.

² Refer to page 11 for further information.

Group Performance Analysis (continued)

Net Interest Income (continuing operations basis)

	Half Year Ended				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
	\$M	\$M	\$M	Jun 24 %	Dec 23 %
Net interest income ("statutory basis")	11,934	11,420	11,404	5	5
Average interest earning assets					
Home loans ¹	590,609	576,947	573,706	2	3
Consumer finance	16,657	17,182	17,061	(3)	(2)
Business and corporate loans	264,323	261,105	259,482	1	2
Total average lending interest earning assets	871,589	855,234	850,249	2	3
Non-lending interest earning assets (excl. liquid assets)	95,835	93,309	91,618	3	5
Total average interest earning assets (excl. liquid assets)	967,424	948,543	941,867	2	3
Liquid assets ²	168,435	199,519	198,826	(16)	(15)
Total average interest earning assets	1,135,859	1,148,062	1,140,693	(1)	–
Net interest margin (%) ("statutory basis")	2.08	2.00	1.99	8 bpts	9 bpts

1 Net of average mortgage offset balances of \$81,358 million (half year ended 30 June 2024: \$76,359 million; half year ended 31 December 2023: \$73,120 million). While these balances are required to be grossed up under accounting standards, they are netted down for the calculation of customer interest payments and the Group's net interest margin.

2 Average non-lending interest earning assets held by the Group for liquidity purposes and included in LCR liquid assets.

Half Year Ended December 2024 versus December 2023

Net interest income ("statutory basis") was \$11,934 million, an increase of \$530 million or 5% on the prior comparative period. The result was driven by a 9 basis point increase in net interest margin to 2.08%, partly offset by a \$5 billion decrease in average interest earning assets to \$1,136 billion. Excluding the impact of lower liquid assets in the current half, average interest earning assets increased by \$26 billion or 3%.

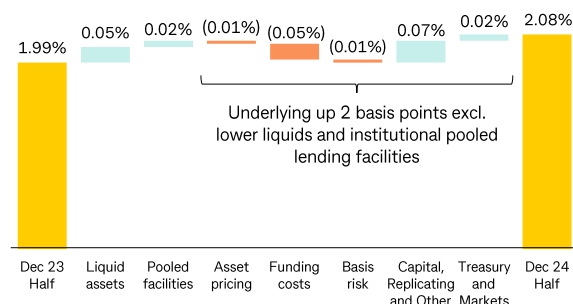
Average Interest Earning Assets

Average interest earning assets decreased \$5 billion on the prior comparative period. The key drivers of this movement were:

- Home loan average balances increased \$17 billion or 3% on the prior comparative period to \$591 billion. Proprietary mix for CBA and Unloan branded home loans decreased slightly from 67% to 66% of new business flows;
- Consumer finance average balances decreased 2% on the prior half to \$17 billion with lower credit card balances partly offset by growth in personal loans from higher new business volumes;
- Business and corporate loan average balances increased \$5 billion or 2% on the prior comparative period to \$264 billion. Excluding pooled facilities ¹, an increase of \$17 billion or 7% was driven by growth in Business Banking lending across a number of industries;
- Non-lending interest earning asset (excl. liquids) average balances increased \$4 billion or 5% on the prior comparative period to \$96 billion, primarily driven by higher trading assets mainly in the fixed income portfolio, partly offset by lower reverse sale and repurchase agreements in Institutional Banking and Markets; and
- Liquid asset average balances decreased \$30 billion or 15% on the prior comparative period to \$168 billion following repayment of the RBA Term Funding Facility.

For further details on the balance sheet movements refer to the 'Group Assets and Liabilities' on page 28.

NIM movement since December 2023



Net Interest Margin

The Bank's net interest margin increased 9 basis points on the prior comparative period to 2.08%. Excluding a 5 basis point increase in margin from a reduction in lower yielding liquid assets and a 2 basis point increase from institutional pooled facilities ¹ which have broadly neutral impacts on net interest income, net interest margin increased by 2 basis points. The key drivers of the movement were:

Asset pricing: Decreased margin by 1 basis point driven by home lending pricing reflecting the impact of increased competition (down 2 basis points), partly offset by higher consumer finance margins reflecting an increase in the proportion of interest earning credit card balances (up 1 basis point).

Funding costs: Decreased margin by 5 basis points driven by increased deposit price competition.

1 Favourable asset mix from average pooled lending facilities balances decreasing by \$12 billion on the prior comparative period (up 2 basis points), primarily driven by the migration of institutional pooled lending facilities from a product reported on a gross basis to a net presentation.

Group Performance Analysis (continued)

Net Interest Income (continued)

Basis risk: Basis risk arises from the spread between the 3 month bank bill swap rate and the 3 month overnight index swap rate. The Bank's margin decreased 1 basis point reflecting an increase in the average spread.

Capital, Replicating Portfolio and Other: Increased margin by 7 basis points driven by higher earnings on capital hedges (up 5 basis points) and the net impact of the replicating portfolio due to changes in portfolio volume and rate (up 2 basis points).

Treasury and Markets: Increased margin by 2 basis points due to higher risk management income in Treasury.

Half Year Ended December 2024 versus June 2024

Net interest income ("statutory basis") increased \$514 million or 5% on the prior half. The result was driven by an 8 basis point increase in net interest margin and the benefit of two additional calendar days in the current half, partly offset by a \$12 billion or 1% decrease in average interest earning assets. Excluding the impact of lower liquid assets in the current half, average interest earning assets increased by \$19 billion or 2%.

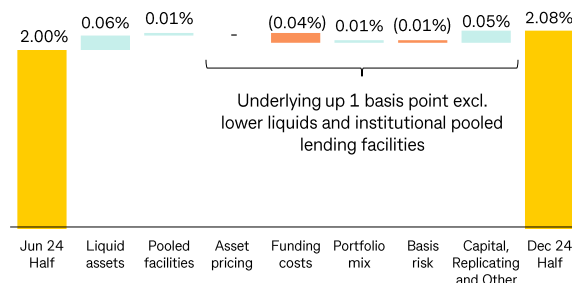
Average Interest Earning Assets

Average interest earning assets decreased \$12 billion or 1% on the prior half. The key drivers of this movement were:

- Home loan average balances increased \$14 billion or 2% on the prior half. Proprietary mix for CBA and Unloan branded home loans increased slightly from 65% to 66% of new business flows;
- Consumer finance average balances decreased by \$1 billion or 3% on the prior half, driven by lower credit card balances, partly offset by growth in personal loans from higher new business volumes;
- Business and corporate loan average balances increased \$3 billion or 1% on the prior half. Excluding pooled facilities¹, increase of \$11 billion or 4% driven by growth in Business Banking lending across a number of industries;
- Non-lending interest earning asset (excl. liquids) average balances increased \$3 billion or 3% on the prior half, primarily driven by higher trading assets mainly in the fixed income portfolio, partly offset by lower reverse sale and repurchase agreements in Institutional Banking and Markets; and
- Liquid asset average balances decreased \$31 billion or 16% on the prior half following repayment of the RBA Term Funding Facility.

For further details on the balance sheet movements refer to the 'Group Assets and Liabilities' on page 28.

NIM movement since June 2024



Net Interest Margin

The Bank's net interest margin increased 8 basis points on the prior half. Excluding a 6 basis point increase in margin from a reduction in lower yielding liquid assets and a 1 basis point increase from institutional pooled facilities¹ which have broadly neutral impacts on net interest income, net interest margin increased by 1 basis point. The key drivers of the movement were:

Asset pricing: Flat with higher consumer finance margins reflecting an increase in the proportion of interest earning credit card balances (up 1 basis point), offset by home lending pricing reflecting the impact of increased competition (down 1 basis point).

Funding costs: Decreased margin by 4 basis points driven by increased deposit price competition.

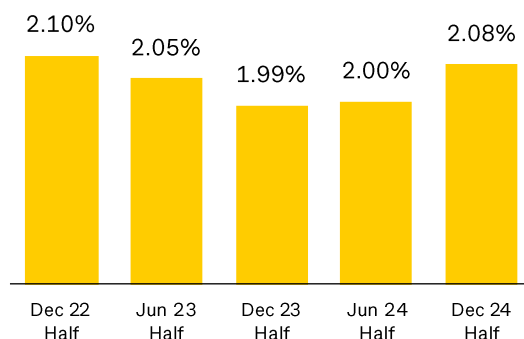
Portfolio mix: Increased margin by 1 basis point driven by favourable deposit mix impacts.

Basis risk: The Bank's margin decreased 1 basis point reflecting an increase in the average spread.

Capital, Replicating Portfolio and Other: Increased margin by 5 basis points driven by higher earnings on capital hedges (up 3 basis points) and the net impact of the replicating portfolio due to changes in portfolio volume and rate (up 2 basis points).

Treasury and Markets: Flat.

NIM (Half Year Ended)



¹ Favourable asset mix from average pooled lending facilities balances decreasing by \$8 billion on the prior half (up 1 basis point), primarily driven by the migration of institutional pooled lending facilities from a product reported on a gross basis to a net presentation.

Group Performance Analysis (continued)

Other Operating Income (continuing operations basis)

	Half Year Ended ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
	\$M	\$M	\$M		
Commissions	1,085	1,069	1,047	1	4
Lending fees	449	417	404	8	11
Trading income	519	538	639	(4)	(19)
Funds management and insurance income	60	56	55	7	9
Other income	50	25	100	large	(50)
Other operating income - "cash basis"	2,163	2,105	2,245	3	(4)
Hedging and IFRS volatility	(4)	(15)	33	73	(large)
Gain/(loss) on disposal and acquisition of controlled entities	5	(167)	(104)	large	large
Other operating income - "statutory basis"	2,164	1,923	2,174	13	–

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for further details.

Half Year Ended December 2024 versus December 2023

Other operating income ("statutory basis") was \$2,164 million, a decrease of \$10 million on the prior comparative period. The key drivers of the movements were:

Commissions increased by \$38 million or 4% to \$1,085 million, mainly due to higher volume driven foreign exchange and cards income, higher equities income from higher volumes and two additional trading days, and an increase in institutional fees reflecting increased client activity, partly offset by lower merchants revenue due to an increase in scheme costs.

Lending fees increased by \$45 million or 11% to \$449 million, mainly due to higher volume driven retail and business lending fees.

Trading income decreased by \$120 million or 19% to \$519 million, mainly driven by lower Treasury income from risk positioning and liquid asset sales, lower trading income and unfavourable derivative valuation adjustments, partly offset by increased sales volumes.

Funds management income increased by \$5 million or 9% to \$60 million, from higher average volumes and favourable market performance in New Zealand.

Other income decreased by \$50 million or 50% to \$50 million, mainly driven by impacts from minority investments, partly offset by higher Structured Asset Finance revenue mainly from the aircraft lease portfolio.

Hedging and IFRS volatility decreased \$37 million from a gain of \$33 million to a loss of \$4 million primarily driven by losses on non-trading derivatives that are held for risk management purposes.

Gain on disposal and acquisition of controlled entities net of transaction costs increased \$109 million from a loss of \$104 million to a gain of \$5 million from the non-recurrence of losses associated with the sale of PTBC in the prior period and fair value remeasurements in the current half.

Half Year Ended December 2024 versus June 2024

Other operating income ("statutory basis") increased by \$241 million or 13% on the prior half. The key drivers of the movement were:

Commissions increased by \$16 million or 1%, mainly due to higher volume driven foreign exchange, cards and deposit income, higher institutional fees from increased client activity and higher equities income from higher volumes.

Lending fees increased by \$32 million or 8%, mainly due to higher volume driven retail, business and institutional lending fees.

Trading income decreased by \$19 million or 4%, mainly driven by lower Treasury income from risk positioning and liquid asset sales, and unfavourable derivative valuation adjustments, partly offset by higher sales volumes in Markets.

Funds management income increased by \$4 million or 7% from higher average volumes and favourable market performance in New Zealand.

Other income increased by \$25 million, mainly driven by higher operating lease revenue in the Structured Asset Finance portfolio and impacts from minority investments.

Hedging and IFRS volatility increased \$11 million or 73% mainly driven by gains on non-trading derivatives that are held for risk management purposes.

Gain on disposal and acquisition of controlled entities net of transaction costs increased \$172 million, mainly driven by non-recurrence of losses associated with the sale of PTBC in the prior period and fair value remeasurements in the current half.

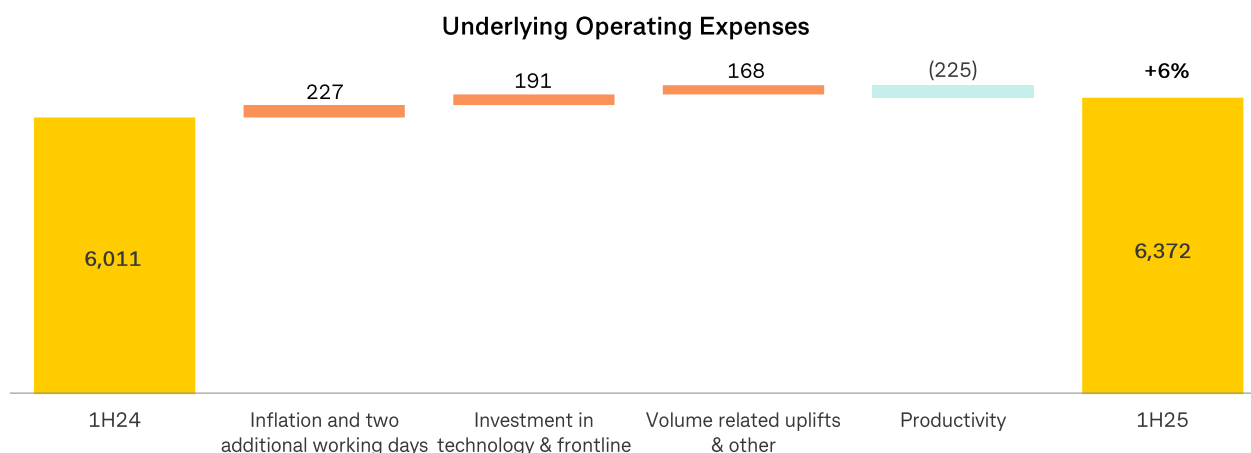
Group Performance Analysis (continued)

Operating Expenses (continuing operations basis)

	Half Year Ended ¹				
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Staff expenses	3,970	3,729	3,719	6	7
Occupancy and equipment expenses	460	494	501	(7)	(8)
Information technology services expenses	1,187	1,119	1,106	6	7
Other expenses	755	776	685	(3)	10
Underlying operating expenses - "cash basis"	6,372	6,118	6,011	4	6
<i>Separation and transaction costs</i>	–	32	87	(large)	(large)
<i>Restructuring and one-off item ²</i>	–	89	–	(large)	–
Operating expenses - "statutory basis"	6,372	6,239	6,098	2	4
Operating expenses to total operating income excluding one-off item (%) ("statutory basis")	45.2	46.1	44.9	(90)bpts	30 bpts
Operating expenses to total operating income (%) ("statutory basis")	45.2	46.8	44.9	(160)bpts	30 bpts
Average number of full-time equivalent staff (FTE)	49,307	49,274	49,216	–	–
Spot number of full-time equivalent staff (FTE)	49,682	48,887	48,930	2	2
Spot number of full-time equivalent staff (FTE) - Australia	36,530	36,572	35,960	–	2

¹ Presented on a "cash basis" unless otherwise specified

² Relates to the restructuring provision of \$89 million in the prior half.



Half Year Ended December 2024 versus December 2023

Operating expenses ("statutory basis") were \$6,372 million, an increase of \$274 million or 4% on the prior comparative period. The key drivers of this movement were:

Staff expenses increased by \$251 million or 7% to \$3,970 million, mainly driven by wage inflation, increased full-time equivalent staff (FTE) due to insourcing, investment in frontline resources and two additional working days in the half, partly offset by productivity initiatives and higher capitalisation. The average number of FTE increased by 91 from 49,216 to 49,307.

Occupancy and equipment expenses decreased by \$41 million or 8% to \$460 million, primarily driven by exits from commercial premises.

Information technology services expenses increased by \$81 million or 7% to \$1,187 million, primarily due to increased software licensing and cloud computing volumes, investment in AI capabilities and infrastructure modernisation, partly offset by productivity initiatives including reduction in the use of third party service providers.

Other expenses increased by \$70 million or 10% to \$755 million, primarily driven by higher remediation costs and legal and professional fees, partly offset by productivity initiatives.

Separation and transaction costs decreased by \$87 million to nil, primarily driven by the non-recurrence of separation costs related to the sale of PTBC and indemnity provided in connection with the sale of Count Financial Limited to cover remediation of past conduct.

Operating expenses to operating income ratio excluding one-off items ("statutory basis") increased 30 basis points from 44.9% to 45.2%.

Group Performance Analysis (continued)

Operating Expenses (continued)

Half Year Ended December 2024 versus June 2024

Operating expenses ("statutory basis") increased \$133 million or 2% on the prior half. The key drivers of this movement were:

Staff expenses increased by \$241 million or 6%, mainly driven by wage inflation, increased FTE due to insourcing, and two additional working days in the half, partly offset by seasonally higher leave usage and higher capitalisation. The average number of FTE increased by 33 on the prior half.

Occupancy and equipment expenses decreased by \$34 million or 7%, primarily driven by exits from commercial premises.

Information technology services expenses increased by \$68 million or 6%, primarily due to investment in AI capabilities

and infrastructure modernisation, and increased software licensing and cloud computing volumes, partly offset by reduction in the use of third party service providers.

Other expenses decreased by \$21 million or 3%, primarily driven by timing of marketing spend and lower professional fees.

Separation and transaction costs decreased by \$32 million to nil, primarily driven by the non-recurrence of separation costs related to the sale of PTBC and indemnity provided in connection with the sale of Count Financial Limited to cover remediation of past conduct.

Operating expenses to operating income ratio excluding one-off items ("statutory basis") decreased 90 basis points from 46.1% to 45.2%.

Investment Spend (continuing operations basis)

	Half Year Ended				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs	Dec 24 vs
	\$M	\$M	\$M	Jun 24 %	Dec 23 %
Expensed investment spend ¹	546	503	492	9	11
Capitalised investment spend ²	550	519	496	6	11
Investment spend	1,096	1,022	988	7	11
Comprising:					
Productivity and growth	489	472	454	4	8
Risk and compliance	333	316	302	5	10
Infrastructure and branch refurbishment	274	234	232	17	18
Investment spend	1,096	1,022	988	7	11

¹ Included within the operating expenses disclosure on page 23.

² Includes capitalised software and other investment spend primarily related to branch refurbishments and the development of the corporate and supporting offices.

Half Year Ended December 2024 versus December 2023

The Bank has continued to invest in our purpose of building a brighter future for all with \$1,096 million of investment spend incurred in the half year ended 31 December 2024, an increase of \$108 million or 11% on the prior comparative period. This is mainly driven by an increase of \$42 million in infrastructure and branch refurbishment spend, an increase of \$35 million in productivity and growth initiatives and an increase of \$31 million in risk and compliance spend.

In the current half, productivity and growth initiatives accounted for 45% of investment spend, a decrease of 1% from 46% in the prior comparative period. The Bank is continuing its focus on strengthening capabilities and extending our leadership in digital, technology and customer-centric product offerings through the ongoing modernisation of our platforms and interfaces to provide integrated and personalised experiences for our customers. The Bank is also continuing to focus on initiatives to simplify and enhance our systems, automate and digitise processes, and uplift internal engineering capabilities.

Risk and compliance projects accounted for 30% of investment spend, a decrease of 1% from 31% in the prior comparative period. Risk and compliance initiatives remain a priority for the Bank as we continue to build simpler and better foundations.

Infrastructure and branch refurbishment initiatives accounted for 25% of investment spend, an increase of 2% from 23% in the

prior comparative period, with the Bank continuing to uplift cyber security and enhance IT infrastructure including the accelerated refresh of critical legacy technology platforms. Key areas of investment across each of the categories are outlined below.

Productivity and Growth

The Bank has continued to invest in the following:

- Ongoing development and personalisation of CommBank applications and digital channels to improve the customer service experience and continuously innovate in sustainable finance, digital banking and equity trading;
- Simplifying and automating manual back-end processes and systems including the use of Generative AI models to improve customer experience, reduce operating costs and digitise end-to-end processes;
- Commercial lending systems to simplify the end-to-end process for loan origination and maintenance, and improve business customer experiences;
- Reducing reliance on external vendors by bringing more functions in-house, and delivering cost savings while enhancing quality by building world-class engineering capabilities; and
- Ongoing modernisation and simplification of the technology stack to accelerate migration to cloud, in order to reduce the cost of IT ownership, reduce risk and improve delivery agility for faster response to changing customer needs.

Group Performance Analysis (continued)

Investment Spend (continued)

Risk and Compliance

The Bank has continued to increase Group-wide capability in the management of financial and non-financial risks, including:

- Strengthening the Bank's operating model and processes for monitoring, managing, reporting and controlling financial crime across its operations including continuing to upgrade technology, uplift capabilities, and how the Bank engages with AUSTRAC and other regulators;
- Upgrading processes and systems for additional functionality, automation of controls, protecting against privacy breaches, reducing scam losses and ensuring compliance with regulations including Open Banking and ISO 20022 messaging standards; and
- Enhancing Customer Risk Assessment capability and strengthening data controls and processes.

Infrastructure and Branch Refurbishment

The Bank has continued to invest in the following:

- Protecting customers and the Bank against cyber security risks and data breaches;
- Improving the resilience and simplicity of the Bank's IT infrastructure including the upgrade and modernisation of core legacy systems;
- Retail branch design, refurbishment and technology upgrades to reflect evolving changes in customer preferences; and
- Expansion and refurbishment of commercial office spaces.

Capitalised Software

	Half Year Ended				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
	\$M	\$M	\$M		
Opening Balance	2,129	2,035	1,912	5	11
Additions	515	465	467	11	10
Amortisation and write-offs	(329)	(371)	(314)	(11)	5
Reclassified to assets held for sale	–	–	(30)	–	(large)
Closing balance	2,315	2,129	2,035	9	14

Half Year Ended December 2024 versus December 2023

Capitalised software balance increased \$280 million or 14% to \$2,315 million. The key drivers of this movement were:

Additions increased by \$48 million or 10% to \$515 million due to higher capitalised investment spend reflecting increased productivity and growth and IT infrastructure related spend as the Bank continues to enhance its product offering and customer experiences, strengthen its digital capabilities, modernise and uplift its technology platforms and innovate for future growth.

Amortisation and write-offs increased by \$15 million or 5% to \$329 million.

Reclassified to assets held for sale nil for the half year ended December 2024. Refer to Note 7.3 to the Financial Statements in this Document for further details.

Half Year Ended December 2024 versus June 2024

Capitalised software balance increased \$186 million or 9% on the prior half. The key drivers of this movement were:

Additions increased by \$50 million or 11% to \$515 million in the half year ended December 2024.

Amortisation and write-offs decreased by \$42 million or 11% to \$329 million due to the timing of amortisation on new investments relative to end of life applications.

Reclassified to assets held for sale nil for the half year ended December 2024. Refer to Note 7.3 to the Financial Statements in this Document for further details.

Group Performance Analysis (continued)

Loan Impairment Expense

	Half Year Ended ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
	\$M	\$M	\$M		
Retail Banking Services	79	105	214	(25)	(63)
Business Banking	220	227	210	(3)	5
Institutional Banking and Markets	9	34	(37)	(74)	large
New Zealand	16	55	9	(71)	78
Corporate Centre and Other	(4)	(34)	19	88	(large)
Loan impairment expense/(benefit)	320	387	415	(17)	(23)

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for further details.

Half Year Ended December 2024 versus December 2023

Loan impairment expense was \$320 million, a decrease of \$95 million on the prior comparative period. This was driven by:

- A decrease in Retail Banking Services of \$135 million to an expense of \$79 million, mainly driven by lower collective provisions reflecting rising house prices; and
- A decrease in Corporate Centre and Other of \$23 million to a benefit of \$4 million; partly offset by
- An increase in Institutional Banking and Markets of \$46 million to an expense of \$9 million, primarily driven by higher collective provisions due to forward looking adjustments and non-recurrence of provision releases;
- An increase in Business Banking of \$10 million to an expense of \$220 million, primarily driven by an increase in collective provisions; and
- An increase in New Zealand of \$7 million to an expense of \$16 million, mainly driven by higher consumer finance write-offs and higher home lending collective provisions reflecting ongoing interest rate pressures and house price volatility, partly offset by stable quality in the business portfolio.

Loan impairment expense annualised as a percentage of average gross loans and acceptances (GLAAs) decreased 2 basis points to 7 basis points.

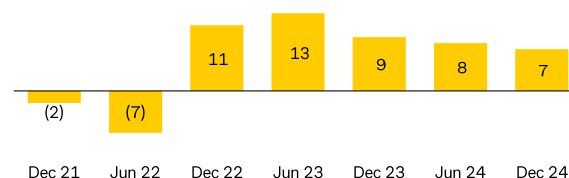
Half Year Ended December 2024 versus June 2024

Loan impairment expense decreased \$67 million on the prior half. This was driven by:

- A decrease in New Zealand of \$39 million, primarily driven by collective provision releases reflecting an improvement in the economic outlook and stable quality in the business portfolio, partly offset by higher consumer finance write-offs;
- A decrease in Retail Banking Services of \$26 million, mainly driven by lower collective provisions reflecting rising house prices and lower consumer finance arrears;
- A decrease in Institutional Banking and Markets of \$25 million, driven by lower collective provision charges, partly offset by the non-recurrence of recoveries in the prior half; and
- A decrease in Business Banking of \$7 million, primarily driven by lower specific provision charges, partly offset by higher collective provisions; partly offset by
- An increase in Corporate Centre and Other of \$30 million.

Loan impairment expense annualised as a percentage of average gross loans and acceptances (GLAAs) decreased 1 basis point.

Half Year Loan Impairment Expense annualised as a percentage of average GLAAs (bpts)



Group Performance Analysis (continued)

Taxation Expense (continuing operations basis)

	Half Year Ended				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs	Dec 24 vs
	\$M	\$M	\$M	Jun 24 %	Dec 23 %
Corporate tax expense (\$M)	2,273	2,114	2,204	8	3
Effective tax rate - "cash basis" (%)	30.7	30.5	30.5	20 bpts	20 bpts

Effective Tax Rate	Half Year Ended ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs	Dec 24 vs
	%	%	%	Jun 24 %	Dec 23 %
Retail Banking Services	30.2	30.2	30.2	–	–
Business Banking	30.0	30.0	30.0	–	–
Institutional Banking and Markets	24.4	20.6	24.7	380 bpts	(30)bpts
New Zealand	27.8	28.2	27.8	(40)bpts	–
Total corporate ("statutory basis")	30.6	30.9	31.5	(30)bpts	(90)bpts

Income Tax	Half Year Ended ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs	Dec 24 vs
	\$M	\$M	\$M	Jun 24 %	Dec 23 %
Retail Banking Services	1,175	1,132	1,145	4	3
Business Banking	860	813	813	6	6
Institutional Banking and Markets	190	138	198	38	(4)
New Zealand	243	226	240	8	1
Corporate Centre and Other	(195)	(195)	(192)	–	2
Total income tax expense ("cash basis")	2,273	2,114	2,204	8	3
Non-cash tax expense	(9)	(41)	24	78	large
Total income tax expense ("statutory basis")	2,264	2,073	2,228	9	2

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for further details.

Half Year Ended December 2024 versus December 2023

Income tax expense ("statutory basis") was \$2,264 million, an increase of \$36 million, or 2% on the prior half, reflecting a 30.6% effective tax rate.

The rate is above the Australian company tax rate of 30% primarily as a result of non-deductible hybrid capital distributions on the Group's issued PERLS Capital Notes.

The 90 basis point decrease in effective tax rate from 31.5% to 30.6% was primarily due to a one-off loss on disposal from the sale of PTBC being non-deductible for tax purposes in the half year ended 31 December 2023.

Half Year Ended December 2024 versus June 2024

Income tax expense ("statutory basis") increased \$191 million or 9% on the prior half.

The rate is above the Australian company tax rate of 30% primarily as a result of non-deductible hybrid capital distributions on the Group's issued PERLS Capital Notes.

The effective tax rate decreased from 30.9% to 30.6%, primarily due to a one-off loss on disposal from the sale of PTBC being non-deductible for tax purposes in the half year ended 30 June 2024.

Group Performance Analysis (continued)

Group Assets and Liabilities

	As at				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Total Group Assets and Liabilities	\$M	\$M	\$M	Jun 24 %	Dec 23 %
Interest earning assets					
Home loans ¹	685,269	664,701	650,461	3	5
Consumer finance	16,869	16,762	17,482	1	(4)
Business and corporate loans	272,677	266,025	258,629	3	5
Loans and other receivables ²	974,815	947,488	926,572	3	5
Non-lending interest earning assets ³	262,736	261,598	289,317	–	(9)
Total interest earning assets	1,237,551	1,209,086	1,215,889	2	2
Other assets ²	70,328	44,120	58,689	59	20
Assets held for sale ⁴	687	870	1,391	(21)	(51)
Total assets	1,308,566	1,254,076	1,275,969	4	3
Interest bearing liabilities					
Transaction deposits ⁵	194,037	193,948	185,429	–	5
Savings deposits ⁵	302,788	290,143	283,677	4	7
Investment deposits	247,287	237,773	243,836	4	1
Other demand deposits	46,864	50,324	48,196	(7)	(3)
Total interest bearing deposits	790,976	772,188	761,138	2	4
Debt issues	167,125	144,530	139,275	16	20
Term funding from central banks ⁶	3,247	4,228	36,591	(23)	(91)
Other interest bearing liabilities ³	106,562	110,334	102,048	(3)	4
Total interest bearing liabilities	1,067,910	1,031,280	1,039,052	4	3
Non-interest bearing transaction deposits	110,330	109,433	110,820	1	–
Other non-interest bearing liabilities	55,062	40,275	52,113	37	6
Liabilities held for sale ⁴	–	–	1,145	–	(large)
Total liabilities	1,233,302	1,180,988	1,203,130	4	3

1 Home loans are presented gross of \$85,177 million of mortgage offset balances (30 June 2024: \$74,532 million; 31 December 2023: \$75,112 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments.

2 Loans and other receivables exclude provisions for impairment which are included in other assets.

3 Non-lending interest earning assets include reverse sale and repurchase agreements. Other interest bearing liabilities include sale and repurchase agreements.

4 Assets held for sale include certain structured asset finance items and properties held for sale. Assets and liabilities held for sale at 31 December 2023 were impacted by the announced divestment of PT Bank Commonwealth. For details on the Group's discontinued operations and business held for sale, refer to Note 7.3.

5 Transaction and savings deposits includes \$85,177 million of mortgage offset balances (30 June 2024: \$74,532 million; 31 December 2023: \$75,112 million).

6 Term funding from central banks includes the drawn balances of the RBNZ Funding for Lending Programme and Term Lending Facility. Balances at 31 December 2023 included drawn balances of the RBA Term Funding Facility.

Half Year Ended December 2024 versus December 2023

Total assets were \$1,309 billion, an increase of \$33 billion or 3% on the prior comparative period, driven by growth in home loans, business and corporate loans, and other assets, partly offset by declines in non-lending interest earning assets, assets held for sale, and consumer finance balances.

Total liabilities were \$1,233 billion, an increase of \$30 billion or 3% on the prior comparative period, driven by growth in interest bearing deposits, debt issues, other interest bearing liabilities, and other non-interest bearing liabilities, partly offset by a decrease in term funding from central banks, liabilities held for sale, and non-interest bearing transaction deposits.

The Bank continued to fund a significant portion of lending growth from customer deposits. Customer deposits ¹ represented 77% of total funding (31 December 2023: 77%).

Home loans

Home loan balances increased \$35 billion to \$685 billion, a 5% increase on the prior comparative period. The increase was driven by Retail Banking Services, Business Banking and New Zealand (excluding the impact of FX). Domestic home loan growth of 6% was in line with system ² growth. Proprietary mix for CBA and Unloan branded home loans decreased from 67% to 66% of new business flows.

1 Customer deposits include central bank and interbank deposits previously classified as short-term wholesale funding (Balance as at 31 December 2024: \$17.7 billion; 30 June 2024: \$17.4 billion; 31 December 2023: \$15.2 billion). Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" of this Document for further details.

2 System source: RBA/APRA/RBNZ.

Group Performance Analysis (continued)

Group Assets and Liabilities (continued)

Australian home loans amount to \$616 billion (31 December 2023: \$582 billion) of which 69% were owner occupied, 30% were investment home loans and 1% were lines of credit (31 December 2023: 70% were owner occupied, 29% were investment home loans and 1% were lines of credit).

Consumer Finance

Consumer finance balances were \$17 billion, a \$1 billion or 4% decrease on the prior comparative period, consistent with system ¹ decline. The decrease was driven by higher credit card repayments relative to spend, partly offset by growth in personal loans.

Business and corporate loans

Business and corporate loans increased \$14 billion to \$273 billion, a 5% increase on the prior comparative period. This was driven by a \$17 billion or 12% increase in Business Banking (above system ¹ growth) reflecting diversified lending across a number of industries. Institutional lending balances declined by \$3 billion or 3%, primarily driven by a decrease in pooled lending and deposit facilities. Excluding pooled facilities, an increase of \$9 billion or 11% was driven by growth across the institutional lending and asset backed lending portfolios. New Zealand business and rural lending increased \$1 billion or 2% (excluding the impact of FX).

Non-lending interest earning assets

Non-lending interest earning assets decreased \$27 billion to \$263 billion, a 9% decrease on the prior comparative period. This was mainly driven by decreases in cash and liquids following the repayment of the RBA Term Funding Facility, partly offset by higher reverse sale and repurchase agreements.

Other assets

Other assets, including derivative assets, property, plant and equipment and intangibles, increased \$12 billion to \$70 billion, a 20% increase on the prior comparative period, mainly driven by an increase in derivative assets due to movements in foreign currency and interest rates.

Total interest bearing deposits

Total interest bearing deposits increased \$30 billion to \$791 billion, a 4% increase on the prior comparative period. Growth was driven by a \$19 billion or 7% increase in savings deposits, a \$9 billion or 5% increase in transaction deposits and a \$3 billion or 1% increase in investment deposits.

Domestic household deposits grew at 8%, broadly in line with system ¹ growth.

Debt issues

Debt issues increased \$28 billion to \$167 billion, a 20% increase on the prior comparative period, to meet the Group's funding requirements following the repayment of the RBA Term Funding Facility.

Refer to pages 44-45 for further information on debt programs and issuance for the half year ended 31 December 2024.

Term funding from central banks

Term funding from central banks includes the drawn balance of the RBNZ Funding for Lending Programme and Term Lending Facility. The December 2023 period also includes the RBA Term Funding Facility. Term funding from central banks decreased \$33 billion to \$3 billion, a 91% decrease on the prior comparative period, as the drawdowns on the RBA Term Funding Facility matured and were fully repaid, and drawdowns on the RBNZ Funding for Lending Programme matured and were repaid.

Other interest bearing liabilities

Other interest bearing liabilities, including loan capital, liabilities at fair value through income statement and amounts due to other financial institutions, increased \$5 billion to \$107 billion, a 4% increase on the prior comparative period. The increase was mainly driven by higher amounts due to other financial institutions, partly offset by lower sale and repurchase agreements.

Non-interest bearing transaction deposits

Non-interest bearing transaction deposits were \$110 billion, flat on the prior comparative period.

Other non-interest bearing liabilities

Other non-interest bearing liabilities, including derivative liabilities, increased \$3 billion to \$55 billion, a 6% increase on the prior comparative period. The increase was mainly driven by higher derivative liabilities due to movements in foreign exchange rates.

Half Year Ended December 2024 versus June 2024

Total assets increased \$54 billion or 4% on the prior half, mainly driven by growth in other assets, home loans, business corporate loans, and non-lending interest earning assets, partly offset by decreases in assets held for sale.

Total liabilities increased \$52 billion or 4% on the prior half, reflecting growth in debt issues, interest bearing deposits, other non-interest bearing liabilities, and non-interest bearing transaction deposits, partly offset by decreases in other interest bearing liabilities and term funding from central banks.

Customer deposits ² represented 77% of total funding (30 June 2024: 78%).

¹ System source: RBA/APRA/RBNZ.

² Customer deposits include central bank and interbank deposits previously classified as short-term wholesale funding (Balance as at 31 December 2024: \$17.7 billion; 30 June 2024: \$17.4 billion; 31 December 2023: \$15.2 billion). Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" of this Document for further details.

Group Performance Analysis (continued)

Group Assets and Liabilities (continued)

Home loans

Home loan balances increased \$21 billion or 3% on the prior half, driven by growth in Retail Banking Services, Business Banking and New Zealand (excluding the impact of FX). Domestic home loan growth was 3%, above system growth. Proprietary mix for CBA and Unloan branded home loans increased from 65% to 66% of new business flows.

Consumer finance

Consumer finance balances increased 1%, above system ¹ decline. The increase was driven by growth in personal loans and higher credit card spend.

Business and corporate loans

Business and corporate loans increased \$7 billion or 3% on the prior half. This was driven by a \$7 billion or 5% increase in Business Banking (above system ¹ growth) reflecting diversified lending across a number of industries. Institutional lending balances declined by \$1 billion or 1%, primarily driven by a decrease in pooled lending and deposit facilities. Excluding pooled facilities, an increase of \$9 billion or 12% was driven by growth across institutional lending and securitisation portfolios. New Zealand business and rural lending increased 1% on the prior half (excluding the impact of FX).

Non-lending interest earning assets

Non-lending interest earning assets increased \$1 billion on the prior half. This was mainly driven by higher government securities holdings and increased trading assets in Institutional Banking and Markets, partly offset by a decrease in cash and liquids and lower reverse sale and repurchase agreements.

Other assets

Other assets, including derivative assets, property, plant and equipment and intangibles, increased \$26 billion or 59% on the prior half driven by an increase in derivative assets due to movements in foreign currency and interest rates, and higher commodities inventory in Institutional Banking and Markets.

Total interest bearing deposits

Total interest bearing deposits increased \$19 billion or 2% on the prior half. Growth was driven by a \$13 billion or 4% increase in savings deposits, a \$10 billion or 4% increase in investment deposits and flat transaction deposits.

Domestic household deposits grew at 7%, in line with system ¹ growth.

Debt issues

Debt issues increased \$23 billion or 16% on the prior half, to meet the Group's funding requirements following the repayment of the RBA Term Funding Facility.

Refer to pages 44-45 for further information on debt programs and issuance for the half year ended 31 December 2024.

Term funding from central banks

Term funding from central banks decreased \$1 billion or 23% on the prior half, as RBNZ Funding for Lending Programme drawdowns matured and were repaid.

Other interest bearing liabilities

Other interest bearing liabilities, including loan capital, liabilities at fair value through income statement and amounts due to other financial institutions, decreased \$4 billion or 3% on the prior half. The decrease was primarily driven by lower sale and repurchase agreements, partly offset by higher amounts due to other financial institutions.

Non-interest bearing transaction deposits

Non-interest bearing transaction deposits increased \$1 billion or 1% on the prior half, mainly driven by balance growth in New Zealand and in Retail Banking Services, partly offset by customer switching to higher yielding deposits.

Other non-interest bearing liabilities

Other non-interest bearing liabilities, including derivative liabilities, increased \$15 billion or 37% on the prior half. The increase was mainly driven by higher derivative liabilities due to movements in foreign currency and interest rates.

¹ System source: RBA/APRA/RBNZ.

Contents

4 Group Operations & Business Settings

Loan Impairment Provisions and Credit Quality	32
Capital	36
Financial System Regulation in the United States	39
Leverage Ratio	41
Dividends	41
Liquidity	42
Funding	44
Net Stable Funding Ratio (NSFR)	46
Corporate Governance	47

Group Operations and Business Settings

Loan Impairment Provisions and Credit Quality

Provisions for Impairment

	As at				
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Provisions for impairment losses					
Collective provisions	5,492	5,423	5,330	1	3
Individually assessed provisions	735	712	733	3	–
Total provisions for impairment losses	6,227	6,135	6,063	1	3
Less: Provision for off Balance Sheet exposures	(198)	(223)	(157)	(11)	26
Total provisions for loan impairment	6,029	5,912	5,906	2	2

Half Year Ended December 2024 versus December 2023

Total provisions for impairment losses as at 31 December 2024 were \$6,227 million, an increase of \$164 million or 3% on the prior comparative period.

Collective provisions

- Consumer collective provisions decreased \$98 million or 3% to \$2,906 million, reflecting rising house prices and lower expected losses in the consumer finance lending portfolio.
- Corporate collective provisions increased \$260 million or 11% to \$2,586 million. This reflects the impact on corporate profits of ongoing inflationary pressures and higher interest rates.

Individually assessed provisions

- Consumer individually assessed provisions decreased \$21 million or 18% to \$97 million, reflecting rising house prices.
- Corporate individually assessed provisions increased \$23 million or 4% to \$638 million. This was mainly driven by the downgrade of several small exposures across various industry sectors.

