Commonwealth Bank of Australia
U.S. Disclosure Document
For the Full Year ended 30 June 2023

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1. Disclosures

Disclosures

Introduction

Certain material information about the Group, including information regarding the Group's risk management policies and procedures, use of derivative financial instruments and the market risk attributable to such instruments, liquidity and capital resources and other important information, is included in the Group's 2023 Financial Report and 2022 Financial Report (each as defined below). In particular, Note 9.1 of the 2023 Financial Report (Note 9.1 of the 2022 Financial Report) describes certain aspects of the Group's risk management policies and procedures. In addition, the Group prepares the Basel III Pillar 3 Capital Adequacy and Risk Disclosures report, which includes certain information about the Group's capital and assets. As a result, this Annual U.S. Disclosure Document for the Full Year ended 30 June 2023 (this "Document") should be read in conjunction with:

- 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 2022 and 2023 (the "2023 Financial Report");
- The Commonwealth Bank of Australia Financial Report (U.S. Version) – Year Ended 30 June 2022, which contains the Financial Statements for the years ended 30 June 2020, 2021 and 2022 and as at 30 June 2021 and 2022 (the "2022 Financial Report"); and
- The Commonwealth Bank of Australia Basel III Pillar 3 Capital Adequacy and Risks Disclosures as at 30 June 2023 (the "2023 Pillar 3 Report").

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

Except as otherwise stated, references within this Document to the "Financial Report" or "Notes to the Financial Statements" are to the 2023 Financial Report and references to the "Financial Reports" are to the 2023 Financial Report and the 2022 Financial Report.

Except as otherwise stated, all figures herein relate to the financial year ended 30 June 2023 and comparatives for the Balance Sheet and Income Statement are to the financial year ended 30 June 2022, "$" and "AUD" refer to Australian dollars, "USD" refers to U.S. dollars, references to "CBA" refer to the Commonwealth Bank of Australia and references to the "Bank", the "Group", "our," "us" or "we" refer to the Bank and its subsidiaries on a consolidated basis. The Group's financial years end on 30 June of each year. References to the 2023 financial year or to the "current year" are to the financial year ended 30 June 2023, references to the 2022 financial year are to the financial year ended 30 June 2022, references to the 2021 financial year are to the financial year ended 30 June 2021, references to the "prior year" are to the Group's prior financial year and references to the "prior half" are to the half year ended 31 December 2022.

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 "Divisional Performance", are spot balances, unless otherwise stated. For an overview of each segment, see "Divisional Performance" in this Document and Note 2.7 of the 2023 Financial Report.

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, further 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 adviser 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 are detailed on pages 17 to 28 of this Document.

Disclosures (continued)

Financial Information Definitions

Basis of preparation

The consolidated Financial Statements of the Group for the years ended 30 June 2023, 30 June 2022 and 30 June 2021 included in the Financial Reports comply with International Financial Reporting Standards ("IFRS").

This Document and the Financial Reports are presented in Australian Dollars, unless otherwise stated.

During the year ended 30 June 2023, the Group revised the presentation of fee and commission expenses directly attributable to revenue generation, such as credit card loyalty fees, card processing expenses, other volume related expenses, and certain other items. These expenses have been reclassified from Operating expenses to Net other operating income and included together with commissions income in the net commissions income line to provide more relevant information about the net margin generated by the Group through certain business activities. The Group has also included Net funds management operating income and Net insurance operating income that were presented separately in prior periods within Net other operating income. Note 1.1 of the 2023 Financial Report outlines the nature and impact of these changes and new or amended standards that were adopted during the year. Other than what is outlined in Note 1.1 of the 2023 Financial Report, the accounting policies and methods of computation adopted in the preparation of the 2023 Financial Report are consistent with the 2022 Financial Report.

Change in Comparatives

Unless otherwise stated, all 2022 financial year and 2021 financial year figures presented in this Document have not been restated. In some cases, comparative information has been restated to conform to the presentation in the current year. Such restatements have been footnoted throughout this Document.

In order to provide a meaningful comparison to the Group's historical operations, certain "Restated" figures are presented for the 2022 financial year and "As reported" figures are presented for the 2022 financial year and 2021 financial year.

Changes to the presentation of discontinued operations

In line with accounting standards, the comparative results of discontinued operations are presented separately as a single line item 'net profit after tax from discontinued operations' for both Group and divisional results. Assets and liabilities of discontinued operations are presented separately as held for sale on the Balance Sheet, however in line with accounting standards prior periods remain unadjusted. Group Key Performance Indicators are presented on both a continuing operations basis and discontinued operations basis.

The income statement for discontinued operations (before transaction and separation costs) for the years ended 30 June 2023, 30 June 2022 and 30 June 2021, included Colonial First State ("CFS").

Prior period restatements

During the year ended 30 June 2023, the Group implemented certain changes that were applied retrospectively and impacted the prior years' financial statements. Appendix C and Note 1.1 of the 2023 Financial Report provide further detail on the prior period restatements.

Discontinued operations and transaction update

On 1 March 2022, the Group announced the sale of a 10% shareholding in Bank of Hangzhou Co., Ltd (HZB) to Hangzhou Urban Construction and Investment Group Co., Ltd and Hangzhou Communications Investment Group Co., Ltd, which are entities majority owned by the Hangzhou Municipal Government. As part of this sale, the Group agreed with HZB to retain its remaining shareholding in HZB of approximately 5.6% until at least 28 February 2025. The sale completed on 30 June 2022, resulting in a post-tax gain of $299 million (net of transaction and separation costs and including the gain on reclassification of the retained 5.6% interest from Investment in Associates to Investments at fair value through Other Comprehensive Income). Post-tax transaction and separation costs of $22 million were recognised during the year ended 30 June 2022.

On 28 July 2021, the Group entered into an agreement with AIA Australia for a partial transfer of the Commonwealth Financial Planning (CFP) business to AIA Financial Services Limited. The transaction completed on 30 November 2021. On 26 October 2021, the Group announced the closure of the remaining CFP business effective from 30 November 2021. During the year ended 30 June 2022, the Group recognised a post-tax loss of $73 million mainly related to the write-down of customer receivables and the provision for employee redundancy payments.

On 21 June 2021, the Group announced the sale of CommInsure General Insurance to Hollard Insurance Company Pty Ltd (Hollard). As part of the sale, the Group established an exclusive 15-year strategic alliance with Hollard for the distribution of home and motor vehicle insurance products. The sale of CommInsure General Insurance to Hollard completed on 30 September 2022, resulting in a post-tax gain of $66 million net of transaction and separation costs. This includes a $179 million post-tax gain recognised during the year ended 30 June 2023, and post-tax transaction and separation costs of $46 million and $67 million recognised during the years ended 30 June 2022 and 2021, respectively.

On 13 May 2020, the Group entered into an agreement to sell a 55% interest in Colonial First State (CFS) to KKR. The sale completed on 1 December 2021, resulting in a post-tax gain of $840 million (net of transaction and separation costs). Post-tax transaction and separation costs of $47 million and $137 million were recognised during the years ended 30 June 2021 and 30 June 2020, respectively. The Group has retained a 45% interest in the parent entity of the CFS business, Superannuation and Investments HoldCo Pty Limited, which is accounted for as an investment in a joint venture.

For further information on these transactions refer to Note 11.3 of the 2023 Financial Report. There have been no other significant changes in the nature of the activities of the Group during the current year.

Non-GAAP Financial Measures

In addition to its statutory financial results reported in this Document and the Financial Reports in accordance with IFRS, the Group reports and describes certain “non-GAAP financial measures” (as defined in 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 contains 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 (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 losses or gains on acquisition, disposal, closure and demerger of businesses. Net profit after tax (“cash basis”) is management’s preferred measure of the Bank’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 Net profit after tax (“cash basis”) to Net profit after tax (“statutory basis”) by business segment is provided in Note 2.7 of the 2023 Financial Report. A list of items excluded from Net profit after tax (“cash basis”) and their description is set out on page 10 of this Document. References to “cash profit” or “cash earnings” in this Document have the same meaning as “Net profit after tax (“cash basis”)”.

Disclosures (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 ("cash basis") over the relevant period. The weighted average number of shares ("cash basis") incorporates an adjustment for the bonus element of any rights issue and excludes treasury shares related to investments in the Bank's shares held to settle employee share schemes; and
- 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"), net of dividends on other equity instruments. "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") net of dividends on other equity instruments, 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.

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.

		As at [1]		
Exchange Rates Utilised [2]	**Currency**	**30 Jun 23**	30 Jun 22	30 Jun 21
AUD 1.00 =	USD	**0. 6627**	0. 6879	0. 7521
	EUR	**0. 6102**	0. 6576	0. 6319
	GBP	**0. 5253**	0. 5666	0. 5431
	NZD	**1. 0887**	1. 1073	1. 0740
	JPY	**95. 8254**	93. 8510	83. 1173

		Average rates [1]		
Exchange Rates Utilised [3]	**Currency**	**30 Jun 23**	30 Jun 22	30 Jun 21
AUD 1.00 =	USD	**0. 6734**	0. 7257	0. 7467
	EUR	**0. 6437**	0. 6441	0. 6260
	GBP	**0. 5595**	0. 5455	0. 5546
	NZD	**1. 0926**	1. 0667	1. 0742
	JPY	**92. 4549**	85. 1439	79. 5463

1 Rate rounded to four decimal places. Actual rate used for translation throughout the Document for the 30 June 2023 period is US$0.662745 = A$1.00.
2 Unless noted otherwise, rates are sourced from Reuters and are End of day rate (Sydney time).
3 Unless noted otherwise, rates are sourced from Reuters, and are the twelve month period average of End of day rate (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 2.7 of the 2023 Financial Report.

Non-cash Items included in Statutory Profit

	Full Year Ended				
	30 Jun 23	30 Jun 22	30 Jun 21	Jun 23 vs	Jun 22 vs
Non-Cash items included in Statutory Profit	**$M**	$M	$M	Jun 22 %	Jun 21 %
Gain/(loss) on acquisition, disposal, closure and demerger of businesses [1]	**32**	(30)	183	large	(large)
Hedging and IFRS volatility	**(8)**	108	7	(large)	large
Non-cash items (after tax) from continuing operations	**24**	78	190	(69)	(59)
Gain/(loss) on acquisition, disposal, closure and demerger of businesses [2]	**(116)**	985	1,190	(large)	(17)
Non-cash items (after tax) from discontinued operations	**(116)**	985	1,190	(large)	(17)
Total non-cash items (after tax)	**(92)**	1,063	1,380	(large)	(23)

1 Includes gains and losses net of transaction and separation costs associated with disposal of AUSIEX, Aussie Home Loans, CommInsure General Insurance, Count Financial and other businesses, and the derecognition and closure of Commonwealth Financial Planning.

2 Includes 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 associated with the disposal of CFS, BoCommLife, CFSGAM, and other businesses, and the deconsolidation of CommInsure Life.

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 prior comparative period and prior half disclosures. A reconciliation of the Net profit after tax ("cash basis") to Net profit after tax ("statutory basis") by business segment is provided in Note 2.7 to the 2023 Financial Report.

(Loss)/gain on acquisition, disposal, closure and demerger of businesses

Losses and gains 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. Hedging and IFRS volatility does 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.

Contents

2. Highlights

Highlights (continued)

Group Performance Summary

Group Performance Summary	Full Year Ended ("statutory basis") 30 Jun 23 $M	Restated [1] 30 Jun 22 $M	As reported 30 Jun 22 $M	As reported 30 Jun 21 $M	Full Year Ended ("cash basis") 30 Jun 23 $M	Restated [1] 30 Jun 22 $M	As reported 30 Jun 22 $M	As reported 30 Jun 21 $M
Net interest income	**23,056**	19,473	19,473	19,302	**23,056**	19,473	19,473	19,302
Other operating income	**4,474**	5,463	5,670	5,112	**4,181**	5,216	5,423	4,854
Total operating income	**27,530**	24,936	25,143	24,414	**27,237**	24,689	24,896	24,156
Operating expenses	**(12,079)**	(11,609)	(11,816)	(11,485)	**(11,858)**	(11,428)	(11,635)	(11,359)
Loan impairment expense	**(1,108)**	357	357	(554)	**(1,108)**	357	357	(554)
Net profit before tax	**14,343**	13,684	13,684	12,375	**14,271**	13,618	13,618	12,243
Corporate tax expense	**(4,155)**	(4,011)	(4,011)	(3,532)	**(4,107)**	(4,023)	(4,023)	(3,590)
Net profit after tax from continuing operations	**10,188**	9,673	9,673	8,843	**10,164**	9,595	9,595	8,653
Net (loss)/profit after tax from discontinued operations [2]	**(98)**	1,098	1,098	1,338	**18**	113	113	148
Net profit after tax	**10,090**	10,771	10,771	10,181	**10,182**	9,708	9,708	8,801
Gain/(loss) on acquisition, disposal, closure and demerger of businesses [3]	**n/a**	n/a	n/a	n/a	**(84)**	955	955	1,373
Hedging and IFRS volatility [3]	**n/a**	n/a	n/a	n/a	**(8)**	108	108	7
Net profit after tax ("statutory basis")	**10,090**	10,771	10,771	10,181	**10,090**	10,771	10,771	10,181

Statutory net profit after tax, by division	30 Jun 23 $M	Restated [1] 30 Jun 22 $M	As reported 30 Jun 22 $M	As reported 30 Jun 21 $M
Retail Banking Services	**5,339**	4,783	4,799	4,883
Business Banking	**3,973**	3,030	3,021	2,905
Institutional Banking and Markets	**1,031**	1,058	1,050	928
New Zealand	**1,152**	729	729	1,094
Corporate Centre and Other	**(1,405)**	1,171	1,172	371
Net profit after tax ("statutory basis")	**10,090**	10,771	10,771	10,181

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C 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 transitional service agreements relating to divested entities and Colonial First State (CFS).