Half Year Ended December 2024 versus June 2024

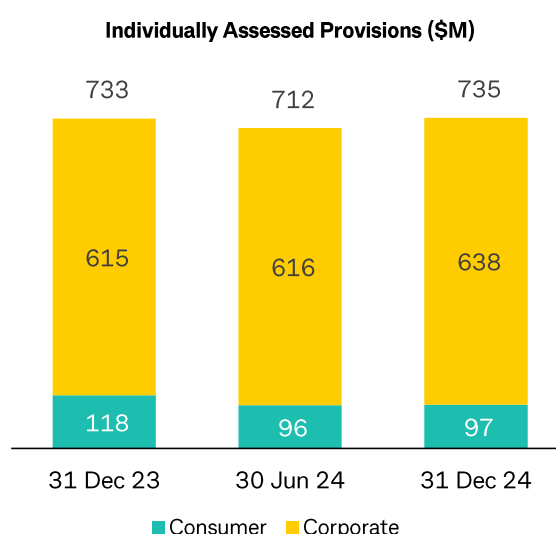
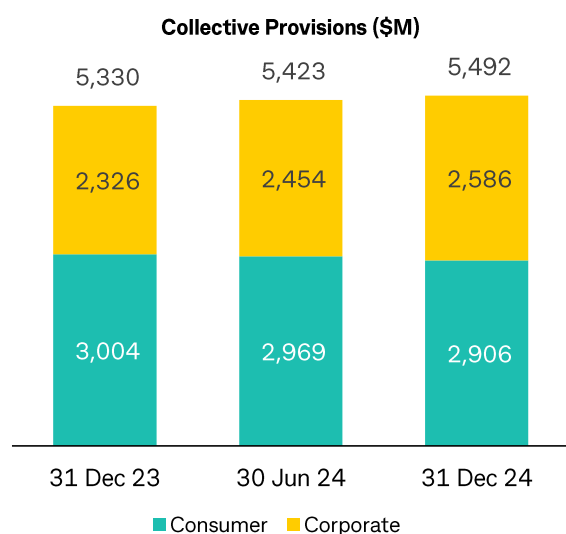
Total provisions for impairment losses increased \$92 million or 1% on the prior half.

Collective provisions

- Consumer collective provisions decreased \$63 million or 2%, reflecting rising house prices and lower expected losses in the consumer finance lending portfolio.
- Corporate collective provisions increased \$132 million or 5%. This reflects the impact on corporate profits of ongoing inflationary pressures and higher interest rates.

Individually assessed provisions

- Consumer individually assessed provisions increased by \$1 million or 1%.
- Corporate individually assessed provisions increased \$22 million or 4%. This was mainly driven by the downgrade of several small exposures across various industry sectors.



Group Operations and Business Settings (continued)

Loan Impairment Provisions and Credit Quality (continued)

Credit Quality

Credit Quality Metrics	Half Year Ended			Dec 24 vs	Dec 24 vs
	31 Dec 24	30 Jun 24	31 Dec 23	Jun 24 %	Dec 23 %
Total committed exposures (TCE) (\$M)	1,442,264	1,378,059	1,401,650	5	3
Gross loans and acceptances (GLAA) (\$M)	977,384	949,948	929,609	3	5
Credit RWA (\$M)	385,117	370,444	368,735	4	4
Gross non-performing exposures (\$M) ¹	10,313	9,638	8,122	7	27
Provision Ratios					
Collective provision as a % of credit RWA	1.43	1.46	1.45	(3)bpts	(2)bpts
Total provisions as a % of credit RWA	1.62	1.66	1.64	(4)bpts	(2)bpts
Total provisions for non-performing exposures as a % of gross non-performing exposures	14.44	16.04	17.02	(160)bpts	(258)bpts
Total provisions for non-performing exposures as a % of gross non-performing exposures (corporate)	32.09	31.37	31.75	72 bpts	34 bpts
Total provisions for non-performing exposures as a % of gross non-performing exposures (consumer)	7.73	10.35	10.30	(262)bpts	(257)bpts
Total provisions for impairment losses as a % of TCE	0.43	0.45	0.43	(2)bpts	–
Asset Quality Ratios					
Gross non-performing exposures as a % of TCE	0.72	0.70	0.58	2 bpts	14 bpts
Loan impairment expense annualised as a % of average GLAAs	0.07	0.08	0.09	(1)bpt	(2)bpts
Net write-offs annualised as a % of GLAAs	0.06	0.07	0.07	(1)bpt	(1)bpt
Non-retail total committed exposures rated investment grade (%) ²	64.75	64.75	67.72	–	(297)bpts
Troublesome and non-performing exposures as a % of total committed exposures	0.95	0.98	0.76	(3)bpts	19 bpts
Australian Home Loan Portfolio					
Portfolio dynamic LVR (%) ³	42.30	42.78	44.54	(48)bpts	(224)bpts
Customers in advance (%) ⁴	81.37	79.78	79.11	159 bpts	226 bpts

¹ Group non-performing exposures include \$16 million (30 June 2024: \$20 million; 31 December 2023: \$18 million) of exposures held in level 3 entities for capital reporting purposes.

² Investment grades based on CBA grade in S&P equivalent.

³ Loan to value ratio (LVR) defined as current balance as a percentage of the current valuation on Australian home loan portfolio.

⁴ Any amount ahead of monthly minimum repayment (including offset facilities).

Provision Ratios and Non-Performing Assets

As at 31 December 2024, total provisions as a proportion of credit RWA decreased by 4 basis points on the prior half to 1.62%, driven by an increase in credit RWAs.

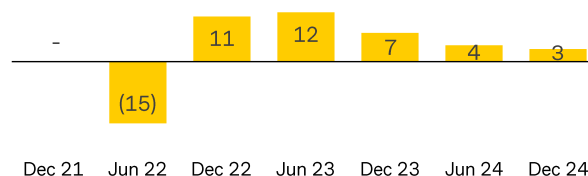
Gross non-performing exposures were \$10,313 million, an increase of \$675 million or 7% on the prior half, mainly driven by increased restructures in the home lending portfolio which are predominantly well secured, in addition to the downgrade of a small number of corporate exposures. Gross non-performing exposures as a proportion of TCE were 0.72%, an increase of 2 basis points on the prior half.

Provision coverage for the non-performing portfolio was 14.44%, a decrease of 160 basis points on the prior half, mainly driven by increased restructures in the home lending portfolio which are predominantly well secured.

Retail Portfolio Asset Quality

Consumer loan impairment expense (LIE) as a percentage of average gross loans and acceptances (GLAAs) was 3 basis points, a decrease of 1 basis point on the prior half, reflecting rising house prices and lower arrears in the consumer finance lending portfolio.

Consumer LIE Half Year Loan Impairment Expense annualised as percentage of average GLAAs (bpts)



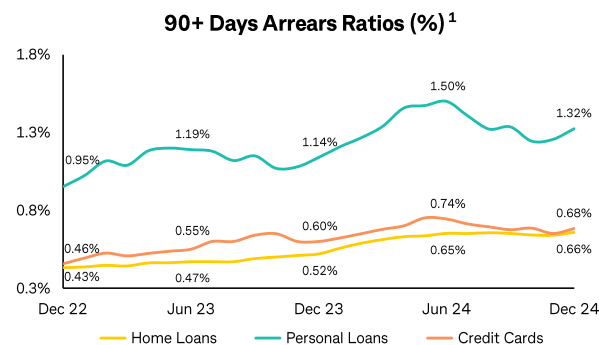
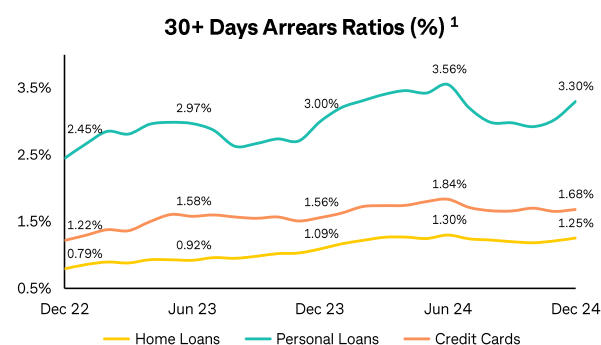
Group Operations and Business Settings (continued)

Loan Impairment Provisions and Credit Quality (continued)

Retail Portfolio Asset Quality (continued)

Home loan 90+ days arrears were relatively stable at 0.66%, an increase of 1 basis point on the prior half, supported by seasonal tax refunds and changes to tax rates and thresholds. Credit cards and personal loans 90+ days arrears were 0.68% and 1.32% respectively, a decrease of 6 basis points and 18 basis points on the prior half, supported by seasonal tax refunds and changes to tax rates and thresholds. Personal Loan 30+ days arrears have increased in recent months, influenced by holiday period seasonality and customers being more susceptible to cost of living pressures, particularly young and low-income customers.

The home loan dynamic LVR was 42.30%, a decrease of 48 basis points on the prior half. The home lending book remains well secured and the majority of home lending customers remain in advance of scheduled repayments.



¹ Includes retail portfolios of Retail Banking Services, Business Banking and New Zealand.

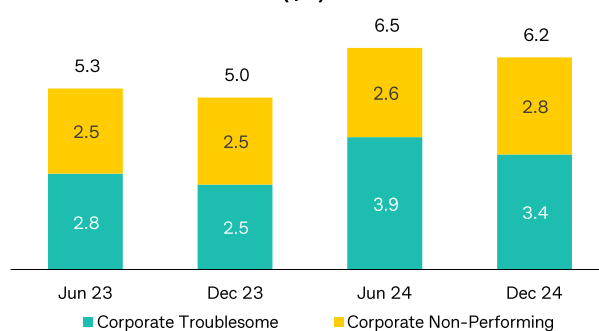
Corporate Portfolio Asset Quality

Corporate troublesome exposures were \$3.4 billion, a decrease of \$0.5 billion or 13% on the prior half, mainly driven by upgrades and repayments across a small number of exposures.

Investment grade rated exposures were 64.75% of overall portfolio risk rated counterparties, flat on the prior half.

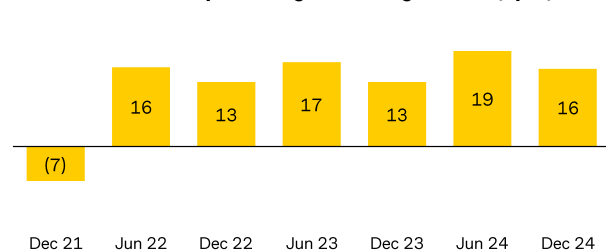
Corporate LIE as a percentage of gross loans and acceptances was 16 basis points, a decrease of 3 basis points on the prior half, driven by lower individual provision charges partly offset by higher collective provisions in the current half.

Corporate Troublesome and Non-Performing Exposures (\$B)¹

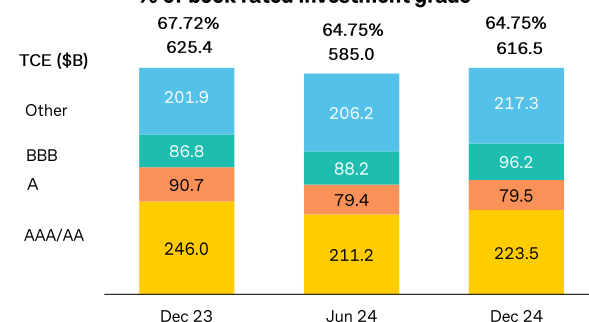


¹ Non-performing exposures reflect the industry standard measure of credit quality as required by APS 220 Credit Risk Management. This has replaced the Group's previous impaired assets measure.

Corporate LIE Half Year Loan Impairment Expense annualised as percentage of average GLAA (bpts)



Corporate Portfolio Quality % of book rated investment grade²



² CBA grades in S&P equivalents.

Group Operations and Business Settings (continued)

Loan Impairment Provisions and Credit Quality (continued)

Corporate Industry Exposure and Asset Quality

The distribution of the Bank's corporate credit exposures by sector remained relatively consistent during the half. The most material movements in total committed exposures (TCE) by sector were for:

- Finance & Insurance which increased by 12.5% (\$12,361 million) to \$111,216 million due to increased exposure through funds financing and securitisation activities with well rated counterparties, as well as a weaker Australian dollar resulting in increased exposure for transactions denominated in foreign currencies.
- Commercial Property which increased by 3.8% (\$3,590 million) to \$98,446 million, primarily due to increased exposures to well rated REITs and Property Operators & Investors.
- Electricity, Water & Gas which increased by 17.3% (\$2,750 million) to \$18,666 million due to increased exposures primarily to renewable electricity generation, distribution and supply.

Total Troublesome and Non-Performing Exposures (TNPE) for the corporate portfolio were lower over the half, decreasing \$278 million to \$6,201 million.

TNPE as a percentage of TCE has decreased 10 basis points on the prior half to 1.01%.

The decrease in corporate TNPEs over the half is concentrated in:

- Commercial Property (down 57 basis points or \$523 million) driven by repayment by a large single name customer, a reduction in exposure as developments have completed for two customers, and upgrades of a number of customers across various subsectors.
- Health & Community Services (down 89 basis points or \$115 million) driven by repayment by a large single name customer.

There were increases in TNPEs for:

- Retail Trade (up 128 basis points or \$216 million) driven by downgrades to troublesome across a number of customers in different retail sectors as a consequence of lower trading activity and sustained higher interest rates.
- Agriculture (up 32 basis points or \$140 million) driven by a large single name customer downgrade to troublesome.

Management is closely monitoring sectors of continued or potential increased stress, including Construction, Commercial Property, Manufacturing, Retail Trade, Wholesale Trade, Entertainment, Leisure & Tourism and Agriculture.

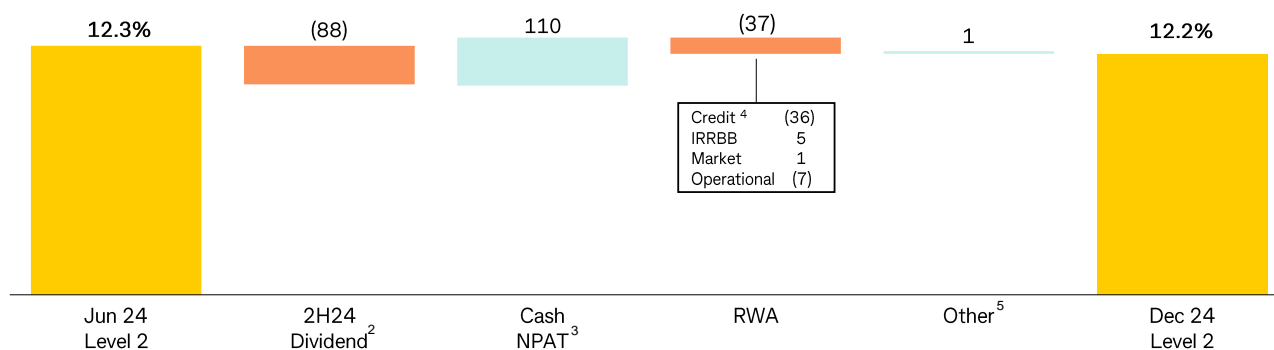
	Group Total Committed Exposures (TCE)		Troublesome and Non-Performing Exposures (TNPE)		TNPE % of TCE	
	31 Dec 24	30 Jun 24	31 Dec 24	30 Jun 24	31 Dec 24	30 Jun 24
	\$M	\$M	\$M	\$M	%	%
Business and Corporate Sector						
Government, Admin. & Defence	175,647	174,493	–	–	–	–
Finance & Insurance	111,216	98,855	34	52	0.03	0.05
Commercial Property	98,446	94,855	714	1,237	0.73	1.30
Agriculture & Forestry	33,590	32,547	1,102	962	3.28	2.96
Transport & Storage	27,362	27,767	506	436	1.85	1.57
Manufacturing	21,578	19,450	606	562	2.81	2.89
Entertainment, Leisure & Tourism	20,136	18,209	425	399	2.11	2.19
Wholesale Trade	18,759	16,795	703	775	3.75	4.61
Electricity, Water & Gas	18,666	15,916	–	9	–	0.06
Business Services	18,068	16,409	323	298	1.79	1.82
Health & Community Services	16,338	15,367	347	462	2.12	3.01
Retail Trade	16,158	15,708	513	297	3.17	1.89
Construction	13,568	13,115	568	642	4.19	4.90
Mining	7,173	7,064	20	33	0.28	0.47
Media & Communications	6,134	5,328	43	74	0.70	1.39
Personal & Other Services	4,034	3,519	72	46	1.78	1.31
Education	4,011	3,799	96	66	2.39	1.74
Other	5,634	5,837	129	129	2.27	2.21
Total	616,518	585,033	6,201	6,479	1.01	1.11

Group Operations and Business Settings (continued)

Capital

Summary Group Capital Adequacy Ratios	As at				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
	%	%	%		
Common Equity Tier 1	12.2	12.3	12.3	(10)bpts	(10)bpts
Additional Tier 1	1.9	2.0	2.4	(10)bpts	(50)bpts
Tier 1	14.1	14.3	14.7	(20)bpts	(60)bpts
Tier 2	6.6	6.6	5.8	–	80 bpts
Total Capital (APRA)	20.7	20.9	20.5	(20)bpts	20 bpts

Capital – CET1 (APRA) ¹



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

² The 2024 final dividend included the on-market purchase of \$758 million of shares (CET1 impact of -16 bpts) in respect of the Dividend Reinvestment Plan.

³ Excludes equity accounted profits/losses and impairments from associates as they are capital neutral with offsetting changes in capital deductions.

⁴ Excludes impact of foreign exchange movements which is included in 'Other'.

⁵ Includes the benefit from the partial divestment of CBA's shareholding in Vietnam International Commercial Joint Stock Bank (VIB), increase in capitalised software, impact of revaluation losses on the HQLA portfolio, FX impact on Credit RWA, equity accounted profits/losses from associates, other regulatory adjustments and progress on the on-market share buy-back. As at 31 December 2024, 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 bought back at an average price of \$110.72). \$18 million of this was completed in 1H25 (118,000 ordinary shares bought back at an average price of \$151.98).

Capital Position

The Group's CET1 Capital ratio was 12.2% as at 31 December 2024, compared with 12.3% as at 30 June 2024. The CET1 Capital ratio was well above APRA's regulatory requirement at all times throughout the half year ended 31 December 2024.

Key drivers of the change in CET1 for the 6 months ended 31 December 2024 were:

- The payment of the 2H24 dividend;
- Higher total RWA with increases in Credit Risk and Operational Risk RWA, partly offset by lower IRRBB and Traded Market Risk RWA; partly offset by
- Capital generated from earnings; and
- Other regulatory adjustments and movement in reserves.

Further details on the movements in RWA are provided on page 37.

Capital Initiatives

The following significant capital initiatives were undertaken during the half year ended 31 December 2024:

Common Equity Tier 1 Capital

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

Tier 2 Capital

The Group issued AUD1,500 million subordinated notes in November 2024 and redeemed EUR1,000 million subordinated notes in October 2024, both Basel III compliant Tier 2 Capital.

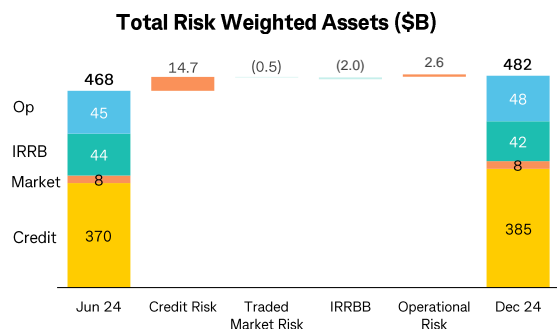
Group Operations and Business Settings (continued)

Capital (continued)

Risk Weighted Assets (RWA) ¹

Total Group Risk Weighted Assets

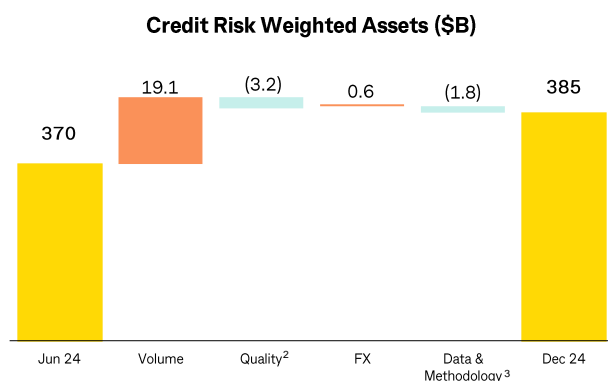
Total RWA increased \$14.8 billion or 3% on the prior half to \$482.4 billion, mainly driven by increases in Credit RWA and Operational Risk RWA, partly offset by lower IRRBB and Traded Market Risk RWA.



Credit Risk Weighted Assets

Credit Risk RWA increased \$14.7 billion or 4% on the prior half to \$385.1 billion. Key drivers include:

- Volume growth (increase of \$19.1 billion) across commercial portfolios, domestic residential mortgages, derivatives and New Zealand portfolios; and
- Foreign currency movements (increase of \$0.6 billion); partly offset by
- Credit quality improvement (decrease of \$3.2 billion) from lower domestic residential mortgage risk weights primarily due to an improvement in loan-to-value ratios; and
- Data & methodology (decrease of \$1.8 billion), primarily relating to regulatory approval of a new residential mortgage LGD model.



Traded Market Risk Weighted Assets

Traded Market Risk RWA decreased \$0.5 billion or 6% on the prior half to \$7.9 billion.

Interest Rate Risk Weighted Assets

IRRB RWA decreased \$2.0 billion or 5% on the prior half to \$41.7 billion, driven by lower interest rates in Australia and New Zealand, partly offset by higher basis risks.

Operational Risk Weighted Assets

Operational Risk RWA increased \$2.6 billion or 6% on the prior half to \$47.6 billion. This was primarily driven by higher average net interest income and lending growth over the past 3 years under the new standardised measurement approach.

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% ⁴. 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 Group expects to operate with a post-dividend CET1 Capital ratio of greater than 11%, compared to the APRA minimum of 10.25%, except in circumstances of unexpected capital volatility.

The minimum Tier 1 Capital requirement as at 31 December 2024 was 11.75%.

To satisfy APRA's loss-absorbing capacity requirements, the minimum Total Capital ratio requirement for D-SIBs, including CBA, has increased from 13.75% to 16.75% effective from 1 January 2024. From 1 January 2026, the requirement will increase to 18.25%.

¹ Due to rounding, numbers presented in this section may not sum precisely to the totals provided.
² Credit quality includes portfolio mix.
³ Includes data and methodology, credit risk estimates changes and regulatory treatments.

⁴ In November 2024, APRA announced that the CCyB for Australian exposures will remain at 1%. The Group has limited exposures to offshore jurisdictions in which a CCyB requirement in excess of 0% has been imposed.

Group Operations and Business Settings (continued)

Capital (continued)

Regulatory Developments

IRRBB Consultation

On 8 July 2024, APRA released the final revised APS 117 “Capital Adequacy: Interest Rate Risk in the Banking Book”, which sets out the requirements that an ADI must meet in managing its Interest Rate Risk in the Banking Book (IRRBB), following the November 2022 and December 2023 consultations on proposed changes to the standard. The revised APS117 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 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 Capital while Tier 2 Capital can contribute up to a maximum of 2% of the Total Capital requirement.

As at 31 December 2024, the CET1, Tier 1 and Total Capital ratio requirements for ASB were 9%, 11.5% and 13.5%, respectively.

APRA Additional Tier 1 (“AT1”) Capital Discussion Papers

On 10 September 2024, APRA released a second discussion paper entitled “A more effective capital framework for a crisis” proposing to simplify the capital framework by phasing out AT1 instruments and replacing it with CET1 and Tier 2 Capital. This follows the initial discussion paper entitled “Enhancing bank resilience: Additional Tier 1 Capital in Australia” on potential policy options to improve the effectiveness of AT1 instruments in a potential bank stress scenario.

Subsequently, on 9 December 2024, APRA released a letter entitled “A more effective capital framework for a crisis: Update” confirming that it is proceeding with its proposal to phase out AT1 Capital 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. Total Capital requirement is to remain unchanged.

These changes will commence from 1 January 2027. In addition, existing AT1 instruments will be eligible to be included as Tier 2 Capital from this date until their first scheduled call date. APRA intends to formally consult on any proposed amendments to the prudential framework by mid-2025, with expected finalisation by late-2025.

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 following the November 2023 consultation, which aims to ensure ADIs have strong crisis preparedness, prudently value their liquid assets and minimise potential contagion risks. The changes will come into effect on 1 July 2025.

Pillar 3 Disclosures

Details on the Bank’s market disclosures required under Pillar 3, per APRA Prudential Standard APS 330 “Public Disclosure”, are provided on the U.S. Investor Website.

Group Operations and Business Settings (continued)

Financial System Regulation in the United States

We have elected to be treated as a Financial Holding Company (a "FHC") by the Board of Governors of the Federal Reserve System in the United States ("FRB"). The FRB is the "umbrella" supervisor with jurisdiction over FHCs, including us. A FHC is allowed to engage, or acquire companies engaged, in the United States in activities that are determined by the FRB and the Secretary of the Treasury to be financial in nature or incidental thereto, and, with FRB approval, activities that are determined by the FRB to be complementary to financial activities.

Under the Bank Holding Company Act of 1956 (the "BHC Act"), the activities of a FHC are subject to restrictions if it is determined that the FHC (in our case, at the Group level) ceases to be "well managed" or "well capitalized" as defined in FRB regulations, or is the subject of an enforcement action requiring it to maintain a specific level of capital.

We are subject to U.S. federal laws and regulations, including the International Banking Act of 1978 (the "IBA"). Under the IBA, all branches and agencies of foreign banks in the United States, including our New York branch (the "New York Branch"), are subject to reporting and examination requirements similar to those imposed on domestic banks that are owned or controlled by U.S. bank holding companies. As a federally licensed branch regulated primarily by the Office of the Comptroller of the Currency in the United States (the "OCC"), the New York Branch can engage in activities permissible for national banks, with the exception that the New York Branch may not accept insured retail deposits. As the New York Branch does not accept retail deposits (although it does accept uninsured institutional and corporate deposits), the New York Branch is not subject to the supervision of the Federal Deposit Insurance Corporation (the "FDIC").

Under the IBA, the FRB has the authority to impose reserve requirements on deposits maintained by U.S. branches and agencies of foreign banks, including the New York Branch. The New York Branch must maintain its accounts and records separate from those of the Group generally and must comply with such additional requirements as may be prescribed by the OCC. The IBA and the BHC Act also affect the Group's ability to engage in non-banking activities in the United States.

Under the IBA, a federal branch of a non-U.S. bank, such as the New York Branch, is subject to receivership by the OCC to the same extent as a national bank. The OCC may take possession of the business and property of a federal branch. The OCC has at its disposal a wide range of supervisory and enforcement tools for addressing violations of laws and regulations, and breaches of safety and soundness, which can be imposed upon federal branches. The OCC may remove federal branch management and assess civil money penalties. In certain circumstances, the OCC may also terminate a federal branch license at its own initiative or at the recommendation of the FRB.

The Group is subject to certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended ("Dodd-Frank"). Dodd-Frank regulates many aspects of the business of banking in the United States and internationally. Section 13 of the BHC Act and its implementing regulations, commonly referred to as the "Volcker Rule," among other things, generally prohibit banks and their affiliates from engaging in certain "proprietary trading" (but allows certain activities such as underwriting, market making-related and risk-mitigating hedging activities) and limits the sponsorship of, and investment in, certain private funds (including private equity funds and hedge funds), subject to certain important exceptions and exemptions.

Other Dodd-Frank regulations impose minimum margin requirements on uncleared swaps and security-based swaps, require the central execution and clearing of standardized over-the-counter derivatives on regulated trading platforms and through regulated clearing houses, set limits on the size of positions in certain types of derivatives, require the reporting of transaction data to regulated swap and security-based swap data repositories and provide for registration and heightened supervision and regulation of dealers and major market participants and certain other categories of entities transacting in the derivatives markets. We are a registered swap dealer under the U.S. Commodity Exchange Act and Commodity Futures Trading Commission (the "CFTC") regulations and are subject to comprehensive regulation as such. Although we are not a registered security-based swap dealer with the U.S. Securities and Exchange Commission (the "SEC"), we may register at such time as we are required or consider appropriate. In addition, other affiliated entities within the Group could become subject to swap dealer or security-based swap dealer registration, depending on the level of their swap or security-based swap dealing activities with counterparties that are U.S. persons and certain other categories of counterparties. Even if not required to be registered with the CFTC or the SEC, such entities are potentially subject to certain of the CFTC's or the SEC's regulatory requirements in connection with transactions that they enter into with counterparties that are U.S. persons and certain other categories of counterparties.

The CFTC's rules regarding cross-border transactions permit, among other things, "substituted compliance" by swap dealers located in non-U.S. jurisdictions with regulatory regimes determined by the CFTC to be comparable to its own. The CFTC has made such a determination with respect to certain aspects of Australian law and regulation. Pursuant to that determination, we are able to rely on substituted compliance with certain Australian rules in lieu of compliance with corresponding CFTC rules.

As part of the Dodd-Frank regulatory regime, the FRB, Farm Credit Administration, FDIC, Federal Housing Finance Agency and the OCC (collectively, referred to as the "U.S. prudential regulators"), in addition to the CFTC and SEC, have adopted rules imposing initial and variation margin requirements on transactions in in-scope uncleared swaps and security-based swaps entered into by registered swap dealers subject to prudential regulation with in-scope counterparties.

As we are a CFTC-registered swap dealer supervised by the FRB and operate a New York Branch that is supervised by the OCC, we are subject to the margin rules of the U.S. prudential regulators (the "PR Margin Rules") and must comply with the requirements thereunder to collect and post initial and variation margin in respect of in-scope trading with in-scope counterparties. The PR Margin Rules exclude non-U.S. swap dealers, such as us, from initial and variation margin requirements with respect to certain categories of transactions and counterparties. In addition, similar to the CFTC's cross border rules, the PR Margin Rules allow non-U.S. swap dealers, such as us, to comply with the applicable laws of non-U.S. jurisdictions in lieu of compliance with their margin rules, but only if the U.S. prudential regulators make determinations of comparability with respect to the non-U.S. regimes. To date, no such comparability determinations have been made.

Group Operations and Business Settings (continued)

Financial System Regulation in the United States (continued)

We are also subject to “enhanced prudential regulations” under Reg. YY, Subpart N, which was adopted pursuant to Dodd-Frank Section 165, and which requires quarterly and annual certification of compliance with the capital adequacy and risk oversight requirements thereof. Dodd-Frank also requires us to submit U.S. resolution plans to the FRB and FDIC. The FRB’s and the FDIC’s rules apply tailored requirements on resolution planning and prudential standards to foreign banking organizations, depending on the size of their U.S. operations and their risk profile. We are a triennial reduced filer under the rules. We submitted our most recent reduced resolution plan to the FRB and the FDIC on July 1, 2022. If we remain a triennial reduced filer, we will be required to submit our next reduced resolution plan on or before July 1, 2025.

We conduct the majority of our debt capital markets activities in the United States through Commonwealth Australia Securities, LLC (“CASL”). CASL is a broker-dealer licensed by the SEC and supervised by the SEC and the Financial Industry Regulatory Authority (“FINRA”). CASL is also licensed or otherwise exempt in the states and territories where it does business. The SEC and FINRA have extensive compliance requirements that apply to CASL, including record-keeping, transaction and communications monitoring, supervision of CASL staff, internal policies and procedures, and many others that govern the day-to-day business of CASL. CASL is subject to periodic reviews of its operations by the SEC and FINRA.

The U.S. Foreign Account Tax Compliance Act (“FATCA”) requires financial institutions to undertake specific customer due diligence and provide information on account holders (including substantial owners for certain entities) who are U.S. citizens or tax residents to the United States Federal tax authority, the Internal Revenue Service, either directly or via local tax authorities. If the required customer data collection due diligence and provision of account holder information is not undertaken and provided in a manner and form meeting the applicable requirements, the Group and/or persons owning assets in accounts with Group members may be subjected to a 30% withholding tax on certain amounts. While such withholding may currently apply only to certain payments derived from sources within the United States, no such withholding will be imposed on any payments derived from sources outside the United States that are made prior to the date that is two years after the date on which final U.S. regulations defining the term “foreign passthru payment” are enacted. There is currently no proposed or final definition of “foreign passthru payment” (though legislative requirements and timeframes may be subject to change) and it is therefore impossible to know whether certain payments could possibly be treated as foreign passthru payments.

The discussion above reflects proposed U.S. regulations that eliminate withholding on certain gross proceeds payments and delay the effective date for withholding on payments from sources outside the United States. The U.S. Treasury Department has indicated that taxpayers may rely on the proposed regulations. The discussion assumes that the regulations will be finalized in their current form and will be effective retroactively.

In addition to FATCA, the U.S. may require the Group in certain circumstances to provide certain information to U.S. payers (withholding agents, custodians, etc.), and the Group and/or its customers may face withholding if the Group does not provide such information in compliance with the applicable rules and regulations. Moreover, even if the Group does provide the required information, withholding may still be applicable to certain U.S. source payments.

In the event that any country in which we operate does not have or enforce an Intergovernmental Agreement with the United States, and that country has local law impediments preventing compliance with FATCA, the Group may also be subject to broader compliance issues, significant withholding exposure and other operational impacts.

A major focus of U.S. governmental policies affecting financial institutions has been combatting money laundering, terrorist financing and violations of U.S. sanctions. The Bank Secrecy Act, (the BSA) is intended to safeguard the U.S. financial system and the financial institutions that make up that system. The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “Patriot Act”) substantially amended and broadened the BSA and the scope of U.S. anti-money laundering laws by imposing significant compliance and due diligence obligations, identifying crimes and stipulating penalties and expanding the extra-territorial jurisdiction of the U.S. The U.S. Treasury Department has issued a number of regulations implementing various requirements of the Patriot Act, and other U.S. laws with respect to customer due diligence and sanctions, that apply to U.S. financial institutions, including certain U.S. non-bank subsidiaries and U.S. branches of foreign banks, such as our U.S. broker-dealer subsidiary and our New York Branch.

Those regulations require financial institutions operating in the United States to maintain appropriate policies, procedures and controls to detect, prevent, and report money laundering and terrorist financing and to verify the identity of their customers. They also require financial institutions in the United States to operate in compliance with U.S. sanctions regimes. In addition, the U.S. bank regulatory agencies have imposed heightened standards and U.S. law enforcement authorities have been taking a more active role, resulting in intensified enforcement of such matters. Recent resolutions of enforcement actions involving other global financial institutions have involved the payment of substantial penalties, agreements with respect to future operation of their businesses and actions with respect to relevant personnel.

Failure of a financial institution to maintain and implement adequate policies and procedures to combat money laundering and terrorist financing, and to comply with U.S. sanctions regimes, could have serious legal and reputational consequences for the financial institution, as well as result in the imposition of civil, monetary and criminal penalties.

In January 2021, the Anti-Money Laundering Act of 2020 (“AMLA”) was enacted in the United States. The AMLA is intended to comprehensively reform and modernize U.S. anti-money laundering laws. Among other things, the AMLA codifies a risk-based approach to anti-money laundering compliance for financial institutions; requires the development of standards by the U.S. Department of the Treasury for evaluating technology and internal processes for anti-money laundering compliance; and expands enforcement- and investigation-related authority, including a significant expansion in the available sanctions for certain violations. Many of the statutory provisions in the AMLA will require additional rulemakings, reports and other measures, and the effects of the AMLA will depend on, among other things, rulemaking and implementation guidance. The Financial Crimes Enforcement Network, a bureau of the U.S. Department of the Treasury, has issued the priorities for anti-money laundering and countering the financing of terrorism policy, as required under the AMLA. The priorities include corruption, cybercrime, terrorist financing, fraud, transnational crime, drug trafficking, human trafficking, and proliferation financing.

Group Operations and Business Settings (continued)

Leverage Ratio

Summary Group Leverage Ratio	As at				
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Tier 1 Capital (\$M)	68,143	66,963	68,093	2	–
Total Exposures (\$M) ¹	1,393,974	1,339,175	1,362,098	4	2
Leverage Ratio (APRA) (%)	4.9	5.0	5.0	(10)bpts	(10)bpts

¹ Total exposures are 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".

The Group's leverage ratio, defined as Tier 1 Capital as a percentage of total exposures, was 4.9% as at 31 December 2024. The ratio reduced by 10 basis points on the prior half with an increase in exposures and payment of the 2H24 dividend, partly offset by capital generated from earnings.

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

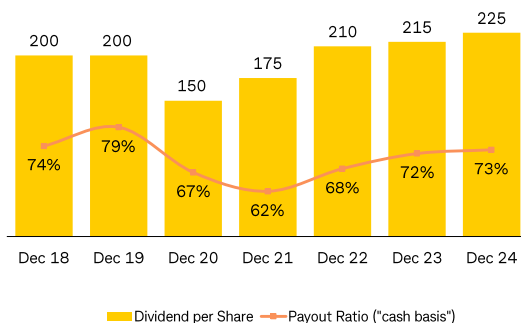
Dividends

Interim dividend for the Half Year Ended December 2024

The interim dividend determined was \$2.25 per share, an increase of 10 cents on the prior comparative period. The dividend payout ratio ("cash basis") for the half year ended 31 December 2024 was 73% (73% on a "statutory basis").

The interim dividend will be fully franked and will be paid on or around 28 March 2025 to owners of ordinary shares at the close of business on 20 February 2025 (record date). Shares will be quoted ex-dividend on 19 February 2025.

Interim Dividend History (cents per share)



Dividend Reinvestment Plan (DRP)

The DRP will continue to be offered to shareholders, and no discount will be applied to shares allocated under the plan for the interim dividend. The DRP for the 2025 interim dividend is anticipated to be satisfied in full by an on-market purchase of shares.

Dividend Policy

In determining the dividend, the Board considers a range of factors in accordance with the Bank's dividend policy including:

- paying cash dividends at sustainable levels;
- targeting a full-year payout ratio of 70% to 80%; and
- maximising the use of its franking account by paying fully franked dividends.

Group Operations and Business Settings (continued)

Liquidity

Level 2	Quarterly Average Ended ¹				
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
High Quality Liquid Assets (HQLA) ²	175,257	177,231	186,738	(1)	(6)
Net Cash Outflows (NCO)					
Customer deposits	108,924	106,048	104,953	3	4
Wholesale funding	14,390	14,246	12,868	1	12
Other net cash outflows ³	14,803	10,459	19,310	42	(23)
Total NCO	138,117	130,753	137,131	6	1
Liquidity Coverage Ratio (%)	127	136	136	(large)	(large)
LCR Surplus	37,140	46,478	49,607	(20)	(25)

¹ The averages presented are calculated as simple averages of daily observations over the quarter.

² Includes all repo-eligible securities with the Reserve Bank of New Zealand. The amount of open-repo of Internal Residential Mortgage-Backed Securities and Exchange Settlement Account (ESA) cash balance held by the Reserve Bank of Australia to facilitate intra-day cash flows is shown net.

³ Includes cash inflows.

Liquidity Coverage Ratio (LCR)

The Group holds high quality, well diversified liquid assets to meet Balance Sheet liquidity needs and regulatory requirements, including APRA's Liquidity Coverage Ratio (LCR). The LCR requires Australian Authorised Deposit-taking Institutions (ADIs) to hold sufficient liquid assets to meet 30 day Net Cash Outflows (NCOs) projected under a prescribed stress scenario. LCR liquid assets consist of High Quality Liquid Assets (HQLA) in the form of cash, deposits with central banks, and government securities.

The Group's December 2024 quarterly average LCR was 127%, a decrease of 9% compared to quarterly averages ended 30 June 2024 and 31 December 2023. The LCR remains well above the regulatory minimum of 100%.

Compared to the quarterly average ended 30 June 2024, the Group's LCR liquid assets decreased \$2.0 billion or 1%. 30 day modelled NCOs increased \$7.4 billion or 6%, mainly due to lower cash inflows and growth in customer deposits.

Group Operations and Business Settings (continued)

Liquidity (continued)

Debt Issues	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Total short-term debt issues ¹	66,682	49,401	35,008
Total long-term debt issues ¹	100,443	95,129	104,267
Total debt issues	167,125	144,530	139,275

Debt Issues	\$M	\$M	\$M
Maturity Distribution of Debt Issues ¹			
Less than three months	23,320	10,575	9,588
Between three and twelve months	43,362	38,826	25,420
Between one and five years	79,123	73,704	83,580
Greater than five years	21,320	21,425	20,687
Total debt issues	167,125	144,530	139,275

¹ Represents the contractual maturity of the underlying instruments; other than for RMBS which is based on expected life.

Debt

The following table details the current debt programmes along with size as at 31 December 2024. Access in a timely and flexible manner to a diverse range of debt markets and investors is provided by the following programmes.

Programme	Programme Type
Australia	
Unlimited	Domestic Debt Issuance Programme
Euro Market	
EUR 7 billion	ASB Covered Bond Programme ¹
USD 7 billion	ASB Euro Commercial Paper Programme ¹
USD 15 billion	CBA Euro Commercial Paper and Certificate of Deposit Programme
USD 70 billion	Euro Medium-Term Note Programme ²
New Zealand	
Unlimited	ASB Domestic Medium-Term Note Programme ¹
Unlimited	ASB Registered Certificate of Deposit Programme ¹
United States	
USD 7 billion	ASB US Commercial Paper Programme ¹
USD 10 billion	ASB US Rule 144A/Regulation S Medium-Term Note Programme ¹
USD 35 billion	CBA US Commercial Paper Programme
USD 50 billion	CBA U.S. Rule 144A/Regulation S Medium-Term Note Programme
USD 40 billion	CBA Coverage Bond Programme
USD 25 billion	CBA 3(a)(2) Medium-Term Note Programme

¹ ASB Bank Limited is the issuer under these programmes.

² This is a joint programme between CBA and ASB Bank Limited.