3 Please refer to "Disclosures – Non-cash Items Included in Statutory Profit" on page 10 of this Document for further details. 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 not considered representative of the Group's ongoing financial performance. A reconciliation of the Net profit after tax ("cash basis") to Net profit after tax ("statutory basis") by business segment is provided in Note 2.7 of the 2023 Financial Report.

Highlights (continued)

Key Performance Indicators

	Full Year Ended			
		Restated [1]	As reported	
Key Performance Indicators	**30 Jun 23**	30 Jun 22	30 Jun 22	30 Jun 21
Group Performance from continuing operations				
Statutory net profit after tax ($M)	**10,188**	9,673	9,673	8,843
Cash net profit after tax ($M)	**10,164**	9,595	9,595	8,653
Net interest margin (%)	**2. 07**	1. 90	1. 90	2. 08
Statutory operating expenses to total operating income (%)	**43. 9**	46. 6	47. 0	47. 0
Spot number of full-time equivalent staff (FTE)	**49,454**	48,906	49,245	44,375
Average number of FTE	**49,122**	46,997	47,354	42,940
Effective corporate tax rate ("statutory basis") (%)	**29. 0**	29. 3	29. 3	28. 5
Average interest earning assets ($M) [2]	**1,111,254**	1,026,910	1,026,910	929,846
Assets Under Management (AUM) - average ($M)	**18,882**	20,278	20,278	18,872
Group Performance including discontinued operations				
Statutory net profit after tax ($M)	**10,090**	10,771	10,771	10,181
Cash net profit after tax ($M)	**10,182**	9,708	9,708	8,801
Net interest margin (%)	**2. 07**	1. 90	1. 90	2. 08
Statutory operating expenses to total operating income (%)	**43. 9**	46. 7	46. 6	47. 3
Spot number of full-time equivalent staff (FTE)	**49,454**	48,906	49,245	46,189

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

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

Highlights (continued)

Key Performance Indicators (continued)

	Full Year Ended		
Key Performance Indicators	**30 Jun 23**	30 Jun 22	30 Jun 21
Shareholder Returns from continuing operations			
Earnings Per Share (EPS) (cents) [1]			
Statutory basis - basic	**603. 0**	561. 7	499. 2
Return on equity (ROE) (%) [1]			
Statutory basis	**14. 1**	12. 8	11. 8
Cash basis	**14. 0**	12. 7	11. 5
Shareholder Returns including discontinued operations			
Earnings Per Share (EPS) (cents) [1]			
Statutory basis - basic	**597. 2**	625. 4	574. 8
Return on equity (ROE) (%) [1]			
Statutory basis	**13. 9**	14. 3	13. 5
Dividends per share - fully franked (cents)	**450**	385	350
Dividend cover - "statutory basis" (times)	**1. 3**	1.6	1. 6
Dividend payout ratio (%) [1]			
Statutory basis	**75**	61	61
Capital including discontinued operations			
Common Equity Tier 1 (APRA) (%)	**12. 2**	11. 5	13. 1
Risk weighted assets (RWA) ($M)	**467,992**	497,892	450,680
Leverage Ratio including discontinued operations			
Leverage Ratio (APRA) (%)	**5. 1**	5. 2	6. 0
Funding and Liquidity Metrics including discontinued operations			
Liquidity Coverage Ratio (%) [2]	**131**	130	129
Weighted Average Maturity of Long Term Debt (years)	**5. 3**	4. 7	5. 1
Customer Deposit Funding Ratio (%)	**75**	74	73
Net Stable Funding Ratio (%)	**124**	130	129
Credit Quality Metrics including discontinued operations			
Loan impairment expense annualised as a % of average GLAAs	**0. 12**	(0. 04)	0. 07
Gross impaired assets as a % of GLAAs	**0. 36**	0. 33	0. 42
Credit risk weighted assets (RWA) ($M)	**362,869**	393,647	381,550

1 For definitions refer to Appendix B.
2 Quarterly average.

Highlights (continued)

Key Performance Indicators (continued)

Key Performance Indicators	Full Year Ended			
		Restated [1]	As reported	
	30 Jun 23	30 Jun 22	30 Jun 22	30 Jun 21
Retail Banking Services				
Statutory net profit after tax ($M)	**5,339**	4,783	4,799	4,883
Net interest margin (%)	**2. 64**	2. 40	2. 39	2. 60
Average interest earning assets (AIEA) ($M) [2]	**424,908**	400,609	403,301	375,522
Statutory operating expenses to total operating income (%)	**35. 9**	41. 5	41. 9	40. 5
Risk weighted assets ($M)	**164,977**	166,565	167,765	156,927
Business Banking				
Statutory net profit after tax ($M)	**3,973**	3,030	3,021	2,905
Net interest margin (%)	**3.60**	2. 97	3. 00	3. 11
Average interest earning assets ($M) [2]	**213,014**	197,026	194,597	179,707
Statutory operating expenses to total operating income (%)	**30. 1**	37. 6	38. 3	38. 0
Risk weighted assets ($M)	**126,909**	147,326	146,098	136,006
Institutional Banking and Markets				
Statutory net profit after tax ($M)	**1,031**	1,058	1,050	928
Net interest margin (%)	**0.88**	1. 12	1. 12	1. 11
Average interest earning assets ($M) [2]	**161,385**	137,843	137,509	137,994
Statutory operating expenses to total operating income (%)	**43. 7**	42. 8	43. 1	42. 3
Risk weighted assets ($M)	**68,803**	80,001	80,031	82,171
New Zealand				
Statutory net profit after tax ($M)	**1,152**	729	729	1,094
Risk weighted assets - APRA basis ($M) [3]	**61,958**	54,054	51,916	53,311
Net interest margin (ASB) (%) [4]	**2.44**	2. 22	2. 22	2. 22
Average interest earning assets (ASB) (NZ$M) [4]	**123,215**	116,397	116,397	107,522
Statutory operating expenses to total operating income (ASB) (%) [4]	**36. 7**	35. 2	36. 5	38. 7
AUM - average (ASB) (NZ$M) [4]	**20,646**	21,647	21,647	20,227

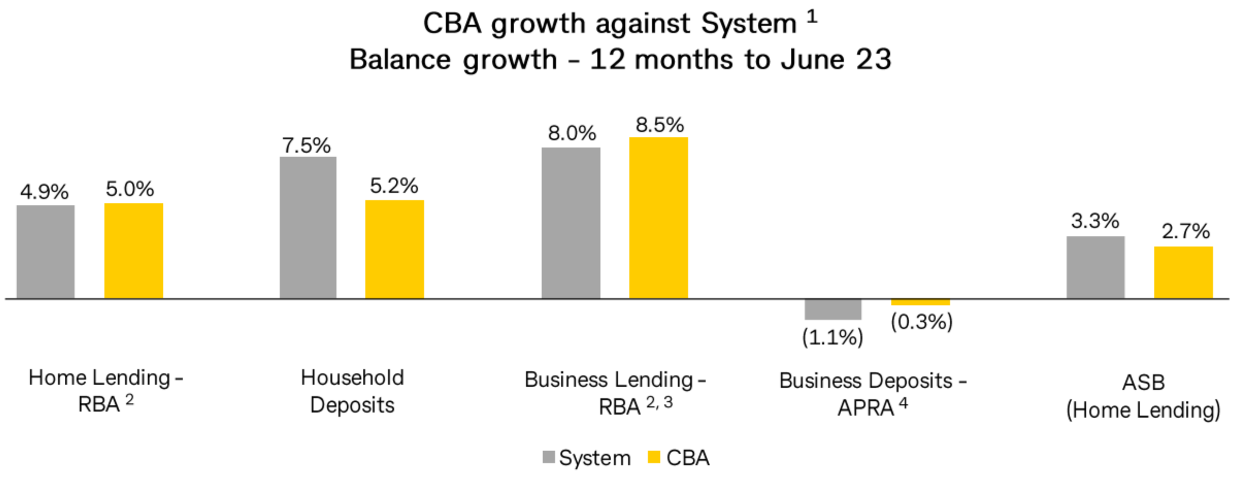
1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.
2 Net of average mortgage offset balances.
3 Risk weighted assets (A$M) calculated in accordance with APRA requirements.
4 Key financial metrics represent ASB only and are calculated in New Zealand dollar terms.

Highlights (continued)

Market Share

Market Share	30 Jun 23 %	31 Dec 22 %	30 Jun 22 %	Jun 23 vs Dec 22	Jun 23 vs Jun 22
	As at [1]				
Home loans - RBA [2]	**25. 1**	25. 1	25. 1	–	–
Home loans - APRA [3]	**25. 8**	25. 8	25. 8	–	–
Credit cards - APRA [3]	**28. 9**	28. 8	28. 5	10 bpts	40 bpts
Other household lending - APRA [3, 4]	**20. 4**	19. 4	18. 5	100 bpts	190 bpts
Household deposits - APRA [3]	**26. 9**	26. 9	27. 5	–	(60)bpts
Business lending - RBA [2]	**17. 0**	16. 9	17. 0	10 bpts	–
Business lending - APRA [3, 5]	**18. 0**	17. 8	17. 8	20 bpts	20 bpts
Business deposits - APRA [3, 5]	**22. 8**	22. 4	22. 6	40 bpts	20 bpts
Equities trading [6]	**3. 5**	3. 7	4. 2	(20)bpts	(70)bpts
NZ home loans [7]	**21. 5**	21. 6	21. 6	(10)bpts	(10)bpts
NZ customer deposits [7]	**18. 5**	18. 0	18. 3	50 bpts	20 bpts
NZ business lending [7]	**17. 3**	16. 8	16. 9	50 bpts	40 bpts

1 Comparative information has been updated to reflect market restatements. For further details on each Market Share category, refer to “Market Share Definitions” in Appendix B.
2 System source: RBA Lending and Credit Aggregates.
3 System source: APRA’s Monthly Authorised Deposit-taking Institution 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.
7 System source: RBNZ.



1 System and CBA source: RBA/APRA/RBNZ.
2 System and CBA 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

Credit Ratings	Long-term	Short-term	Outlook
Fitch Ratings	A+	F1	Stable
Moody's Investors Service	Aa3	P-1	Stable
S&P Global Ratings	AA-	A-1+	Stable

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.

Risk Factors

This section describes the principal risk factors that could materially affect the Group's businesses, its revenues, operating income, net income, net assets, liquidity, funding, reputation and capital resources. These risk factors should not be regarded as a complete and comprehensive statement of all of the potential risks and uncertainties that the Group faces. Additional risks that may emerge in the future, or that the Group currently considers to be immaterial, may also become important risks that affect the Group. If any of the listed or unlisted risks actually occur, the Group's business, financial condition, liquidity, operations, prospects or reputation could be materially and adversely affected. The risk factors below should be considered in connection with the "Special Note Regarding Forward-Looking Statements" on page 5 of this Document. Notes 9.1 through 9.4 of the 2023 Financial Report provide details on how the Group manages its credit, market and liquidity and funding risks.

Strategic Risk

The Group's results could be adversely impacted by changes in the Group's external and internal operating environment

Strategic risk is the risk of material value destruction or less than planned value creation due to changes in the Group's external and internal operating environment. Evolving current risks or emerging risks, such as the impact of high inflation levels and rising interest rates, cost of living pressures, the competitive landscape, emerging technologies and the regulatory and political environment, can challenge the business model and profitability assumptions underlying the Group's strategy. While the Board regularly monitors and discusses the Group's operating environment, strategic objectives and implementation of major strategic initiatives, there can be no assurance that such objectives and initiatives will be successful or that they will not adversely impact the Group.

The Group may be adversely impacted by a downturn in the macroeconomic environment, particularly in the Australian or New Zealand economies

The Group can give no assurances as to the likely future conditions of the economies of Australia, New Zealand or other jurisdictions in which the Group operates or obtains funding, which can be influenced by many factors within and outside these countries, which are outside the Group's control, including domestic and international economic events, political events, natural disasters and any other event that impacts global financial markets.

The Group's performance is largely dependent on the economies of the jurisdictions in which it operates or obtains funding, customer and investor confidence, and prevailing market conditions, which in turn are impacted by global events. By the nature of its operations in various financial markets, the Group has previously been adversely impacted, both directly and indirectly, by unfavourable business, economic and market conditions. The impact of any changes in political and macroeconomic conditions in Australia and New Zealand or globally remains uncertain. The Group may be materially adversely affected by such conditions where those conditions directly affect the Group's business or result in a protracted downturn in economic conditions globally and, in particular, in Australia and New Zealand, or result in systemic shock due to market volatility, political or economic instability or catastrophic events associated with such conditions.