Group Operations and Business Settings (continued)

Funding

Group Funding ²	As at ¹				
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Customer deposits ³	873,532	851,682	839,818	3	4
Short-term wholesale funding ^{3 4}	80,081	78,440	65,963	2	21
Long-term wholesale funding – less than or equal to one year residual maturity ⁵	35,697	24,770	48,684	44	(27)
Long-term wholesale funding – more than one year residual maturity ⁵	138,419	135,299	147,185	2	(6)
IFRS MTM and derivative FX revaluations	(6,277)	(7,549)	(6,456)	(17)	(3)
Total wholesale funding	247,920	230,960	255,376	7	(3)
Short-term collateral deposits ⁶	6,149	4,285	(586)	44	large
Total funding	1,127,601	1,086,927	1,094,608	4	3

1 Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for further details.

2 Shareholders' equity is excluded from this view of funding sources.

3 Customer deposits include central bank and interbank deposits previously classified as short-term wholesale funding (Balance as at 31 December 2024: \$17.7 billion; 30 June 2024: \$17.4 billion; 31 December 2023: \$15.2 billion).

4 Short-term wholesale funding includes debt with an original maturity or call date of less than or equal to 12 months, and consists of certificates of deposit and bank acceptances, debt issued under the Euro Medium Term Note (EMTN) programme and the domestic, Euro and US commercial paper programmes of Commonwealth Bank of Australia and ASB. Short-term wholesale funding also includes net securities that are not classified as high quality liquid assets sold or purchased under repurchase agreements.

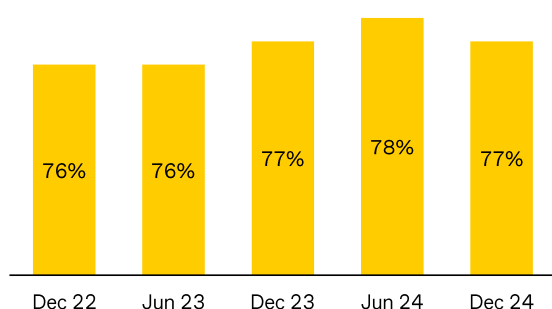
5 Long-term wholesale funding includes debt with an original maturity or call date of greater than 12 months and the Group's drawn RBNZ Term Lending Facilities. Prior to 30 June 2024, long-term wholesale funding included the drawn RBA Term Funding Facility allowance (31 December 2023: \$32 billion).

6 Short-term collateral deposits includes net collateral received, Vostro balances, and other net repurchase agreements that are not reported above, including the amount pledged with the Reserve Bank to facilitate intra-day cash flows in the Exchange Settlement Account (ESA).

Customer Deposits

Customer deposits accounted for 77% of total funding at 31 December 2024 (30 June 2024: 78%, 31 December 2023: 77%). The Group satisfied a significant proportion of its funding requirements from retail, business, and institutional customer deposits.

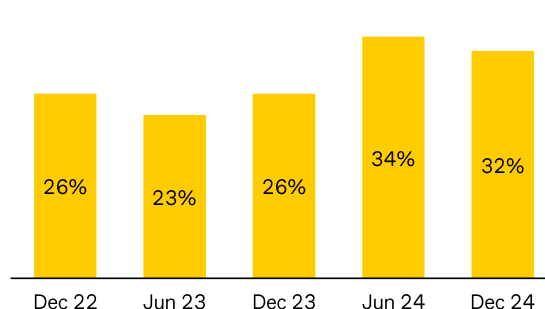
Customers Deposits to Total Funding Ratio ¹



Short-Term Wholesale Funding

Short-term wholesale funding accounted for 32% of total wholesale funding at 31 December 2024 (30 June 2024: 34%, 31 December 2023: 26%). The Group continues to maintain what it believes to be a conservative funding mix.

Short-Term to Total Wholesale Funding Ratio ¹



1 Customer deposits include central bank and interbank deposits previously classified as short-term wholesale funding. Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" of this Document for further details.

Group Operations and Business Settings (continued)

Funding (continued)

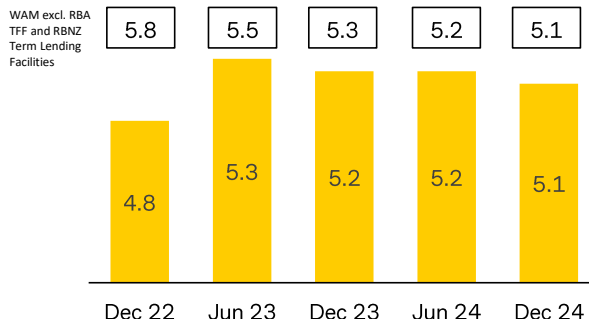
Long-Term Wholesale Funding

Long-term wholesale funding (including IFRS MTM and derivative FX revaluations) accounted for 68% of total wholesale funding at 31 December 2024 (30 June 2024: 66%, 31 December 2023: 74%).

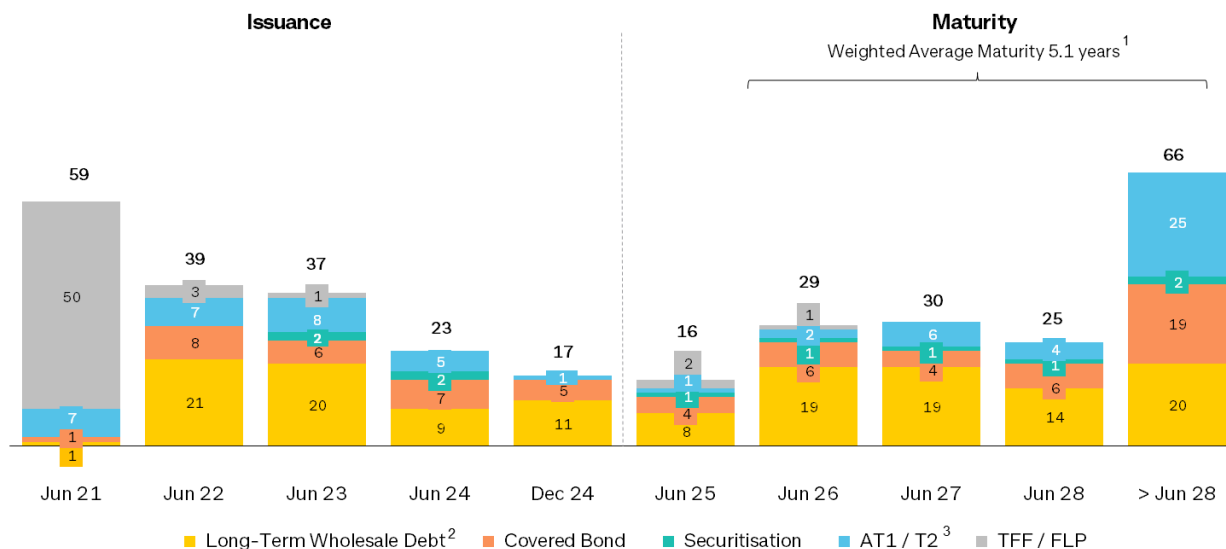
During the half year to 31 December 2024, the Group raised \$17 billion of long-term wholesale funding across various instruments.

The Weighted Average Maturity (WAM) of outstanding long-term wholesale debt with a residual maturity greater than 12 months at 31 December 2024 was 5.1 years.

Weighted Average Maturity of Long-Term Wholesale Debt (years)¹



Long-Term Wholesale Funding Profile (\$B)



¹ Represents the weighted average maturity of outstanding long-term wholesale debt with a residual maturity greater than 12 months at 31 December 2024 including the RBNZ Term Lending Facilities drawdowns.

² Includes Senior Bonds and Structured MTN.

³ Additional Tier 1 and Tier 2 Capital.

Group Operations and Business Settings (continued)

Net Stable Funding Ratio (NSFR)

Level 2	As at				
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Required Stable Funding					
Residential Mortgages	309,625	298,710	268,853	4	15
Other Loans	396,710	385,946	376,895	3	5
Liquid and Other Assets	74,578	64,365	77,146	16	(3)
Total Required Stable Funding	780,913	749,021	722,894	4	8
Available Stable Funding					
Capital	116,227	113,293	110,945	3	5
Retail and SME Deposits	555,684	525,480	520,766	6	7
Wholesale Funding and Other	237,338	233,674	242,586	2	(2)
Total Available Stable Funding	909,249	872,447	874,297	4	4
Net Stable Funding Ratio (NSFR) (%)	116	116	121	–	(500)bpts

Net Stable Funding Ratio (NSFR)

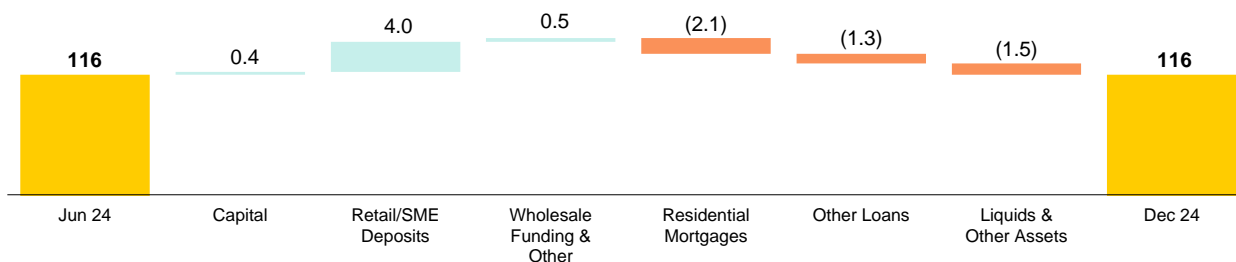
The Net Stable Funding Ratio (NSFR) requirement is designed to encourage stable funding of core assets. APRA prescribed factors are used to determine the stable funding requirement of assets and the stability of funding sources.

The Group's NSFR was 116% at 31 December 2024, flat from 116% at 30 June 2024 and a decrease of 5% from 121% at 31 December 2023. The NSFR remains well above the regulatory minimum of 100%.

The 4% increase in Required Stable Funding (RSF) over the half was primarily due to growth in residential mortgages and other loans.

The 4% increase in Available Stable Funding (ASF) over the half was mainly driven by growth in Retail and SME deposits.

NSFR Movement (%)



Group Operations and Business Settings (continued)

Corporate Governance

Changes to Executive Leadership Team

On 2 October 2024, Chief Executive Officer of the Commonwealth Bank, Matt Comyn, announced the following changes to the Executive Leadership Team:

- Nigel Williams has retired from his role as Group Chief Risk officer on 16 February 2025, and Andrew Hinchliff was appointed Group Chief Risk Officer effective 17 February 2025.
- Sian Lewis has retired from her role as Group Executive Human Resources on 16 February 2025, and Kiersten Robinson was appointed Chief People Officer effective 17 February 2025.
- With Andrew Hinchliff appointed to Group Chief Risk Officer, Sinead Taylor was appointed Group Executive Institutional Banking and Markets effective 17 February 2025.
- With Sinead Taylor appointed to Group Executive Institutional Banking and Markets, Emma Bunnell was appointed Chief Operations Officer effective 17 February 2025.

Changes to Board of Directors

On 3 September 2024, Chairman of the Commonwealth Bank, Paul O'Malley, announced the appointment of Kate Howitt to CBA's Board of Directors as an Independent Non-Executive Director with effect from 1 October 2024.

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Contents

5 Divisional Performance

Divisional Summary	50
Retail Banking Services	52
Business Banking	57
Institutional Banking and Markets	61
New Zealand	65
Corporate Centre and Other	71

Divisional Performance

Divisional Summary

Half Year Ended 31 December 2024						
Divisional Summary	Retail Banking Services \$M	Business Banking \$M	Institutional Banking and Markets \$M	New Zealand \$M	Corporate Centre and Other \$M	Total \$M
Net interest income	5,699	3,958	779	1,309	189	11,934
Other operating income	856	569	571	213	(46)	2,163
Total operating income	6,555	4,527	1,350	1,522	143	14,097
Operating expenses	(2,589)	(1,445)	(566)	(632)	(1,140)	(6,372)
Loan impairment (expense)/benefit	(79)	(220)	(9)	(16)	4	(320)
Net profit/(loss) before tax	3,887	2,862	775	874	(993)	7,405
Corporate tax (expense)/benefit	(1,175)	(860)	(190)	(243)	195	(2,273)
Net profit/(loss) after tax from continuing operations – "cash basis"	2,712	2,002	585	631	(798)	5,132
Net profit after tax from discontinued operations	–	–	–	–	1	1
Net profit/(loss) after tax – "cash basis"	2,712	2,002	585	631	(797)	5,133
Gain/(loss) on acquisition, disposal, closure and demerger of businesses	–	–	5	–	(5)	–
Hedging and IFRS volatility	–	–	–	122	(121)	1
Net profit/(loss) after tax – "statutory basis" ²	2,712	2,002	590	753	(923)	5,134

Half Year Ended 31 December 2024 vs Half Year Ended 30 June 2024 ¹						
	Retail Banking Services %	Business Banking %	Institutional Banking and Markets %	New Zealand %	Corporate Centre and Other %	Total %
Net interest income	4	5	5	6	2	5
Other operating income	4	6	16	(1)	(large)	3
Total operating income	4	5	9	5	(35)	4
Operating expenses	5	6	4	6	(8)	3
Loan impairment expense	(25)	(3)	(74)	(71)	88	(17)
Net profit before tax	4	6	18	9	(1)	7
Corporate tax expense	4	6	38	8	–	8
Net profit after tax from continuing operations – "cash basis"	4	6	13	10	(2)	7
Net profit after tax from discontinued operations	–	–	–	–	(80)	(80)
Net profit after tax – "cash basis"	4	6	13	10	(2)	6
Gain/(loss) on acquisition, disposal, closure and demerger of businesses	–	–	(large)	–	(96)	(large)
Hedging and IFRS volatility	–	–	–	large	(large)	(large)
Net profit after tax – "statutory basis" ²	4	6	22	41	(4)	11

1 Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

2 Please refer to "Non-cash Items Included in Statutory Profit" on page 11 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") to Net profit after tax ("statutory basis") by business segment is provided in Note 2.4 to the Financial Statements included in this Document.

Divisional Performance (continued)

Divisional Summary (continued)

Half Year Ended 31 December 2024 vs Half Year Ended 31 December 2023 ¹						
	Retail Banking Services	Business Banking	Institutional Banking and Markets	New Zealand	Corporate Centre and Other	Total
	%	%	%	%	%	%
Net interest income	1	6	8	4	large	5
Other operating income	2	8	(2)	(3)	(large)	(4)
Total operating income	2	6	4	3	(11)	3
Operating expenses	6	8	6	6	5	6
Loan impairment expense	(63)	5	large	78	(large)	(23)
Net profit before tax	2	6	(3)	1	(5)	3
Corporate tax expense	3	6	(4)	1	(2)	3
Net profit after tax from continuing operations – "cash basis"	2	6	(3)	1	(6)	2
Net profit after tax from discontinued operations	–	–	–	–	(83)	(83)
Net profit after tax – "cash basis"	2	6	(3)	1	(6)	2
Gain/(loss) on acquisition, disposal, closure and demerger of businesses	–	–	–	–	(98)	(large)
Hedging and IFRS volatility	–	–	–	(36)	(25)	(96)
Net profit after tax – "statutory basis" ²	2	6	(2)	(8)	23	8

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

² Please refer to "Non-cash Items Included in Statutory Profit" on page 11 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") to Net profit after tax ("statutory basis") by business segment is provided in Note 2.4 to the Financial Statements included in this Document.

Divisional Performance (continued)

Retail Banking Services

OVERVIEW

Retail Banking Services provides simple, convenient, sustainable and affordable banking products and services to personal and private bank customers, helping them manage their everyday banking needs, buy a home or invest for the future. We support our customers through an extensive network of approximately 700 branches and 1,800 ATMs, leading online services and the most popular banking app, as well as customer call and messaging centres, mobile banking specialists, private bankers and support teams. Retail Banking Services also includes the financial results of retail banking activities conducted under the Bankwest and Unloan brands.

	Half Year Ended ¹				
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Net interest income	5,699	5,499	5,615	4	1
Other operating income	856	825	841	4	2
Total operating income	6,555	6,324	6,456	4	2
Operating expenses	(2,589)	(2,471)	(2,448)	5	6
Loan impairment expense	(79)	(105)	(214)	(25)	(63)
Net profit before tax	3,887	3,748	3,794	4	2
Corporate tax expense	(1,175)	(1,132)	(1,145)	4	3
Net profit after tax – "cash basis"	2,712	2,616	2,649	4	2
(Loss)/gain on acquisition, disposal, closure and demerger of businesses	–	–	–	–	–
Total net profit after tax – "statutory basis"	2,712	2,616	2,649	4	2

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

Divisional Performance (continued)

Retail Banking Services (continued)

	Half Year Ended ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Income analysis	\$M	\$M	\$M		
Net interest income					
Home loans	2,300	2,260	2,330	2	(1)
Consumer finance & other ²	524	494	462	6	13
Deposits	2,875	2,745	2,823	5	2
Total net interest income	5,699	5,499	5,615	4	1
Other operating income					
Home loans	140	135	134	4	4
Consumer finance ³	222	234	210	(5)	6
Deposits	281	271	273	4	3
Distribution & other ⁴	213	185	224	15	(5)
Total other operating income	856	825	841	4	2
Total operating income	6,555	6,324	6,456	4	2

	As at ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Balance Sheet	\$M	\$M	\$M		
Home loans ⁵	515,328	497,301	484,637	4	6
Consumer finance ³	12,165	11,949	12,420	2	(2)
Other interest earning assets	3,854	3,970	4,237	(3)	(9)
Total interest earning assets	531,347	513,220	501,294	4	6
Other assets	9,021	8,450	7,843	7	15
Total assets	540,368	521,670	509,137	4	6
Transaction deposits ⁶	69,528	61,352	60,373	13	15
Savings deposits ⁶	198,218	186,793	180,922	6	10
Investment deposits & other	90,715	89,377	87,110	1	4
Total interest bearing deposits	358,461	337,522	328,405	6	9
Non-interest bearing transaction deposits	48,298	46,282	47,589	4	1
Other non-interest bearing liabilities	7,142	7,190	6,701	(1)	7
Total liabilities	413,901	390,994	382,695	6	8

1 Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

2 Consumer finance and other includes personal loans, credit cards, business lending and margin lending.

3 Consumer finance includes personal loans and credit cards.

4 Distribution includes income associated with the sale of foreign exchange and wealth products. Other includes merchants, business lending and CommSec brokerage.

5 Home loans are presented gross of \$69,537 million of mortgage offset balances (30 June 2024: \$61,671 million; 31 December 2023: \$60,889 million). These balances are required to be grossed up under accounting standards but are netted down for the calculation of customer interest payments.

6 Transaction and Savings deposits includes \$69,537 million of mortgage offset balances (30 June 2024: \$61,671 million; 31 December 2023: \$60,889 million).

Divisional Performance (continued)

Retail Banking Services (continued)

Key Financial Metrics	Half Year Ended ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Performance indicators					
Net interest margin (%)	2.49	2.50	2.55	(1)bpt	(6)bpts
Statutory return on assets (%)	1.0	1.0	1.0	–	–
Statutory operating expenses to total operating income (%)	39.5	39.1	37.9	40 bpts	160 bpts
Impairment expense annualised as a % of average GLAAs (%)	0.03	0.04	0.09	(1)bpt	(6)bpts
Other information					
Average interest earning assets (\$M) ²	453,324	441,976	437,850	3	4
Risk weighted assets (\$M)	176,633	175,908	174,104	–	1
90+ days home loan arrears (%)	0.64	0.64	0.52	–	12 bpts
90+ days consumer finance arrears (%)	0.92	1.01	0.80	(9)bpts	12 bpts
Spot number of full-time equivalent staff (FTE)	15,663	15,857	15,833	(1)	(1)

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

² Average interest earning assets are presented net of mortgage offset balances, which reduce customer interest payments. Average interest earning assets are also used in the calculation of divisional net interest margin.

Financial Performance and Business Review

Half Year Ended December 2024 versus December 2023

Retail Banking Services net profit after tax ("statutory basis") for the half year ended 31 December 2024 was \$2,712 million, an increase of \$63 million or 2% on the prior comparative period. The result reflected a 2% increase in operating income and a 63% decrease in loan impairment expense, partly offset by a 6% increase in operating expenses.

Net Interest Income

Net interest income was \$5,699 million, an increase of \$84 million or 1% on the prior comparative period. This was driven by a 4% increase in average interest earning assets, partly offset by a 6 basis point decrease in net interest margin.

Net interest margin decreased by 6 basis points on the prior comparative period, reflecting:

- Lower deposit margins mainly due to competition and unfavourable mix as customers switch to higher yielding deposits;
- Lower home lending margins principally reflecting increased competition; and
- Higher wholesale funding costs; partly offset by
- Higher earnings on equity;
- Favourable portfolio mix primarily due to the benefit of strong growth in deposits relative to assets; and
- Higher earnings on the replicating portfolio.

Other Operating Income

Other operating income was \$856 million, an increase of \$15 million or 2% on the prior comparative period, reflecting increased volume driven foreign exchange, cards and lending fee income.

Operating Expenses

Operating expenses were \$2,589 million, an increase of \$141 million or 6% on the prior comparative period. This was primarily driven by inflation, higher technology spend, amortisation and investment spend, as well as two additional working days, partly offset by productivity initiatives including workforce and branch optimisation, and lower losses from frauds and scams.

The number of full-time equivalent staff (FTE) decreased by 170 FTE or 1% on the prior comparative period, from 15,833 to 15,663, driven by workforce and branch optimisation.

Investment spend focused on strategic growth and productivity initiatives including product and service innovation, digital enhancements, the Yello loyalty program, Bankwest transformation and home buying process optimisation. We have also continued to invest in risk and compliance initiatives to reduce scam losses and to comply with regulations including Open Banking.

The operating expenses to operating income ratio ("statutory basis") was 39.5%, an increase of 160 basis points on the prior comparative period, driven by higher operating expenses, partly offset by higher operating income.

Divisional Performance (continued)

Retail Banking Services (continued)

Financial Performance and Business Review (continued)

Loan Impairment Expense

Loan impairment expense was \$79 million, a decrease of \$135 million or 63% on the prior comparative period. The result was mainly driven by lower collective provisions reflecting rising house prices.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 6 basis points on the prior comparative period to 0.03%.

Home loan 90+ days arrears increased by 12 basis points from 0.52% to 0.64%, as higher interest rates have impacted borrowers.

Consumer finance 90+ days arrears increased by 12 basis points from 0.80% to 0.92%, as customers continue to be impacted by cost of living pressures.

Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of \$30.7 billion or 6%, slightly above system ¹ growth. Proprietary mix for CBA and Unloan branded home loans decreased from 67% to 66% of new business flows;
- Consumer finance balances reduced \$0.3 billion or 2%, driven by higher credit card repayments relative to spend, partly offset by growth in personal loans; and
- Total deposits growth of \$30.8 billion or 8% (interest and non-interest bearing). Growth was driven by savings deposits (up 10%), transaction deposits (up 9% including non-interest bearing balances) and investment deposits (up 4%), reflecting continuing customer demand for higher yielding deposits and higher offset balances.

Risk Weighted Assets

Risk weighted assets were \$176.6 billion, an increase of \$2.5 billion or 1% on the prior comparative period. This was primarily driven by mortgage lending volume growth and higher Operational risk RWAs, partly offset by lower IRRBB RWAs and reductions in home loan risk weights from rising house prices.

Half Year Ended December 2024 versus June 2024

Net profit after tax ("statutory basis") increased \$96 million or 4% on the prior half. The result was driven by a 4% increase in operating income and a 25% decrease in loan impairment expense, partly offset by a 5% increase in operating expenses.

Net Interest Income

Net interest income increased \$200 million or 4% on the prior half. This was driven by a 3% increase in average interest earning assets and the impact of two additional calendar days in the current half, partly offset by a 1 basis point decrease in net interest margin.

Net interest margin decreased by 1 basis point on the prior half, reflecting:

- Lower deposit margins mainly due to competition;
- Lower home lending margins principally reflecting increased competition; and
- Higher wholesale funding costs; partly offset by
- Higher earnings on the replicating portfolio;
- Higher earnings on equity; and
- Favourable portfolio mix primarily due to the benefit of strong growth in deposits relative to assets.

Other Operating Income

Other operating income increased \$31 million or 4% on the prior half, reflecting increased volume driven foreign exchange, cards and lending fee income.

Operating Expenses

Operating expenses increased \$118 million or 5% on the prior half. This was primarily driven by inflation, higher technology spend, amortisation, seasonality of leave and two additional working days, partly offset by lower customer remediation, and productivity initiatives including workforce and branch optimisation.

The number of FTE decreased by 194 FTE or 1% on the prior half, from 15,857 to 15,663, driven by workforce and branch optimisation.

The operating expenses to total operating income ratio ("statutory basis") increased by 40 basis points on the prior half, driven by higher operating expenses, partly offset by higher operating income.

¹ System source: RBA/APRA.

Divisional Performance (continued)

Retail Banking Services (continued)

Financial Performance and Business Review (continued)

Loan Impairment Expense

Loan impairment expense decreased \$26 million or 25% on the prior half. The result was mainly driven by lower collective provisions reflecting rising house prices and lower consumer finance arrears.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 1 basis point on the prior half.

Home loan 90+ days arrears remained flat at 0.64%.

Consumer finance 90+ days arrears decreased by 9 basis points from 1.01% to 0.92%, impacted by seasonal tax refunds and changes to income tax rates and thresholds.

Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of \$18.0 billion or 4%, above system ¹ growth. Proprietary mix for CBA and Unloan branded home loans increased from 65% to 66% of new business flows;
- Consumer finance balances increased \$0.2 billion or 2% driven by growth in personal loans and credit cards; and
- Total deposits growth of \$23.0 billion or 6% (interest and non-interest bearing). The increase was driven by savings deposits (up 6%), transaction deposits (up 9% including non-interest bearing balances) and investment deposits (up 1%), reflecting continuing customer demand for higher yielding deposits and higher offset balances.

Risk Weighted Assets

Risk weighted assets increased \$0.7 billion on the prior half. This was primarily due to mortgage lending volume growth and higher Operational risk RWAs, partly offset by lower IRRBB RWAs and reductions in home loan risk weights from rising house prices.

¹ System source: RBA/APRA.

Divisional Performance (continued)

Business Banking

OVERVIEW

Business Banking serves the banking needs of business, corporate and agribusiness customers across the full range of financial services solutions. We also provide equities trading and margin lending services through our CommSec business. Business Banking includes the financial results of business banking activities conducted under the Bankwest brand.

	Half Year Ended ¹				
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Net interest income	3,958	3,759	3,732	5	6
Other operating income	569	537	529	6	8
Total operating income	4,527	4,296	4,261	5	6
Operating expenses	(1,445)	(1,362)	(1,342)	6	8
Loan impairment expense	(220)	(227)	(210)	(3)	5
Net profit before tax	2,862	2,707	2,709	6	6
Corporate tax expense	(860)	(813)	(813)	6	6
Net profit after tax – "cash basis"	2,002	1,894	1,896	6	6
Gain on disposal and acquisition of controlled entities	–	–	–	–	–
Net profit after tax – "statutory basis"	2,002	1,894	1,896	6	6

Income analysis

Net interest income					
Small Business Banking	1,637	1,570	1,548	4	6
Commercial Banking	1,049	992	989	6	6
Regional and Agribusiness	563	533	514	6	10
Major Client Group	602	565	577	7	4
CommSec	107	99	104	8	3
Total net interest income	3,958	3,759	3,732	5	6
Other operating income					
Small Business Banking	213	203	203	5	5
Commercial Banking	134	126	128	6	5
Regional and Agribusiness	65	66	60	(2)	8
Major Client Group	105	100	103	5	2
CommSec	52	42	35	24	49
Total other operating income	569	537	529	6	8
Total operating income	4,527	4,296	4,261	5	6

Income by product

Business products	3,310	3,102	3,047	7	9
Retail products	1,120	1,107	1,136	1	(1)
Equities and margin lending	97	87	78	11	24
Total operating income	4,527	4,296	4,261	5	6

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

Divisional Performance (continued)

Business Banking (continued)

	As at ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Balance Sheet	\$M	\$M	\$M		
Home loans ²	100,185	99,031	97,298	1	3
Business loans ³	151,568	144,754	134,908	5	12
Margin loans	943	1,001	1,066	(6)	(12)
Consumer finance	1,516	1,569	1,738	(3)	(13)
Total lending interest earning assets	254,212	246,355	235,010	3	8
Non-lending interest earning assets	114	73	75	56	52
Other assets	1,065	1,248	1,153	(15)	(8)
Total assets	255,391	247,676	236,238	3	8
Transaction deposits ^{3 4}	40,896	38,221	36,645	7	12
Savings deposits ⁴	73,018	71,732	72,099	2	1
Investment deposits and other	52,295	52,222	53,897	—	(3)
Total interest bearing deposits	166,209	162,175	162,641	2	2
Non-interest bearing transaction deposits	52,195	53,968	53,169	(3)	(2)
Other non-interest bearing liabilities	2,430	2,644	2,525	(8)	(4)
Total liabilities	220,834	218,787	218,335	1	1

	Half Year Ended ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Key Financial Metrics					
Performance indicators					
Net interest margin (%)	3.36	3.37	3.41	(1)bpt	(5)bpts
Statutory return on assets (%)	1.6	1.5	1.6	10 bpts	—
Statutory operating expenses to total operating income (%)	31.9	31.7	31.5	20 bpts	40 bpts
Impairment expense annualised as a % of average GLAAs (%)	0.17	0.19	0.18	(2)bpts	(1)bpt
Other information					
Average interest earning assets (\$M) ⁵	233,614	224,126	217,993	4	7
Risk weighted assets (\$M)	147,041	143,541	138,776	2	6
Troublesome and non-performing exposures (\$M) ⁶	5,136	5,274	4,137	(3)	24
Troublesome and non-performing exposures as a % of TCE (%) ⁶	2.69	2.91	2.39	(22)bpts	30 bpts
Spot number of full-time equivalent staff (FTE)	6,030	5,948	5,711	1	6

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

² Home loans are presented gross of \$15,638 million of mortgage offset balances (30 June 2024: \$12,858 million; 31 December 2023: \$14,221 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments.

³ Business loans include \$515 million of Cash Management Pooled Facilities (CMPF) (30 June 2024: \$331 million; 31 December 2023: \$339 million). Transaction deposits include \$2,395 million of CMPF liabilities (30 June 2024: \$2,077 million; 31 December 2023: \$2,379 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments and risk weighted assets.

⁴ Transaction and Savings deposits include \$15,638 million of mortgage offset balances (30 June 2024: \$12,858 million; 31 December 2023: \$14,221 million).

⁵ Average interest earning assets are presented net of mortgage offset balances, which reduce customer interest payments. Average interest earning assets are also used in the calculation of divisional net interest margin.

⁶ Commercial troublesome and non-performing exposures only.

Divisional Performance (continued)

Business Banking (continued)

Financial Performance and Business Review

Half Year Ended December 2024 versus December 2023

Business Banking net profit after tax ("statutory basis") for the half year ended 31 December 2024 was \$2,002 million, an increase of \$106 million or 6% on the prior comparative period. The result was driven by a 6% increase in total operating income, partly offset by an 8% increase in operating expenses and a 5% increase in loan impairment expense.

Net Interest Income

Net interest income was \$3,958 million, an increase of \$226 million or 6% on the prior comparative period. This was driven by a 7% increase in average interest earning assets, partly offset by a 5 basis point decrease in net interest margin.

Net interest margin decreased 5 basis points on the prior comparative period, reflecting:

- Unfavourable portfolio mix due to strong growth in assets relative to deposits; and
- Lower business and home lending margins principally due to increased competition and higher funding costs; partly offset by
- Higher earnings on the replicating portfolio;
- Higher earnings on equity; and
- Higher deposit margins due to favourable deposit mix.

Other Operating Income

Other operating income was \$569 million, an increase of \$40 million or 8% on the prior comparative period, reflecting:

- Higher equities income due to growth in trading volumes in the Australian and International portfolios; and
- Increased fee income from higher volumes of business loans and interest rate hedges.

Operating Expenses

Operating expenses were \$1,445 million, an increase of \$103 million or 8% on the prior comparative period. This was primarily driven by higher technology spend, inflation, additional customer facing staff and investment in product offerings.

The number of full-time equivalent staff (FTE) increased by 319 or 6% on the prior comparative period, from 5,711 to 6,030 due to investment in customer facing staff and product offerings.

Investment spend was focused on enhancing the customer experience through reimagining products and services and improving processes through digitisation and leveraging AI technology. We also continue to progress modernising our technology estate along with compliance and risk initiatives.

The operating expenses to total operating income ratio ("statutory basis") was 31.9%, an increase of 40 basis points on the prior comparative period, mainly driven by higher operating expenses, partly offset by higher operating income.

Loan Impairment Expense

Loan impairment expense was \$220 million, an increase of \$10 million or 5% on the prior comparative period. This was primarily driven by an increase in collective provisions. Commercial provision coverage ratio remains above pre-COVID levels reflecting the impact of higher interest rates and ongoing inflationary pressures.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 1 basis point to 0.17%.

Troublesome and non-performing exposures as a percentage of total committed exposure increased 30 basis points to 2.69% influenced by sectors impacted by weakened consumer demand and ongoing cost pressures.

Balance Sheet

Key spot balance sheet movements included:

- Business loans growth of \$16.7 billion or 12%, above system ¹ growth, reflecting growth across a number of diversified industries;
- Home loans growth of \$2.9 billion or 3%, below system ¹ growth; and
- Total deposits growth (interest and non-interest bearing) of \$2.6 billion or 1%. Growth was driven by higher Transaction deposits (up 4% including non-interest bearing balances) and Savings deposits (up 1%), partly offset by a decrease in Investment deposits (down 3%).

Risk Weighted Assets

Risk weighted assets were \$147.0 billion, an increase of \$8.3 billion or 6% on the prior comparative period. This was primarily driven by lending volume growth.

¹ System source: RBA/APRA.

Divisional Performance (continued)

Business Banking (continued)

Financial Performance and Business Review (continued)

Half Year Ended December 2024 versus June 2024

Business Banking net profit after tax ("statutory basis") increased \$108 million or 6% on the prior half. The result was driven by a 5% increase in total operating income and a 3% decrease in loan impairment expense, partly offset by a 6% increase in operating expenses.

Net Interest Income

Net interest income increased \$199 million or 5% on the prior half. This was driven by a 4% increase in average interest earning assets and two additional calendar days in the current half, partly offset by a 1 basis point decrease in net interest margin.

Net interest margin decreased 1 basis point, reflecting:

- Unfavourable portfolio mix due to growth in assets relative to deposits; and
- Lower business and home lending margins principally due to increased competition and higher funding costs; partly offset by
- Higher earnings on the replicating portfolio;
- Higher earnings on equity; and
- Higher deposit margins due to favourable deposit mix.

Other Operating Income

Other operating income increased \$32 million or 6% on the prior half, driven by:

- Increased fee income from higher volumes of FX payments and interest rate hedges; and
- Higher equities income due to higher volumes in the Australian and International portfolios as well as 6 additional trading days.

Operating Expenses

Operating expenses increased \$83 million or 6% on the prior half. This was primarily driven by higher technology spend and inflation.

The number of FTE increased by 82 or 1% on the prior half, from 5,948 to 6,030.

The operating expenses to total banking income ratio ("statutory basis") increased 20 basis points on the prior half, mainly driven by higher operating expenses, partly offset by higher operating income.

Loan Impairment Expense

Loan impairment expense decreased \$7 million or 3% on the prior half. This was driven by lower specific provision charges, partly offset by higher collective provisions. Commercial provision coverage ratio remains above pre-COVID levels reflecting the impact of higher interest rates and ongoing inflationary pressures.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 2 basis points to 0.17%.

Troublesome and non-performing exposures as a percentage of total committed exposure decreased 22 basis points to 2.69% driven by portfolio growth, and the repatriation and exposure reduction of a small number of larger Commercial Property exposures.

Balance Sheet

Key spot balance sheet movements included:

- Business loans growth of \$6.8 billion or 5%, above system ¹ growth, reflecting growth across a number of diversified industries;
- Home loans growth of \$1.2 billion or 1%, below system ¹ growth; and
- Total deposits growth (interest and non-interest bearing) of \$2.3 billion or 1%. Growth was driven by higher Savings deposits (up 2%), Transaction deposits (up 1% including non-interest bearing balances) and Investment deposits (flat).

Risk Weighted Assets

Risk weighted assets increased \$3.5 billion or 2% on the prior comparative period. This was primarily driven by lending volume growth.

¹ System source: RBA/APRA.

Divisional Performance (continued)

Institutional Banking and Markets

OVERVIEW

Institutional Banking and Markets (IB&M) provides a full range of domestic and global financing and banking services to large corporate, institutional and government clients. These services include debt capital markets, risk management, transaction banking, sustainable finance, structured capital solutions and working capital delivered through dedicated product and industry specialists, as well as tailored research and data analytics to help our clients.

	Half Year Ended ¹				
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Net interest income	779	739	719	5	8
Other operating income	571	494	580	16	(2)
Total operating income	1,350	1,233	1,299	9	4
Operating expenses	(566)	(542)	(533)	4	6
Loan impairment (expense)/benefit	(9)	(34)	37	(74)	large
Net profit before tax	775	657	803	18	(3)
Corporate tax expense	(190)	(138)	(198)	38	(4)
Net profit after tax ("cash basis")	585	519	605	13	(3)
Gain on acquisition, disposal, closure and demerger of businesses	5	(37)	–	large	n/a
Net profit after tax ("statutory basis") ²	590	482	605	22	(2)
Income analysis					
Net interest income					
Institutional Banking	818	752	740	9	11
Markets	(39)	(13)	(21)	(large)	(86)
Total net interest income	779	739	719	5	8
Other operating income					
Institutional Banking	248	224	246	11	1
Markets	323	270	334	20	(3)
Total other operating income	571	494	580	16	(2)
Total operating income	1,350	1,233	1,299	9	4
Income by product					
Institutional products	957	896	914	7	5
Asset leasing	109	80	72	36	51
Markets (excluding derivative valuation adjustments)	298	257	321	16	(7)
Total operating income excluding derivative valuation adjustments	1,364	1,233	1,307	11	4
Derivative valuation adjustments ³	(14)	–	(8)	n/a	(75)
Total operating income	1,350	1,233	1,299	9	4

1 Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

2 Please refer to "Non-cash Items Included in Statutory Profit" on page 11 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") to Net profit after tax ("statutory basis") by business segment is provided in Note 2.4 to the Financial Statements included in this Document.

3 Derivative valuation adjustments include both net interest income and other operating income adjustments.

Divisional Performance (continued)

Institutional Banking and Markets (continued)

	As at ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Balance Sheet	\$M	\$M	\$M		
Interest earning lending assets ²	87,443	88,267	90,046	(1)	(3)
Non-lending interest earning assets	82,186	78,040	81,090	5	1
Other assets ³	38,679	22,301	31,738	73	22
Total assets	208,308	188,608	202,874	10	3
Transaction deposits ²	75,976	86,158	81,388	(12)	(7)
Savings deposits	10,529	11,220	8,926	(6)	18
Investment deposits and other	62,001	56,449	63,111	10	(2)
Total interest bearing deposits	148,506	153,827	153,425	(3)	(3)
Due to other financial institutions	16,969	18,344	16,265	(7)	4
Other interest bearing liabilities ⁴	60,441	60,337	53,494	–	13
Non-interest bearing liabilities ³	29,363	17,936	25,280	64	16
Total liabilities	255,279	250,444	248,464	2	3

	Half Year Ended				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Key Financial Metrics					
Performance indicators					
Net interest margin (%)	0.93	0.87	0.84	6 bpts	9 bpts
Net interest margin excl. markets (%)	1.96	1.71	1.57	25 bpts	39 bpts
Statutory return on assets (%)	0.6	0.6	0.6	–	–
Statutory operating expenses to total operating income (%)	41.8	45.8	41.0	(400)bpts	80 bpts
Impairment expense annualised as a % of average GLAAs (%)	0.02	0.08	(0.08)	(6)bpts	10 bpts
Other information					
Average interest earning assets (\$M)	166,027	171,748	170,901	(3)	(3)
Average interest earning assets excl. markets (\$M)	82,811	88,387	93,746	(6)	(12)
Risk weighted assets (\$M)	80,279	72,901	73,977	10	9
Troublesome and non-performing exposures (\$M)	287	374	219	(23)	31
Total committed exposures rated investment grade (%)	90.5	90.6	90.7	(10)bpts	(20)bpts
Spot number of full-time equivalent staff (FTE)	1,587	1,549	1,536	2	3

1 Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

2 Interest earning lending assets include \$2,000 million of Cash Management Pooled Facilities (CMPF) (30 June 2024: \$11,683 million; 31 December 2023: \$13,218 million). Transaction deposits include \$16,667 million of CMPF liabilities (30 June 2024: \$28,643 million; 31 December 2023: \$24,379 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments and risk weighted assets. The significant reduction in CMPF balances was primarily driven by the migration of institutional pooled lending and deposit facilities reported on a gross basis, to a Group Limit Facility product which requires reporting on a net basis.

3 Other assets include intangible assets and derivative assets. Non-interest bearing liabilities include derivative liabilities.

4 Other interest bearing liabilities include sale and repurchase agreements and liabilities at fair value.

Divisional Performance (continued)

Institutional Banking and Markets (continued)

Financial Performance and Business Review

Half Year Ended December 2024 versus December 2023

Institutional Banking and Markets net profit after tax ("statutory basis") for the half year ended 31 December 2024 was \$590 million, a decrease of \$15 million or 2% on the prior comparative period. The result was driven by a 6% increase in operating expenses and a \$46 million increase in loan impairment expense, partly offset by a 4% increase in total operating income.