Such events include:

- the risk of persistent inflation despite rapid increases in interest rates globally which may exacerbate market volatility, further slow economic growth and increase unemployment, each of which may cause further declines in business and investor confidence, and increase the risk of customer defaults;
- the risk of further contagion and consequent loss of investor confidence from recent bank failures which has cast doubt on the ability of other vulnerable banks globally to weather pressures on their businesses including the potential fallout from other such failures;
- regional and global economic conditions stemming from the COVID-19 pandemic, as well as reactions to future pandemics or resurgences of COVID-19;
- further escalations in trade restrictions and disruptions to global supply chains and consequential global inflationary impacts associated with the Russian invasion of Ukraine, or any other potential geopolitical conflict;
- any geopolitical tension or other event that adversely affects China's economic growth or Australia or New Zealand's economic relationship with China, including the implementation of tariffs or other protectionist trade policies and measures;
- a further weakening of the Chinese economy, including as a result of its property development slowdown and weak real estate market, extreme weather conditions, reduction in investment in the technology industry by foreign investors and ongoing trade tensions between China and major economies such as the United States;
- any escalation in tensions between the United States and China leading to increased protectionist policies and further global re-alignment of trading partners by nations; or
- the emergence of stablecoin cryptocurrencies which are backed by reserves of fiat currency and liquid financial assets such as bonds. These are largely unregulated with limited transparency over their reserves. As the use of stablecoin grows, a crash could result in a fire sale of reserve assets, destabilising the real economy and possibly impacting access to short-term credit.

Risk Factors (Continued)

The effect of such events is difficult to predict, but a shock to, or deterioration in, the global economy could result in currency and interest rate fluctuations and operational disruptions that negatively impact the Group.

For example, global economic conditions may deteriorate to the extent that counterparties default on their debt obligations, countries re-denominate their currencies or introduce capital controls, major economies collapse, or global financial markets cease to operate or cease to operate efficiently. Sovereign defaults may adversely impact the Group directly, through adversely impacting the value of the Group's assets, or indirectly through destabilising global financial markets, adversely impacting the Group's liquidity, financial performance or ability to access capital. The strength of the Australian and New Zealand economies is influenced by the strength of the Australian dollar and New Zealand dollar, respectively. Significant movements in these currencies may adversely impact parts of the relevant economy and, in turn, the results of the Group's operations.

Events of the kind referred to above could cause a reduction in demand for the Group's products and services and/or an increase in loan and other credit defaults, bad debts and impairments and/or an increase in the cost of the Group's operations. Should these occur, the Group's business, results of operations, financial condition and prospects may be materially adversely affected, and the other risk factors described herein may be aggravated as a result.

The Group may be adversely impacted by further declines in the residential and commercial property sectors

A material downturn in the Australian or New Zealand economies could adversely impact the Group's future results by reducing customers' demand for the Group's products and borrowers' ability to repay their loans to the Group (i.e. credit risk). In particular, given the Group's concentration of earnings from home loans, a significant or sustained decrease in the Australian and New Zealand housing markets or property valuations, including from external factors, could adversely affect the Group's home and commercial mortgage portfolio, resulting in a decrease in the amount of new lending the Group is able to undertake and/or an increase in the losses that the Group may experience from existing loans. These factors could adversely affect the Group's business, financial condition, operations and prospects.

The demand for residential property may also decline due to buyer concerns about decreases in value, regulatory or tax changes or concerns about rising interest rates, which could impact demand for the Group's home lending products. If regulators impose supervisory measures that impact the Group's mortgage lending practices, or if Australian or New Zealand housing price growth significantly subsides or property valuations decline, the demand for the Group's home lending products may decrease and loan defaults could increase due to declining collateral values. This would adversely affect the Group's business, financial condition, operations and prospects.

A material decline in residential housing prices could also cause increased losses from the Group's exposures to residential property developers, particularly if such developers' customers that are pre-committed to purchase the completed dwellings are unable or unwilling to complete their contracts and the Group is forced to sell these dwellings for less than the pre-committed contract price.

The Group's portfolio of commercial property loans may be susceptible to asset price deflation, tenancy risk (comprising of underlying income generation from tenancy mix and vacancy levels), delivery risk and settlement risk, which may result in higher credit losses, refinance risk and deteriorating security values. Adverse impacts on the Group's commercial loan portfolio could emanate from lower levels of new origination activity and increased losses due to deteriorating security values and a less active refinancing market. A significant decrease in commercial property valuations or a significant slowdown in the commercial real estate markets in Australia or New Zealand, or specific regions or sectors (such as New South Wales), could result in a decrease in lending growth.

The Group is subject to extensive regulation and operates in an environment that is subject to political scrutiny, which could adversely impact its operations and financial condition

The Group and its businesses are subject to extensive regulation in Australia and across multiple regulatory bodies as well as by other regulators in jurisdictions in which the Group operates or obtains funding, including New Zealand, the UK, the Netherlands, the United States, China, Japan, Singapore, Hong Kong and Indonesia.

Key domestic regulators include APRA, ASIC, the Australian Transaction Reports and Analysis Centre ("AUSTRAC"), the Office of the Australian Information Commissioner (the "OAIC"), the Australian Competition and Consumer Commission (the "ACCC"), the Fair Work Ombudsman ("FWO"), the Australian Communications and Media Authority ("ACMA"), the Australian Financial Complaints Authority, the RBA and the Australian Securities Exchange ("ASX").

In particular, APRA, as the Group's prudential regulator in Australia has very wide powers under the Banking Act, including in limited circumstances to direct banks (including the Bank) not to make payments on its securities.

In addition to its key Australian regulators, a range of international regulators and authorities supervise and regulate the Group in respect of, among other areas, capital adequacy, liquidity levels, funding, provisioning, insurance, compliance with prudential regulation and standards, accounting standards, remuneration, data access, stock exchange listing requirements, and the Group's compliance with relevant financial crime, sanctions, privacy, taxation, competition, consumer protection and securities trading laws.

The Group and the wider financial services industry are facing increased regulation and scrutiny in many of these areas and jurisdictions and changes or new regulation in one part of the world could lead to changes elsewhere.

Any change in law, regulation, taxation, accounting standards, policy or practice of regulators, or failure to comply with laws, regulations or policy, may adversely affect the Group's business, financial condition, liquidity, operations, prospects and reputation, and its ability to execute its strategy, either on a short or long-term basis. The potential impacts of regulatory change are wide-ranging, and could include increasing the levels and types of capital that the Group is required to hold and restricting the way the Group can conduct its business and the nature of that business, such as the types of products that it can offer to customers.

Risk Factors (Continued)

The Group is exposed to the risk of a change in tax laws or changes in the interpretation of tax laws in the jurisdictions in which it operates. Any such changes may be adverse to the Group's interests and may result in the Group incurring larger tax liabilities than expected, which could adversely affect the Group's results of operations.

The Group may also be adversely affected if the pace or extent of regulatory change exceeds its ability to adapt to such changes and embed appropriate compliance processes adequately. The pace of regulatory change means that the regulatory context in which the Group operates is often uncertain and complex.

Regulatory reforms

Examples of recent significant regulatory reform in Australia include the following:

- On 1 January 2023, APRA implemented its revisions to the ADI capital framework. These revisions include an increase to the minimum CET1 Capital Ratio from 8% to 10.25%, which is comprised of a minimum prudential capital requirement of 4.5% and a capital conservation buffer of 5.75%, which includes a domestic systemically important banks ("D-SIB") buffer of 1% and a baseline countercyclical capital buffer ("CCyB") set at 1%. The CCyB, which may be varied by APRA in the range of 0% to 3.5% can be released in times of systemic stress and post-stress recovery. The objectives of these reforms and revisions are to increase the risk sensitivity within the capital framework, to enhance the ability of ADIs to respond flexibly to future stress events, and to improve the comparability of the Australian framework with international standards. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document.
- In addition, the Australian loss absorbing capacity regime will be established under the existing capital framework. For D-SIBs, such as the Bank, APRA will require an additional total capital requirement of 3 per cent. of risk-weighted assets ("RWA") from 1 January 2024. This will increase to 4.5 per cent. from 1 January 2026. The loss absorbing capacity requirement in combination with revisions to the ADI capital framework will result in a total capital ratio requirement of 16.75 per cent. from 1 January 2024. The total capital requirement will increase to 18.25 per cent. from 1 January 2026.
- 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 that it is consistently applied across different structures. APRA expects to consult on any revisions to the relevant standards over 2023-2024, with the revised standards expected to be implemented in 2025.
- In August 2023, APRA provided an update on the proposed changes to APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book and following industry consultation it expects to implement the new requirements from 1 January 2025, with guidance on the standard to be finalised in 2024. APRA is yet to commence consultation on revisions to APS 116 "Capital Adequacy: Market Risk", and APS 180 "Capital Adequacy: Counterparty Credit Risk". Consultation is expected to commence in 2024 with revisions to both standards expected to be implemented in 2026.
- On 1 December 2022, APRA released its final Prudential Standard CPS 190 Recovery and Exit Planning ("CPS 190"), aimed at reinforcing the resilience of the financial system. In particular, the new standard aims to ensure that APRA regulated entities are better prepared to manage periods of severe financial stress. CPS 190 will come into effect from 1 January 2024 for banks and insurers, and from 1 January 2025 for Registrable Superannuation Entities ("RSE") licensees.
- On 18 May 2023, APRA released its final Prudential Standard CPS 900 Resolution Planning, which aims to ensure that an APRA regulated entity can be managed by APRA in an orderly manner, where the entity is unable to, or is likely to be unable to, meet its obligations or suspends, or is likely to suspend, payments. CPS 900 will come into effect from 1 January 2024.
- On 17 July 2023, APRA released the final CPS 230 Operational Risk Management which replaces several existing standards including CPS 232 Business Continuity management and CPS 231 Outsourcing. CPS 230 will apply to all APRA regulated entities from 1 July 2025 and sets out significant new requirements in relation to operational risk management, as well as updated requirements in relation to service provider risk management and business continuity planning. APRA has also released for consultation draft Prudential Practice Guide CPG 230 Operational Risk Management which sets out proposed guidance on CPS 230.
- On 10 August 2023, APRA released an update to its policy priorities for the remainder of calendar year 2023, in which it indicated that it would release a discussion paper to explore options for, and seek feedback from stakeholders on improving the effectiveness of Additional Tier 1 capital in Australia, ahead of a potential consultation in calendar year 2024. This follows comments in the June 2023 quarterly statement by the Council of Financial Regulators which indicated that it would be assessing Australia's crisis management settings in light of recent stresses in parts of the international banking system.

Risk Factors (Continued)

- Outside Australia there have also been a series of other regulatory initiatives from authorities in the various jurisdictions in which the Group operates or obtains funding that would result in significant regulatory changes for financial institutions. As an example, the RBNZ published the finalised Banking Prudential Requirements ("BPR") following a comprehensive review of the capital adequacy framework applying to registered banks in New Zealand. The requirements include the RWA of New Zealand IRB banks, such as ASB, increasing to approximately 90% of that required under a standardised approach. In addition, for those banks deemed systemically important, including ASB, the Tier 1 capital requirement will increase to 16% of RWA, of which 13.5% must be in the form of Common Equity Tier 1 ("CET1") capital. Tier 2 capital will remain in the framework and can contribute up to 2% of the 18% minimum total capital ratio. Existing Additional Tier 1 and Tier 2 instruments issued by New Zealand banks will no longer be eligible under the RBNZ's new capital criteria. These reforms begun being phased in on 1 October 2021 and full implementation is expected by 1 July 2028. The implementation of these new requirements could impact the Bank's capital minimums and targets.

The Group is subject to competition and digital disruption which may adversely affect its business and financial results

The Group faces competition in all of its principal areas of operation. Competition is expected to increase, especially from non-Australian financial services providers who continue to expand in Australia, and from new non-bank entrants or smaller providers who may be unregulated or subject to lower or different prudential and regulatory standards than the Group, allowing them to operate more efficiently. These entrants may seek to disrupt the financial services industry by offering bundled propositions and utilising new technologies such as blockchain and digital currencies.

The emergence, adoption and evolution of new technologies, including distributed ledgers, such as digital currencies and blockchain, may require the Group to invest resources to adapt its existing products and services and may increase the Group's compliance and regulatory costs. Regulatory limitations on the Group's involvement in products and platforms involving technologies such as digital currencies may not apply equally or, in some cases, at all to certain of the Group's competitors. The Group may not be as timely or successful in developing or integrating, or even able to develop or integrate, new products and technologies, such as digital currencies, into its existing products and services, adapting to changes in consumer preferences or achieving market acceptance of the Group's products and services, any of which could affect the Group's ability to attract or retain clients, cause the Group to lose market share or result in service disruptions and in turn reduce the Group's revenues or otherwise adversely affect the Group.