Net Interest Income

Net interest income was \$779 million, an increase of \$60 million or 8% on the prior comparative period. Excluding the Markets business, net interest income was \$818 million, an increase of \$78 million or 11% on the prior comparative period.

Excluding the Markets business and the impact of pooled lending and deposit facilities which have a broadly neutral impact on net interest income, underlying net interest margin increased 16 basis points, reflecting:

- Higher deposit and equity earnings reflecting the higher interest rate environment; and
- Favourable assets mix driven by growth in the institutional lending portfolio; partly offset by
- Lower structured lending and institutional lending margins due to higher funding costs.

Other Operating Income

Other operating income was \$571 million, a decrease of \$9 million or 2% on the prior comparative period, reflecting:

- Lower trading income across Commodities and Fixed Income; partly offset by increased sales volumes in Fixed Income and Foreign Exchange, and higher trading income in Rates;
- Increased merchant scheme costs; and
- Unfavourable derivative valuation adjustments; partly offset by
- Higher lending fees and commissions from increased syndication and trade finance activity; and
- Higher Structured Asset Finance revenue mainly from the aircraft lease portfolio.

Operating Expenses

Operating expenses were \$566 million, an increase of \$33 million or 6% on the prior comparative period. This was mainly driven by inflation and higher technology, amortisation and volume driven operations costs.

The number of full-time equivalent staff (FTE) increased by 51 or 3% on the prior comparative period, from 1,536 to 1,587 FTE, primarily driven by higher frontline and operational resources, partly offset by workforce optimisation initiatives.

Investment spend focused on productivity and growth, as well as continuing to strengthen the operational risk, compliance and regulatory framework.

The operating expenses to total operating income ratio ("statutory basis") was 41.8%, an increase of 80 basis points on the prior comparative period, driven by higher operating expenses, partly offset by higher operating income.

Loan Impairment Expense

Loan impairment expense increased \$46 million on the prior comparative period to \$9 million. This was primarily driven by higher collective provisions due to forward looking adjustments and non-recurrence of provision releases.

Loan impairment expense as a percentage of average gross loans and acceptances increased 10 basis points on the prior comparative period to 0.02%.

Balance Sheet

Key spot balance sheet movements included:

- Lending balance decrease of \$2.6 billion or 3%, primarily driven by a decrease in pooled facilities ¹ from government sector clients. Excluding pooled facilities, an increase of \$8.6 billion or 11% was driven by growth across the institutional lending and asset backed lending portfolios;
- Non-lending interest earning assets increase of \$1.1 billion or 1%, driven by higher trading assets mainly in the Fixed Income portfolio, partly offset by lower reverse sale and repurchase agreement balances in Markets;
- Other assets and non-interest bearing liabilities increase of \$6.9 billion or 22% and \$4.1 billion or 16% respectively, mainly driven by the revaluation of derivative assets and derivative liabilities due to foreign currency and interest rate movements. Derivative assets and derivative liabilities are required to be grossed up under accounting standards;
- Total interest bearing deposits decrease of \$4.9 billion or 3%, mainly driven by pooled facilities ¹. Excluding pooled facilities, an increase of \$2.8 billion or 2% was driven by growth in Transaction and Saving deposits; and
- Other interest bearing liabilities increase of \$6.9 billion or 13%, mainly driven by an increase in sale and repurchase agreements in Markets.

Risk Weighted Assets

Risk weighted assets were \$80.3 billion, an increase of \$6.3 billion or 9% on the prior comparative period primarily driven by an increase in credit risk weighted assets due to lending volume growth and derivatives.

¹ Interest earning lending assets include \$2,000 million of Cash Management Pooled Facilities (CMPF) (31 December 2023: \$13,218 million). Transaction deposits include \$16,667 million of CMPF liabilities (31 December 2023: \$24,379 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments and risk weighted assets.

Divisional Performance (continued)

Institutional Banking and Markets (continued)

Financial Performance and Business Review (continued)

Half Year Ended December 2024 versus June 2024

Net profit after tax ("statutory basis") increased \$108 million or 22% on the prior half. The result was driven by a 9% increase in total operating income (11% increase excluding derivative valuation adjustments), a 4% increase in operating expenses, and a \$25 million decrease in loan impairment expense.

Net Interest Income

Net interest income increased \$40 million or 5% on the prior half. Excluding the Markets business, net interest income increased \$66 million or 9% on the prior half.

Excluding the Markets business and the impact of pooled lending and deposit facilities which have a broadly neutral impact on net interest income, underlying net interest margin increased 9 basis points, reflecting:

- Higher deposit and equity earnings; partly offset by
- Lower structured lending and institutional lending margins due to higher funding costs.

Other Operating Income

Other operating income increased \$77 million or 16% on the prior half, reflecting:

- Higher sales volumes in Fixed Income and Foreign Exchange, and higher trading income across Commodities (offset by increased funding costs in net interest income) and Fixed Income, partly offset by lower trading revenue in Rates;
- Higher lending fees and commissions from increased syndication and trade finance activity; and
- Higher Structured Asset Finance revenue mainly from lower depreciation of the aircraft lease portfolio; partly offset by
- Unfavourable derivative valuation adjustments.

Operating Expenses

Operating expenses increased \$24 million or 4% on the prior half. This was mainly driven by inflation and higher technology, and amortisation costs.

The number of FTE increased by 38 or 2% on the prior half, from 1,549 to 1,587 FTE, primarily driven by higher frontline and operational resources, and timing of interns, partly offset by workforce optimisation initiatives.

The operating expenses to total operating income ratio ("statutory basis") decreased 400 basis points on the prior half, driven by higher operating income.

Loan Impairment Expense

Loan impairment expense decreased \$25 million or 74% on the prior half. This was driven by lower collective provision charges, partly offset by the non-recurrence of recoveries in the prior half.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 6 basis point on the prior half.

Balance Sheet

Key spot balance sheet movements included:

- Lending balance decrease of \$0.8 billion or 1%, primarily driven by a decrease in pooled facilities ¹ from government sector clients. Excluding pooled facilities, an increase of \$8.9 billion or 12% was driven by growth across the institutional lending and securitisation portfolios;
- Non-lending interest earning assets increase of \$4.1 billion or 5%, driven by higher trading assets mainly in the Fixed Income portfolio, partly offset by lower reverse sale and repurchase agreement balances in Markets;
- Other assets and non-interest bearing liabilities increase of \$16.4 billion or 73% and \$11.4 billion or 64% respectively, mainly driven by the revaluation of derivative assets and derivative liabilities due to foreign currency and interest rate movements, partly offset by timing of unsettled trades. Other assets growth was also driven by an increase in commodities inventory; and
- Total interest bearing deposits decrease of \$5.3 billion or 3%, mainly driven by pooled facilities ¹. Excluding pooled facilities, an increase of \$6.7 billion or 5% was driven by growth in Investment and Transaction deposits.

Risk Weighted Assets

Risk weighted assets increased \$7.4 billion or 10% on the prior half, primarily driven by an increase in credit risk weighted assets due to lending volume growth and derivatives.

¹ Interest earning lending assets include \$2,000 million of Cash Management Pooled Facilities (CMPF) (30 June 2024: \$11,683 million). Transaction deposits include \$16,667 million of CMPF liabilities (30 June 2024: \$28,643 million). These balances are required to be grossed up under accounting standards, but are netted down for the calculation of customer interest payments and risk weighted assets.

Divisional Performance (continued)

New Zealand

OVERVIEW

New Zealand primarily includes the banking and funds management businesses operating under the ASB brand. ASB provides a range of banking, wealth and insurance products and services to its personal, business and rural customers in New Zealand.

ASB serves the financial needs of its customers across multiple channels including an extensive network of branches, ATMs, contact centres, digital platforms and relationship managers.

New Zealand (A\$M)	Half Year Ended ¹				
	31 Dec 24 A\$M	30 Jun 24 A\$M	31 Dec 23 A\$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Net interest income	1,309	1,238	1,253	6	4
Other operating income	213	215	219	(1)	(3)
Total operating income	1,522	1,453	1,472	5	3
Operating expenses	(632)	(599)	(598)	6	6
Loan impairment expense	(16)	(55)	(9)	(71)	78
Net profit before tax	874	799	865	9	1
Corporate tax expense	(243)	(226)	(240)	8	1
Net profit after tax – "cash basis"	631	573	625	10	1
Gain on acquisition, disposal, closure and demerger of businesses	–	–	–	–	–
Hedging and IFRS volatility (after tax)	122	(39)	190	large	(36)
Net profit after tax – "statutory basis" ²	753	534	815	41	(8)

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

² Please refer to "Non-cash Items Included in Statutory Profit" on page 11 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") to Net profit after tax ("statutory basis") by business segment is provided in Note 2.4 to the Financial Statements included in this Document.

Divisional Performance (continued)

New Zealand (continued)

	Half Year Ended ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs	Dec 24 vs
New Zealand (NZ\$M)	NZ\$M	NZ\$M	NZ\$M	Jun 24 %	Dec 23 %
Net interest income	1,434	1,343	1,353	7	6
Other operating income	233	233	237	–	(2)
Total operating income	1,667	1,576	1,590	6	5
Operating expenses	(695)	(648)	(645)	7	8
Loan impairment expense	(17)	(60)	(10)	(72)	70
Net profit before tax	955	868	935	10	2
Corporate tax expense	(267)	(244)	(261)	9	2
Net profit after tax ("cash basis")	688	624	674	10	2
Gain on acquisition, disposal, closure and demerger of businesses	–	–	–	–	–
Hedging and IFRS volatility (after tax)	(5)	–	(13)	n/a	62
Net profit after tax ("statutory basis")	683	624	661	9	3
Represented by:					
ASB	711	659	696	8	2
Other ²	(28)	(35)	(35)	(20)	(20)
Net profit after tax ("statutory basis")	683	624	661	9	3

	Half Year Ended ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs	Dec 24 vs
Key Financial Metrics ³				Jun 24 %	Dec 23 %
Performance indicator					
Statutory operating expenses to total operating income (%)	41.9	41.1	41.0	80 bpts	90 bpts

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

² Other includes CBA cost allocations including capital charges and funding costs in relation to group funding and hedging structures and elimination entries between New Zealand segment entities.

³ Key financial metrics are calculated in New Zealand dollar terms.

Financial Performance and Business Review

Half Year Ended December 2024 versus December 2023

New Zealand net profit after tax ("statutory basis") ¹ for the half year ended 31 December 2024 was NZD683 million, an increase of NZD22 million or 3% on the prior comparative period. The result was driven by a 5% increase in total operating income, partly offset by an 8% increase in operating expenses, and a NZD7 million increase in loan impairment expense.

Half Year Ended December 2024 versus June 2024

New Zealand net profit after tax ("statutory basis") ¹ increased NZD59 million or 9% on the prior half. The result was driven by a 6% increase in total operating income and a NZD43 million decrease in loan impairment expense, partly offset by a 7% increase in operating expenses.

¹ The CBA Branch results relating to the Institutional Banking and Markets business in New Zealand are included in the Institutional Banking and Markets divisional results.

Divisional Performance (continued)

New Zealand (continued)

ASB (NZ\$M)	Half Year Ended ¹				
	31 Dec 24 NZ\$M	30 Jun 24 NZ\$M	31 Dec 23 NZ\$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Net interest income	1,474	1,393	1,403	6	5
Other operating income	233	233	237	–	(2)
Total operating income	1,707	1,626	1,640	5	4
Operating expenses	(695)	(648)	(645)	7	8
Loan impairment expense	(17)	(60)	(10)	(72)	70
Net profit before tax	995	918	985	8	1
Corporate tax expense	(279)	(259)	(276)	8	1
Net profit after tax ("cash basis")	716	659	709	9	1
Gain on acquisition, disposal, closure and demerger of businesses	–	–	–	–	–
Hedging and IFRS volatility (after tax)	(5)	–	(13)	n/a	(62)
Net profit after tax ("statutory basis")	711	659	696	8	2

Balance Sheet (NZ\$M)	As at				
	31 Dec 24 NZ\$M	30 Jun 24 NZ\$M	31 Dec 23 NZ\$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Home loans	76,950	74,616	73,621	3	5
Business and rural lending	33,603	33,351	32,902	1	2
Other interest earning assets	1,636	1,640	1,682	–	(3)
Total lending interest earning assets	112,189	109,607	108,205	2	4
Non-lending interest earning assets	16,932	15,780	16,637	7	2
Other assets	2,775	1,681	1,570	65	77
Total assets	131,896	127,068	126,412	4	4
Interest bearing customer deposits	74,453	73,023	71,185	2	5
Debt issues	20,126	18,522	19,010	9	6
Other deposits ²	7,028	7,511	7,551	(6)	(7)
Other interest bearing liabilities	3,499	2,419	2,826	45	24
Total interest bearing liabilities	105,106	101,475	100,572	4	5
Non-interest bearing customer deposits	10,500	9,630	10,397	9	1
Other non-interest bearing liabilities	2,027	2,630	2,483	(23)	(18)
Total liabilities	117,633	113,735	113,452	3	4

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

² Other deposits include certificates of deposit, repurchase agreements and funding from RBNZ Funding for Lending Programme and Term Lending Facility.

Divisional Performance (continued)

New Zealand (continued)

ASB Key Financial Metrics ²	Half Year Ended ¹				
	31 Dec 24	30 Jun 24	31 Dec 23	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Performance indicators					
Net interest margin (%)	2.30	2.24	2.21	6 bpts	9 bpts
Statutory return on assets (%)	1.1	1.0	1.1	10 bpts	–
Statutory operating expenses to total operating income (%)	40.9	39.9	39.8	100 bpts	110 bpts
Impairment expense annualised as a % of average GLAAs (%)	0.03	0.11	0.02	(8)bpts	1 bpt
Other information					
Average interest earning assets (NZ\$M)	127,398	124,873	126,081	2	1
Risk weighted assets (NZ\$M) ³	73,761	71,415	70,673	3	4
Risk weighted assets (A\$M) ⁴	58,305	59,702	59,926	(2)	(3)
AUM - average (NZ\$M) ⁵	22,234	20,733	20,150	7	10
AUM - spot (NZ\$M)	22,995	21,176	20,189	9	14
90+ days home loan arrears (%)	0.69	0.61	0.41	8 bpts	28 bpts
90+ days consumer finance arrears (%)	1.18	1.41	0.83	(23)bpts	35 bpts
Number of full-time equivalent staff (FTE)	6,272	5,983	5,929	5	6

1 Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on the related restatements.

2 Key financial metrics are calculated in New Zealand dollar terms unless otherwise stated.

3 Risk weighted assets calculated in accordance with RBNZ requirements.

4 Risk weighted assets (A\$M) calculated in accordance with APRA requirements.

5 On 11 February 2022, ASB sold the management rights of ASB Superannuation Master Trust ("SMT") to Smartshares Limited. The sale included a transition period where ASB continued to provide investment management and administration services until the transition was completed on 28 August 2023. The AUM balances related to SMT were included in the ASB AUM balance up until the transition date.

Divisional Performance (continued)

New Zealand (continued)

Financial Performance and Business Review

Half Year Ended December 2024 versus December 2023

ASB net profit after tax ("statutory basis") for the half year ended 31 December 2024 was NZD711 million, an increase of NZD15 million or 2% on the prior comparative period. The result was driven by a 4% increase in total operating income, partly offset by an 8% increase in operating expenses and a NZD7 million increase in loan impairment expense.

Net Interest Income

Net interest income was NZD1,474 million, an increase of NZD71 million or 5% on the prior comparative period. This was driven by a 9 basis point increase in net interest margin and a 1% increase in average interest earning assets.

Net interest margin increased 9 basis points, reflecting:

- Higher earnings on equity;
- Higher Treasury earnings; and
- Higher home lending margins, offset by lower deposit margins.

Other Operating Income

Other operating income was NZD233 million, a decrease of NZD4 million or 2% on the prior comparative period, reflecting:

- Lower cards income from the removal of debit card fees and higher scheme fee costs; and
- Higher fair value losses on liquid assets; partly offset by
- Higher funds management income reflecting favourable market performance.

Operating Expenses

Operating expenses were NZD695 million, an increase of NZD50 million or 8% on the prior comparative period. The increase was primarily driven by higher staff costs due to wage inflation, increased FTE and two additional working days, and higher technology costs from increased investment, partly offset by productivity initiatives.

The number of FTE increased by 343 or 6% on the prior comparative period from 5,929 to 6,272 primarily to manage financial and cyber crime risk, mitigate the impact of fraud and scams, and support investment in technology.

Investment spend continues to focus on regulatory compliance, simplification and enhancing technology platforms.

The operating expenses to total operating income ratio ("statutory basis") for ASB was 40.9%, an increase of 110 basis points on the prior comparative period driven by higher operating expenses, partly offset by higher operating income.

Loan Impairment Expense

Loan impairment expense was NZD17 million, an increase of NZD7 million on the prior comparative period. This was mainly driven by higher consumer finance write-offs and higher home lending collective provisions reflecting interest rate and cost of living pressures and house price volatility, partly offset by stable quality in the business portfolio.

Home loan 90+ days arrears increased 28 basis points to 0.69% and consumer finance 90+ days arrears increased 35 basis points to 1.18%, reflecting interest rate and cost of living pressures.

Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of NZD3.3 billion or 5%, above system ¹ growth;
- Business and rural lending growth of NZD0.7 billion or 2%, above system growth; and
- Total customer deposit growth of NZD3.4 billion or 4% (interest bearing and non-interest bearing), in line with system ^{1,2} growth, with continued customer demand for higher yielding term deposits.

Risk Weighted Assets ³

Risk weighted assets were NZD73.8 billion, an increase of NZD3.1 billion or 4% on the prior comparative period driven by an increase in credit risk weighted assets from increased lending volumes.

¹ Source: RBNZ.

² RBNZ system data includes institutional deposits which are excluded from the ASB division Balance Sheet.

³ Risk weighted assets reflect the New Zealand dollar amount calculated in accordance with RBNZ requirements.

Divisional Performance (continued)

New Zealand (continued)

Financial Performance and Business Review (continued)

Half Year Ended December 2024 versus June 2024

ASB net profit after tax ("statutory basis") increased NZD52 million or 8% on the prior half. The result was driven by a 5% increase in total operating income and a NZD43 million decrease in loan impairment expense, partly offset by a 7% increase in operating expenses.

Net Interest Income

Net interest income increased NZD81 million or 6% on the prior half. This result was driven by a 6 basis point increase in net interest margin, the impact from two additional calendar days in the current half and a 2% increase in average interest earning assets.

Net interest margin increased 6 basis points, reflecting:

- Higher Treasury earnings;
- Higher earnings on equity; and
- Higher home lending margins, offset by lower deposit margins.

Other Operating Income

Other operating income remained flat on the prior half, reflecting:

- Lower cards income driven by higher scheme fee costs; offset by
- Higher funds management income reflecting favourable market performance.

Operating Expenses

Operating expenses increased NZD47 million or 7% on the prior half. The increase was primarily driven by higher staff costs due to wage inflation, increased FTE and two additional working days, and higher technology costs from increased investment.

The number of FTE increased by 289 or 5% on the prior half from 5,983 to 6,272 primarily to manage financial and cyber crime risk, mitigate the impact of fraud and scams, and support investment in technology.

The operating expenses to total operating income ratio ("statutory basis") increased 100 basis points on the prior half driven by higher operating expenses, partly offset by higher operating income.

Loan Impairment Expense

Loan impairment expense decreased NZD43 million on the prior half. This was primarily driven by collective provision releases reflecting an improvement in the economic outlook and stable quality in the business portfolio, partly offset by higher consumer finance write-offs.

Home loan 90+ days arrears increased 8 basis points to 0.69% reflecting interest rate and cost of living pressures. Consumer finance 90+ days arrears decreased 23 basis points to 1.18% driven by higher collections.

Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of NZD2.3 billion or 3%, above system ¹ growth;
- Business and rural lending growth of NZD0.3 billion or 1%, above system growth;
- Non-lending interest earning assets growth of NZD1.2 billion or 7% mainly driven by an increase in liquid assets; and
- Total customer deposits growth of NZD2.3 billion or 3% (interest bearing and non-interest bearing), below system ^{1, 2} growth.

Risk Weighted Assets ³

Risk weighted assets increased NZD2.3 billion or 3% on the prior half primarily driven by an increase in credit risk weighted assets from increased lending volumes.

¹ Source: RBNZ.

² RBNZ system data includes institutional deposits which are excluded from the ASB division Balance Sheet.

³ Risk weighted assets reflect the New Zealand dollar amount calculated in accordance with RBNZ requirements.

Divisional Performance (continued)

Corporate Centre and Other

OVERVIEW

Corporate Centre and Other includes the results of the Group's centrally held minority investments and subsidiaries, Group-wide remediation costs, investment spend including enterprise-wide infrastructure and other strategic projects, employee entitlements, and unallocated revenue and expenses relating to the Bank's support functions including Investor Relations, Group Strategy, Marketing, Legal & Group Secretariat, Treasury and Bank-wide elimination entries arising on consolidation.

Treasury is responsible for the management of interest rate risk and foreign exchange risk inherent in the Group's balance sheet. Treasury also manages the Group's wholesale funding, and the Group's prudential liquidity and capital requirements. Treasury's earnings are primarily sourced from managing the Group's Australian balance sheet, including interest rate risk.

Centrally held minority investments and subsidiaries include the Group's offshore minority investments in China (Bank of Hangzhou and Qilu Bank) and Vietnam (Vietnam International Bank). They also include domestically held minority investments in Lendi Group and CFS as well as the strategic investments in x15ventures.

On 1 May 2024, the Group completed the sale of its 99% shareholding in its Indonesian banking subsidiary, PT Bank Commonwealth (PTBC), to PT Bank OCBC NISP Tbk (OCBC Indonesia), a subsidiary of Oversea-Chinese Banking Corporation Limited (OCBC). As PTBC did not constitute a major line of the Group's business, the financial results of PTBC were treated as continuing operations during the period.

Corporate Centre and Other (including eliminations)	Half Year Ended ¹				
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Net interest income	189	185	85	2	large
Other operating income	(46)	34	76	(large)	(large)
Total operating income	143	219	161	(35)	(11)
Underlying operating expenses	(1,140)	(1,144)	(1,090)	–	5
<i>Restructuring and one-off item ²</i>	–	(89)	–	(large)	–
Total operating expenses	(1,140)	(1,233)	(1,090)	(8)	5
Loan impairment benefit/(expense)	4	34	(19)	88	(large)
Net loss before tax	(993)	(980)	(948)	1	5
Corporate tax benefit	195	195	192	–	2
Net loss after tax from continuing operations – "cash basis"	(798)	(785)	(756)	2	6
Net loss after tax from discontinued operations	1	5	6	(80)	(83)
Net loss after tax – "cash basis"	(797)	(780)	(750)	2	6
Non-cash items	(126)	(111)	(456)	14	(72)
Net loss after tax – "statutory basis" ³	(923)	(891)	(1,206)	4	(23)

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosures-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for more information on related restatements.

² Refer to page 19 for further information.

³ Please refer to "Non-cash Items Included in Statutory Profit" on page 11 of this Document for further details. A reconciliation of the Net profit after tax ("cash basis") to Net profit after tax ("statutory basis") by business segment is provided in Note 2.4 to the Financial Statements included in this Document.

Divisional Performance (continued)

Corporate Centre and Other (continued)

Financial Performance and Business Review

Half Year Ended December 2024 versus December 2023

Corporate Centre and Other net loss after tax ("statutory basis") for the half year ended 31 December 2024 was \$923 million, a decrease of \$283 million on the prior comparative period. The result was primarily driven by an 11% decrease in total operating income and a 5% increase in operating expenses, partly offset by a \$23 million decrease in loan impairment expense.

Net Interest Income

Net interest income was \$189 million, an increase of \$104 million on the prior comparative period. This was primarily driven by higher Treasury earnings from balance sheet management activities.

Other Operating Income

Other operating income was a loss of \$46 million, a decrease of \$122 million on the prior comparative period. This was driven by lower Treasury income from risk positioning and liquid asset sales and impacts from minority investments.

Operating Expenses

Operating expenses were \$1,140 million, an increase of \$50 million or 5% on the prior comparative period. This was driven by inflation and increased investment in technology including Generative AI models and modernisation of core legacy systems.

Loan Impairment Expense

Loan impairment expense decreased \$23 million on the prior comparative period to a benefit of \$4 million.

Half Year Ended December 2024 versus June 2024

Net loss after tax ("statutory basis") increased \$32 million or 4% on the prior half. The result was primarily driven by a 35% decrease in total operating income and a \$30 million decrease in loan impairment benefit, partly offset by an 8% decrease in operating expenses (flat excluding one-off items).

Net Interest Income

Net interest income increased \$4 million or 2% on the prior half. This was primarily driven by higher Treasury earnings.

Other Operating Income

Other operating income decreased \$80 million on the prior half. This was driven by lower Treasury income from risk positioning and liquid asset sales and impacts from minority investments.

Operating Expenses

Operating expenses decreased \$93 million or 8% on the prior half. This was primarily driven by the non-recurrence of one-off expenses.

Loan Impairment Expense

Loan impairment benefit decreased \$30 million on the prior half.

Contents

6 Directors' Report and Financial Statements

Directors' Report	74
Auditor's Independence Declaration	76
Consolidated Income Statement	77
Consolidated Statement of Comprehensive Income	78
Consolidated Balance Sheet	79
Consolidated Statement of Changes in Equity	80
Condensed Consolidated Statement of Cash Flows	81
Notes to the Financial Statements	82
1. Overview	
1.1 General information, basis of accounting, adoption of amended accounting standards and future accounting developments	82
2. Our performance	
2.1 Net interest income	84
2.2 Net other operating income	86
2.3 Operating expenses	88
2.4 Financial reporting by segments	89
2.5 Income tax expense	94
3. Our lending activities	
3.1 Loans and other receivables	95
3.2 Loan impairment expense, provisions for impairment and asset quality	96
4. Our deposits and funding activities	
4.1 Deposits and other public borrowings	107
5. Our capital, equity and reserves	
5.1 Shareholders' equity	109
6. Fair values	
6.1 Disclosures about fair values	112
7. Other information	
7.1 Contingent liabilities, contingent assets and commitments arising from the banking business	115
7.2 Customer remediation, litigation, investigations and reviews, other matters	116
7.3 Discontinued operations and businesses held for sale	119
7.4 Subsequent events	120
Directors' Declaration	121

Directors' Report

The Directors of the Commonwealth Bank of Australia present their report, together with the financial statements of the Commonwealth Bank of Australia and its controlled entities (collectively referred to as 'the Group') for the half year ended 31 December 2024.

Directors

The names of the Directors holding office at any time during or since the end of the half year were:

Paul O'Malley	Chairman
Matt Comyn	Managing Director and Chief Executive Officer
Lyn Cobley	Director
Julie Galbo	Director
Peter Harmer	Director
Kate Howitt	Director (appointed 1 October 2024)
Simon Moutter	Director
Mary Padbury	Director
Anne Templeman-Jones	Director (retired 16 October 2024)
Rob Whitfield AM	Director

Review and Results of Operations

The Group's statutory net profit after tax for the half year ended 31 December 2024 was \$5,134 million, an increase of \$375 million or 8% on the prior comparative period. The increase was driven by higher total operating income, lower loan impairment expense and the non-recurrence of the loss on reclassification of PT Bank Commonwealth (PTBC) as a business held for sale, partly offset by higher operating expenses.

There have been no significant changes in the nature of the principal activities of the Group during the half year.

The performance of the Group's business segments for the half year ended 31 December 2024 was as follows:

- The statutory net profit after tax from Retail Banking Services was \$2,712 million, an increase of \$63 million or 2% on the prior comparative period. The increase was driven by higher total operating income and lower loan impairment expense, partly offset by higher operating expenses.
- The statutory net profit after tax from Business Banking was \$2,002 million, an increase of \$106 million or 6% on the prior comparative period. The increase was driven by higher total operating income, partly offset by higher operating expenses and loan impairment expense.
- The statutory net profit after tax from Institutional Banking and Markets was \$590 million, a decrease of \$15 million or 2% on the prior comparative period. The decrease was driven by higher loan impairment expense and operating expenses, partly offset by higher total operating income.
- The statutory net profit after tax from New Zealand was \$753 million, a decrease of \$62 million or 8% on the prior comparative period. The decrease was driven by lower hedging and IFRS volatility gains, higher operating expenses and loan impairment expense, partly offset by higher total operating income.

- The statutory net loss after tax including discontinued operations from Corporate Centre and Other was \$923 million, a decrease of \$283 million on the prior comparative period. The decrease was driven by the non-recurrence of the loss on reclassification of PTBC as a business held for sale and lower losses from hedging and IFRS volatility, partly offset by lower total operating income and higher operating expenses.

Additional analysis of operations for the half year ended 31 December 2024 is set out in the Highlights and Group and Divisional Performance Analysis sections.

The Board has received written statements from the Chief Executive Officer and Chief Financial Officer that the accompanying Financial Statements have been prepared in accordance with Australian Accounting Standards, Corporations Regulations 2001 and Corporations Act.

Material Business risks

The Group recognises that risk is inherent in business and that effective risk management is a key component of sound corporate governance and is essential in delivering our business objectives.

The Group's risk management framework, material risk types and approach to managing them during the period are described in the 2024 Annual Report on pages 70-79 and in Note 9.1 of the Financial Report on pages 224-230.

In addition, commentary on the Group's ongoing legal proceedings, investigations and reviews for the half year ended 31 December 2024 is included in Note 7.2 of the Financial Statements.

Rounding and Presentation of Amounts

Unless otherwise indicated, the Group has rounded off amounts in this Directors' Report and the accompanying financial statements to the nearest million dollars in accordance with *ASIC Corporations Instrument 2016/191*.

Directors' Report (continued)

Auditor's Independence Declaration

A copy of the auditor's independence declaration has been obtained from the Group's auditor, PricewaterhouseCoopers and is set out on page 76.

Signed in accordance with a resolution of the Directors.



Paul O'Malley

Chairman

12 February 2025



Matt Comyn

Managing Director and Chief Executive Officer

12 February 2025

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the review of the Commonwealth Bank of Australia for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of the Commonwealth Bank of Australia and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read "Elizabeth O'Brien".

Elizabeth O'Brien
Partner
PricewaterhouseCoopers

Sydney
12 February 2025

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Financial Statements

Consolidated Income Statement

For the half year ended 31 December 2024

	Note	Half Year Ended		
		31 Dec 24	30 Jun 24	31 Dec 23
		\$M	\$M	\$M
Interest income:				
Effective interest income	2.1	30,701	29,513	27,884
Other interest income	2.1	1,982	1,913	1,734
Interest expense	2.1	(20,749)	(20,006)	(18,214)
Net interest income		11,934	11,420	11,404
Net other operating income ¹	2.2	2,164	1,923	2,174
Total net operating income before operating expenses and impairment		14,098	13,343	13,578
Operating expenses	2.3	(6,372)	(6,239)	(6,098)
Loan impairment expense	3.2	(320)	(387)	(415)
Net profit before income tax		7,406	6,717	7,065
Income tax expense	2.5	(2,264)	(2,073)	(2,228)
Net profit after income tax from continuing operations		5,142	4,644	4,837
Net loss after income tax from discontinued operations		(8)	(9)	(78)
Net profit after income tax		5,134	4,635	4,759

¹ Net other operating income is presented net of directly attributable fees and commission expenses, depreciation and impairment charges.

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Earnings per share attributable to equity holders of the Bank during the period:

	Half Year Ended		
	31 Dec 24	30 Jun 24	31 Dec 23
	Cents per Share		
Earnings per share from continuing operations:			
Basic	307.5	277.6	288.9
Diluted	307.1	277.6	286.5
Earnings per share including discontinued operations:			
Basic	307.0	277.1	284.3
Diluted	306.6	277.1	282.1

Financial Statements (continued)

Consolidated Statement of Comprehensive Income For the half year ended 31 December 2024

	Half Year Ended		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Net profit after income tax for the period from continuing operations	5,142	4,644	4,837
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit/(loss):			
Foreign currency translation reserve net of tax	54	(20)	(15)
Gains/(losses) on cash flow hedging instruments net of tax	920	(574)	884
Losses on debt investment securities at fair value through other comprehensive income net of tax	(311)	(262)	(202)
Total of items that may be reclassified	663	(856)	667
Items that will not be reclassified to profit/(loss):			
Actuarial gains/(losses) from defined benefit superannuation plans net of tax	20	(78)	(90)
Gains on equity investment securities at fair value through other comprehensive income net of tax	620	239	71
Revaluation of properties net of tax	–	15	–
Total of items that will not be reclassified	640	176	(19)
Other comprehensive income/(expense) net of income tax from continuing operations	1,303	(680)	648
Total comprehensive income for the period from continuing operations	6,445	3,964	5,485
Net loss after income tax for the period from discontinued operations	(8)	(9)	(78)
Total comprehensive income for the period	6,437	3,955	5,407

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

	Half Year Ended		
	31 Dec 24	30 Jun 24	31 Dec 23
	Cents per share		
Dividends per share attributable to shareholders of the Bank:			
Ordinary shares	225	250	215

Financial Statements (continued)

Consolidated Balance Sheet As at 31 December 2024

		As at		
	Note	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Assets				
Cash and liquid assets		76,498	83,080	91,534
Receivables from financial institutions		6,279	5,862	7,906
Assets at fair value through income statement		87,650	79,033	82,649
Derivative assets		41,143	18,058	30,603
Investment securities:				
At amortised cost		837	1,239	1,623
At fair value through other comprehensive income		102,189	96,774	112,760
Assets held for sale	7.3	687	870	1,391
Loans and other receivables	3.1, 3.2	969,404	942,210	921,372
Property, plant and equipment		3,629	3,676	4,783
Investments in associates and joint ventures		771	1,671	1,774
Intangible assets		7,783	7,600	7,510
Deferred tax assets		3,207	3,771	3,318
Other assets		8,489	10,232	8,746
Total assets		1,308,566	1,254,076	1,275,969
Liabilities				
Deposits and other public borrowings	4.1	902,502	882,922	873,299
Payables to financial institutions		27,599	24,633	20,544
Liabilities at fair value through income statement		39,868	47,341	44,740
Derivative liabilities		36,012	18,850	33,624
Current tax liabilities		421	503	266
Deferred tax liabilities		145	111	77
Liabilities held for sale		–	–	1,145
Provisions		2,711	2,908	2,772
Term funding from central banks		3,247	4,228	36,591
Debt issues		167,125	144,530	139,275
Bills payable and other liabilities		16,950	19,024	16,686
		1,196,580	1,145,050	1,169,019
Loan capital		36,722	35,938	34,111
Total liabilities		1,233,302	1,180,988	1,203,130
Net assets		75,264	73,088	72,839
Shareholders' equity				
Ordinary share capital	5.1	33,586	33,635	33,774
Reserves	5.1	(900)	(2,147)	(1,583)
Retained profits	5.1	42,578	41,600	40,643
Shareholders' equity attributable to equity holders of the Bank		75,264	73,088	72,834
Non-controlling interests	5.1	–	–	5
Total Shareholders' equity		75,264	73,088	72,839

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Financial Statements (continued)

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2024

	Ordinary share capital \$M	Reserves \$M	Retained profits \$M	Total \$M	Non- controlling interests \$M	Total Shareholders' equity \$M
As at 30 June 2023	33,913	(2,295)	40,010	71,628	5	71,633
Net profit after income tax from continuing operations	–	–	4,837	4,837	–	4,837
Net loss after income tax from discontinued operations	–	–	(78)	(78)	–	(78)
Net other comprehensive income/(expense) from continuing operations	–	738	(90)	648	–	648
Total comprehensive income for the period	–	738	4,669	5,407	–	5,407
Transactions with equity holders in their capacity as equity holders:						
Share buy-backs ¹	(154)	–	–	(154)	–	(154)
Dividends paid on ordinary shares	–	–	(4,023)	(4,023)	–	(4,023)
Share-based payments	–	(39)	–	(39)	–	(39)
Purchase of treasury shares	(66)	–	–	(66)	–	(66)
Sale and vesting of treasury shares	81	–	–	81	–	81
Other changes	–	13	(13)	–	–	–
As at 31 December 2023	33,774	(1,583)	40,643	72,834	5	72,839
Net profit after income tax from continuing operations	–	–	4,644	4,644	–	4,644
Net loss after income tax from discontinued operations	–	–	(9)	(9)	–	(9)
Net other comprehensive expense from continuing operations	–	(602)	(78)	(680)	–	(680)
Total comprehensive income for the period	–	(602)	4,557	3,955	–	3,955
Transactions with equity holders in their capacity as equity holders:						
Share buy-backs ¹	(128)	–	–	(128)	–	(128)
Dividends paid on ordinary shares	–	–	(3,600)	(3,600)	–	(3,600)
Share-based payments	–	38	–	38	–	38
Purchase of treasury shares	(14)	–	–	(14)	–	(14)
Sale and vesting of treasury shares	3	–	–	3	–	3
Other changes	–	–	–	–	(5)	(5)
As at 30 June 2024	33,635	(2,147)	41,600	73,088	–	73,088
Net profit after income tax from continuing operations	–	–	5,142	5,142	–	5,142
Net loss after income tax from discontinued operations	–	–	(8)	(8)	–	(8)
Net other comprehensive income from continuing operations	–	1,283	20	1,303	–	1,303
Total comprehensive income for the period	–	1,283	5,154	6,437	–	6,437
Transactions with equity holders in their capacity as equity holders:						
Share buy-backs ²	(18)	–	–	(18)	–	(18)
Dividends paid on ordinary shares	–	–	(4,184)	(4,184)	–	(4,184)
Share-based payments	–	(28)	–	(28)	–	(28)
Purchase of treasury shares	(105)	–	–	(105)	–	(105)
Sale and vesting of treasury shares	74	–	–	74	–	74
Other changes	–	(8)	8	–	–	–
As at 31 December 2024	33,586	(900)	42,578	75,264	–	75,264

- On 9 August 2023, the Group announced its intention to conduct an on-market share buy-back of up to \$1 billion of CBA ordinary shares, with 1,517,388 ordinary shares bought back at \$101.49 per share (\$154 million) in the half year ended 31 December 2023 and 1,071,576 ordinary shares were bought back at an average price of \$119.24 per share (\$128 million) in the half year ended 30 June 2024. The shares bought back were subsequently cancelled.
- On 14 August 2024, the Group announced a 12 month extension of the on-market share buy-back of up to \$1 billion of CBA ordinary shares announced on 9 August 2023. During the half year ended 31 December 2024, 118,000 ordinary shares were bought back at an average price of \$151.98 per share (\$18 million). The shares bought back were subsequently cancelled.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Financial Statements (continued)

Condensed Consolidated Statement of Cash Flows For the half year ended 31 December 2024

	Half Year Ended ^{1 2}		
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Cash flows from operating activities before changes in operating assets and liabilities	4,904	7,785	5,092
Changes in operating assets and liabilities arising from cash flow movements	(17,813)	(8,363)	(30,137)
Net cash used in operating activities	(12,909)	(578)	(25,045)
Net proceeds from disposal of entities and businesses (net of cash and cash equivalents disposed)	157	123	–
Cash flows from other investing activities	(187)	(573)	(664)
Net cash used in investing activities	(30)	(450)	(664)
Share buy-backs	(18)	(128)	(154)
Dividends paid ³	(4,184)	(3,600)	(4,023)
Proceeds from issuance of debt securities	44,036	21,424	31,031
Redemption of issued debt securities	(29,908)	(16,900)	(14,010)
Maturity of term funding from central banks	(940)	(32,315)	(17,642)
Cash flows from other financing activities	(369)	1,758	1,307
Net cash provided by/(used in) financing activities	8,617	(29,761)	(3,491)
Net decrease in cash and cash equivalents	(4,322)	(30,789)	(29,200)
Effect of foreign exchange rates on cash and cash equivalents	1,370	759	(621)
Cash and cash equivalents at beginning of period	47,321	77,351	107,172
Cash and cash equivalents at end of period	44,369	47,321	77,351

¹ It should be noted that the Group does not use this accounting Statement of Cash Flows in the internal management of its liquidity positions.

² Comparative information includes discontinued operations.

³ Includes the dividend reinvestment plan (DRP) satisfied by on-market purchase and transfer of shares.

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1 Overview

1.1 General information, basis of accounting, adoption of amended accounting standards and future accounting developments

General information

The financial report of the Commonwealth Bank of Australia (the Bank) and its subsidiaries (the Group) for the half year ended 31 December 2024, were approved and authorised for issue by the Board of Directors on 12 February 2025. The Directors have the power to amend and reissue the financial statements.

The financial report includes the condensed consolidated financial statements of the Group, accompanying notes, Directors' Declaration and the Independent Auditor's Review Report.

The Bank is a for-profit entity incorporated and domiciled in Australia. It is a company limited by shares that are publicly traded on the Australian Securities Exchange. The registered office is Commonwealth Bank Place South, Level 1, 11 Harbour Street, Sydney, NSW 2000, Australia.

There have been no significant changes in the nature of the principal activities of the Group during the half year.

Basis of accounting

The general purpose financial report for the half year ended 31 December 2024 has been prepared in accordance with the requirements of the *Corporations Act 2001 (Cth)* and AASB 134 *Interim Financial Reporting* which ensures compliance with IAS 34 *Interim Financial Reporting*. The Group is a for-profit entity for the purpose of preparing this report.

This half year financial report does not include all notes of the type normally included within an Annual Report and therefore cannot be expected to provide as full an understanding of the financial position and financial performance of the Group as that given by the Annual Report.

As a result, this half year financial report should be read in conjunction with the 2024 Annual Report of the Group and any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)* and the *ASX Listing Rules*.