If poorly implemented or managed in areas such as lending decisions, the use of these technologies could also create data privacy concerns or deliver incorrect results with potentially poor financial, regulatory, conduct or reputational outcomes. Given the importance of a functioning and competitive banking sector, it is anticipated that over the longer-term, the level of competition in financial services will remain a focus area for the Australian Government. Possible future policy reform in this area may result in increased competitive pressure in the Group's key markets, which may adversely affect the Group's business, results of operations, financial condition and prospects.

The Group relies on deposits to fund a significant portion of its balance sheet. The Group competes with banks and other financial services firms for such deposits. Increased competition for deposits may increase the Group's cost of funding. To the extent that the Group is not able to successfully compete for deposits, the Group would be forced to rely more heavily on other, less stable or more expensive forms of funding, or to reduce lending, which may adversely impact the Group's business, financial condition, operations, prospects and liquidity.

In addition, a material portion of the Group's earnings is derived from mortgages. The Group faces increased competition for mortgages, with the current rising interest rate environment driving higher volumes of refinancing activities as customers shop around for more favourable rates. If the Group is unable to compete effectively in its various businesses and markets, its market share may decline and increased competition may also adversely affect the Group's results by diverting business to competitors or creating pressure to lower margins to maintain market share.

The Bank is routinely exposed to, and manages, a number of sub-risks of the Strategic Risk type

These risks primarily support or drive strategic decisions that could impact the Bank's profitability or business model assumptions, and are impacted by, or drive decisions resulting in impacts across other risk types, and are managed more routinely through their own dedicated governance, policies and procedures, infrastructure and teams.

The Group could suffer losses due to environmental and social risks

The Group could be exposed to financial losses or reputation damage from the impacts of climate change or due to differences between stakeholder expectations and the Group's actual or perceived practices in relation to environmental and social issues.

Shareholders, community stakeholders and local and global regulators have increased their focus on climate change, and nature related matters (such as biodiversity loss, all forms of pollution, and deforestation), increasing the risk of compliance breaches, shareholder activism and litigation risk (including class actions). Examples of this increased focus include the Australian Department of the Treasury's consultation process on climate-related financial disclosure and the introduction of similar specific climate-related disclosure requirements in New Zealand.

Risk Factors (Continued)

Risk may arise due to the failure or perceived failure of the Group to manage climate change-related risks appropriately; align our policy actions, or decisions to our public commitments or disclosures; accurately or adequately disclose the extent and management of environmental and social risks, apply appropriate climate-related standards to its customers or meet climate change-related commitments, goals or targets. This may increase the risk that third parties (including activist shareholders as well as regulators) commence litigation against the Group or its Directors, with this type of climate-related litigation becoming more common in Australia, New Zealand and other jurisdictions. The Group is aware of such litigation and regulatory risks through its receipt of information requests relating to environmental, social and governance matters and its engagement with activists, shareholders and regulators. Such litigation may adversely affect the Group's reputation and may result in regulatory fines or penalties or other more indirect financial impacts, including loss of revenue foregone from carbon intense customers.

Climate change is systemic in nature, and is a significant long-term driver of financial, non-financial and strategic risk to the Group. A failure to respond adequately to the potential and expected impacts of climate change will affect the Group's long-term performance and can be expected to have impacts for the Group in its lending (retail and business), procurement and investment portfolios.

There is an increasing risk that the Group's assets, including those held as collateral or investments, could become impaired where customers are unable to secure adequate insurance cover against permanent damage arising from more frequent and severe weather events and longer-term shifts in climate patterns. In particular, there is a risk of the home lending portfolio accumulating an increased exposure to high risk areas over time if appropriate action is not taken in the shorter term.

Permanent damage to assets of customers could impact the probability of default and losses arising from defaults, valuations and collateral as well as portfolio performance, which may adversely impact the Group's business, financial conditions, operations, prospects and liquidity.

Disruption is also likely to occur from the adjustment to a low-carbon economy. This may be due to the nature and volume of regulatory policy, market, technological or community-led transition requirements, and changing expectations.

The Group's assets held in certain industries and/or locations, or those held in investment portfolios, could become less valuable as a result of being misaligned with low-carbon policy or community expectations.

The physical impacts of climate change and the transition to a low carbon economy have the potential to increase the number of vulnerable customers and hardship cases to be managed by the Group through: damage to assets of customers affecting their ability to repay loans, house value declines and insurance affordability issues in higher risk zones; inflation increases from higher energy prices as nations seek to meet emission targets; unemployment in regions or industries previously dependent on high emitters; and customers impacted by severe weather events.

The financial performance of the Group could also be impacted if revenue foregone from carbon intense customers is not offset by financing opportunities in new 'green' or renewable industries. Further, any actual, or perceived inadequate climate commitments by Australia could result in loss of, or increased cost of capital or funding, carbon border adjustment taxes, and exclusion of Australian businesses (including the Group's customers) from the significant global transition economy.

Social risk may increase as community expectations shift in relation to how the financial sector interacts with people in vulnerable circumstances and marginalised members of the community. The number of customers in vulnerable circumstances is expected to accelerate in the near-term, exacerbated by the increased cost of living and economic pressures; a significant increase in losses to fraud and scams; a housing and rental affordability crisis due to lack of housing supply; and greater number of communities impacted by extreme weather events. This could lead to potential reputational risk arising from actions taken by the Group in situations of increased customer vulnerability, hardship and default.

Further, inadequate management of environmental and social risk by the Group or its customers may expose the Group to other potential risks across risk categories, such as liquidity, credit, operational, compliance and market risk.

The Group's reputation could also be adversely impacted by: continuing to finance certain industries or customers that are carbon intense or environmentally unfriendly; setting portfolio emission reduction targets and strategies that do not meet community expectations; failing to support the generation of renewable energy to ensure the maintenance of a secure energy platform in Australia or in any other jurisdiction in which the Group operates; failing to reduce the Group's own emissions or manage its own environmental footprint; or failing to meet regulatory and reporting requirements, or adhere to public commitments. The Group's reputation could also be impacted by: financing or partnering with organisations that negatively impact human rights and the rights of Australian First Nation peoples; engage in modern slavery or have modern slavery in their supply chains; or have corrupt, unethical or weak governance practices.

Organisational capability and culture risks may adversely affect the Group's business, operations and financial condition

The Group may be unable to execute effectively on its strategy due to inadequate skills and capabilities and a misaligned organisational culture.

The Group's ability to attract and retain qualified and skilled executives, employees and Board members is an important factor in achieving the strategic objectives of the Bank and its subsidiaries. The Chief Executive Officer, the management team of the Chief Executive Officer and the Board have skills that are critical to setting the strategic direction, driving an appropriate organisational culture, successfully managing growth of the Group, and whose loss due to resignation, retirement, death or illness may adversely affect the Group's business, operations and financial condition.