The amounts contained in this half year financial report are presented in Australian dollars and rounded to the nearest million dollars unless otherwise stated, under the option available under *ASIC Corporations Instrument 2016/191*. For the purpose of this half year financial report, the half year has been treated as a discrete reporting period.

The accounting policies adopted in the preparation of the half year financial report are consistent with those adopted by the Group and disclosed in the 2024 Annual Report.

Where necessary, comparative information has been revised to conform to presentation in the current period. All changes have been footnoted throughout the financial statements. Discontinued operations are excluded from the results of the continuing operations and are presented as a single line item "net profit/(loss) after tax from discontinued operations" in the Consolidated Income Statement.

Changes in comparatives

Re-segmentation

During the half year ended 31 December 2024, the Group made a number of re-segmentations, allocations and reclassifications including the transfer of some customers between segments and refinements to the allocation of support unit costs. These changes have not impacted the Group's net profit but have resulted in changes to the presentation of the Income Statement and the Balance Sheet of the affected segments. These changes have been applied retrospectively. Refer to Note 2.4 for further information.

Adoption of new or amended accounting standards and future accounting developments

New and revised standards and interpretations issued by the AASB and the IASB that are effective for the half year ended 31 December 2024 did not result in significant changes to the Group's accounting policies. There are no new accounting standards or amendments to existing standards that are not yet effective other than those listed below, which are expected to have a material impact on the Group.

AASB 18 Presentation and Disclosure in Financial Statements

In June 2024, the AASB issued a new standard AASB 18 *Presentation and Disclosure in Financial Statements*, which will be effective for the Group from 1 July 2027 and is required to be applied retrospectively. AASB 18 will replace AASB 101 *Presentation of Financial Statements* and introduces new requirements that seek to improve entities' reporting of financial performance and give investors a better basis for analysing and comparing entities. These requirements aim to improve comparability in the income statement, enhance transparency of management-defined performance measures and provide useful grouping of information in the financial statements. The Group continues to assess the impact of adopting AASB 18.

Notes to the Financial Statements (continued)

1.1 General information, basis of accounting, adoption of amended accounting standards and future accounting developments (continued)

Amendments to AASB 9 Financial Instruments and AASB 7 Financial Instruments: Disclosure

In July 2024, the AASB issued AASB 2024-2 to amend AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosure* in order to address feedback from the International Accounting Standards Board's 2022 Post-implementation Review of the classification and measurement requirements in AASB 9 and related requirements in AASB 7.

The amendments include guidance on the derecognition of financial liabilities that are settled using an electronic payment system and guidance on assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features. The disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income have also been amended to include disclosure of the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period. Disclosure requirements have also been added for financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The amendments will be effective for the Group from 1 July 2026 and are required to be applied retrospectively. The Group continues to assess the impact of adopting the amendments.

AASB Sustainability Reporting Standards

In September 2024, the Australian Accounting Standards Board (AASB) published AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and AASB S2 *Climate-related Disclosures*. While the application of AASB S1 is voluntary, compliance with AASB S2 is mandatory and requires the Group to disclose information about the governance, strategy, risk management, and metrics and targets relating to all material climate-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital over the short, medium or long term. The Group continues to progress its implementation of AASB S2 which will be effective for the Group from 1 July 2025.

International Tax Reform - Pillar Two Model Rules

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published the Pillar Two Model Rules which are designed to ensure large multinational enterprises pay a minimum level of tax of 15% in each of the jurisdictions where they operate.

Pillar Two is effective for the Group from 1 July 2024. The Group does not have Pillar Two top-up tax obligations as at 31 December 2024.

The Group has applied the mandatory temporary exception from recognising and disclosing Pillar Two deferred taxes under AASB 112 *Income Taxes*.

Notes to the Financial Statements (continued)

2 Our performance

OVERVIEW

The Group earns its returns from providing a broad range of banking products and services to retail and wholesale customers in Australia, New Zealand and other jurisdictions.

Lending and deposit taking are the Group's primary business activities with net interest income being the main contributor to the Group's results. Net interest income is derived from the difference between interest earned on lending and investment assets, and interest incurred on customer deposits and wholesale debt raised to fund these assets.

The Group further generates income from lending fees and commissions, and trading activities. It also incurs costs associated with running the business such as staff, occupancy and technology related expenses.

Our performance section provides details of the main contributors to the Group's returns and analysis of its financial performance by nature and geographical region.

2.1 Net interest income

	Half Year Ended		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Interest income			
Effective interest income:			
Loans and other receivables	26,313	24,266	22,629
Other financial institutions	124	130	160
Cash and liquid assets	1,714	2,225	2,606
Investment securities:			
At amortised cost	29	36	47
At fair value through other comprehensive income	2,521	2,856	2,442
Total effective interest income	30,701	29,513	27,884
Other interest income:			
Assets at fair value through income statement	1,929	1,858	1,681
Other	53	55	53
Total interest income	32,683	31,426	29,618
Interest expense			
Deposits	13,363	12,679	11,314
Other financial institutions	528	600	628
Liabilities at fair value through income statement	952	1,118	946
Term funding from central banks	94	131	147
Debt issues	4,334	4,017	3,805
Loan capital	1,216	1,201	1,125
Lease liabilities	40	42	40
Bank levy	222	218	209
Total interest expense	20,749	20,006	18,214
Net interest income	11,934	11,420	11,404

Notes to the Financial Statements (continued)

2.1 Net interest income (continued)

ACCOUNTING POLICIES

Interest income and interest expense on financial assets and liabilities measured at amortised cost, and debt financial assets measured at fair value through other comprehensive income, are recognised using the effective interest method. Interest income recognition for these categories of financial assets depends on the expected credit losses (ECL) stage they are allocated to in accordance with the Group's ECL methodology. For financial assets classified within Stage 1 and Stage 2 interest income is calculated by applying the effective interest rate to the gross carrying amount of the assets. Interest income on financial assets in Stage 3 is recognised by applying the effective interest rate to the gross carrying amount net of provisions for impairment. For details on the Group's ECL methodology refer to Note 3.2.

Fees, transaction costs and issue costs integral to financial assets and liabilities are capitalised and included in the interest recognised over the expected life of the instrument. This includes establishment fees for providing a loan or a lease arrangement. Facility and line fees in relation to commitments made under credit facilities where drawdown is assessed as probable are considered an integral part of effective interest rate and recognised in net interest income.

Interest income on finance leases is recognised progressively over the life of the lease, consistent with the outstanding investment and unearned income balance.

Interest income and expense on financial assets and liabilities that are classified at fair value through the income statement are accounted for on a contractual rate basis and include amortisation of premiums/discounts.

Interest expense also includes the Major Bank Levy (Bank Levy) expense and other financing charges.

Notes to the Financial Statements (continued)

2.2 Net other operating income

	Half Year Ended ¹		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Commission income	1,261	1,243	1,208
Commission expense ²	(176)	(174)	(161)
Net commission income	1,085	1,069	1,047
Lending fees	449	417	404
Net income on trading and non-trading financial instruments ³	533	514	714
Net (loss)/gain from hedging ineffectiveness	(13)	9	(42)
Share of results of associates and income from other equity investments, net of impairments ^{4 5}	(30)	(170)	(91)
Net insurance and funds management income	60	56	55
Other ^{6 7}	80	28	87
Total net other operating income	2,164	1,923	2,174

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosure-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for further details.

² Includes expenses directly attributable to commission income generation such as credit card loyalty programs, card processing and certain other volume related expenses.

³ Includes gains/(losses) on non-trading derivatives that are held for risk management purposes.

⁴ Includes share of results of associates net of impairments, dividends from other minority investments and gains/(losses) on disposal of investments and businesses not classified as discontinued operations.

⁵ The half years ended 30 June 2024 and 31 December 2023 include \$117 million and \$104 million, respectively, of losses in relation to the sale of the Group's 99% shareholding in PT Bank Commonwealth.

⁶ The half year ended 30 June 2024 includes a \$50 million loss on reclassification of certain assets held as lessor to assets held for sale and remeasurements to fair value less costs to sell.

⁷ Includes depreciation in relation to assets held for sale as lessor.

Notes to the Financial Statements (continued)

2.2 Net other operating income (continued)

ACCOUNTING POLICIES

Lending fees and commission income are accounted for as follows:

- facility fees earned for managing and administering credit and other facilities for customers are generally charged to the customer on a monthly or annual basis and are recognised as revenue over the service period. Annual fees that are not an integral part of the effective interest rate are deferred on the Balance Sheet in bills payable and other liabilities and recognised on a straight-line basis over the year. Transaction based fees are charged and recognised at the time of the transaction;
- commitment fees and fees in relation to guarantee arrangements are deferred and recognised over the life of the contractual arrangements;
- fee income is earned for providing advisory or arrangement services, placement and underwriting services. These fees are recognised when the related service is completed which is typically at the time of the transaction;
- the Group assesses whether the nature of the arrangement with its customer is as a principal provider or an agent of another party. Where the Group acts as an agent for another party, the income earned by the Group is the net consideration received. As an agent, the net consideration represents fee income for facilitating the transaction between the customer and the third party provider with the primary responsibility for fulfilling the contract; and
- commission income is presented net of directly attributable incremental external costs. Directly attributable incremental costs are the costs that would not have been incurred if a specific service had not been provided to a customer. These costs include the costs associated with credit card loyalty programs which are recognised as an expense when the services are provided on the redemption of points, cards processing expenses and certain other volume related expenses.

Establishment fees on financing facilities are deferred and amortised to interest income over the expected life of the loan and are not recognised when the commitment is issued.

Net income on trading and non-trading financial instruments represents both realised and unrealised gains and losses from changes in the fair value of trading assets, liabilities and derivatives, which are recognised in the period in which they arise; and realised and unrealised gains and losses from non-trading financial assets and liabilities, as well as realised and unrealised gains and losses on non-trading derivatives that are held for risk management purposes.

Net hedging ineffectiveness is measured on fair value, cash flow and net investment hedges.

Share of results of associates and income from other equity investments are accounted for as follows:

- dividend income on non-trading equity investments is recognised on the ex-dividend date or when the right to receive payment is established;
- the Group equity accounts for its share of the profits or losses of associate and joint venture investments, net of impairment recognised. Dividends received are recognised as a reduction in the carrying amount of the investments.

Funds management fees are recognised over the service period as the performance obligation is met and when it is highly probable that the performance fee will not reverse.

Other income includes rental income on operating leases which is recognised on a straight-line basis over the lease term. This income is presented net of depreciation and impairment expense on the associated operating lease assets held by the Group.

Other income also includes the impact of foreign currency revaluations for foreign currency monetary assets and liabilities. These assets and liabilities are translated at the spot rate at the balance sheet date. Exchange differences arising upon settling or translating monetary items at different rates to those at which they were initially recognised or previously reported, are recognised in the Income Statement.

Notes to the Financial Statements (continued)

2.3 Operating expenses

	Half Year Ended		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Staff expenses			
Salaries and related on-costs	3,565	3,397	3,360
Share-based compensation	77	69	61
Superannuation	328	303	298
Total staff expenses	3,970	3,769	3,719
Occupancy and equipment expenses			
Lease expenses	78	87	73
Depreciation of property, plant and equipment	277	301	322
Other occupancy expenses	105	106	106
Total occupancy and equipment expenses	460	494	501
Information technology services			
System development and support	606	491	507
Infrastructure and support	146	136	164
Communications	48	51	59
Amortisation and write-offs of software assets	329	371	314
IT equipment depreciation	58	70	62
Total information technology services	1,187	1,119	1,106
Other expenses			
Postage and stationery	68	73	72
Transaction processing and market data	47	55	52
Fees and commissions			
Professional fees	209	224	186
Other	44	44	48
Advertising and marketing	140	165	132
Non-lending losses	115	114	94
Other	132	150	101
Total other expenses	755	825	685
Operating expenses before separation and transaction costs ¹	6,372	6,207	6,011
Separation and transaction costs	–	32	87
Total operating expenses	6,372	6,239	6,098

¹ The half year ended 30 June 2024 includes the impact of \$89 million of restructuring provision.

Notes to the Financial Statements (continued)

2.3 Operating expenses (continued)

ACCOUNTING POLICIES

Salaries and related on-costs include annual leave, long service leave, employee incentives and relevant taxes. Staff expenses are recognised over the period the employee renders the service. Long service leave is discounted to present value using assumptions relating to staff departures, leave utilisation and future salary.

Share-based compensation includes plans which may be cash or equity settled. Cash settled share-based remuneration is recognised as a liability and re-measured to fair value until settled. The changes in fair value are recognised as staff expenses. Equity settled remuneration is fair valued at the grant date and amortised to staff expenses over the vesting period, with a corresponding increase in the employee compensation reserve.

Superannuation expense includes expenses relating to defined contribution and defined benefit superannuation plans. Defined contribution expense is recognised in the period the service is provided, whilst the defined benefit expense, which measures current and past service costs, is determined by an actuarial calculation.

Occupancy and equipment expenses include depreciation which is calculated using the straight-line method over the asset's estimated useful life. Right-of-use assets are depreciated over the shorter of the lease term or the useful life of the underlying asset, with the depreciation presented within depreciation of property, plant and equipment.

IT services expenses are recognised as incurred when the related services are delivered, unless they qualify for capitalisation as computer software because they are identifiable and controlled in a way that allows future economic benefits to be obtained and others' access to those benefits can be restricted. Capitalised computer software assets are amortised over their estimated useful life.

Software as a Service (SaaS) arrangements are service contracts providing the Group with the right to access the provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the provider's application software, are recognised as operating expenses when the services are received. Costs incurred for the development of software code that enhances, modifies or creates additional capability to existing on-premises systems and meets the recognition criteria for an intangible asset are capitalised and amortised over their estimated useful life.

The Group assesses, at each balance sheet date, useful lives and residual values of capitalised software assets and property, plant and equipment and whether there is any objective evidence of impairment. If an asset's carrying value is greater than its recoverable amount, the carrying amount is written down to its recoverable amount.

Other expenses are recognised as the relevant service is rendered. Operating expenses related to provisions are recognised for present obligations arising from past events where a payment to settle the obligation is probable and can be reliably estimated.

Critical accounting judgements and estimates

Actuarial valuations of the Group's defined benefit superannuation plans' obligations are dependent on a series of assumptions set out in Note 10.2 in the 2024 Annual Report including inflation rates, discount rates and salary growth rates. Changes in these assumptions impact the fair value of the plans' obligations, assets, superannuation expense and actuarial gains and losses recognised in other comprehensive income.

Measurements of the Group's share-based compensation is dependent on assumptions, including grant date fair values. Information on these is set out in Note 10.1 in the 2024 Annual Report.

Refer to Note 6.2 in the 2024 Annual Report for more information on the judgements and estimates associated with goodwill.

2.4 Financial reporting by segments

The principal activities of the Group are carried out in the business segments below. These segments are based on the distribution channels through which customer relationships are managed. Business segments are managed on the basis of net profit after tax ("cash basis").

During the half year ended 31 December 2024, there were re-segmentations, allocations and reclassifications, including the transfer of some customers between Retail Banking Services, Business Banking and Institutional Banking and Markets segments, and refinements to the allocation of support unit costs. These changes have not impacted the Group's net profit but have resulted in changes to the presentation of the Income Statement and the Balance Sheet of the affected segments. These changes have been applied retrospectively.

Notes to the Financial Statements (continued)

2.4 Financial reporting by segments (continued)

	Half Year Ended 31 December 2024					
	Retail Banking Services \$M	Business Banking \$M	Institutional Banking and Markets \$M	New Zealand \$M	Corporate Centre and Other \$M	Total \$M
Net interest income	5,699	3,958	779	1,309	189	11,934
Other operating income:						
Net commission income/(expense)	670	224	106	101	(16)	1,085
Lending fees	125	177	133	14	–	449
Trading and other income/(expense)	61	168	332	98	(30)	629
Total other operating income/(expense)	856	569	571	213	(46)	2,163
Total operating income	6,555	4,527	1,350	1,522	143	14,097
Operating expenses	(2,589)	(1,445)	(566)	(632)	(1,140)	(6,372)
Loan impairment (expense)/benefit	(79)	(220)	(9)	(16)	4	(320)
Net profit/(loss) before tax	3,887	2,862	775	874	(993)	7,405
Corporate tax (expense)/benefit	(1,175)	(860)	(190)	(243)	195	(2,273)
Net profit/(loss) after tax from continuing operations – "cash basis"	2,712	2,002	585	631	(798)	5,132
Net profit after tax from discontinued operations	–	–	–	–	1	1
Net profit/(loss) after tax – "cash basis" ¹	2,712	2,002	585	631	(797)	5,133
Gain/(loss) on acquisition, disposal, closure and demerger of businesses	–	–	5	–	(5)	–
Hedging and IFRS volatility	–	–	–	122	(121)	1
Net profit/(loss) after tax – "statutory basis"	2,712	2,002	590	753	(923)	5,134
Additional information						
Amortisation and depreciation	(142)	(66)	(26)	(73)	(357)	(664)
Balance Sheet						
Total assets	540,368	255,391	208,308	119,690	184,809	1,308,566
Total liabilities	413,901	220,834	255,279	106,531	236,757	1,233,302

¹ This balance excludes non-cash items, such as unrealised gains and losses relating to hedging and IFRS volatility, and gains and losses on previously announced divestments including post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency translation reserve recycling), and transaction and separation costs.

Notes to the Financial Statements (continued)

2.4 Financial reporting by segments (continued)

	Half Year Ended 30 June 2024 ¹					
	Retail Banking Services \$M	Business Banking \$M	Institutional Banking and Markets \$M	New Zealand \$M	Corporate Centre and Other \$M	Total \$M
Net interest income	5,499	3,759	739	1,238	185	11,420
Other operating income:						
Net commission income	647	204	90	110	18	1,069
Lending fees	122	167	115	14	(1)	417
Trading and other income	56	166	289	91	17	619
Total other operating income	825	537	494	215	34	2,105
Total operating income	6,324	4,296	1,233	1,453	219	13,525
Operating expenses	(2,471)	(1,362)	(542)	(599)	(1,233)	(6,207)
Loan impairment (expense)/benefit	(105)	(227)	(34)	(55)	34	(387)
Net profit/(loss) before tax	3,748	2,707	657	799	(980)	6,931
Corporate tax (expense)/benefit	(1,132)	(813)	(138)	(226)	195	(2,114)
Net profit/(loss) after tax from continuing operations – "cash basis"	2,616	1,894	519	573	(785)	4,817
Net profit after tax from discontinued operations	–	–	–	–	5	5
Net profit/(loss) after tax – "cash basis" ²	2,616	1,894	519	573	(780)	4,822
Loss on acquisition, disposal, closure and demerger of businesses	–	–	(37)	–	(139)	(176)
Hedging and IFRS volatility	–	–	–	(39)	28	(11)
Net profit/(loss) after tax – "statutory basis"	2,616	1,894	482	534	(891)	4,635
Additional information						
Amortisation and depreciation	(113)	(53)	(22)	(75)	(479)	(742)
Balance Sheet						
Total assets	521,670	247,676	188,608	116,496	179,626	1,254,076
Total liabilities	390,994	218,787	250,444	103,720	217,043	1,180,988

¹ Comparative information has been restated to reflect the change detailed in Note 1.1.

² This balance excludes non-cash items, such as unrealised gains and losses relating to hedging and IFRS volatility, and gains and losses on previously announced divestments including post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency translation reserve recycling), and transaction and separation costs.

Notes to the Financial Statements (continued)

2.4 Financial reporting by segments (continued)

	Half Year Ended 31 December 2023 ¹					
	Retail Banking Services \$M	Business Banking \$M	Institutional Banking and Markets \$M	New Zealand \$M	Corporate Centre and Other \$M	Total \$M
Net interest income	5,615	3,732	719	1,253	85	11,404
Other operating income:						
Net commission income/(expense)	636	193	107	113	(2)	1,047
Lending fees	114	163	112	14	1	404
Trading and other income	91	173	361	92	77	794
Total other operating income	841	529	580	219	76	2,245
Total operating income	6,456	4,261	1,299	1,472	161	13,649
Operating expenses	(2,448)	(1,342)	(533)	(598)	(1,090)	(6,011)
Loan impairment (expense)/benefit	(214)	(210)	37	(9)	(19)	(415)
Net profit/(loss) before tax	3,794	2,709	803	865	(948)	7,223
Corporate tax (expense)/benefit	(1,145)	(813)	(198)	(240)	192	(2,204)
Net profit/(loss) after tax from continuing operations – "cash basis"	2,649	1,896	605	625	(756)	5,019
Net profit after tax from discontinued operations	–	–	–	–	6	6
Net profit/(loss) after tax – "cash basis" ²	2,649	1,896	605	625	(750)	5,025
Loss on acquisition, disposal, closure and demerger of businesses	–	–	–	–	(294)	(294)
Hedging and IFRS volatility	–	–	–	190	(162)	28
Net profit/(loss) after tax – "statutory basis"	2,649	1,896	605	815	(1,206)	4,759
Additional information						
Amortisation and depreciation	(121)	(53)	(24)	(76)	(424)	(698)
Balance Sheet						
Total assets	509,137	236,238	202,874	117,669	210,051	1,275,969
Total liabilities	382,695	218,335	248,464	105,394	248,242	1,203,130

¹ Comparative information has been restated to reflect the change detailed in Note 1.1.

² This balance excludes non-cash items, such as unrealised gains and losses relating to hedging and IFRS volatility, and gains and losses on previously announced divestments including post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency translation reserve recycling), and transaction and separation costs.

Notes to the Financial Statements (continued)

2.4 Financial reporting by segments (continued)

Geographical Information	Half Year Ended					
	31 Dec 24		30 Jun 24		31 Dec 23	
Financial performance and position	\$M	%	\$M	%	\$M	%
Income						
Australia	11,612	82.4	11,052	82.8	11,173	82.3
New Zealand	1,712	12.1	1,665	12.5	1,737	12.8
Other locations ¹	774	5.5	626	4.7	668	4.9
Total income	14,098	100.0	13,343	100.0	13,578	100.0
Non-current assets ²						
Australia	11,298	92.7	12,075	93.3	12,741	90.6
New Zealand	775	6.4	752	5.8	764	5.4
Other locations ¹	110	0.9	120	0.9	562	4.0
Total non-current assets	12,183	100.0	12,947	100.0	14,067	100.0

¹ Other locations include: United Kingdom, the Netherlands, United States, Japan, Singapore, Hong Kong, China and India.

² Non-current assets include property, plant and equipment, investments in associates and joint ventures, and intangible assets.

The geographical segment represents the location in which the transaction was recognised.

ACCOUNTING POLICIES

Operating segments are reported based on the Group's organisational and management structures. Senior management review the Group's internal reporting based around these segments, in order to assess performance and allocate resources.

All transactions between segments are conducted on an arm's length basis, with inter-segment revenue and costs eliminated in the 'Corporate Centre and Other' segment.

Notes to the Financial Statements (continued)

2.5 Income tax expense

The income tax expense for the half year is determined from the profit before income tax as follows:

	Half Year Ended ¹		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Profit before income tax	7,406	6,717	7,065
Prima facie income tax at 30%	2,222	2,016	2,119
Effect of amounts which are non-deductible/(non-assessable) in calculating taxable income:			
Offshore tax rate differential	(56)	(49)	(50)
Taxation offsets and other dividend adjustments	(7)	–	–
Effect of change in tax rates	–	(4)	–
Income tax over provided in previous years	11	2	(2)
Hybrid capital distributions	72	80	83
Other	22	28	78
Total income tax expense	2,264	2,073	2,228
Effective tax rate (%)	30.6	30.9	31.5

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosure-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for further details.

ACCOUNTING POLICIES

Income tax on the profit or loss for the period comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the balance sheet method where temporary differences are identified by comparing the carrying amounts of assets and liabilities for financial reporting purposes to their tax bases.

The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities (i.e. through use or through sale), using tax rates which are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

The Group recognised and disclosed separate deferred tax assets and deferred tax liabilities arising from arrangements where the Group is a lessee. Deferred tax assets and liabilities are offset where they relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities within the same taxable group.

The Bank and its wholly owned Australian subsidiaries elected to be treated as a single entity ("the tax consolidated group") under the tax consolidation regime from 1 July 2002. The members of the tax consolidated group have entered into tax funding and tax sharing agreements, which set out the funding obligations and members.

Any current tax assets/liabilities and deferred tax assets from unused tax losses from subsidiaries in the tax consolidated group are recognised by the Bank legal entity and funded in line with the tax funding arrangement.

The measurement and disclosure of deferred tax assets and liabilities have been performed on a modified stand-alone basis under UIG 1052 *Tax Consolidation Accounting*.

Critical accounting judgements and estimates

Provisions for taxation require significant judgement with respect to outcomes that are uncertain. For such uncertainties, the Group has estimated the tax provisions based on the expected outcomes. A deferred tax asset is only recognised to the extent that it is probable that future taxable profits will be available for it to be used against.

Notes to the Financial Statements (continued)

3 Our lending activities

OVERVIEW

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

This section provides details of the Group's lending portfolio by type of product and geographic region, analysis of the credit quality of the Group's lending portfolio and the related impairment provisions.

3.1 Loans and other receivables

	As at		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Australia			
Overdrafts	5,571	15,570	16,579
Home loans ^{1 2}	615,522	596,346	581,965
Credit card outstandings	8,565	8,559	9,332
Lease financing	4,868	4,324	3,846
Term loans and other lending	220,732	207,535	200,375
Total Australia	855,258	832,334	812,097
New Zealand			
Overdrafts	716	884	868
Home loans ^{1 2}	69,686	68,273	68,396
Credit card outstandings	872	866	911
Term loans and other lending	32,885	32,484	32,616
Total New Zealand	104,159	102,507	102,791
Other overseas			
Home loans	61	82	99
Term loans and other lending	17,906	15,025	13,820
Total other overseas	17,967	15,107	13,919
Gross loans and other receivables	977,384	949,948	928,807
Less:			
Provisions for loan impairment:			
Collective provisions	(5,294)	(5,200)	(5,141)
Individually assessed provisions	(735)	(712)	(684)
Unearned income:			
Term loans	(1,427)	(1,363)	(1,241)
Lease financing	(524)	(463)	(369)
	(7,980)	(7,738)	(7,435)
Net loans and other receivables	969,404	942,210	921,372

1 Home loans balance includes residential mortgages that have been assigned to securitisation vehicles and covered bond trusts. Further details on these residential mortgages are disclosed in Note 4.5 in the 2024 Annual Report.

2 These balances are presented gross of mortgage offset balances as required under accounting standards.

Notes to the Financial Statements (continued)

3.1 Loans and other receivables (continued)

ACCOUNTING POLICIES

Loans and other receivables include home loans, overdrafts, credit cards, other personal lending and term loans. These financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. The contractual cash flows on these financial assets comprise the payment of principal and interest only. These instruments are accordingly measured at amortised cost.

Loans and other receivables, consistent with the Group's policy for all financial assets measured at amortised cost, are recognised on settlement date, when funding is advanced to the borrowers. They are initially recognised at their fair value plus directly attributable transaction costs such as broker fees and commissions. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method and are presented net of provisions for impairment. The accounting policy for provisions for impairment is provided in Note 3.2. For information on the Group's management of credit risk, refer to Note 9.2 of the 2024 Annual Report.

Finance leases, where the Group acts as lessor, are also included in loans and other receivables. Finance leases are those where substantially all the risks and rewards of the lease asset have been transferred to the lessee. Lease receivables are recognised at an amount equal to the net investment in the lease. Finance lease income reflects a constant periodic return on this net investment and is recognised within other interest income in the Consolidated Income Statement.

Critical accounting judgements and estimates

When applying the effective interest method, the Group has estimated the behavioural term of each loan portfolio by reference to historical prepayment rates and the contractual maturity.

3.2 Loan impairment expense, provisions for impairment and asset quality

The following table provides information about movements in the Group's provision for impairment losses.

	Half Year Ended		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Provision for impairment losses			
Collective provisions			
Opening balance	5,423	5,298	5,196
Net collective provision funding	221	269	307
Impairment losses written off	(245)	(238)	(236)
Impairment losses recovered	65	76	52
Reclassified to assets held for sale ¹	—	—	(32)
Other	28	18	11
Closing balance	5,492	5,423	5,298
Individually assessed provisions			
Opening balance	712	684	754
Net new and increased individual provisioning	169	194	216
Write-back of provisions no longer required	(70)	(46)	(108)
Discount unwind to interest income	(11)	(8)	(7)
Impairment losses written off	(110)	(150)	(140)
Reclassified to assets held for sale ¹	—	—	(49)
Other	45	38	18
Closing balance	735	712	684
Total provisions for impairment losses	6,227	6,135	5,982
Less: Provision for off balance sheet exposures	(198)	(223)	(157)
Total provisions for loan impairment	6,029	5,912	5,825

¹ The half year ended 31 December 2023 includes provisions for impairment in relation to the loan portfolio of PTBC which was reclassified to assets held for sale. Refer to Note 7.3 for further details.

Notes to the Financial Statements (continued)

3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

	Half Year Ended		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Loan impairment expense			
Net collective provision funding ¹	221	252	307
Net new and increased individual provisioning ¹	169	181	216
Write-back of individually assessed provisions	(70)	(46)	(108)
Total loan impairment expense	320	387	415

¹ The half year ended 30 June 2024 includes \$30 million benefit from provisions in relation to assets held for sale.

Movement in provisions for impairment and credit exposures by ECL stage

The following table provides movements in the Group's impairment provisions and credit exposures by expected credit loss (ECL) stage for the half years ended 31 December 2024, 30 June 2024 and 31 December 2023.

Movements in credit exposures and provisions for impairment in the following tables represent the sum of monthly movements over the half-year periods and are attributable to the following items:

- **Transfers to/(from):** movements due to transfers of credit exposures between Stage 1, Stage 2 and Stage 3. Excludes the impact of re-measurements of provisions for impairment between 12 months and lifetime ECL;
- **Net re-measurement on transfers between stages:** movements in provisions for impairment due to re-measurement between 12 months and lifetime ECL as a result of transfers of credit exposures between stages;
- **Net financial assets originated:** net movements in credit exposures and provisions for impairment due to new financial assets originated as well as changes in existing credit exposures due to maturities, repayments or credit limit changes;
- **Movements in existing IAP (including IAP write-backs):** net movements in existing individually assessed provisions (IAP) excluding write-offs;
- **Movement due to risk parameters and other changes:** movements in provisions for impairment due to changes in credit risk parameters, forward looking economic scenarios or other assumptions as well as other changes in underlying credit quality that do not lead to transfers between Stage 1, Stage 2 and Stage 3;
- **Write-offs:** derecognition of credit exposures and provisions for impairment upon write-offs;
- **Recoveries:** increases in provisions for impairment due to recoveries of loans previously written off; and
- **Foreign exchange and other movements:** other movements in credit exposures and provisions for impairment including the impact of changes in foreign exchange rates.

Notes to the Financial Statements (continued)

3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

	Group							
	Stage 1		Stage 2 ^{1 2}		Stage 3		Total	
	Performing		Performing		Non-performing			
	Gross exposure	Provisions	Gross exposure	Provisions	Gross exposure	Provisions	Gross exposure	Provisions ³
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Opening balance as at 1 July 2023	921,565	1,709	187,874	2,889	7,777	1,352	1,117,216	5,950
Transfers to/(from)								
Stage 1	55,653	698	(55,623)	(696)	(30)	(2)	–	–
Stage 2	(94,585)	(384)	96,359	504	(1,774)	(120)	–	–
Stage 3	(977)	(32)	(3,149)	(178)	4,126	210	–	–
Net re-measurement on transfers between stages	–	(492)	–	848	–	236	–	592
Net financial assets originated	31,408	61	(27,635)	(675)	(1,712)	(159)	2,061	(773)
Movement in existing IAP (including IAP write-backs)	–	–	–	–	–	93	–	93
Movements due to risk parameters and other changes	–	188	–	231	–	84	–	503
Loan impairment expense for the period		39		34		342		415
Write-offs	–	–	–	–	(376)	(376)	(376)	(376)
Recoveries	–	–	–	–	–	52	–	52
Foreign exchange and other commitments	630	5	376	5	20	12	1,026	22
Reclassified assets held for sale	(791)	(9)	(53)	(21)	(63)	(51)	(907)	(81)
Closing balance as at 31 December 2023	912,903	1,744	198,149	2,907	7,968	1,331	1,119,020	5,982
Transfers to/(from)								
Stage 1	56,785	778	(56,737)	(773)	(48)	(5)	–	–
Stage 2	(68,088)	(352)	69,501	458	(1,413)	(106)	–	–
Stage 3	(640)	(15)	(4,225)	(214)	4,865	229	–	–
Net re-measurement on transfers between stages	–	(581)	–	819	–	289	–	527
Net financial assets originated	41,771	282	(14,881)	(177)	(1,376)	(160)	25,514	(55)
Movement in existing IAP (including IAP write-backs)	–	–	–	–	–	81	–	81
Movements due to risk parameters and other changes	–	(65)	–	(235)	–	164	–	(136)
Loan impairment expense for the period ⁴		47		(122)		492		417
Write-offs	–	–	–	–	(388)	(388)	(388)	(388)
Recoveries	–	–	–	–	–	76	–	76
Foreign exchange and other commitments	(1,581)	4	(347)	9	(31)	35	(1,959)	48
Closing balance as at 30 June 2024	941,150	1,795	191,460	2,794	9,577	1,546	1,142,187	6,135
Transfers to/(from)								
Stage 1	58,139	737	(58,082)	(733)	(57)	(4)	–	–
Stage 2	(96,390)	(352)	98,261	468	(1,871)	(116)	–	–
Stage 3	(738)	(13)	(4,016)	(199)	4,754	212	–	–
Net re-measurement on transfers between stages	–	(510)	–	799	–	280	–	569
Net financial assets originated	66,566	191	(18,525)	(390)	(1,848)	(194)	46,193	(393)
Movement in existing IAP (including IAP write-backs)	–	–	–	–	–	40	–	40
Movements due to risk parameters and other changes	–	(52)	–	179	–	(23)	–	104
Loan impairment expense for the period		1		124		195		320
Write-offs	–	–	–	–	(355)	(355)	(355)	(355)
Recoveries	–	–	–	–	–	65	–	65
Foreign exchange and other commitments	(488)	9	(248)	15	(19)	38	(755)	62
Closing balance as at 31 December 2024	968,239	1,805	208,850	2,933	10,181	1,489	1,187,270	6,227

1 The assessment of significant increase in credit risk (SICR) includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risks at an industry, geographic location or particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 60% of Stage 2 exposures as at 31 December 2024 (30 June 2024: 64%; 31 December 2023: 62%).

2 During the half year ended 31 December 2024, the Group recalibrated the capital model for the commercial portfolio which resulted in a higher proportion of exposures allocated to Stage 2 as at 31 December 2024. This change did not have a significant impact on provisioning levels as the Group recognised an increase in provisions for the expected impact of model recalibration in the prior period.

3 As at 31 December 2024, total provisions included \$198 million in relation to financial guarantees and other off balance sheet instruments (30 June 2024: \$223 million, 31 December 2023: \$157 million).

4 Loan impairment expense for the half 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 half year ended 30 June 2024 exclude \$43 million recognised by the Group in relation to credit exposures reclassified as assets held for sale.

Notes to the Financial Statements (continued)

3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

ACCOUNTING POLICIES

By providing loans to customers, the Group bears the risk that the future circumstances of customers might change, including their ability to repay their loans in part or in full. While the Group's credit and responsible lending policies aim to minimise this risk, there will always be instances where the Group will not receive the full amount owed and hence a provision for impaired loans will be necessary.

A description of the key components of the Group's impairment methodology is provided in Note 3.2 of the 2024 Annual Report.

Forward-looking information

The Group uses the following four alternative macroeconomic scenarios to reflect a probability-weighted range of possible future outcomes in estimating ECL for significant portfolios:

- **Central scenario:** This scenario is based on the Group's internal economic forecasts and market consensus as well as other assumptions used in business planning and forecasting;
- **Downside scenario:** This scenario contemplates the potential impact of possible, but less likely, adverse macroeconomic conditions, resulting from significant inflationary pressures which leads to disorderly asset price declines, a sharp increase in credit spreads, corporate defaults and high unemployment. This is exacerbated by a breakdown in global trade and compounded by geopolitical risks. The scenario also reflects the potential macroeconomic impacts of climate risk from a severe drought in Australia, through a decline in house prices, higher unemployment as well as weaker growth;
- **Upside scenario:** This scenario is included to account for the potential impact of remote, more favourable macroeconomic conditions. Relative to the Central scenario, the Upside scenario features stronger growth in economic output, further improvement in labour market conditions, lower interest rates and a stronger housing market; and
- **Severe downside scenario:** This scenario contemplates the potentially severe impact of remote, extremely adverse macroeconomic conditions. Relative to the Downside scenario, this scenario features a sharper contraction with a slower recovery in economic output, heightened and prolonged weakness in the labour market, and more severe declines in house prices, while interest rates are reduced to accommodative levels.

The table below provides a summary of macroeconomic variables used in the Central and Downside scenarios as at 31 December 2024.

	Central Calendar Year		Downside Calendar Year	
	2025	2026	2025	2026
GDP (annual % change)	2.2	2.5	(7.1)	(3.5)
Unemployment rate (%) ¹	4.6	4.5	8.5	8.9
Cash rate (%) ¹	3.60	3.35	5.75	4.35
House prices (annual % change)	4.8	4.0	(25.0)	0.7
CPI (annual % change) ²	3.0	2.5	7.8	5.0
AUD/USD exchange rate ¹	0.69	0.69	0.52	0.52
Trade Weighted Index (TWI) ¹	62.8	62.8	52.0	52.0
NZ unemployment rate (%) ¹	5.1	4.6	8.5	8.9
NZ cash rate (%) ¹	3.25	3.25	6.50	5.00
NZ house prices (annual % change)	9.4	7.4	(15.0)	–

¹ Spot rate at 31 December.

² CPI is not a variable used in ECL models, however, it is considered by the Group in deriving forecast macroeconomic variables used in ECL models.

The requirement to probability-weight possible future outcomes captures the uncertainty inherent in the credit outlook, and changes in that uncertainty over time. Weights are assigned to each scenario based on management's best estimate of the proportion of potential future loss outcomes that each scenario represents. The same economic scenarios and probability weights apply across all portfolios. The following probability weights applied at 31 December 2024, 30 June 2024 and 31 December 2023:

Scenario	Combined weighting		
	31 Dec 24	30 Jun 24	31 Dec 23
Central and Upside	57.5%	57.5%	57.5%
Downside and Severe downside	42.5%	42.5%	42.5%

During the current half year, macroeconomic scenarios were revised reflecting current economic conditions. The changes to the Central scenario included slightly stronger growth and slower house price growth whilst the expectation of rate cuts has been delayed. The Downside scenario was also updated for higher interest rates.

The Group's assessment of SICR also incorporates the impact of multiple probability-weighted future forecast economic scenarios on exposures' internal risk grades using the same four forecast macroeconomic scenarios as described above. There were no changes to scenario weights during the current period.

Notes to the Financial Statements (continued)

3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

Incorporation of experienced credit judgement

Management exercises credit judgement in assessing if an exposure has experienced SICR and in determining the amount of impairment provisions at each reporting date. Where applicable, credit risk factors (PD and LGD) are adjusted to incorporate reasonable and supportable forward looking information about known or expected risks for specific segments of portfolios that would otherwise not have been considered in the modelling process. Credit judgement is used to determine the degree of adjustment to be applied and considers information such as emerging risks at an industry, geographic and portfolio segment level.

The Group also applies overlays which are determined based on a range of techniques including stress testing, benchmarking, scenario analysis and expert judgement. Overlays are subject to internal governance and applied as an incremental ECL top-up amount to the impacted portfolio segments.

As at 31 December 2024, the Group held overlays of \$473 million (30 June 2024: \$558 million; 31 December 2023: \$598 million) for emerging risks, including the potential impact on customers more susceptible to ongoing cost of living pressures and high interest rates. The overlays included \$473 million (30 June 2024: \$558 million; 31 December 2023: \$594 million) in relation to the Group's retail lending portfolio and nil (30 June 2024: nil; 31 December 2023: \$4 million) in relation to the non-retail portfolio.

The Group also applies additional overlays and forward-looking adjustments for other factors that cannot be adequately accounted for through the ECL models.

Sensitivity of provisions for impairment to changes in forward looking assumptions

As described above, the Group applies four alternative macroeconomic scenarios (Central, Upside, Downside and Severe downside scenarios) to reflect a probability-weighted range of possible future outcomes in estimating ECL.

The table below provides approximate levels of provisions for impairment under the Central and Downside scenarios assuming 100% weighting was applied to each scenario and holding all other assumptions constant. As noted above, these scenarios and their associated weights have been selected based on the expected range of potential future loss outcomes.

	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Reported probability weighted ECL	6,227	6,135	5,982
100% Central scenario	3,873	3,956	3,769
100% Downside scenario	8,145	7,883	7,934

Sensitivity of provisions for impairment to SICR assessment criteria

If 1% of Stage 1 credit exposures as at 31 December 2024 was included in Stage 2, provisions for impairment would increase by approximately \$118 million (30 June 2024: \$119 million; 31 December 2023: \$116 million).

If 1% of Stage 2 credit exposures as at 31 December 2024 was included in Stage 1, provisions for impairment would decrease by approximately \$25 million (30 June 2024: \$24 million; 31 December 2023: \$25 million).

Notes to the Financial Statements (continued)

3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

Distribution of financial instruments by credit quality

The following tables provide information about the gross carrying amount of the Group's credit exposures by credit grade and ECL stage. For the definition of the Group's credit grades refer to Note 9.2 of the 2024 Annual Report.

	As at 31 December 2024			
	Stage 1 Performing	Stage 2 ^{1 2} Performing	Stage 3 Non- performing	Total
	\$M	\$M	\$M	\$M
Loans and other receivables				
Credit grade:				
Investment	505,790	20,102	–	525,892
Pass	283,224	147,685	–	430,909
Weak	719	7,981	9,932	18,632
Gross carrying amount	789,733	175,768	9,932	975,433
Undrawn credit commitments				
Credit grade:				
Investment	118,225	9,258	–	127,483
Pass	43,324	15,639	–	58,963
Weak	147	272	109	528
Total undrawn credit commitments	161,696	25,169	109	186,974
Total credit exposures	951,429	200,937	10,041	1,162,407
Impairment provision	(1,779)	(2,782)	(1,468)	(6,029)
Provisions to credit exposure, %	0.2	1.4	14.6	0.5
Financial guarantees and other off balance sheet instruments				
Credit grade:				
Investment	12,398	1,203	–	13,601
Pass	4,398	6,192	–	10,590
Weak	14	518	140	672
Total financial guarantees and other off balance sheet instruments	16,810	7,913	140	24,863
Impairment provision	(26)	(151)	(21)	(198)
Provisions to credit exposure, %	0.2	1.9	15.0	0.8
Total credit exposures				
Credit grade:				
Investment	636,413	30,563	–	666,976
Pass	330,946	169,516	–	500,462
Weak	880	8,771	10,181	19,832
Total credit exposures	968,239	208,850	10,181	1,187,270
Total impairment provision	(1,805)	(2,933)	(1,489)	(6,227)
Provision to credit exposure, %	0.2	1.4	14.6	0.5

1 The assessment of SICR includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risks at an industry, geographic location or particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 60% of Stage 2 exposures as at 31 December 2024.

2 During the half year ended 31 December 2024, the Group recalibrated the capital model for the commercial portfolio which resulted in a higher proportion of exposures allocated to Stage 2 as at 31 December 2024. This change did not have a significant impact on provisioning levels as the Group recognised an increase in provisions for the expected impact of model recalibration in the prior period.

Notes to the Financial Statements (continued)

3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

	As at 31 December 2024			
	Stage 1 Performing	Stage 2 ^{1 2} Performing	Stage 3 Non-performing	Total
	\$M	\$M	\$M	\$M
Retail secured				
Credit grade:				
Investment	477,806	7,555	–	485,361
Pass	235,391	42,140	–	277,531
Weak	163	840	7,257	8,260
Total retail secured	713,360	50,535	7,257	771,152
Impairment provision	(1,030)	(598)	(441)	(2,069)
Provisions to credit exposure, %	0.1	1.2	6.1	0.3
Retail unsecured				
Credit grade:				
Investment	14,937	1,167	–	16,104
Pass	10,728	1,175	–	11,903
Weak	547	967	217	1,731
Total retail unsecured	26,212	3,309	217	29,738
Impairment provision	(376)	(421)	(137)	(934)
Provisions to credit exposure, %	1.4	12.7	63.1	3.1
Non-retail				
Credit grade:				
Investment	143,670	21,841	–	165,511
Pass	84,827	126,201	–	211,028
Weak	170	6,964	2,707	9,841
Total non-retail	228,667	155,006	2,707	386,380
Impairment provision	(399)	(1,914)	(911)	(3,224)
Provisions to credit exposure, %	0.2	1.2	33.7	0.8
Total credit exposures				
Credit grade:				
Investment	636,413	30,563	–	666,976
Pass	330,946	169,516	–	500,462
Weak	880	8,771	10,181	19,832
Total credit exposures	968,239	208,850	10,181	1,187,270
Total impairment provision	(1,805)	(2,933)	(1,489)	(6,227)
Provision to credit exposure, %	0.2	1.4	14.6	0.5

1 The assessment of SICR includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risks at an industry, geographic location or particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 60% of Stage 2 exposures as at 31 December 2024.

2 During the half year ended 31 December 2024, the Group recalibrated the capital model for the commercial portfolio which resulted in a higher proportion of exposures allocated to Stage 2 as at 31 December 2024. This change did not have a significant impact on provisioning levels as the Group recognised an increase in provisions for the expected impact of model recalibration in the prior period.

Notes to the Financial Statements (continued)

3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

	As at 30 June 2024			
	Stage 1 Performing	Stage 2 ^{1 2} Performing	Stage 3 Non- performing	Total
	\$M	\$M	\$M	\$M
Loans and other receivables				
Credit grade:				
Investment	489,281	19,346	–	508,627
Pass	286,201	135,716	–	421,917
Weak	1,018	7,155	9,406	17,579
Gross carrying amount	776,500	162,217	9,406	948,123
Undrawn credit commitments				
Credit grade:				
Investment	114,371	6,757	–	121,128
Pass	34,331	14,126	–	48,457
Weak	179	483	100	762
Total undrawn credit commitments	148,881	21,366	100	170,347
Total credit exposures	925,381	183,583	9,506	1,118,470
Impairment provision	(1,768)	(2,610)	(1,534)	(5,912)
Provisions to credit exposure, %	0.2	1.4	16.1	0.5
Financial guarantees and other off balance sheet instruments				
Credit grade:				
Investment	11,434	1,435	–	12,869
Pass	4,318	5,734	–	10,052
Weak	17	708	71	796
Total financial guarantees and other off balance sheet instruments	15,769	7,877	71	23,717
Impairment provision	(27)	(184)	(12)	(223)
Provisions to credit exposure, %	0.2	2.3	16.9	0.9
Total credit exposures				
Credit grade:				
Investment	615,086	27,538	–	642,624
Pass	324,850	155,576	–	480,426
Weak	1,214	8,346	9,577	19,137
Total credit exposures	941,150	191,460	9,577	1,142,187
Total impairment provision	(1,795)	(2,794)	(1,546)	(6,135)
Provision to credit exposure, %	0.2	1.5	16.1	0.5

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

2 During the half year ended 30 June 2024, the Group implemented a number of new models for the unsecured retail portfolios which resulted in a reduction in provisions and a higher proportion of exposures allocated to Stage 1. The Group's provisioning coverage ratio for unsecured retail exposures remained prudent relative to current loss rates, and broadly in line with pre-pandemic levels.

Notes to the Financial Statements (continued)

3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

	As at 30 June 2024			Total \$M
	Stage 1 Performing	Stage 2 ¹ Performing	Stage 3 Non-performing	
	\$M	\$M	\$M	
Retail secured				
Credit grade:				
Investment	453,412	6,104	–	459,516
Pass	238,998	41,076	–	280,074
Weak	182	803	6,727	7,712
Total retail secured	692,592	47,983	6,727	747,302
Impairment provision	(994)	(516)	(570)	(2,080)
Provisions to credit exposure, %	0.1	1.1	8.5	0.3
Retail unsecured ²				
Credit grade:				
Investment	14,944	828	–	15,772
Pass	10,596	1,465	–	12,061
Weak	796	802	231	1,829
Total retail unsecured	26,336	3,095	231	29,662
Impairment provision	(366)	(462)	(157)	(985)
Provisions to credit exposure, %	1.4	14.9	68.0	3.3
Non-retail				
Credit grade:				
Investment	146,730	20,606	–	167,336
Pass	75,256	113,035	–	188,291
Weak	236	6,741	2,619	9,596
Total non-retail	222,222	140,382	2,619	365,223
Impairment provision	(435)	(1,816)	(819)	(3,070)
Provisions to credit exposure, %	0.2	1.3	31.3	0.8
Total credit exposures				
Credit grade:				
Investment	615,086	27,538	–	642,624
Pass	324,850	155,576	–	480,426
Weak	1,214	8,346	9,577	19,137
Total credit exposures	941,150	191,460	9,577	1,142,187
Total impairment provision	(1,795)	(2,794)	(1,546)	(6,135)
Provision to credit exposure, %	0.2	1.5	16.1	0.5

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

² During the half year ended 30 June 2024, the Group implemented a number of new models for the unsecured retail portfolios which resulted in a reduction in provisions and a higher proportion of exposures allocated to Stage 1. The Group's provisioning coverage ratio for unsecured retail exposures remained prudent relative to current loss rates, and broadly in line with pre-pandemic levels.

Notes to the Financial Statements (continued)

3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

	As at 31 December 2023			
	Stage 1 Performing	Stage 2 ^{1 2} Performing	Stage 3 Non- performing	Total
	\$M	\$M	\$M	\$M
Loans and other receivables				
Credit grade:				
Investment	476,197	20,924	–	497,121
Pass	277,173	137,805	–	414,978
Weak	945	6,392	7,760	15,097
Gross carrying amount	754,315	165,121	7,760	927,196
Undrawn credit commitments				
Credit grade:				
Investment	108,641	9,549	–	118,190
Pass	34,088	15,400	–	49,488
Weak	154	427	120	701
Total undrawn credit commitments	142,883	25,376	120	168,379
Total credit exposures	897,198	190,497	7,880	1,095,575
Impairment provision	(1,721)	(2,782)	(1,322)	(5,825)
Provisions to credit exposure, %	0.2	1.5	16.8	0.5
Financial guarantees and other off balance sheet instruments				
Credit grade:				
Investment	11,526	1,678	–	13,204
Pass	4,161	5,595	–	9,756
Weak	18	379	88	485
Total financial guarantees and other off balance sheet instruments	15,705	7,652	88	23,445
Impairment provision	(23)	(125)	(9)	(157)
Provisions to credit exposure, %	0.2	1.6	10.2	0.7
Total credit exposures				
Credit grade:				
Investment	596,364	32,151	–	628,515
Pass	315,422	158,800	–	474,222
Weak	1,117	7,198	7,968	16,283
Total credit exposures	912,903	198,149	7,968	1,119,020
Total impairment provision	(1,744)	(2,907)	(1,331)	(5,982)
Provision to credit exposure, %	0.2	1.5	16.7	0.5

1 The assessment of SICR includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risks at an industry, geographic location or particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 62% of Stage 2 exposures as at 31 December 2023.

2 During the half year ended 31 December 2023, the Group recalibrated the capital model for the large corporate portfolio which resulted in a higher proportion of exposures allocated to Stage 2 as at 31 December 2023. This change did not have a significant impact on provisioning levels as the Group recognised an increase in provisions for the expected impact of model recalibration in the prior period.

Notes to the Financial Statements (continued)

3.2 Loan impairment expense, provisions for impairment and asset quality (continued)

	As at 31 December 2023			
	Stage 1 Performing	Stage 2 ^{1 2} Performing	Stage 3 Non- performing	Total
	\$M	\$M	\$M	\$M
Retail secured				
Credit grade:				
Investment	432,509	5,911	–	438,420
Pass	236,172	46,720	–	282,892
Weak	158	871	5,361	6,390
Total retail secured	668,839	53,502	5,361	727,702
Impairment provision	(994)	(509)	(430)	(1,933)
Provisions to credit exposure, %	0.1	1.0	8.0	0.3
Retail unsecured				
Credit grade:				
Investment	12,433	3,861	–	16,294
Pass	9,469	2,411	–	11,880
Weak	675	841	197	1,713
Total retail unsecured	22,577	7,113	197	29,887
Impairment provision	(374)	(663)	(136)	(1,173)
Provisions to credit exposure, %	1.7	9.3	69.0	3.9
Non-retail				
Credit grade:				
Investment	151,422	22,379	–	173,801
Pass	69,781	109,669	–	179,450
Weak	284	5,486	2,410	8,180
Total non-retail	221,487	137,534	2,410	361,431
Impairment provision	(376)	(1,735)	(765)	(2,876)
Provisions to credit exposure, %	0.2	1.3	31.7	0.8
Total credit exposures				
Credit grade:				
Investment	596,364	32,151	–	628,515
Pass	315,422	158,800	–	474,222
Weak	1,117	7,198	7,968	16,283
Total credit exposures	912,903	198,149	7,968	1,119,020
Total impairment provision	(1,744)	(2,907)	(1,331)	(5,982)
Provision to credit exposure, %	0.2	1.5	16.7	0.5

1 The assessment of SICR includes the impact of forward looking multiple economic scenarios in addition to adjustments for emerging risks at an industry, geographic location or particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date. This accounts for approximately 62% of Stage 2 exposures as at 31 December 2023.

2 During the half year ended 31 December 2023, the Group recalibrated the capital model for the large corporate portfolio which resulted in a higher proportion of exposures allocated to Stage 2 as at 31 December 2023. This change did not have a significant impact on provisioning levels as the Group recognised an increase in provisions for the expected impact of model recalibration in the prior period.

Notes to the Financial Statements (continued)

4 Our deposits and funding activities

OVERVIEW

Stable and well diversified funding sources are critical to the Group's ability to fund its lending and investing activities, and support its business growth.

The Group's main sources of funding include customer deposits and term funds raised in domestic and offshore wholesale markets via issuing debt securities and loan capital. The Group also relies on repurchase agreements as a source of short-term wholesale funding. Refer to Note 9.4 of the 2024 Annual Report for the Group's management of liquidity and funding risk.

4.1 Deposits and other public borrowings

	As at ¹		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Australia			
Interest bearing deposits and public borrowings			
Certificates of deposit	21,267	30,178	30,772
Transaction deposits	184,460	183,878	176,363
Savings deposits	281,765	269,745	261,863
Investment deposits	199,599	193,276	200,921
Other demand deposits	489	492	497
Securities sold under agreements to repurchase	582	241	301
Non-interest bearing deposits and public borrowings			
Transaction deposits	100,962	100,723	101,276
Other non-interest bearing liabilities	1,034	1,168	1,127
Total Australia	790,158	779,701	773,120
New Zealand			
Interest bearing deposits and public borrowings			
Certificates of deposit	2,737	2,331	2,110
Transaction deposits	9,577	10,070	9,066
Savings deposits	21,023	20,398	21,814
Investment deposits	39,401	38,288	37,645
Securities sold under agreements to repurchase	7	106	–
Non-interest bearing deposits and public borrowings			
Transaction deposits	9,368	8,710	9,544
Other non-interest bearing liabilities	140	101	115
Total New Zealand	82,253	80,004	80,294
Other overseas			
Interest bearing deposits and public borrowings			
Certificates of deposit	16,151	12,908	11,721
Investment deposits	8,287	6,209	5,270
Other demand deposits	645	635	112
Securities sold under agreements to repurchase	4,986	3,433	2,683
Non-interest bearing deposits and public borrowings			
Other non-interest bearing liabilities	22	32	99
Total other overseas	30,091	23,217	19,885
Total deposits and other public borrowings	902,502	882,922	873,299

¹ Comparative information has been restated to conform to presentation in the current period. Refer to "Disclosure-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for further details.

Notes to the Financial Statements (continued)

4.1 Deposits and other public borrowings (continued)

ACCOUNTING POLICIES

Deposits from customers include certificates of deposit, transaction, savings, investment and other demand deposits. Deposits are initially recognised at their fair value less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost. Interest incurred is recognised within net interest income using the effective interest method.

Securities sold under repurchase agreements are retained on the Balance Sheet where substantially all the risks and rewards of ownership remain with the Group. A liability for the agreed repurchase amount is recognised within deposits and other public borrowings. Repurchase transactions that are managed on a fair value basis are presented within liabilities at fair value through income statement.

Notes to the Financial Statements (continued)

5 Our capital, equity and reserves

OVERVIEW

The Group maintains a strong capital position in order to satisfy regulatory capital requirements, provide financial security to its depositors and creditors, and adequate return to its shareholders. The Group's Shareholders' equity includes issued ordinary shares, retained earnings and reserves.

This section provides analysis of the Group's Shareholders' equity including changes during the period.

5.1 Shareholders' equity

	Half Year Ended		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Ordinary share capital			
Shares on issue:			
Opening balance	33,793	33,921	34,075
Share buy-backs ^{1 2}	(18)	(128)	(154)
	33,775	33,793	33,921
Less treasury shares:			
Opening balance	(158)	(147)	(162)
Purchase of treasury shares ³	(105)	(14)	(66)
Sale and vesting of treasury shares ³	74	3	81
Total treasury shares	(189)	(158)	(147)
Closing balance	33,586	33,635	33,774
Retained profits			
Opening balance	41,600	40,643	40,010
Actuarial gains/(losses) from defined benefit superannuation plans	20	(78)	(90)
Net profit attributable to equity holders of the Bank	5,134	4,635	4,759
Total available for appropriation	46,754	45,200	44,679
Transfers from asset revaluation reserve	–	–	1
Transfer from investment securities revaluation reserve	8	–	5
Transfers from employee compensation reserve	–	–	(19)
Interim dividend - cash component	–	(3,119)	–
Interim dividend - dividend reinvestment plan ⁴	–	(481)	–
Final dividend - cash component	(3,426)	–	(3,296)
Final dividend - dividend reinvestment plan ⁴	(758)	–	(727)
Closing balance	42,578	41,600	40,643

¹ On 9 August 2023, the Group announced its intention to conduct an on-market share buy-back of up to \$1 billion of CBA ordinary shares, with 1,517,388 ordinary shares bought back at \$101.49 per share (\$154 million) in the half year ended 31 December 2023 and 1,071,576 ordinary shares were bought back at an average price of \$119.24 per share (\$128 million) in the half year ended 30 June 2024. The shares bought back were subsequently cancelled.

² On 14 August 2024, the Group announced a 12 month extension of the on-market share buy-back of up to \$1 billion of CBA ordinary shares announced on 9 August 2023. During the half year ended 31 December 2024, 118,000 ordinary shares were bought back at an average price of \$151.98 per share (\$18 million). The shares bought back were subsequently cancelled.

³ Relates to the movements in treasury shares held within the employee share scheme plans.

⁴ The DRP in respect of the final 2023/2024, interim 2023/2024 and final 2022/2023 dividends were satisfied in full through the on-market purchase and transfer of 5,335,505 shares at \$141.50, 4,092,235 shares at \$117.19 and 7,183,122 shares at \$101.10, respectively, to participating shareholders.

Notes to the Financial Statements (continued)

5.1 Shareholders' equity (continued)

	Half Year Ended		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Reserves			
Asset revaluation reserve			
Opening balance	292	277	278
Revaluation of properties	–	20	–
Transfer to retained profits	–	–	(1)
Income tax effect	–	(5)	–
Closing balance	292	292	277
Foreign currency translation reserve			
Opening balance	123	143	158
Currency translation adjustments of foreign operations	33	(55)	–
Currency translation of net investment hedge	21	35	(15)
Income tax effect	–	–	–
Closing balance	177	123	143
Cash flow hedge reserve			
Opening balance	(1,510)	(936)	(1,820)
Gains/(losses) on cash flow hedging instruments:			
Recognised in Other Comprehensive Income	2,197	295	610
Transferred to Income Statement:			
Interest income	1,003	1,472	1,734
Interest expense	(707)	(1,014)	(1,514)
Other operating (expense)/income	(1,178)	(1,570)	439
Income tax effect	(395)	243	(385)
Closing balance	(590)	(1,510)	(936)
Employee compensation reserve			
Opening balance	117	79	99
Current period movement	(28)	38	(39)
Transfer to retained profits	–	–	19
Closing balance	89	117	79
Investment securities revaluation reserve			
Opening balance	(1,169)	(1,146)	(1,010)
Transfer to retained profits on sale of equity securities	(8)	–	(5)
Net gains/(losses) on revaluation of investment securities	338	(97)	(221)
Net losses/(gains) on debt investment securities transferred to Income Statement on disposal	67	(6)	(9)
Income tax effect	(96)	80	99
Closing balance	(868)	(1,169)	(1,146)
Total reserves	(900)	(2,147)	(1,583)
Shareholders' equity attributable to equity holders of the Bank	75,264	73,088	72,834
Shareholders' equity attributable to non-controlling interests	–	–	5
Total Shareholders' equity	75,264	73,088	72,839

Notes to the Financial Statements (continued)

5.1 Shareholders' equity (continued)

ACCOUNTING POLICIES

Shareholders' equity includes ordinary share capital, retained profits and reserves. Policies for each component are set out below.

Ordinary share capital

Ordinary shares are recognised at the amount paid up per ordinary share, net of directly attributable issue costs. Where the Bank or entities within the Group purchase shares in the Bank, the consideration paid is deducted from total Shareholders' equity and the shares are treated as treasury shares until they are subsequently sold, reissued or cancelled. Where such shares are sold or reissued, any consideration received is included in Shareholders' equity.

Retained profits

Retained profits include the accumulated profits for the Group including certain amounts recognised directly in retained profits less dividends paid.

Reserves

Asset revaluation reserve

The asset revaluation reserve is used to record revaluation adjustments on the Group's property assets. Where an asset is sold or disposed of, any balance in the reserve in relation to the asset is transferred directly to retained profits.

Foreign currency translation reserve

Exchange differences arising on translation of the Group's foreign operations are accumulated in foreign currency translation reserve. Specifically assets and liabilities are translated at the prevailing exchange rate at balance sheet date; revenue and expenses are translated at the transaction date; and all resulting exchange differences are recognised in the foreign currency translation reserve.

When a foreign operation is disposed of, exchange differences are reclassified to the Income Statement.

Cash flow hedge reserve

The cash flow hedge reserve is used to record fair value gains or losses associated with the effective portion of designated cash flow hedging instruments. Amounts are reclassified to the Income Statement when the hedged transaction impacts profit or loss.

Employee compensation reserve

Employee compensation reserve is used to recognise the fair value of shares and other equity instruments issued to employees under the employee share plans and bonus schemes.

Investment securities revaluation reserve

Investment securities revaluation reserve includes changes in the fair value of investment securities measured at fair value through other comprehensive income. For debt securities, these changes are reclassified to the Income Statement when the asset is derecognised. For equity securities, these changes are not reclassified to the Income Statement when derecognised.

Notes to the Financial Statements (continued)

6 Fair values

OVERVIEW

The Group holds a range of financial instruments as a result of its lending, investing and funding activities. Some of the financial instruments are actively traded on stock exchanges or in over-the-counter markets whilst others do not have liquid markets. This section provides information about fair values of the Group's financial instruments including a description of valuation methodologies used, the classification of financial instruments according to liquidity and the observability of inputs used in deriving the fair values.

6.1 Disclosures about fair values

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or amortised cost.

(a) Fair value information for financial instruments not measured at fair value

The estimated fair values of the Group's financial instruments not measured at fair value are presented below. Fair values of financial assets and liabilities not included in the table below approximate their carrying values.

Disclosures about fair value of financial instruments not measured at fair value

	31 Dec 24		30 Jun 24	
	Carrying value	Fair value	Carrying value	Fair value
	\$M	\$M	\$M	\$M
Financial assets				
Investment securities at amortised cost	837	836	1,239	1,239
Loans and other receivables	969,404	970,821	942,210	941,289
Financial liabilities				
Deposits and other public borrowings	902,502	902,685	882,922	882,850
Debt issues	167,125	167,456	144,530	144,740
Loan capital	36,722	38,165	35,938	36,918

(b) Fair value hierarchy for financial assets and liabilities measured at fair value

The classification in the fair value hierarchy of the Group's financial assets and liabilities measured at fair value is presented in the table below. An explanation of how fair values are calculated and the levels in the fair value hierarchy are included in the accounting policy within this note.

	Fair value as at 31 December 2024				Fair value as at 30 June 2024			
	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M
Financial assets measured at fair value on a recurring basis								
Assets at fair value through income statement:								
Trading	22,017	11,661	6	33,684	18,235	7,904	5	26,144
Other	—	53,390	576	53,966	—	52,705	184	52,889
Derivative assets	168	40,905	70	41,143	109	17,869	80	18,058
Investment securities at fair value through other comprehensive income	85,873	15,026	1,290	102,189	82,878	13,111	785	96,774
Assets held for sale	163	—	—	163	—	—	—	—
Total financial assets measured at fair value	108,221	120,982	1,942	231,145	101,222	91,589	1,054	193,865
Financial liabilities measured at fair value on a recurring basis								
Liabilities at fair value through income statement	8,244	31,624	—	39,868	8,606	38,735	—	47,341
Derivative liabilities	90	35,889	33	36,012	55	18,745	50	18,850
Total financial liabilities measured at fair value	8,334	67,513	33	75,880	8,661	57,480	50	66,191

Notes to the Financial Statements (continued)

6.1 Disclosures about fair values (continued)

At 31 December 2024, the Group's assets held for sale included \$521 million of assets measured at fair value on a non-recurring basis in Level 3 (30 June 2024: \$867 million of assets; 31 December 2023: \$1,055 million of assets and \$1,145 million of liabilities).

(c) Analysis of movements between fair value hierarchy levels

The table below summarises movements in Level 3 balances during the half year. Transfers have been reflected as if they had taken place at the end of the reporting periods. Transfers in and out of Level 3 were due to changes in the observability of inputs.

Level 3 movement analysis for the half year ended 31 December 2024

	Derivative assets	Investment securities at fair value through OCI	Assets at fair value through income statement	Derivative liabilities
	\$M	\$M	\$M	\$M
As at 30 June 2024	80	785	189	(50)
Purchases	26	46	389	(10)
Sales/settlements	(40)	—	—	23
Gains/(losses) in the period:				
Recognised in the Income Statement	5	—	4	4
Recognised in the Statement of Comprehensive Income	(1)	459	—	—
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Reclassified to held for sale	—	—	—	—
As at 31 December 2024	70	1,290	582	(33)
Gains/(losses) recognised in the Income Statement for financial instruments held as at 31 December 2024	6	—	5	(1)

ACCOUNTING POLICIES

Valuation

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. On initial recognition, the transaction price generally represents the fair value of the financial instrument, unless there is observable information from an active market that provides a more appropriate fair value.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations, without any deduction for transaction costs. Assets and long positions are measured at a quoted bid price, liabilities and short positions are measured at a quoted asking price. Where the Group has positions with offsetting market risks, mid-market prices are used to measure the offsetting risk positions and a quoted bid or asking price adjustment is applied only to the net open position as appropriate.

Non-market quoted financial instruments are mostly valued using valuation techniques based on observable inputs except where observable market data is unavailable. Where market data is unavailable the financial instrument is initially recognised at the transaction price, which is generally the best indicator of fair value. This may differ from the value obtained from the valuation model. The timing of the recognition in the Income Statement of this initial difference in fair value depends on the individual facts and circumstances of each transaction, but is never later than when the market data becomes observable. The difference may be either amortised over the life of the transaction, recognised when the inputs become observable or on derecognition of the instrument, as appropriate.

The fair value of over-the-counter (OTC) derivatives includes credit valuation adjustments (CVA) for derivative assets to reflect the credit worthiness of the counterparty. Fair value of uncollateralised derivative assets and uncollateralised derivative liabilities incorporate funding valuation adjustments (FVA) to reflect funding costs and benefits to the Group. These adjustments are applied after considering any relevant collateral or master netting arrangements.

Notes to the Financial Statements (continued)

6.1 Disclosures about fair values (continued)

ACCOUNTING POLICIES (continued)

Fair value hierarchy

The Group utilises various valuation techniques and applies a hierarchy for valuation inputs that maximise the use of observable market data, if available.

Under AASB 13 *Fair Value Measurement* all financial and non-financial assets and liabilities measured or disclosed at fair value are categorised into one of the following three fair value hierarchy levels:

Quoted prices in active markets – Level 1

This category includes assets and liabilities for which the valuation is determined by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Financial instruments included in this category are liquid government bonds, listed equities and exchange traded derivatives.

Valuation technique using observable inputs – Level 2

This category includes assets and liabilities that have been valued using inputs other than quoted prices as described for Level 1, but which are observable for the asset or liability, either directly or indirectly. The valuation techniques include the use of discounted cash flow analysis, option pricing models and other market accepted valuation models.

Financial instruments included in this category are financial institution and corporate bonds, certificates of deposit, bank bills, commercial papers, mortgage-backed securities and OTC derivatives including interest rate swaps, cross currency swaps and FX options.

Valuation technique using significant unobservable inputs – Level 3

This category includes assets and liabilities where the valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally derived and extrapolated from observable inputs to match the risk profile of the financial instrument, and are calibrated against current market assumptions, historic transactions and economic models, where available. These inputs may include the timing and amount of future cash flows, rates of estimated credit losses, discount rates and volatility. Financial instruments included in this category for the Group are certain exotic OTC derivatives, loans measured at fair value and unlisted equity instruments.

As at 31 December 2024, the Group held an unlisted equity investment in Klarna Group plc (Klarna) measured on a recurring basis at fair value through other comprehensive income of \$998 million (30 June 2024: \$574 million, 31 December 2023: \$677 million). The valuation of the investment is based on a methodology which considers revenue multiples of market listed comparable companies as well as any recent market transactions. Comparable listed companies are included based on industry, size, development stage and/or strategy. A revenue multiple is derived for each comparable company identified and then discounted for considerations such as illiquidity. The Group adopted an adjusted revenue multiple of 5.9x in its valuation as at 31 December 2024 (30 June 2024: 3.9x; 31 December 2023: 5.0x). The effect of adjusting the revenue multiples by +/-20%, representing a range of reasonably possible alternatives, would be to increase the fair value by up to \$200 million or to decrease the fair value by up to \$200 million with all the potential effect impacting investment securities revaluation reserve.

Critical accounting judgements and estimates

Valuation techniques are used to estimate the fair value of securities. When using valuation techniques the Group makes maximum use of market inputs and relies as little as possible on entity specific inputs. It incorporates all factors that the Group believes market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Data inputs that the Group relies upon when valuing debt financial instruments relate to counterparty credit risk, volatility, correlation and extrapolation.

Periodically, the Group calibrates its valuation techniques and tests them for validity using prices from any observable current market transaction in the same instruments (i.e. without modification or repackaging) and any other available observable market data.

Notes to the Financial Statements (continued)

7 Other Information

7.1 Contingent liabilities, contingent assets and commitments arising from the banking business

Details of contingent liabilities and off balance sheet instruments are presented below and in Note 7.2, in relation to litigation, investigations and reviews. The face value represents the maximum amount that could be lost if the counterparty fails to meet its financial obligations. The credit equivalent amounts are a measure of potential loss to the Group in the event of non-performance by the counterparty. The credit commitments shown in the table below also constitute contingent assets. These commitments would be classified as loans and other assets in the Balance Sheet should they be drawn upon by the customer.

	Face value		Credit equivalent	
	31 Dec 24	30 Jun 24	31 Dec 24	30 Jun 24
	\$M	\$M	\$M	\$M
Credit risk related instruments				
Financial guarantees	3,411	3,814	3,135	3,538
Performance related contingencies	15,248	13,650	8,324	7,518
Commitments to provide credit and other commitments	195,305	185,776	152,226	146,007
Total credit risk related instruments	213,964	203,240	163,685	157,063

ACCOUNTING POLICIES

The types of instruments included in this category are:

- **Financial guarantees** are unconditional undertakings given to support the obligations of a customer to third parties. They include documentary letters of credit which are undertakings by the Group to pay or accept drafts drawn by a supplier of goods against presentation of documents in the event of payment default by a customer. Financial guarantees are recognised within other liabilities and are initially measured at their fair value, equal to the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the Income Statement and the expected credit losses. Any increase in the liability relating to financial guarantees is recorded in the Income Statement. The premium received is recognised in the Income Statement in other operating income on a straight-line basis over the life of the guarantee;
- **Performance related contingencies** are undertakings that oblige the Group to pay third parties should a customer fail to fulfil a contractual non-monetary obligation and are measured with reference to expected credit losses of which the inherent credit risk is managed and monitored by the Group; and
- **Commitments to provide credit** include obligations on the part of the Group to provide credit facilities against which clients can borrow money under defined terms and conditions. Such loan commitments are made either for a fixed period, or are cancellable by the Group subject to notice conditions. As facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements. Loan commitments must be measured with reference to expected credit losses required to be recognised. In the case of undrawn loan commitments, the inherent credit risk is managed and monitored by the Group together with the drawn component as a single credit exposure. The exposure at default on the entire facility is used to calculate the cumulative expected credit losses.
- The details of the Group's accounting policies and critical judgements and estimates involved in calculating impairment provisions are provided in Note 3.2.

Notes to the Financial Statements (continued)

7.2 Customer remediation, litigation, investigations and reviews, other matters

Customer remediation

Provisions for customer remediation require significant levels of estimation and judgement. The amount raised depends on a number of different assumptions, such as the number of years impacted, the forecast refund rate and the average cost per case. The Group is committed to comprehensively and efficiently addressing the full range of remediation issues impacting customers of the Banking and former Wealth Management businesses. Significant resources have been committed to a comprehensive program of work, to ensure that issues are identified and addressed.

As at 31 December 2024, the provision held by the Group in relation to Banking customer remediation programs was \$177 million (30 June 2024: \$173 million; 31 December 2023: \$74 million). The provision includes an estimate of customer refunds (including interest) relating to business and retail banking products and the related program costs.

As at 31 December 2024, the Group also held a provision of \$35 million (30 June 2024: \$40 million; 31 December 2023: \$76 million) in relation to Aligned Advice remediation. The Group made all customer refunds in relation to ongoing service fee remediation during the year ended 30 June 2024.

Litigation, investigations and reviews

The Group is party to a number of legal proceedings, and the subject of various investigations and reviews. Provisions have been raised in accordance with the criteria outlined in the accounting policy section of this note.

Litigation

The main litigated claims against the Group as at 31 December 2024 are summarised below.

Shareholder class actions

In October 2017 and June 2018, two separate shareholder class action proceedings were filed against CBA in the Federal Court of Australia (Federal Court), alleging breaches of CBA's continuous disclosure obligations and misleading and deceptive conduct in relation to the subject matter of the civil penalty proceedings brought against CBA by the Australian Transaction Reports and Analysis Centre (AUSTRAC). The AUSTRAC proceedings concerned contraventions of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF Act). The resolution of the AUSTRAC civil penalty proceedings was approved by the Federal Court on 20 June 2018 with CBA paying a penalty of \$700 million and legal costs.

It was alleged in the class actions that CBA shareholders who acquired an interest in CBA shares between 16 June 2014 and 3 August 2017 suffered losses as a result of the alleged conduct. On 10 May 2024, the Federal Court handed down judgment in CBA's favour and on 28 May 2024 orders were made dismissing both class actions. The applicants appealed the Federal Court's decision and CBA is defending the appeals. The hearing of the appeals occurred in November 2024 and the Federal Court's decision is reserved. It is currently not possible to determine the ultimate impact of this claim, if any, on the Group.

Superannuation class actions

On 9 October 2018, a class action was filed against Colonial First State Investments Limited (CFSIL) and CBA in the Federal Court. The claim initially related to investment in cash and deposit options (which are cash and deposit products provided by CBA) in the Colonial First State First Choice Superannuation Trust (FirstChoice Fund) and Commonwealth Essential Super and later expanded to join Avanteos Investments Limited (AIL) as a party in respect of claims regarding the FirstWrap Pooled Cash Account.

The main claims are that members who invested in these cash and deposit options received lower interest rates than they could have received had CFSIL/AIL offered similar products made available in the market by another bank with comparable risk and that CFSIL/AIL retained the margin that arises through the internal transfer pricing process in respect of deposits made with CBA, for their own benefit. It is claimed CFSIL/AIL breached their duties as a trustee of the funds, CFSIL breached its duties as a Responsible Entity of the underlying managed investment schemes and that CBA was involved in CFSIL/AIL's breaches. CBA, CFSIL and AIL deny the allegations and are defending the proceedings. The Federal Court has ordered that a mediation take place by 31 March 2026 and has listed the matter for trial commencing 9 November 2026.

On 18 October 2019, a second class action was commenced against CFSIL in the Federal Court. The claim related to certain fees charged to members of the FirstChoice Fund. It alleged that CFSIL breached its duties as trustee and acted unconscionably because it failed, between 2013 and 2019, to take steps to avoid the payment of grandfathered commissions to financial advisers, which would have resulted in a reduction of the fees paid by members in respect of whom those commissions were paid. CFSIL denied the allegations and defended the proceedings. Following a mediation in June 2023, a settlement was reached with no admissions as to liability. The settlement was approved by the Federal Court on 5 August 2024 and the settlement distribution process has commenced.

On 22 January 2020, a further class action was filed against CFSIL and The Colonial Mutual Life Assurance Society Pty Limited (CMLA) in the Federal Court. On 22 October 2021, AIA Australia Limited (AIAA), which from 1 April 2021 was liable for and assumed certain liabilities of CMLA under a life insurance scheme pursuant to Part 9 of the *Life Insurance Act 1995* (Cth) (Part 9 Scheme), was joined as a third respondent to the class action. The class action alleges that CFSIL did not act in the best interests of members and breached its trustee duties when taking out group insurance policies obtained from CMLA. The key allegation is that CFSIL entered into and maintained insurance policies with CMLA on terms that were less favourable to members than would have reasonably been available in the market. It is alleged that CMLA was knowingly involved in CFSIL's contraventions as trustee and profited from those contraventions. CFSIL, CMLA and AIAA deny the allegations and are defending the proceedings. A mediation took place in December 2023 which did not result in an agreement being reached. The Federal Court has ordered a further mediation take place by 25 April 2025 and the Federal Court has listed the matter for trial commencing 6 October 2025.

Notes to the Financial Statements (continued)

7.2 Customer remediation, litigation, investigations and reviews, other matters (continued)

On 1 December 2021, the Group completed the sale of a 55% interest in Colonial First State (CFS) to KKR. CBA has assumed carriage of the superannuation class actions proceedings on CFSIL's and AIL's behalf, subject to the terms of a conduct indemnity deed between CBA, CFSIL and AIL. The Group has provided for certain legal and other costs associated with its obligations under the indemnity deed.

Advice class actions

On 21 August 2020, a class action was filed in the Federal Court against Commonwealth Financial Planning Limited (CFP), Financial Wisdom Limited (FWL) and CMLA. The claim relates to certain CMLA life insurance policies recommended during the period 21 August 2014 to 21 August 2020 by financial advisers appointed by CFP and FWL. On 16 November 2021, AIAA (which from 1 April 2021 was liable for and assumed certain liabilities of CMLA under the Part 9 Scheme) was joined as a fourth respondent to the class action. The key allegations include that CFP and FWL or their financial advisers breached their fiduciary duties to their clients, breached their duty to act in the best interest of their clients, and had prioritised their own interests (and the interests of CFP, FWL and CMLA) over the interest of their clients, in recommending certain CMLA life insurance policies in preference to substantially equivalent or better policies available at lower premiums from third party insurers. It is also alleged that CMLA knew the material facts giving rise to the breaches of fiduciary duty. CFP, FWL, CMLA and AIAA deny the allegations and are defending the proceedings. The Federal Court has ordered a mediation take place by 28 August 2025. It is currently not possible to determine the ultimate impact of this claim, if any, on the Group.

On 24 August 2020 a class action was commenced against Count Financial Limited (Count Financial) in the Federal Court. The proceeding relates to commissions paid to Count Financial and its financial advisers in respect of financial products (including insurance) and certain obligations of its financial advisers to provide ongoing advice in the period 21 August 2014 to 21 August 2020. The claim also includes allegations (related to the receipt of commissions) that Count Financial engaged in misleading or deceptive conduct, and that Count Financial and its authorised representatives breached fiduciary duties owed to the applicant and group members. The claim seeks compensation and damages from Count Financial, including any profits resulting from the alleged contraventions. A pre-trial mediation did not resolve the class action and the matter proceeded to a 3 week initial trial in March 2024. Judgment is reserved.

Count Financial was a wholly owned subsidiary of CBA until 1 October 2019, when it was acquired by Count Limited. CBA has assumed the conduct of the defence in this matter on Count Financial's behalf. Count Financial denies the allegations made against it and defended the proceedings. The Group has provided for certain legal and other costs associated with any indemnity obligations.

ASB class action

Proceedings were served on CBA subsidiary ASB Bank Limited (ASB) on 29 September 2021 by plaintiffs seeking to bring a representative (class action) proceeding against ASB in the High Court of New Zealand. The proceedings relate to ASB's compliance with parts of the *Credit Contracts and Consumer Finance Act 2003* (NZ) (CCCFA) which requires a variation disclosure to be issued when customers and ASB make agreed changes to loan agreements captured under the CCCFA.

On 23 and 24 April 2024, the New Zealand Court of Appeal heard ASB's appeal from an earlier High Court decision permitting the plaintiffs to pursue their claims as an opt-out representative proceeding on behalf of a class. On 19 July 2024, the Court of Appeal confirmed the earlier Court's decision to allow the plaintiffs to bring the action against ASB as an opt-out representative action.

On 20 December 2024, the Supreme Court of New Zealand dismissed ASB's application for leave to appeal the Court of Appeal's decision to make a common fund order in favour of the plaintiffs.

The plaintiffs' class definition covers all customers who had a home or personal loan with ASB between 6 June 2015 and 18 June 2019 covered by the CCCFA and who were not provided with compliant variation disclosure. Given this definition and the fact that issues raised in the claim have not been determined by the New Zealand courts before, the size of the class is unknown. However, the class and the allegations made in the proceedings would potentially cover hundreds of thousands of loans.

In their claim, the plaintiffs argue that ASB is not entitled to retain any interest or fees paid by any class member for the period during which it is alleged that ASB did not provide, and has not provided, compliant variation disclosure under the CCCFA. ASB denies that the relief sought by the plaintiffs is available to them and is vigorously defending the proceedings.

It is not possible to determine the ultimate impact of this claim, if any, on the Group.

Regulatory enforcement proceedings

Long Service Leave (LSL) proceedings

In August 2022, the Wage Inspectorate Victoria commenced criminal proceedings against each of Commonwealth Securities Limited (CommSec) and BWA Group Services Pty Ltd (BWA) in the Magistrates' Court of Victoria (Victorian Magistrates' Court). The proceedings relate to alleged underpayments of approximately \$60,000 in LSL entitlements for 17 former employees of those entities (8 employees of CommSec and 9 employees of BWA).

A Plea Hearing was held on 29 July 2024 in the Victorian Magistrates' Court. The Victorian Magistrates' Court imposed a penalty of \$18,000 for CommSec and \$18,000 for BWA. No conviction was recorded for either entity. The Victorian Magistrates' Court also made an order for the Wage Inspectorate Victoria's costs to be paid by CommSec and BWA, fixed at \$12,000, as agreed by the parties. The penalties and costs have been paid.

New Zealand Financial Markets Authority (FMA) Proceedings

On 7 October 2024, the FMA commenced civil proceedings in the High Court of New Zealand alleging ASB made false and misleading representations in contravention of section 22 of the *Financial Markets Conduct Act 2013* (NZ) in respect of two matters. The first matter relates to multi-policy discounts that were not applied to some insurance policies underwritten by IAG New Zealand Limited. The second matter relates to FastNet Business fees that were incorrectly charged to some customers.

The FMA alleges between April 2014 (when the relevant legislation came into force) and May 2022 a total of 23,062 customers were affected by the multi-policy discount issue and 2,435 customers were affected by the FastNet Business fees issue.

Notes to the Financial Statements (continued)

7.2 Customer remediation, litigation, investigations and reviews, other matters (continued)

The issues were self-reported to the FMA. ASB has committed to remediate all customers affected by these two matters, including for the period that pre-dates the FMA's claim. Remediation of the FastNet Business fees customers is complete, and remediation of the multi-policy discounts is well advanced.

ASB is considering the FMA's claim and has until 15 March 2025 to file a defence in respect of the two matters. The Group has provided for certain costs associated with these matters.

Ongoing regulatory investigations and reviews

The Group undertakes ongoing compliance activities, including regulatory engagement, breach reporting, and reviews of products, advice, conduct, services provided to customers (including interest, fees and premiums charged) and financial crime matters. Some of these activities have resulted in remediation programs and, where required, the Group consults with the relevant regulator and other bodies on the proposed remediation action.

Provisions have been recognised by the Group where the criteria outlined in the accounting policy section of this note are satisfied. Contingent liabilities exist with respect to these matters where it is not possible to determine the extent of any obligation to remediate or the potential liability cannot be reliably estimated.

There are also ongoing matters where domestic or foreign regulators or other bodies are investigating whether CBA, ASB or another Group entity has breached laws, regulatory or other obligations. Where a breach has occurred, or obligations have not been met, regulators or other bodies may impose, or apply to a Court for, fines and/or other sanctions or may require remediation. These matters include investigations of a number of issues which were notified to, or identified by, regulators or other bodies.

In addition to possible regulatory actions and reviews, there may also be financial exposure to claims by customers, third parties and shareholders and this could include further class actions, customer remediation or claims for compensation or other remedies. The outcomes and total costs associated with such regulatory actions and reviews, and possible claims remain uncertain.

Other regulatory matters

The following matters were significant regulatory investigations and reviews, which have been completed, but have resulted in ongoing action required by the Group.

Financial crime compliance

As noted above, in 2018 the Group resolved the AUSTRAC proceedings relating to contraventions of anti-money laundering/counter-terrorism financing (AML/CTF) laws. CBA continues to address the underlying causes of the AML/CTF Act failings that resulted in AUSTRAC commencing its proceedings.

Recognising the crucial role that the Group plays in fighting financial crime, it continues to invest significantly in its financial crime disruption capabilities, including in its central AML/CTF Compliance team, its business unit-led risk teams, regulatory and control operations (now called Financial Crime Operations) team and through the Program of Action (now called Financial Crime Domain), with coverage across financial crime (including AML/CTF, sanctions, anti-bribery and corruption and anti-tax evasion facilitation).

The Group also continues to invest in people, systems, processes and controls to respond to rapidly evolving regulatory environments, developments in financial crime and other changes in the landscape in which the Group operates, such as the increasingly sophisticated use of technology by criminals targeting the financial system, and the increase of scams, fraud, ransomware and cyber-attacks.

The Group continues to review and remediate a number of known AML/CTF compliance issues. As this work progresses, further compliance issues may be identified and reported to AUSTRAC or other regulators, who may also investigate certain matters, and additional enhancements of systems and processes may be required.

The Group provides updates to AUSTRAC and other regulators on its AML/CTF Program and other financial crime compliance capabilities, related enhancements and remediation activities.

However, there is no assurance that AUSTRAC or other regulators will agree that the Group's enhancements to its financial crime compliance capabilities, including through the multi-year Program of Action and Financial Crime Domain, are adequate or will effectively enhance the Group's financial crime compliance programs across its business units and the jurisdictions in which it operates. There is also a risk of undetected failure of internal controls, or the ineffective remediation of compliance issues which could lead to breaches of AML/CTF, sanctions, anti-bribery and corruption and anti-tax evasion facilitation obligations, resulting in potentially significant monetary and regulatory penalties.

Although the Group is not currently aware of any enforcement proceeding being commenced by any domestic or foreign regulators in respect of its financial crime compliance, the Group regularly engages with such regulators, including in respect of compliance issues, and there can be no assurance that the Group will not be subject to such enforcement proceedings in the future.

CommSec Compliance Program

As part of the proceedings ASIC commenced against CommSec in October 2022, which related to a number of issues including regulatory data requirements, trade confirmation requirements, client monies and brokerage issues, the Federal Court ordered CommSec to undertake a compliance program. As required by the program, CommSec has appointed an independent expert to review the adequacy and effectiveness of its remediation of the issues in the proceedings and their root causes, as well as the adequacy of its systems and controls. The independent expert has prepared an initial report and CommSec has agreed a remedial action plan with ASIC, to address the recommendations made in the report. The independent expert will conduct a final review once all the actions from the remedial action plan have been implemented.

Notes to the Financial Statements (continued)

7.2 Customer remediation, litigation, investigations and reviews, other matters (continued)

Enforceable Undertaking (EU) to the Australian Communications and Media Authority (ACMA)

In connection with breaches of certain provisions of the *Spam Act 2003* (Cth) (Spam Act), CBA paid the ACMA a fine of \$3.55 million and on 2 June 2023 entered into an EU with the ACMA. Following a subsequent investigation by the ACMA, which was commenced in January 2024, CBA has paid the ACMA an additional fine of \$7.5 million in connection with other breaches of the Spam Act relating to the way in which CBA classified certain electronic messages for the purposes of the Spam Act. CBA fully cooperated with the ACMA's investigation and the EU with the ACMA was amended on 3 October 2024. As required by the amended EU, CBA has appointed an independent expert to review its current procedures, policies, training and systems relating to CBA's compliance with the Spam Act. CBA is committed to implementing the independent expert's recommendations, providing ongoing compliance reports to the ACMA and training relevant personnel.

Other matters

Exposures to divested businesses

The Group has potential exposures to divested businesses, including through the provision of services, warranties and indemnities. These exposures may have an adverse impact on the Group's financial performance and position. The Group has recognised provisions where payments in relation to the exposures are probable and reliably measurable.

ACCOUNTING POLICIES

Provisions are recognised for present obligations arising from past events where a payment to settle the obligation is probable and can be reliably estimated. Where the effect of the time value of money is material, the amount of the provision is measured as the present value of expenditures required to settle the obligation, based on a market observable rate. Where a payment to settle an obligation is not probable or cannot be reliably estimated, no provision is recognised. Such obligations are disclosed as contingent liabilities.

7.3 Discontinued operations and businesses held for sale

The Group continues to deliver on its strategic priority to create simpler, better foundations through divestments of non-core businesses. A summary of divestments entered into and completed during the half year ended 31 December 2024, 30 June 2024 and 31 December 2023 are set out below.

PT Bank Commonwealth

On 16 November 2023, the Group announced that it entered into a binding agreement to sell its 99% shareholding in its Indonesian banking subsidiary, PT Bank Commonwealth (PTBC), to PT Bank OCBC NISP Tbk (OCBC Indonesia), a subsidiary of Oversea-Chinese Banking Corporation Limited (OCBC) for an upfront cash consideration of \$188 million. The sale completed on 1 May 2024, resulting in a total post-tax loss of \$298 million. The loss includes a \$133 million impairment loss on remeasurement of PTBC's net assets to fair value, an additional \$100 million loss recognised upon completion of the sale, and \$65 million of separation costs.

Vietnam International Commercial Joint Stock Bank

During the half year ended 31 December 2024, the Group sold approximately 15% of the shares on issue in Vietnam International Commercial Joint Stock Bank (VIB) via the Ho Chi Minh Stock Exchange. This resulted in a gain of approximately \$43 million, from both the disposal of shares and reclassification of the holding from investment in associate to fair value through other comprehensive income. As at 31 December 2024, the Group's remaining 4.4% shareholding in VIB with a carrying value of \$163 million is classified as an asset held for sale.

ACCOUNTING POLICIES

Non-current assets (including disposal groups) are classified as held for sale if they will be recovered primarily through sale rather than through continuing use. Non-current assets which are to be abandoned, or businesses which are to be closed, are not classified as held for sale, since the carrying amount will be recovered principally through continuing use. A discontinued operation is a component of an entity that has been sold, or classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Notes to the Financial Statements (continued)

7.4 Subsequent events

The Directors have determined a fully franked interim dividend of 225 cents per share amounting to \$3,765 million.

Dividend Reinvestment Plan (DRP)

The Bank expects the DRP for the interim dividend for the half year ended 31 December 2024 will be satisfied in full by an on-market purchase of shares of approximately \$680 million based on historical DRP participation rate.

Bank of Hangzhou

On 24 January 2025, the Group entered into a binding agreement to sell its remaining 5.45% shareholding in Bank of Hangzhou (HZB) to New China Life Insurance Co., Ltd (NCL), a Beijing headquartered life insurance company dual listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The completion of the transaction is currently expected to occur around mid-2025 subject to regulatory approvals and the release or expiry of the Group's disposal lock-up restriction (due to expire on 28 February 2025).

Directors' Declaration

The Directors of the Commonwealth Bank of Australia declare that:

In the opinion of the Directors, the consolidated financial statements and notes for the half year ended on 31 December 2024, as set out on pages 77 - 120, are in accordance with the *Corporations Act 2001 (Cth)*, including:

- i. complying with the Australian Accounting Standards and any further requirements in the *Corporations Regulations 2001*; and
- ii. giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the six months ended 31 December 2024;

In the opinion of the Directors, there are reasonable grounds to believe that the Commonwealth Bank of Australia will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Paul O'Malley
Chairman
12 February 2025



Matt Comyn
Managing Director and Chief Executive Officer
12 February 2025

Independent Auditor's Report



Independent auditor's review report to the members of the Commonwealth Bank of Australia

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of the Commonwealth Bank of Australia (the Bank) and the entities it controlled during the half-year (together the Group), which comprises the Consolidated Balance Sheet as at 31 December 2024, the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the half-year ended on that date, material accounting policy information and selected explanatory notes and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Commonwealth Bank of Australia does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Bank are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

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Independent Auditor's Report (continued)



Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

Elizabeth O'Brien
Partner

Sydney
12 February 2025

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Contents

7 Appendices

1	Our Performance	
1.1	Net Interest Margin	126
1.2	Average Balances and Related Interest	127
1.3	Interest Rate and Volume Analysis	130
2	Risk Management	
2.1	Integrated Risk Management	132
2.2	Counterparty and Other Credit Risk Exposures	140
3	Our Capital, Equity and Reserves	
3.1	Capital	141
3.2	Share Capital	144
4	Other Information	
4.1	Intangible Assets	145
4.2	ASX Appendix 4D	146
4.3	Profit Reconciliation	147
4.4	Analysis Template	150
4.5	Foreign Exchange Rates	154
4.6	Definitions	155
4.7	Disclosure Changes	159
4.8	Independent Auditors	161

Appendices

1 Our Performance

OVERVIEW

The Group earns its returns from providing a broad range of banking products and services to retail and wholesale customers in Australia, New Zealand and other jurisdictions.

Lending and deposit taking are the Group's primary business activities with net interest income being the main contributor to the Group's results. Net interest income is derived from the difference between interest earned on lending and investment assets, and interest incurred on customer deposits and wholesale debt raised to fund these assets.

The Group further generates income from lending fees and commissions, and trading activities. It also incurs costs associated with running the business such as staff, occupancy and technology related expenses.

The following Performance section provides details of the main contributors to the Group's income by nature and geographical region.

1.1 Net Interest Margin (continuing operations basis)

	Half Year Ended		
	31 Dec 24 %	30 Jun 24 %	31 Dec 23 %
Australia			
Interest spread ^{1 2}	1.40	1.37	1.39
Benefit of interest-free liabilities, provisions and equity ³	0.64	0.58	0.56
Net interest margin ^{2 4}	2.04	1.95	1.95
New Zealand			
Interest spread ^{1 2}	1.63	1.52	1.54
Benefit of interest-free liabilities, provisions and equity ³	0.64	0.63	0.60
Net interest margin ^{2 4}	2.27	2.15	2.14
Other Overseas			
Interest spread ^{1 2}	0.73	0.62	0.69
Benefit of interest-free liabilities, provisions and equity ³	0.03	0.07	0.04
Net interest margin ^{2 4}	0.76	0.69	0.73
Total Group			
Interest spread ¹	1.44	1.39	1.40
Benefit of interest-free liabilities, provisions and equity ³	0.64	0.61	0.59
Net interest margin ⁴	2.08	2.00	1.99

¹ Difference between the average interest rate earned and the average interest rate paid on funds.

² Interest spread and margin calculations have been adjusted to include intragroup borrowings to more appropriately reflect the overseas cost of funds.

³ A portion of the Group's interest earning assets is funded by net interest-free liabilities and shareholders' equity. The benefit to the Group of these interest-free funds is the amount it would cost to replace them at the average cost of funds.

⁴ Net interest income divided by average interest earning assets for the half year annualised.

Appendices (continued)

1.2 Average Balances and Related Interest (continuing operations basis)

The following tables list the major categories of interest earning assets and interest bearing liabilities of the Group together with the respective interest earned or paid and the average interest rate for each of the half years ended 31 December 2024, 30 June 2024 and 31 December 2023. Averages used are predominantly daily averages. Interest is accounted for based on product yield.

Where assets or liabilities are hedged, the interest amounts are shown net of the hedge, however individual items not separately hedged may be affected by movements in exchange rates.

The New Zealand and Other Overseas components comprise overseas branches of the Group and overseas domiciled controlled entities.

Non-accrual loans are included in interest earning assets under loans and other receivables.

During the half year ended 31 December 2024, the official cash rate in Australia remained unchanged on a spot basis, while in New Zealand the official cash rate has decreased 125 basis points on a spot basis.

	Half Year Ended 31 Dec 24			Half Year Ended 30 Jun 24			Half Year Ended 31 Dec 23		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
Interest Earning Assets	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%
Home loans ¹	590,609	17,723	5.95	576,947	16,579	5.78	573,706	15,467	5.36
Consumer finance ²	16,657	950	11.31	17,182	929	10.87	17,061	882	10.28
Business and corporate loans ³	264,323	7,693	5.77	261,105	6,813	5.25	259,482	6,333	4.85
Loans and other receivables	871,589	26,366	6.00	855,234	24,321	5.72	850,249	22,682	5.31
Cash and other liquid assets	82,336	1,838	4.43	101,936	2,381	4.70	117,638	2,678	4.53
Assets at fair value through Income Statement	81,873	1,929	4.67	79,956	1,832	4.61	76,494	1,769	4.60
Investment Securities:									
At fair value through Other Comprehensive Income	99,010	2,521	5.05	109,520	2,856	5.24	94,476	2,442	5.14
At amortised cost	1,051	29	5.47	1,416	36	5.11	1,836	47	5.09
Non-lending interest earning assets	264,270	6,317	4.74	292,828	7,105	4.88	290,444	6,936	4.75
Total interest earning assets ⁴	1,135,859	32,683	5.71	1,148,062	31,426	5.50	1,140,693	29,618	5.16
Non-interest earning assets ¹	130,141			121,912			121,513		
Assets held for sale	815			1,080			266		
Total average assets	1,266,815			1,271,054			1,262,472		

¹ Home loans are reported net of average mortgage offset balances of \$81,358 million for the half year ended 31 December 2024 (\$76,359 million for the half year ended 30 June 2024; \$73,120 million for the half year ended 31 December 2023), which are included in non-interest earning assets. While these balances are required to be grossed up under accounting standards, they are netted down for the calculation of customer interest payments and the calculation of the Group's net interest margin.

² Consumer finance includes personal loans, credit cards and margin loans.

³ Interest and yield impacted by hedge accounting of interest rate swaps embedded in the replicating portfolio.

⁴ Used for calculating net interest margin.

Appendices (continued)

1.2 Average Balances and Related Interest (continued)

	Half Year Ended 31 Dec 24			Half Year Ended 30 Jun 24			Half Year Ended 31 Dec 23		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
Interest Bearing Liabilities	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%
Transaction deposits ¹	112,241	2,072	3.66	117,700	1,950	3.33	123,743	1,839	2.96
Savings deposits ¹	295,370	4,310	2.89	282,433	3,954	2.82	275,251	3,484	2.52
Investment deposits	244,743	5,858	4.75	245,017	5,684	4.67	236,009	5,032	4.24
Certificates of deposit and other	47,857	1,123	4.65	49,149	1,106	4.53	48,521	892	3.66
Total interest bearing deposits	700,211	13,363	3.79	694,299	12,694	3.68	683,524	11,247	3.27
Payables to financial institutions	23,017	528	4.55	24,069	600	5.01	24,947	628	5.01
Liabilities at fair value through Income Statement	42,597	952	4.43	47,653	1,103	4.65	43,648	1,013	4.62
Term funding from central banks	3,813	94	4.89	31,771	131	0.83	42,659	147	0.69
Debt issues	155,700	4,334	5.52	143,016	4,017	5.65	134,315	3,805	5.63
Loan capital	35,898	1,216	6.72	34,996	1,201	6.90	32,989	1,125	6.78
Lease liabilities	2,360	40	3.36	2,497	42	3.38	2,624	40	3.03
Bank levy	–	222	–	–	218	–	–	209	–
Total interest bearing liabilities	963,596	20,749	4.27	978,301	20,006	4.11	964,706	18,214	3.76
Non-interest bearing liabilities ¹	229,043			219,023			225,320		
Liabilities held for sale	–			768			210		
Total average liabilities	1,192,639			1,198,092			1,190,236		

	Half Year Ended 31 Dec 24			Half Year Ended 30 Jun 24			Half Year Ended 31 Dec 23		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
Net Interest Margin	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%
Total interest earning assets	1,135,859	32,683	5.71	1,148,062	31,426	5.50	1,140,693	29,618	5.16
Total interest bearing liabilities	963,596	20,749	4.27	978,301	20,006	4.11	964,706	18,214	3.76
Net interest income and interest spread		11,934	1.44		11,420	1.39		11,404	1.40
Benefit of free funds			0.64			0.61			0.59
Net interest margin			2.08			2.00			1.99

¹ Transaction and savings deposits exclude average mortgage offset balances of \$81,358 million for the half year ended 31 December 2024 (\$76,359 million for the half year ended 30 June 2024; \$73,120 million for the half year ended 31 December 2023), which are included in non-interest bearing liabilities.

Appendices (continued)

1.2 Average Balances and Related Interest (continued)

Geographical Analysis of Key Categories ¹	Half Year Ended 31 Dec 24			Half Year Ended 30 Jun 24			Half Year Ended 31 Dec 23		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%
Loans and other receivables									
Australia	751,730	22,399	5.91	736,902	20,501	5.59	732,671	19,049	5.17
New Zealand	102,868	3,330	6.42	102,995	3,215	6.28	102,594	3,036	5.89
Other Overseas	16,991	637	7.44	15,337	605	7.93	14,984	597	7.93
Total	871,589	26,366	6.00	855,234	24,321	5.72	850,249	22,682	5.31
Non-lending interest earning assets									
Australia	188,499	4,423	4.65	208,944	4,841	4.66	205,780	4,550	4.40
New Zealand	14,657	401	5.43	14,468	434	6.03	15,954	478	5.96
Other Overseas	61,114	1,493	4.85	69,416	1,830	5.30	68,710	1,908	5.52
Total	264,270	6,317	4.74	292,828	7,105	4.88	290,444	6,936	4.75
Interest bearing deposits									
Australia	598,451	11,074	3.67	597,343	10,558	3.55	588,147	9,341	3.16
New Zealand	76,292	1,634	4.25	76,236	1,551	4.09	74,979	1,323	3.51
Other Overseas	25,468	655	5.10	20,720	585	5.68	20,398	583	5.69
Total	700,211	13,363	3.79	694,299	12,694	3.68	683,524	11,247	3.27
Other interest bearing liabilities									
Australia	197,640	5,713	5.73	213,510	5,546	5.22	210,789	5,185	4.89
New Zealand	23,007	690	5.95	23,256	770	6.66	24,675	832	6.71
Other Overseas	42,738	983	4.56	47,236	996	4.24	45,718	950	4.13
Total	263,385	7,386	5.56	284,002	7,312	5.18	281,182	6,967	4.93

¹ The New Zealand and Other Overseas components comprise overseas branches of the Group and overseas domiciled controlled entities.

Appendices (continued)

1.3 Interest Rate and Volume Analysis (continuing operations basis)

The following tables show the movement in interest income and expense due to changes in volume and interest rates from prior periods. Volume variances reflect the change in interest due to movements in the average balance. Rate variances reflect the change in interest due to changes in interest rates. When the change cannot be isolated to either volume or rate, it has been allocated to volume.

	Half Year Ended Dec 24 vs Jun 24			Half Year Ended Dec 24 vs Dec 23		
	Volume \$M	Rate \$M	Total \$M	Volume \$M	Rate \$M	Total \$M
Interest Earning Assets ¹						
Home loans	645	499	1,144	554	1,702	2,256
Consumer finance	(17)	38	21	(20)	88	68
Business and corporate loans	197	683	880	162	1,198	1,360
Loans and other receivables	846	1,199	2,045	716	2,968	3,684
Cash and other liquid assets	(407)	(136)	(543)	(781)	(59)	(840)
Assets at fair value through Income Statement	71	26	97	132	28	160
Investment securities:						
At fair value through Other Comprehensive Income	(230)	(105)	(335)	122	(43)	79
At amortised cost	(10)	3	(7)	(22)	4	(18)
Non-lending interest earning assets	(588)	(200)	(788)	(607)	(12)	(619)
Total interest earning assets	97	1,160	1,257	(49)	3,114	3,065

	Half Year Ended Dec 24 vs Jun 24			Half Year Ended Dec 24 vs Dec 23		
	Volume \$M	Rate \$M	Total \$M	Volume \$M	Rate \$M	Total \$M
Interest Bearing Liabilities ¹						
Transaction deposits	(71)	193	122	(206)	439	233
Savings deposits	245	111	356	305	521	826
Investment deposits	73	101	174	224	602	826
Certificates of deposit and other	(15)	32	17	(12)	243	231
Interest bearing deposits	293	376	669	354	1,762	2,116
Payables to financial institutions	(17)	(55)	(72)	(43)	(57)	(100)
Liabilities at fair value through Income Statement	(99)	(52)	(151)	(21)	(40)	(61)
Term funding from central banks ²	(27)	(10)	(37)	(43)	(10)	(53)
Debt issues	407	(90)	317	605	(76)	529
Loan capital	47	(32)	15	102	(11)	91
Lease liabilities	(2)	–	(2)	(4)	4	–
Bank levy	4	–	4	13	–	13
Total interest bearing liabilities	(31)	774	743	33	2,502	2,535

	Half Year Ended	
	Dec 24 vs Jun 24 Increase/(Decrease) \$M	Dec 24 vs Dec 23 Increase/(Decrease) \$M
Change in Net Interest Income		
Due to changes in average volume of interest earning assets	(127)	(18)
Due to changes in interest margin	479	548
Due to variation in time period	162	–
Change in net interest income	514	530

¹ "Rate" reflects the change due to movements in yield assuming average volume is consistent across the two periods. "Volume" reflects the change due to balance movements assuming the average rate is consistent across the two periods. When the change cannot be isolated to either volume or rate, it has been allocated to volume. The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

² Volume and rate impacts for Term funding from central banks calculated separately for the RBA Term Funding Facility and the RBNZ Funding For Lending & Term Lending facilities, with RBA Term Funding Facility impacts allocated to volume due to maturity.

Appendices (continued)

1.3 Interest Rate and Volume Analysis (continued)

Geographical Analysis of Key Categories ¹	Half Year Ended Dec 24 vs Jun 24			Half Year Ended Dec 24 vs Dec 23		
	Volume \$M	Rate \$M	Total \$M	Volume \$M	Rate \$M	Total \$M
Loans and other receivables						
Australia	740	1,158	1,898	628	2,722	3,350
New Zealand	41	74	115	18	276	294
Other Overseas	70	(38)	32	77	(37)	40
Total	846	1,199	2,045	716	2,968	3,684
Non-lending interest earning assets						
Australia	(413)	(5)	(418)	(392)	265	(127)
New Zealand	11	(44)	(33)	(34)	(43)	(77)
Other Overseas	(180)	(157)	(337)	(181)	(234)	(415)
Total	(588)	(200)	(788)	(607)	(12)	(619)
Interest bearing deposits						
Australia	171	345	516	220	1,513	1,733
New Zealand	23	60	83	33	278	311
Other Overseas	129	(59)	70	132	(60)	72
Total	293	376	669	354	1,762	2,116
Other interest bearing liabilities						
Australia	(375)	542	167	(363)	891	528
New Zealand	2	(82)	(80)	(48)	(94)	(142)
Other Overseas	(89)	76	(13)	(66)	99	33
Total	(470)	544	74	(478)	897	419

¹ "Rate" reflects the change due to movements in yield assuming average volume is consistent across the two periods. "Volume" reflects the change due to balance movements assuming the average rate is consistent across the two periods. When the change cannot be isolated to either volume or rate, it has been allocated to volume. The volume and rate variances for total interest earning assets and total interest bearing liabilities have been calculated separately (rather than being the sum of the individual categories).

Appendices (continued)

2 Risk Management

OVERVIEW

The Group is exposed to financial risks, non-financial risks and strategic risks arising from its operations. The Group manages these risks through its Risk Management Framework (the Framework), which evolves to accommodate changes in the business operating environment, better practice approaches, and regulatory and community expectations. The Group's key risk types are credit, market, liquidity, operational, compliance and strategic. The framework is discussed in Note 9.1 in the 2024 Financial Report.

2.1 Integrated Risk Management

The Group's approach to risk management is described within Note 9 of the Financial Statements in the 2024 Financial Report. Further disclosures in respect of capital adequacy and risk are provided in the Group's Capital Disclosure Reports.

Credit Risk

The Group uses a portfolio approach for the management of its credit risk, of which a key element is a well-diversified portfolio. The Group uses various portfolio management tools to assist in diversifying the credit portfolio.

Below is a breakdown of the Group's committed exposures across industry sector, commercial credit quality and region.

Business and Corporate Exposures by Sector	As at ¹		
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Government, Admin. & Defence	175,647	174,493	206,881
Finance & Insurance	111,216	98,855	113,323
Commercial Property	98,446	94,855	94,032
Agriculture & Forestry	33,590	32,547	31,242
Transport & Storage	27,362	27,767	26,063
Manufacturing	21,578	19,450	20,434
Entertainment, Leisure & Tourism	20,136	18,209	16,570
Wholesale Trade	18,759	16,795	16,958
Electricity, Water & Gas	18,666	15,916	15,936
Business Services	18,068	16,409	15,447
Health & Community Services	16,338	15,367	15,393
Retail Trade	16,158	15,708	16,059
Construction	13,568	13,115	12,499
Mining	7,173	7,064	6,824
Media & Communications	6,134	5,328	5,510
Personal & Other Services	4,034	3,519	3,317
Education	4,011	3,799	3,592
Other	5,634	5,837	5,320
Total	616,518	585,033	625,400

¹ Committed exposures are disclosed on a gross basis (calculated before collateralisation).

Appendices (continued)

2.1 Integrated Risk Management (continued)

	As at		
	31 Dec 24	30 Jun 24	31 Dec 23
Non-Retail Exposures by Commercial Portfolio Quality ¹	%	%	%
AAA/AA	36.2	36.1	39.3
A	12.9	13.5	14.5
BBB	15.6	15.1	13.9
Other	35.3	35.3	32.3
	100.0	100.0	100.0

As a measure of individually risk-rated commercial portfolio exposure (including finance and insurance), the Group has 64.7% (June 2024: 64.7%; December 2023: 67.7%) of commercial exposures at investment grade quality.

	As at		
	31 Dec 24	30 Jun 24	31 Dec 23
Group TCE by Region ¹	%	%	%
Australia	81.8	81.5	80.6
New Zealand	9.6	9.9	9.8
Americas	3.8	3.8	3.4
Europe	2.6	2.4	3.2
Asia	2.2	2.4	3.0
	100.0	100.0	100.0

¹ Committed exposures are disclosed on a gross basis (calculated before collateralisation).

Appendices (continued)

2.1 Integrated Risk Management (continued)

Asset Quality

The tables below provide information about the credit quality of the Group's retail and non-retail assets.

As at 31 December 2024 ¹				
	Home Loans	Other Personal ²	Other Commercial Industrial	Total
	\$M	\$M	\$M	\$M
Performing loans past due ³				
Past due 1 - 29 days	11,264	387	1,691	13,342
Past due 30 - 59 days	2,318	135	216	2,669
Past due 60 - 89 days	1,160	86	97	1,343
Total performing loans past due	14,742	608	2,004	17,354

As at 30 June 2024 ¹				
	Home Loans	Other Personal ²	Other Commercial Industrial	Total
	\$M	\$M	\$M	\$M
Performing loans past due ³				
Past due 1 - 29 days	9,895	410	1,624	11,929
Past due 30 - 59 days	2,498	131	224	2,853
Past due 60 - 89 days	1,228	91	89	1,408
Total performing loans past due	13,621	632	1,937	16,190

As at 31 December 2023 ¹				
	Home Loans	Other Personal ²	Other Commercial Industrial	Total
	\$M	\$M	\$M	\$M
Performing loans past due ³				
Past due 1 - 29 days	10,148	395	1,579	12,122
Past due 30 - 59 days	2,180	140	284	2,604
Past due 60 - 89 days	1,027	83	124	1,234
Total performing loans past due	13,355	618	1,987	15,960

¹ This table has been included for the first time as referenced in the ASX pre-release issued on 3/02/2025.

² Included in these balances are credit card facilities and other unsecured portfolio managed facilities.

³ An exposure is considered past due from the first day of missed payment. The loan is classified as performing until the borrower is either 90 days past due or considered unlikely to pay their credit obligations in full where it is then classified as non-performing per APRA Prudential Standard APS 220.

Appendices (continued)

2.1 Integrated Risk Management (continued)

Total Group Non-Performing Exposures

	As at ¹		
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Non-performing exposures by level of security			
Home loans	6,761	6,363	4,965
Other loans	1,210	1,161	1,195
Total well-secured	7,971	7,524	6,160
Home loans	496	440	437
Other loans	1,846	1,674	1,525
Total not well-secured and unsecured	2,342	2,114	1,962
Total non-performing exposures	10,313	9,638	8,122

	As at ¹		
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Non-performing exposures by size of exposure			
Less than \$1 million	6,491	6,232	5,080
\$1 million to \$10 million	2,625	2,280	1,825
Greater than \$10 million	1,197	1,126	1,217
Total non-performing exposures	10,313	9,638	8,122

	Half Year Ended ¹		
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M
Movement in non-performing exposures			
Non-performing exposures - opening balance	9,638	8,122	7,724
New and increased	4,283	4,345	3,262
Balances written off	(356)	(430)	(376)
Returned to performing or repaid	(3,431)	(2,628)	(2,655)
Portfolio managed - new/increased/return to performing/repaid	179	229	167
Non-performing exposures - closing balance	10,313	9,638	8,122

¹ This table has been included for the first time as referenced in the ASX pre-release issued on 3/02/2025.

Appendices (continued)

2.1 Integrated Risk Management (continued)

Market Risk

Market risk in the Balance Sheet is discussed within Note 9.3 of the 2024 Financial Report.

Value at Risk (VaR)

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.

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.

Where VaR is deemed not to be an appropriate method of risk measurement, other risk measures have been used as specified by the heading or accompanying footnotes of the tables provided.

	Average VaR ¹		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Traded Market Risk			
Risk Type			
Interest rate risk ²	25.2	33.6	23.6
Foreign exchange risk	3.5	3.3	4.5
Equities risk	—	—	—
Commodities risk	9.8	14.5	17.5
Credit spread risk	24.4	23.5	23.2
Volatility risk	4.9	5.9	6.2
Diversification benefit	(37.8)	(41.6)	(44.8)
Total general market risk	30.0	39.2	30.2
Undiversified risk	12.8	21.8	19.4
Other ³	0.9	1.3	1.3
Total	43.7	62.3	50.9

¹ Average VaR is at 10-day 99% confidence and is calculated for each 6 month period.

² Includes basis risk.

³ Includes ASB, PTBC and CBA Europe.

Appendices (continued)

2.1 Integrated Risk Management (continued)

Interest Rate Risk in the Banking Book

Interest rate risk in the banking book is discussed within Note 9.3 of the 2024 Financial Report.

(a) Next 12 Months' Earnings

The figures in the following table represent the potential unfavourable change to the Group's net interest earnings during the year based on a 100 basis point parallel rate shock.

	Half Year Ended		
	31 Dec 24	30 Jun 24	31 Dec 23
Net Interest Earnings at Risk ¹	\$M	\$M	\$M
Average monthly exposure	456.8	311.2	441.3
High monthly exposure	541.4	374.6	526.4
Low monthly exposure	341.4	216.4	351.3

¹ Exposures over a 6 month period.

(b) Economic Value

A 20-day 99.0% VaR measure is used to capture the economic impact of adverse changes in interest rates on all banking book assets and liabilities.

	Half Year Ended		
	31 Dec 24	30 Jun 24	31 Dec 23
Non-Traded Interest Rate Risk VaR (20-day 99.0% confidence) ¹	\$M	\$M	\$M
Average daily exposure	639.3	602.5	571.2
High daily exposure	674.3	641.9	655.2
Low daily exposure	597.9	553.0	518.4

¹ Exposures over a 6 month period.

Appendices (continued)

2.1 Integrated Risk Management (continued)

Funding Sources

The following table provides the funding sources for the Group including customer deposits, and short-term and long-term wholesale funding. Shareholders' equity is excluded from this view of funding sources.

	As at ¹				
	31 Dec 24 \$M	30 Jun 24 \$M	31 Dec 23 \$M	Dec 24 vs Jun 24 %	Dec 24 vs Dec 23 %
Transaction deposits ²	194,037	193,948	185,429	–	5
Savings deposits	302,788	290,143	283,677	4	7
Investment deposits ³	265,000	255,196	259,079	4	2
Other customer deposits ^{2 4}	111,707	112,395	111,633	(1)	–
Total customer deposits	873,532	851,682	839,818	3	4
Wholesale funding					
Short-term					
Certificates of deposit ⁵	39,771	44,828	44,019	(11)	(10)
US commercial paper programme	25,018	20,660	10,885	21	large
Other ⁶	15,292	12,952	11,059	18	38
Total short-term wholesale funding	80,081	78,440	65,963	2	21
Total short-term collateral deposits ⁷	6,149	4,285	(586)	44	large
Total long-term funding - less than or equal to one year residual maturity ⁸	35,697	24,770	48,684	44	(27)
Long-term - greater than one year residual maturity					
Domestic debt program	22,044	19,901	19,980	11	10
Offshore medium-term note programme ⁹	42,500	40,534	47,230	5	(10)
Covered bond programme	31,422	30,951	34,724	2	(10)
Securitisation	4,658	5,137	6,630	(9)	(30)
Loan capital	36,189	35,957	33,486	1	8
Other	1,606	2,819	5,135	(43)	(69)
Total long-term funding - greater than one year residual maturity	138,419	135,299	147,185	2	(6)
IFRS MTM and derivative FX revaluations	(6,277)	(7,549)	(6,456)	17	3
Total funding	1,127,601	1,086,927	1,094,608	4	3
Reported as					
Deposits and other public borrowings	902,502	882,922	873,299	2	3
Payables to financial institutions	27,599	24,633	20,544	12	34
Liabilities at fair value through Income Statement	39,868	47,341	44,740	(16)	(11)
Term funding from central banks ¹⁰	3,247	4,228	36,591	(23)	(91)
Debt issues	167,125	144,530	139,275	16	20
Loan capital	36,722	35,938	34,111	2	8
Loans and other receivables - collateral posted	(1,018)	(312)	(1,073)	(large)	5
Receivables due from other financial institutions - collateral posted	(3,975)	(3,350)	(5,959)	(19)	33
Securities purchased under agreements to resell	(44,469)	(49,003)	(46,920)	9	5
Total funding	1,127,601	1,086,927	1,094,608	4	3

¹ Comparative information has been restated to conform with presentation in the current period. Refer to "Disclosure-Financial Information Definitions-Basis of Preparation" and Appendix 4.7 of this Document for further details.

² Transaction deposits exclude non-interest bearing deposits (included in other customer deposits).

³ Investment deposits include central bank and interbank deposits previously classified as short-term wholesale funding (Balance as at 31 December 2024: \$17.7 billion; 30 June 2024: \$17.4 billion; 31 December 2023: \$15.2 billion).

⁴ Other customer deposits primarily consist of non-interest bearing transaction deposits and deposits held at fair value through the Income Statement.

⁵ Includes Bank acceptances.

⁶ Includes net non-HQLA securities sold or purchased under repurchase agreements and interbank borrowings.

⁷ Includes other repurchase agreements not reported above and Vostro balances.

⁸ Residual maturity of long-term wholesale funding (included in Debt issues and Loan capital and the Group's drawn TFF allowance) is the earlier of the next call date or final maturity.

⁹ Includes notes issued under the Bank's 3(a)(2) programme.

¹⁰ Includes drawings from the RBA TFF, RBNZ Funding for Lending Programme (FLP) and Term Lending Facility (TLF).

Appendices (continued)

2.1 Integrated Risk Management (continued)

Overview

The Group's liquidity and funding policies are designed to ensure it will meet its obligations as and when they fall due by ensuring it is able to raise funding on an unsecured or secured basis, has sufficient liquid assets to borrow against under repurchase agreements or sell to raise immediate funds without adversely affecting the Group's net asset value.

The Group's liquidity policies are designed to ensure it maintains sufficient holdings of cash and liquid assets to meet its obligations to customers, in both ordinary market conditions and during periods of severe stress. These policies are intended to protect the 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 a Group Liquidity Risk Management Framework, are approved by the Board. The Group Asset and Liability Committee's (ALCO) responsibilities include asset and liability management, reviewing liquidity and funding policies and strategies and monitoring compliance with those policies across the Group. Group Treasury manages the Group's liquidity and funding positions in accordance with the Group's Liquidity Policy and supporting standards and has ultimate authority to execute liquidity and funding decisions should the Group Contingency Funding Plan be activated. Risk Management provides oversight of the Group's liquidity and funding risks, compliance with Group policies and manages the Group's relationship with prudential regulators.

Subsidiaries within the Group apply their own liquidity and funding strategies to address their specific needs. The Group's New Zealand banking subsidiary, ASB, manages its own domestic liquidity and funding needs in accordance with its own liquidity policy and the policies of the Group. ASB's liquidity policy is also overseen by the RBNZ.

Liquidity and Funding Policies and Management

The Group's liquidity and funding policies provide that:

- an excess of liquid assets over the minimum prescribed under APRA's Liquidity Coverage Ratio (LCR) requirement is maintained. Australian ADIs are required to meet a 100% LCR, calculated as the ratio of high-quality liquid assets to 30 day net cash outflows projected under a prescribed stress scenario;
- a surplus of stable funding from various sources, as measured by APRA's Net Stable Funding Ratio (NSFR), is maintained. The NSFR is calculated by applying factors prescribed by APRA to assets and liabilities to determine a ratio of required stable funding to available stable funding which must be greater than 100%;
- scenario analysis is central to the Group's liquidity risk management framework and the Group undertakes additional stress testing including market specific and idiosyncratic scenarios over and above the regulatory defined scenarios;
- additional funding and liquidity metrics are calculated and monitored as early warning indicators of a potential stress event;

- short and long-term wholesale funding limits are established, monitored and reviewed regularly;
- the Group's wholesale funding market capacity is regularly assessed and used as a factor in funding strategies;
- Group Treasury maintains a portfolio of high-quality liquid assets (HQLA) to meet liquidity requirements under a range of market conditions. The liquid assets portfolio includes cash and liquid assets, including government and Australian semi-government securities, meeting APRA's HQLA definition and other highly liquid assets which are repo-eligible with the Reserve Bank of Australia (RBA);
- liquid assets are held in Australian dollar and foreign currency denominated securities in accordance with expected requirements;
- in line with APRA's requirements to hold adequate levels of self-securitised assets, the Group also holds internal RMBS (minimum value of 30% of Group net cash outflows as defined under the LCR), which are mortgages that have been securitised but retained by the Bank, that are repo-eligible with the RBA under the Exceptional Liquidity Assistance (ELA) arrangement; and
- offshore branches and subsidiaries adhere to liquidity policies and hold appropriate foreign currency liquid assets to meet required regulations. Material banking subsidiaries are required to maintain an LCR of at least 100%.

The Group's key funding tools include:

- consumer retail funding base, which includes a wide range of retail transaction accounts, savings accounts and term deposits for individual consumers;
- small business customer and institutional deposit base; and
- wholesale domestic and international funding programmes, which include Australian dollar Negotiable Certificates of Deposit, US and Euro Commercial Paper programmes, Australian dollar Domestic Debt Programme, US Medium-Term Note Programmes, Euro Medium-Term Note Programme, multi-jurisdiction Covered Bond programme and Medallion securitisation programmes. Additionally, the Group has accessed the RBNZ term lending facilities.

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

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, and potential contingent funding actions that could be undertaken to manage the Group's liquidity position as well as a communications strategy. The plan is regularly tested and is approved by the Board on an annual basis.

Appendices (continued)

2.2 Counterparty and Other Credit Risk Exposures

Leveraged Finance

The Group provides leveraged finance to companies. This can include companies acquired or owned by private equity sponsors which can be highly leveraged, primarily domiciled in Australia and New Zealand and exhibit stable and established earnings providing the ability to reduce borrowing levels. The Group's exposure to firms owned by private equity sponsors is diversified across industries and private equity sponsors. Leveraged debt facilities provided to private equity sponsors are typically senior with first ranking security over the cash flows and assets of the businesses.

Hedge Funds

There were no material movements in exposures to hedge funds during the current half and these exposures are not considered to be material.

Appendices (continued)

3 Our Capital, Equity and Reserves

OVERVIEW

The Group maintains a strong capital position in order to satisfy regulatory capital requirements, provide financial security to its depositors and creditors and adequate return to its shareholders. The Group's shareholders' equity includes issued ordinary shares, retained earnings and reserves.

This section provides analysis of the Group's shareholders' equity including changes during the period.

3.1 Capital

The tables below show the capital adequacy calculation at 31 December 2024 together with prior period comparatives.

	As at		
	31 Dec 24	30 Jun 24	31 Dec 23
	%	%	%
Risk Weighted Capital Ratios			
Common Equity Tier 1	12.2	12.3	12.3
Tier 1	14.1	14.3	14.7
Tier 2	6.6	6.6	5.8
Total Capital	20.7	20.9	20.5

	As at		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Ordinary share capital and treasury shares			
Ordinary share capital	33,586	33,635	33,774
Treasury shares ¹	189	158	147
Ordinary share capital and treasury shares	33,775	33,793	33,921
Reserves	(900)	(2,147)	(1,583)
Retained earnings and current period profits			
Retained earnings and current period profits	42,578	41,600	40,643
Retained earnings adjustment from non-consolidated subsidiaries ²	(60)	(54)	(45)
Net retained earnings	42,518	41,546	40,598
Non-controlling interests			
Non-controlling interests ³	–	–	5
Less other non-controlling interests not eligible for inclusion in regulatory capital	–	–	(5)
Non-controlling interests	–	–	–
Common Equity Tier 1 Capital before regulatory adjustments	75,393	73,192	72,936

¹ Represents eligible employee share scheme arrangements.

² Cumulative current period profit and retained earnings adjustments for subsidiaries not consolidated for regulatory purposes.

³ Non-controlling interests include external equity interests in the Group's subsidiary.

Appendices (continued)

3.1 Capital (continued)

	As at		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Common Equity Tier 1 regulatory adjustments			
Goodwill ¹	(5,282)	(5,285)	(5,289)
Other intangibles (including software) ²	(2,446)	(2,259)	(2,165)
Capitalised costs and deferred fees	(1,250)	(1,231)	(1,239)
Defined benefit superannuation plan surplus ³	(338)	(305)	(367)
Deferred tax asset	(3,165)	(3,320)	(3,155)
Cash flow hedge reserve	590	1,510	936
Employee compensation reserve	(89)	(117)	(79)
Equity investments ⁴	(4,225)	(4,214)	(4,046)
Equity investments in non-consolidated subsidiaries ⁵	(89)	(89)	(89)
Unrealised fair value adjustments ⁶	(60)	(41)	(48)
Shortfall of provisions to expected losses ⁷	—	—	—
Other	(168)	(150)	(164)
Common Equity Tier 1 regulatory adjustments	(16,522)	(15,501)	(15,705)
Common Equity Tier 1 Capital	58,871	57,691	57,231
Additional Tier 1 Capital			
Basel III complying instruments ⁸	9,272	9,272	10,862
Total Additional Tier 1 Capital	9,272	9,272	10,862
Total Tier 1 Capital	68,143	66,963	68,093
Tier 2 Capital			
Basel III complying instruments ⁹	29,925	29,179	25,371
Holding of Tier 2 Capital	(474)	(425)	(386)
Prudential general reserve for credit losses ¹⁰	2,111	2,074	2,162
Total Tier 2 Capital	31,562	30,828	27,147
Total Capital	99,705	97,791	95,240

1 Includes goodwill from discontinued operations.

2 Other intangibles (including capitalised software costs), net of any associated deferred tax liability.

3 Represents the surplus in the Group's defined benefit superannuation fund, net of any deferred tax liability.

4 Represents the Group's non-controlling interest in other entities.

5 Non-consolidated subsidiaries include the Group's insurance entity and qualifying securitisation vehicles that meet APRA's operational requirement for regulatory capital relief under APS 120 "Securitisation".

6 Includes gains due to changes in the Group's credit risk on fair valued liabilities and other prudential valuation adjustments.

7 Represents the shortfall between the regulatory Expected Losses (EL) and Eligible Provisions (EP) with respect to credit portfolios which are subject to the AIRB approach. The adjustment is assessed separately for both defaulted and non-defaulted exposures. Where there is an excess of EL over EP in either assessments, the difference must be deducted from CET1. For non-defaulted exposures where the EL is lower than the EP, this may be included in Tier 2 capital up to a maximum of 0.6% of total credit RWAs.

8 As at 31 December 2024, comprises PERLS XVI \$1,550 million (June 2023), PERLS XV \$1,777 million (November 2022), PERLS XIV \$1,750 million (March 2022), PERLS XIII \$1,180 million (April 2021), PERLS XII \$1,650 million (November 2019) and PERLS X \$1,365 million (April 2018).

9 In the half year ended 31 December 2024, the Group issued AUD1,500 million subordinated notes and redeemed EUR1,000 million subordinated notes, both Basel III compliant Tier 2 capital.

10 Represents provisions for credit losses eligible for inclusion in Tier 2 capital.

Appendices (continued)

3.1 Capital (continued)

	As at		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Risk Weighted Assets (RWA)			
Credit Risk			
Subject to AIRB approach ¹			
Corporate (incl. SME corporate) ^{2 3}	93,147	86,125	83,483
SME retail	10,901	10,819	10,235
Residential mortgage ⁴	144,873	145,229	143,896
Qualifying revolving retail	5,222	5,372	5,336
Other retail	9,102	9,105	8,746
Total RWA subject to AIRB approach	263,245	256,650	251,696
Subject to FIRB approach ¹			
Corporate - large ^{2 3}	28,783	27,048	26,216
Sovereign	2,353	2,378	2,349
Financial Institution	12,343	10,184	12,633
Total RWA subject to FIRB approach	43,479	39,610	41,198
Specialised lending	4,786	3,660	3,514
Subject to Standardised approach			
Corporate (incl. SME corporate)	811	1,023	779
SME retail	642	628	642
Sovereign	1	1	227
Residential mortgage	7,197	6,953	6,885
Other retail	292	237	519
Other assets	6,065	6,686	8,298
Total RWA subject to Standardised approach	15,008	15,528	17,350
Securitisation	3,685	3,214	3,247
Credit valuation adjustment	4,467	2,873	2,846
Central counterparties	170	160	165
RBNZ regulated entities ¹	50,277	48,749	48,719
Total RWA for Credit Risk Exposures	385,117	370,444	368,735
Traded market risk	7,949	8,488	9,627
Interest rate risk in the banking book	41,679	43,644	40,307
Operational risk	47,624	44,975	44,975
Total risk weighted assets	482,369	467,551	463,644

¹ Pursuant to APRA requirements, RWA amounts derived from the risk weighted functions of AIRB, FIRB and the advanced portfolio of RBNZ regulated entities have been multiplied by a scaling factor of 1.10.

² Includes Corporate PD model overlays of \$0.5 billion as at 31 December 2024 (30 June 2024 and 31 December 2023: \$4.2 billion).

³ Includes IPRE risk weight floor top-up of \$2.9 billion as at 31 December 2024 (30 June 2024: \$1.8 billion; 31 December 2023: \$1.7 billion).

⁴ As a condition of APRA approval of the residential mortgage LGD model, a \$7.4 billion RWA overlay was applied by the Group at 30 June 2024 and 31 December 2023. The overlay was released in September 2024 quarter following regulatory approval of the new residential mortgage LGD model.

Appendices (continued)

3.2 Share Capital

	Half Year Ended		
	31 Dec 24	30 Jun 24	31 Dec 23
Shares on Issue	Shares	Shares	Shares
Opening balance (excluding Treasury Shares deduction)	1,673,580,358	1,674,651,934	1,676,169,322
Share buy-backs			
On-market buy-back ^{1 2}	(118,000)	(1,071,576)	(1,517,388)
Dividend reinvestment plan issues:			
2022/2023 Final dividend fully paid ordinary shares \$101.10 ³	—	—	—
2023/2024 Interim dividend fully paid ordinary shares \$117.19 ³	—	—	—
2023/2024 Final dividend fully paid ordinary shares \$141.50 ³	—	—	—
Closing balance (excluding Treasury Shares deduction)	1,673,462,358	1,673,580,358	1,674,651,934
Less: Treasury Shares ⁴	(1,463,595)	(1,510,328)	(1,431,186)
Closing balance	1,671,998,763	1,672,070,030	1,673,220,748

- On 9 August 2023, the Group announced its intention to conduct an on-market share buy-back of up to \$1 billion of CBA ordinary shares, with 1,517,388 ordinary shares bought back at \$101.49 per share (\$154 million) in the half year ended 31 December 2023 and 1,071,576 ordinary shares were bought back at an average price of \$119.24 per share (\$128 million) in the half year ended 30 June 2024. The shares bought back were subsequently cancelled.
- On 14 August 2024, the Group announced a 12 month extension of the on-market share buy-back of up to \$1 billion of CBA ordinary shares announced on 9 August 2023. During the half year ended 31 December 2024, 118,000 ordinary shares were bought back at an average price of \$151.98 per share (\$18 million). The shares bought back were subsequently cancelled.
- The DRP in respect of the final 2023/2024, interim 2023/2024 and final 2022/2023 dividends were satisfied in full through the on-market purchase and transfer of 5,335,505 shares at \$141.50, 4,092,235 shares at \$117.19 and 7,183,122 shares at \$101.10, respectively, to participating shareholders.
- Relates to the movements in treasury shares held within the employee share scheme plans.

Dividend Franking Account

Australian Franking Credits

The franking credits available to the Group at 31 December 2024, after allowing for Australian tax payable in respect of the current and prior reporting period's profit, are estimated to be \$1,738 million (30 June 2024: \$1,861 million; 31 December 2023: \$1,688 million).

New Zealand Imputation Credits

The New Zealand imputation credits available to CBA at 31 December 2024 are estimated to be NZ\$1,088 million (30 June 2024: NZ\$894 million; 31 December 2023: NZ\$1,040 million). This is calculated on the same basis as the Australian franking credits but using the New Zealand current tax liability.

Dividends

The Directors have determined a fully franked interim dividend of 225 cents per share amounting to \$3,765 million. The dividend will be payable on or around 28 March 2025 to shareholders on the register at 5:00pm AEDT on 20 February 2025.

The Board determines the dividend per share based on net profit after tax ("cash basis") per share, having regard to a range of factors including:

- current and expected rates of business growth and the mix of business;
- capital needs to support economic, regulatory and credit ratings requirements;
- investments and/or divestments to support business development;
- competitors comparison and market expectations; and
- earnings per share growth.

Dividend Reinvestment Plan

The Group has a Dividend Reinvestment Plan (DRP) that is available to shareholders in Australia and certain other jurisdictions. Shareholders can elect to participate to acquire fully paid ordinary shares instead of receiving a cash dividend payment. Shares issued under DRP rank equally with ordinary shares on issue. The DRP for the 2024 final, 2024 interim and 2023 final dividends were satisfied in full by the on-market purchase and transfer of shares, and had participation rates of 18.1%, 13.4% and 18.1% respectively.

Record Date

The record date for determination of interim dividend entitlement is 20 February 2025. The date for notifying a change to participation in the DRP for the interim dividend is 21 February 2025.

Ex-Dividend Date

The ex-dividend date for the interim dividend is 19 February 2025.

Share Buy-Back

On 9 August 2023, the Group announced its intention to conduct an on-market share buy-back of up to \$1 billion of CBA ordinary shares.

As at 31 December 2024, the Group has completed \$300 million of the \$1 billion on-market share buy-back, with 2,706,964 ordinary shares bought back at an average price of \$110.72.

The ordinary shares bought back were subsequently cancelled.

Appendices (continued)

4 Other Information

4.1 Intangible Assets

	As at		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Goodwill			
Purchased goodwill at cost	5,282	5,285	5,289
Closing balance	5,282	5,285	5,289
Computer Software Costs			
Net carrying value	2,315	2,129	2,035
Closing balance	2,315	2,129	2,035
Brand Names ¹			
Cost	186	186	186
Closing balance	186	186	186
Total intangible assets	7,783	7,600	7,510

- ¹ Brand names predominantly represent the value of royalty costs foregone by the Group through acquiring the Bankwest brand name. The royalty costs that would have been incurred by an entity using the Bankwest brand name are based on an annual percentage of income generated by Bankwest. The Bankwest brand name has an indefinite useful life, as there is no foreseeable limit to the period over which the brand name is expected to generate cash flows. The brand name is not subject to amortisation, but requires annual impairment testing. No impairment was recognised during the period.

Appendices (continued)

4.2 ASX Appendix 4D

Cross Reference Index	Page
Details of Reporting Period and Previous Period (Rule 4.2A.3 Item No. 1)	Inside Front Cover
Results for Announcement to the Market (Rule 4.2A.3 Item No. 2)	Inside Front Cover
Net Tangible Assets per Security (Rule 4.2A.3 Item No. 3)	153
Details of entities over which control was gained and lost during the period (Rule 4.2A.3 Item No.4)	146
Dividends (Rule 4.2A.3 Item No. 5)	144
Dividend Dates (Rule 4.2A.3 Item No. 5)	Inside Front Cover
Dividend Reinvestment Plan (Rule 4.2A.3 Item No. 6)	144
Details of Associates and Joint Ventures (Rule 4.2A.3 Item No. 7)	146
Foreign Entities (Rule 4.2A.3 Item No.8)	146
Independent auditor's review report subject to a modified opinion, emphasis of matter or other matter (Rule 4.2A.3 Item No.9)	146

Details of entities over which control was gained and lost during the period (Rule 4.2A.3 Item No.4)

The Group did not gain or lose control over any entities during the half year ended 31 December 2024.

Details of Associates and Joint Ventures (Rule 4.2A.3 Item No. 7)

As at 31 December 2024	Ownership Interest Held
Funding No.1 Pty Limited ¹	100%
Superannuation and Investments HoldCo Pty Limited	45%
Lendi Group Pty Ltd	42%
Nindethana Seed Service Pty Ltd	32%
More Telecom Pty Ltd	30%
Tangerine Telecom Pty Ltd	30%
Gift Card Co Pty Ltd	28%
Payble Pty Ltd	26%
Count Limited	24%
PEXA Group Limited	24%
Carousale Pty Ltd	23%
Trade Window Holdings Limited	21%
Amber Holding Corporation Pty Ltd	20%
Australian Business Growth Fund Pty Ltd	19%
Payments NZ Limited	19%
Silicon Quantum Computing Pty Ltd	18%
A.C.N. 633 568 411 Pty Ltd	16%

¹ The Group holds 100% of the issued shares of Funding No.1 Pty Limited but does not consolidate the company as the Group does not have the majority of the decision making rights over its relevant activities.

Foreign Entities (Rule 4.2A.3 Item No.8)

Not applicable.

Independent auditor's review report subject to a modified opinion, emphasis of matter or other matter (Rule 4.2A.3 Item No.9)

Not applicable.

Appendices (continued)

4.3 Profit Reconciliation

Non-cash items are excluded from net profit after tax ("cash basis"), which is management's preferred measure of the Group's financial performance, as they tend to be non-recurring in nature or are not considered representative of the Group's ongoing financial performance. The impact of these items on the Group's net profit after tax ("statutory basis") is outlined below and treated consistently with the prior financial year. A description of these items is provided below.

Half Year Ended 31 December 2024				
Profit Reconciliation	Net profit after tax "cash basis"	Gain/(loss) on disposal and acquisition of controlled entities ¹	Hedging and IFRS volatility	Net profit after tax "statutory basis"
	\$M	\$M	\$M	\$M
Group				
Interest income ²	32,683	—	—	32,683
Interest expense	(20,749)	—	—	(20,749)
Net interest income	11,934	—	—	11,934
Other operating income	2,163	5	(4)	2,164
Total operating income	14,097	5	(4)	14,098
Operating expenses	(6,372)	—	—	(6,372)
Loan impairment expense	(320)	—	—	(320)
Net profit/(loss) before tax	7,405	5	(4)	7,406
Corporate tax expense	(2,273)	4	5	(2,264)
Net profit/(loss) after income tax from continuing operations	5,132	9	1	5,142
Net profit/(loss) after income tax from discontinued operations	1	(9)	—	(8)
Net profit/(loss) after income tax	5,133	—	1	5,134

¹ These amounts include post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency reserves recycling), and transaction and separation costs associated with the previously announced divestments.

² Interest income includes total effective interest income and other interest income.

Gain/(loss) on disposal and acquisition of controlled entities

Gains and losses on these transactions are inclusive of foreign exchange impacts, impairments, restructuring, separation and transactions costs and cover both controlled businesses and associates.

Hedging and IFRS volatility

Hedging and IFRS volatility represents timing differences between fair value movements on qualifying economic hedges and the underlying exposure. They do not affect the Group's performance over the life of the hedge relationship, and are recognised over the life of the hedged transaction. To qualify as an economic hedge the terms and/or risk profile must match or be substantially the same as the underlying exposure.

Appendices (continued)

4.3 Profit Reconciliation (continued)

Half Year Ended 30 June 2024				
Profit Reconciliation	Net profit after tax "cash basis"	Gain/(loss) on disposal and acquisition of controlled entities ¹	Hedging and IFRS volatility	Net profit after tax "statutory basis"
	\$M	\$M	\$M	\$M
Group				
Interest income ²	31,426	–	–	31,426
Interest expense	(20,006)	–	–	(20,006)
Net interest income	11,420	–	–	11,420
Other operating income	2,105	(167)	(15)	1,923
Total operating income	13,525	(167)	(15)	13,343
Operating expenses	(6,207)	(32)	–	(6,239)
Loan impairment expense	(387)	–	–	(387)
Net profit/(loss) before tax	6,931	(199)	(15)	6,717
Corporate tax expense	(2,114)	37	4	(2,073)
Net profit/(loss) after income tax from continuing operations	4,817	(162)	(11)	4,644
Net profit/(loss) after income tax from discontinued operations	5	(14)	–	(9)
Net profit/(loss) after income tax	4,822	(176)	(11)	4,635

¹ These amounts include post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency reserves recycling), and transaction and separation costs associated with the previously announced divestments.

² Interest income includes total effective interest income and other interest income.

Appendices (continued)

4.3 Profit Reconciliation (continued)

Half Year Ended 31 December 2023				
Profit Reconciliation	Net profit after tax "cash basis"	Gain/(loss) on disposal and acquisition of controlled entities ¹	Hedging and IFRS volatility	Net profit after tax "statutory basis"
	\$M	\$M	\$M	\$M
Group				
Interest income ²	29,618	—	—	29,618
Interest expense	(18,214)	—	—	(18,214)
Net interest income	11,404	—	—	11,404
Other operating income	2,245	(104)	33	2,174
Total operating income	13,649	(104)	33	13,578
Operating expenses	(6,011)	(87)	—	(6,098)
Loan impairment expense	(415)	—	—	(415)
Net profit/(loss) before tax	7,223	(191)	33	7,065
Corporate tax expense	(2,204)	(19)	(5)	(2,228)
Net profit/(loss) after income tax from continuing operations	5,019	(210)	28	4,837
Net profit/(loss) after income tax from discontinued operations	6	(84)	—	(78)
Net profit/(loss) after income tax	5,025	(294)	28	4,759

¹ These amounts include post-completion adjustments (such as purchase price adjustments, and finalisation of accounting adjustments for goodwill and foreign currency reserves recycling), and transaction and separation costs associated with the previously announced divestments.

² Interest income includes total effective interest income and other interest income.

Appendices (continued)

4.4 Analysis Template

	Half Year Ended ¹		
	31 Dec 24	30 Jun 24	31 Dec 23
Ratios - Output Summary (continuing operations basis)	\$M	\$M	\$M
Earnings Per Share (EPS)			
Net profit after tax - "cash basis"	5,132	4,817	5,019
Average number of shares (M) - "cash basis"	1,672	1,673	1,674
Earnings Per Share basic - "cash basis" (cents)	306.9	288.0	299.8
Net profit after tax - "statutory basis"	5,142	4,644	4,837
Average number of shares (M) - "statutory basis"	1,672	1,673	1,674
Earnings Per Share basic - "statutory basis" (cents)	307.5	277.6	288.9
Interest expense (after tax) - PERLS	—	273	286
Profit impact of assumed conversions (after tax)	—	273	286
Weighted average number of shares - PERLS (M)	—	96	112
Weighted average number of shares - Employee share plans (M)	2	2	2
Weighted average number of shares - dilutive securities (M)	2	98	114
Net profit after tax - "cash basis"	5,132	4,817	5,019
Add back profit impact of assumed conversions (after tax)	—	273	286
Adjusted diluted profit for EPS calculation	5,132	5,090	5,305
Average number of shares (M) - "cash basis"	1,672	1,673	1,674
Add back weighted average number of shares (M)	2	98	114
Diluted average number of shares (M)	1,674	1,771	1,788
Earnings Per Share diluted - "cash basis" (cents)	306.5	287.4	296.7
Net profit after tax - "statutory basis"	5,142	4,644	4,837
Add back profit impact of assumed conversions (after tax)	—	273	286
Adjusted diluted profit for EPS calculation	5,142	4,917	5,123
Average number of shares (M) - "statutory basis"	1,672	1,673	1,674
Add back weighted average number of shares (M)	2	98	114
Diluted average number of shares (M)	1,674	1,771	1,788
Earnings Per Share diluted - "statutory basis" (cents)	307.1	277.6	286.5

¹ Calculations are based on actual numbers prior to rounding to the nearest million.

Appendices (continued)

4.4 Analysis Template (continued)

	Half Year Ended ¹		
	31 Dec 24	30 Jun 24	31 Dec 23
Ratios - Output Summary (including discontinued operations)	\$M	\$M	\$M
Earnings Per Share (EPS)			
Net profit after tax - "cash basis"	5,133	4,822	5,025
Average number of shares (M) - "cash basis"	1,672	1,673	1,674
Earnings Per Share basic - "cash basis" (cents)	307.0	288.3	300.1
Net profit after tax - "statutory basis"	5,134	4,635	4,759
Average number of shares (M) - "statutory basis"	1,672	1,673	1,674
Earnings Per Share basic - "statutory basis" (cents)	307.0	277.1	284.3
Interest expense (after tax) - PERLS	–	273	286
Profit impact of assumed conversions (after tax)	–	273	286
Weighted average number of shares - PERLS (M)	–	96	112
Weighted average number of shares - Employee share plans (M)	2	2	2
Weighted average number of shares - dilutive securities (M)	2	98	114
Net profit after tax - "cash basis"	5,133	4,822	5,025
Add back profit impact of assumed conversions (after tax)	–	273	286
Adjusted diluted profit for EPS calculation	5,133	5,095	5,311
Average number of shares (M) - "cash basis"	1,672	1,673	1,674
Add back weighted average number of shares (M)	2	98	114
Diluted average number of shares (M)	1,674	1,771	1,788
Earnings Per Share diluted - "cash basis" (cents)	306.6	287.7	297.0
Net profit after tax - "statutory basis"	5,134	4,635	4,759
Add back profit impact of assumed conversions (after tax)	–	273	286
Adjusted diluted profit for EPS calculation	5,134	4,908	5,045
Average number of shares (M) - "statutory basis"	1,672	1,673	1,674
Add back weighted average number of shares (M)	2	98	114
Diluted average number of shares (M)	1,674	1,771	1,788
Earnings Per Share diluted - "statutory basis" (cents)	306.6	277.1	282.1

¹ Calculations are based on actual numbers prior to rounding to the nearest million.

Appendices (continued)

4.4 Analysis Template (continued)

	Half Year Ended ¹		
	31 Dec 24	30 Jun 24	31 Dec 23
Dividends Per Share (DPS)			
Dividends (including discontinued operations)	\$M	\$M	\$M
Dividends per share (cents) - fully franked	225	250	215
No. of shares at end of period excluding Treasury shares deduction (M)	1,673	1,674	1,675
Total dividends (\$M) ²	3,765	4,184	3,601
Dividend payout ratio - "cash basis"			
Net profit after tax - attributable to ordinary shareholders (\$M)	5,133	4,822	5,025
Total dividends (\$M) ²	3,765	4,184	3,601
Payout ratio - "cash basis" (%)	73.4	86.8	71.7
Dividend cover			
Net profit after tax - attributable to ordinary shareholders (\$M)	5,133	4,822	5,025
Total dividends (\$M) ²	3,765	4,184	3,601
Dividend cover - "cash basis" (times)	1.4	1.2	1.4

¹ Calculations are based on actual numbers prior to rounding to the nearest million.

² Total dividends and payout ratio are calculated based on the closing number of shares for the respective periods.

	Half Year Ended ¹		
	31 Dec 24	30 Jun 24	31 Dec 23
Ratios - Output Summary (continuing operations basis)	\$M	\$M	\$M
Return on Equity (ROE)			
Return on Equity - "cash basis"			
Average net assets	74,176	72,963	72,236
Less:			
Average non-controlling interests	—	(2)	(5)
Net average equity	74,176	72,961	72,231
Net profit after tax - "cash basis"	5,132	4,817	5,019
ROE - "cash basis" (%)	13.7	13.3	13.8
Return on Equity - "statutory basis"			
Average net assets	74,176	72,963	72,236
Less:			
Average non-controlling interests	—	(2)	(5)
Net average equity	74,176	72,961	72,231
Net profit after tax - "statutory basis"	5,142	4,644	4,837
ROE - "statutory basis" (%)	13.8	12.8	13.3

¹ Calculations are based on actual numbers prior to rounding to the nearest million.

Appendices (continued)

4.4 Analysis Template (continued)

	Half Year Ended ¹		
	31 Dec 24	30 Jun 24	31 Dec 23
	\$M	\$M	\$M
Ratios - Output Summary (including discontinued operations)			
Return on Equity (ROE)			
Return on Equity - "cash basis"			
Average net assets	74,176	72,963	72,236
Less:			
Average non-controlling interests	–	(2)	(5)
Net average equity	74,176	72,961	72,231
Net profit after tax - "cash basis"	5,133	4,822	5,025
ROE - "cash basis" (%)	13.7	13.3	13.8
Return on Equity - "statutory basis"			
Average net assets	74,176	72,963	72,236
Less:			
Average non-controlling interests	–	(2)	(5)
Net average equity	74,176	72,961	72,231
Net profit after tax - "statutory basis"	5,134	4,635	4,759
ROE - "statutory basis" (%)	13.7	12.8	13.1
Net Tangible Assets per share			
Net assets	75,264	73,088	72,839
Less:			
Intangible assets	(7,783)	(7,600)	(7,510)
Non-controlling interests	–	–	(5)
Total net tangible assets	67,481	65,488	65,324
No. of shares at end of period excluding treasury shares deduction (M)	1,673	1,674	1,675
Net Tangible Assets per share (\$)	40.32	39.13	39.01

¹ Calculations are based on actual numbers prior to rounding to the nearest million.

Appendices (continued)

4.5 Foreign Exchange Rates

Exchange Rates Utilised ¹	Currency	As at		
		31 Dec 24	30 Jun 24	31 Dec 23
AUD 1.00 =	USD	0.6219	0.6628	0.6839
	EUR	0.5978	0.6198	0.6183
	GBP	0.4954	0.5245	0.5362
	NZD	1.1042	1.0929	1.0764
	JPY	97.2314	106.7477	96.7806

¹ End of day, Sydney time.

Average Exchange Rates Utilised ²	Currency	Half Year Ended		
		31 Dec 24	30 Jun 24	31 Dec 23
AUD 1.00 =	USD	0.6613	0.6588	0.6529
	EUR	0.6109	0.6091	0.6033
	GBP	0.5124	0.5207	0.5207
	NZD	1.0998	1.0813	1.0804
	JPY	99.7786	100.1463	95.4224

Appendices (continued)

4.6 Definitions

Glossary of Terms

Term	Description
Assets Under Management (AUM)	Assets Under Management represents the market value of assets for which the Group acts as an appointed manager.
Bankwest	Bankwest is active in all domestic market segments, with lending diversified between the business, rural, housing and personal markets, including a full range of deposit products. The retail banking activities conducted under the Bankwest brand are consolidated into Retail Banking Services, and the business banking activities conducted under the Bankwest brand are consolidated into Business Banking.
Business Banking	Business Banking serves the banking needs of business, corporate and agribusiness customers across the full range of financial services solutions, as well as providing equities trading and margin lending services through the CommSec business. Business Banking includes the financial results of business banking activities conducted under the Bankwest brand.
Corporate Centre and Other	Corporate Centre and Other includes the results of the Group's centrally held minority investments and subsidiaries, Group-wide remediation costs, investment spend including enterprise-wide infrastructure and other strategic projects, employee entitlements, and unallocated revenue and expenses relating to the Bank's support functions including Treasury, Investor Relations, Group Strategy, Legal and Corporate Affairs and Bank-wide elimination entries arising on consolidation.
Corporate troublesome exposures	Exposures to customers where profitability is weak and the capacity to meet financial commitments is diminished. These customers are at higher risk of default over the next 12 months.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Dividend payout ratio ("cash basis")	Dividends paid on ordinary shares divided by net profit after tax ("cash basis").
Dividend payout ratio ("statutory basis")	Dividends paid on ordinary shares divided by net profit after tax ("statutory basis").
DPS	Dividend per share.
DRP	Dividend reinvestment plan.
DRP participation	The percentage of total issued capital participating in the dividend reinvestment plan.
Earnings Per Share (EPS) (basic)	Basic earnings per share is the net profit attributable to ordinary equity holders of the Bank, divided by the weighted average number of ordinary shares on issue during the year per the requirements of relevant accounting standards.
Earnings Per Share (EPS) (diluted)	Diluted earnings per share adjusts the net profit attributable to ordinary equity holders of the Bank and the weighted average number of ordinary shares on issue used in the calculation of basic earnings per share, for the effects of dilutive potential ordinary shares per the requirements of relevant accounting standards.
Institutional Banking and Markets (IB&M)	Institutional Banking and Markets (IB&M) provides a full range of domestic and global financing and banking services to large corporate, institutional and government clients. These services include debt capital markets, risk management, transaction banking, sustainable finance, structured capital solutions and working capital delivered through dedicated product and industry specialists, as well as tailored research and data analytics.
Interest Rate Risk in the Banking Book (IRRBB)	Interest Rate Risk in the Banking Book is the risk that the Bank's profit derived from Net Interest Income (interest earned less interest paid), in current and future periods, is adversely impacted by changes in interest rates. This is measured from two perspectives: firstly by quantifying the change in the net present value of the Balance Sheet's future earnings potential, and secondly as the anticipated change to Net Interest Income earned over 12 months. This calculation is driven by APRA regulations with further detail outlined in the Group's Basel III Pillar 3 report.
Net profit after tax ("cash basis")	Represents net profit after tax and non-controlling interests before non-cash items including hedging and IFRS volatility, and gains or losses on acquisitions, disposal, closure, capital repatriation and demerger of controlled business. This is management's preferred measure of the Group's financial performance.

Appendices (continued)

4.6 Definitions (continued)

Term	Description
Net profit after tax ("statutory basis")	Represents net profit after tax and non-controlling interests, calculated in accordance with Australian Accounting Standards. This is equivalent to the statutory item "Net profit attributable to Equity holders of the Bank".
Net Stable Funding Ratio (NSFR)	The NSFR more closely aligns the behavioural terms of assets and liabilities. It is the ratio of the amount of available stable funding (ASF) to the amount of required stable funding (RSF). ASF is the portion of an Authorised Deposit-taking Institution's (ADI) capital and liabilities expected to be a reliable source of funds over a one year time horizon. RSF is a function of the liquidity characteristics and residual maturities of an ADI's assets and off Balance Sheet activities.
Net tangible assets per share	Net assets excluding intangible assets, non-controlling interests and other equity instruments divided by ordinary shares on issue at the end of the period (excluding Treasury Shares deduction). Right of use assets are included in net tangible assets per share.
New Zealand	New Zealand includes the banking and funds management businesses operating under the ASB brand. ASB provides a range of banking, wealth and insurance products and services to personal, business and rural customers in New Zealand.
Non-Performing Exposures	An exposure which is in default, meaning it is 90 days or more past-due or it is considered unlikely the borrower will repay the exposure in full without recourse to actions such as realising security.
Operating expenses to total operating income	Represents operating expenses as a percentage of total operating income. The ratio is a key efficiency measure.
Other Overseas	Represents amounts booked in branches and controlled entities outside Australia and New Zealand.
Retail Banking Services	Retail Banking Services provides banking products and services to personal and private bank customers. Retail Banking Services also includes the financial results of retail banking activities conducted under the Bankwest brand and Unloan brand.
Return on equity ("cash basis")	Based on net profit after tax ("cash basis") divided by average shareholders' equity.
Return on equity ("statutory basis")	Based on net profit after tax ("statutory basis") divided by average shareholders' equity.
Total Committed Exposures (TCE)	Total Committed Exposures are defined as the balance outstanding and undrawn components of committed facility limits. It is calculated post receipt of eligible financial collateral that meets the Group's netting requirements and excludes settlement exposures.
Troublesome and Non-Performing Exposures (TNPE)	Troublesome and Non-Performing Exposures (TNPE) have replaced the Group's previous Troublesome and Impaired Assets measures to align with the industry standard measure of Non-Performing Exposures. TNPE comprises Non-Performing Exposures and Corporate Troublesome Exposures.
Weighted average number of shares	The calculation incorporates the bonus element of any rights issue, discount element of any DRP and excludes "Treasury Shares" related to investment in the Bank's shares held for future issuance at vesting of related share based payment awards.

Appendices (continued)

4.6 Definitions (continued)

Market Share Definitions

Retail Banking Services

Home loans (APRA)	CBA Loans to individuals that are Owner Occupied and Investment Home Loans as per APRA monthly ADI Statistics, divided by APRA Monthly ADI Statistics back series.
Home loans (RBA)	CBA Loans to individuals that are Owner Occupied and Investment Home Loans as per APRA monthly ADI Statistics + separately reported subsidiaries: Wallaby Trust, Residential Mortgage Group P/L, divided by RBA Financial Aggregates Owner Occupied and Investor Home Lending (includes ADIs and RFCs).
Credit cards (APRA)	CBA Personal Credit Card Lending (APRA), divided by Loans to Households: Credit Cards (APRA Monthly ADI Statistics back series).
Consumer finance (other household lending)	CBA Lending to individuals which includes: Personal Loans, Margin Lending, Personal Leasing, Revolving Credit, Overdrafts, and Home Loans for personal purposes, divided by Loans to Households: Other (APRA Monthly ADI Statistics back series).
Household deposits	Total CBA transaction and non-transaction account deposit balances from residents as reported under APRA definitions for Households (individuals) excluding Self-Managed Super Funds (as per deposit balances submitted to APRA in ARF720.2A Deposits), divided by Deposits from Households (APRA Monthly ADI Statistics back series).

Business Banking

Business lending (APRA)	CBA Total Loans to residents as reported under APRA definitions for the Non-Financial Businesses sector (as per lending balances submitted to APRA in ARF720.1A ABS/RBA Loans and Finance Leases) (this includes some Housing Loans to businesses), divided by Loans to Non-Financial Businesses (APRA Monthly ADI Statistics back series).
Business lending (RBA)	CBA Business Lending and Credit: specific “business lending” categories in lodged APRA returns – ARF720.1A ABS/RBA Loans and Finance Leases, ARF720.7 ABS/RBA Bill Acceptances and Endorsements, excluding sub-categories of RBA, ADIs, RFCs and Central Borrowing Authorities, and the category of General Government, divided by RBA Total Business Lending (adjusted for series breaks).
Business deposits (APRA)	Total CBA transaction and non-transaction account deposit balances from residents as reported under APRA definitions for the Non-Financial Businesses sector (as per deposit balances submitted to APRA in ARF720.2A Deposits), divided by Deposits from Non-Financial Businesses (from APRA Monthly ADI Statistics back series).
Equities trading	Twelve months rolling average of Australian equities traded value by CommSec, divided by Twelve months rolling average of total Australian equities market traded value.

Appendices (continued)

4.6 Definitions (continued)

Market Share Definitions

New Zealand

Home loans	All ASB residential mortgages for owner occupier and residential investor property use, divided by Total New Zealand residential mortgages for owner occupier and residential investor property use of all New Zealand registered banks (from RBNZ).
Customer deposits	All resident and non-resident customer deposits on ASB Balance Sheet, divided by Total resident and non-resident deposits of all New Zealand registered banks (from RBNZ).
Business and rural lending	All New Zealand Dollar loans for business use and agriculture business use on ASB Balance Sheet, divided by Aggregate of total New Zealand Dollar loans for business use and agriculture business use of all New Zealand registered banks (from RBNZ).

Appendices (continued)

4.7 Disclosure Changes

Changes to financial reporting arising from customer re-segmentation

Continued changes to the classification of portfolios have been made during the current half which results in changes to comparative financial information. These changes have not impacted the Group's statutory net profit after tax (NPAT), but result in changes to the presentation of the Divisional Income Statements, Balance Sheets and Financial Metrics of the affected divisions. The key changes are:

- The reclassification and transfer of some customers between Retail Banking Services, Business Banking and Institutional Banking and Markets;
- Reclassification of Central Bank and Interbank deposits from short-term wholesale funding to Investment deposits consistent with industry practice; and
- Refinements of the allocation of capital and support units costs.

For further information, refer to Note 1.1 to the Financial Statements included in this Document.

Changes to other operating income presentation

Following changes to the nature of the Group's business activities as a result of divestments, other operating income disclosures have been simplified to reflect the material contributors to other income, improve the usability of accounts and align to how the business is managed.

For further information, refer to Note 1.1 to the Financial Statements included in this Document.

Changes to credit quality disclosures

For the 1H25 reporting period, the Group will report 'non-performing exposures' with comparatives. Non-performing exposures reflect the industry standard measure of credit quality as required by APS 220 Credit Risk Management. This will replace the Group's previous impaired assets measure. The Group will continue to report the level of 'troublesome corporate exposures' that do not meet the definition of 'non-performing exposures'.

For further information, refer to Note 1.1 to the Financial Statements included in this Document.

Appendices (continued)

4.7 Disclosure Changes (continued)

Segment Statutory NPAT (impact by adjustment type)

The impact of the following changes is presented below:

- Re-segmentations and allocations.

Half Year Ended 30 June 2024						
	Retail Banking Services	Business Banking	Institutional Banking and Markets	New Zealand	Corporate Centre and Other	Total
Divisional Summary	\$M	\$M	\$M	\$M	\$M	\$M
Stat NPAT (incl. disc ops) - as reported	2,668	1,881	471	532	(917)	4,635
Restatements:						
Increase / (decrease) in Operating income	(1)	(10)	13	—	(2)	—
(Increase) / decrease in Operating expenses	(70)	27	3	3	37	—
(Increase) / decrease in Loan impairment expense	(4)	3	(1)	—	2	—
(Increase) / decrease in Corporation tax	23	(7)	(4)	(1)	(11)	—
Total restatements	(52)	13	11	2	26	—
Stat NPAT (incl. disc ops) - as restated	2,616	1,894	482	534	(891)	4,635

Half Year Ended 31 December 2023						
	Retail Banking Services	Business Banking	Institutional Banking and Markets	New Zealand	Corporate Centre and Other	Total
Divisional Summary	\$M	\$M	\$M	\$M	\$M	\$M
Stat NPAT (incl. disc ops) - as reported	2,687	1,893	589	813	(1,223)	4,759
Restatements:						
Increase / (decrease) in Operating income	(9)	(6)	13	—	2	—
(Increase) / decrease in Operating expenses	(47)	12	10	3	22	—
(Increase) / decrease in Loan impairment expense	2	(3)	—	—	1	—
(Increase) / decrease in Corporation tax	16	—	(7)	(1)	(8)	—
Total restatements	(38)	3	16	2	17	—
Stat NPAT (incl. disc ops) - as restated	2,649	1,896	605	815	(1,206)	4,759

Appendices (continued)

4.8 Independent Auditors

With respect to the unaudited financial information contained in the half-year financial report of Commonwealth Bank of Australia which comprises the balance sheet, the income statement, the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes for the six-month periods ended 31 December 2024, 30 June 2024, and 31 December 2023, included in this Document, PricewaterhouseCoopers, an Australian partnership ("PwC Australia") reported that they have applied review procedures in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report by the Independent Auditor of the Entity. Their separate report dated 12 February 2025 appearing herein states that they did not perform an audit and they do not express an audit opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.