The progression of new technologies, such as artificial intelligence ("AI"), changing macroeconomic conditions, and increasing regulatory expectations, requires leaders with new and different skill sets (particularly engineering, technology, data, cyber, environmental and social and analytics) and deep banking expertise to deliver the performance expected by shareholders.

Risk Factors (Continued)

With historically low unemployment rates in Australia and New Zealand across the corporate sector, these skills are becoming increasingly difficult to attract and retain, particularly with the emergence of new non-traditional technology competitors who aim to compete directly in the banking sector.

The Group's business, operations and financial condition could be adversely affected if it has difficulty driving the appropriate organisational culture necessary to achieve its strategy, retaining or attracting highly qualified people for important roles, including key executives and Board members, particularly in times of strategic change.

Failure to maintain capital adequacy requirements would adversely affect the Group's financial condition

Capital adequacy risk is the risk that the Group does not hold sufficient capital and reserves to capitalise on strategic opportunities, cover exposures and withstand losses from extreme events. The current rapid rise in interest rates, removal of quantitative easing measures, foreign exchange rates and market volatility create the need for the Group to closely monitor its capital position.

The Group must satisfy substantial capital requirements, subject to qualitative and quantitative review and assessment by its regulators. Regulatory capital requirements influence how the Group uses its capital and can restrict its ability to manage capital across the entities in the Group, to pay dividends and Additional Tier 1 distributions, or to make stock repurchases, or require the Group to raise more capital, or restrict balance sheet growth. The Group's capital ratios may be affected by a number of factors, including earnings, asset growth and quality, movements in the Group's RWA, changes in the value of the Australian dollar against other currencies in which the Group conducts its business, changes in regulatory requirements, and changes in business strategy (including acquisitions, divestments, investments and changes in capital intensive businesses). Additionally, if the information, models, or the assumptions upon which the Group's capital requirements are assessed prove to be inaccurate, this may adversely impact the Group's operations, financial performance and financial position.

The Group operates an Internal Capital Adequacy Assessment Process (the "ICAAP") to manage its capital levels and to maintain them above the minimum levels approved by the Board (which are currently set to exceed regulatory requirements). The ICAAP includes forecasting and stress testing of capital levels, which guides the Group in selecting any capital management initiatives it may undertake.

Should the ICAAP forecasts or stress tests prove to be ineffective, the Group may not be holding sufficient capital and may need to raise capital to manage balance sheet growth and/or stress.

Damage to the Group's reputation could undermine the trust of stakeholders, erode the Group's brand and harm its business, financial condition, operations and prospects

The Group's reputation is a valuable asset and a key contributor to the support that it receives from the community for its business initiatives and its ability to raise funding or capital. Damage to the Group's reputation may arise where there are differences between stakeholder expectations and the Group's actual or perceived practices. Reputational damage may also be a secondary outcome of other sources of risk.

Various issues, including a number of the risks described herein, may give rise to reputational damage and cause harm to the Group's business, financial condition, operations and prospects. These issues include the conduct of the Group (for example, inadequate sales and trading practices, inappropriate management of conflicts of interest, inappropriate management of emerging categories of vulnerable customers from cost of living pressures and increasingly severe weather events, and other ethical issues), breaches of legal and regulatory requirements (such as money laundering, counter-terrorism financing, trade sanctions, privacy and anti-hawking laws), technology and information security failures, unsuccessful strategies or strategies that are not in line with community expectations and non-compliance with internal policies and procedures. The Group's reputation may also be adversely affected by community perception of the broader financial services industry, or from the actions of its competitors, customers, suppliers or companies in which the Group holds strategic investments.

The Group has in the past, and may in the future, be challenged on its strategy by shareholders, including institutional shareholders, and special interest groups. Areas which have attracted investor activism in Australia include making socially responsible investments and avoiding financing or interacting with businesses that do not demonstrate responsible management of environmental and social issues. The prevalence of investor activism could impact management's decision-making and implementation of the Group's initiatives, which in turn could adversely affect its financial results.

Reputational damage could also arise from the Group's failure to effectively manage risks, enforcement or supervisory action by regulators, adverse findings from regulatory reviews and failure or perceived failure to adequately respond to community, environmental, social and ethical issues.

Failure, or perceived failure, to address these issues appropriately could also give rise to additional legal or regulatory risk, subjecting the Group to regulatory enforcement actions, fines and penalties, or further damage the Group's reputation and integrity among its stakeholders including customers, investors and the community.

The Group's performance and financial position may be adversely affected by sub-optimal investment allocation and delivery risks, including through its acquisitions or divestments of businesses

The Group routinely manages a large number of strategic and transformation programs. There is the risk of expected outcomes not being achieved, or strategic opportunities being missed due to ineffective management of these initiatives, for example, due to operational complexity or the pace of execution being too fast for processes, people and systems to work as they need to, or too slow to keep pace with the changing environment.

There is also the risk of ineffective allocation and balance of the Group's resources that could result in missed strategic opportunities or the inability to effectively deliver on strategic objectives.

As part of focusing on its core business in Australia and New Zealand the Group has undertaken a number of divestments in recent years, and continues to explore potential divestments of other non-core businesses or investments. For further information refer to Note 11.3 to the 2023 Financial Report.

Risk Factors (Continued)

There is a risk that the cost and pace of executing divestments, including as a result of external approvals, may cause the Group to experience disruptions in the divestment, transition or wind-down process, including to existing businesses, which may cause customers to remove their business from the Group or have other adverse impacts on the Group. The Group may also be subject to risks associated with ongoing liabilities and indemnities under the relevant sale agreements.

From time to time, the Group evaluates and undertakes acquisitions of other businesses, including making equity investments in other businesses. There is a risk that completed acquisitions may not perform as anticipated and that the value of the relevant businesses or investments may decline. There can be no assurance that all relevant information will be identified through diligence performed in connection with acquisitions and the implications of information uncovered through the process may be misunderstood. Failure to identify pre-existing issues through due diligence, or to obtain adequate contractual protections, may reduce acquisition success. In addition, there is a risk that the Group may not achieve the expected synergies from the acquisition, and may experience disruptions to its existing businesses due to difficulties in integrating the systems and processes of the acquired business. These risks may also cause the Group to lose customers and market share, and incur financial losses.

Multiple divestments and/or acquisitions at the same time may exacerbate these risks

Credit Risk

The Group may incur losses associated with credit risk exposures

The Group assumes counterparty risk in connection with its lending, trading, derivatives, insurance and other businesses as it relies on the ability of its counterparties to satisfy their financial obligations to the Group on a timely basis. For example, customers may default on their home, personal and business loans, and trades may fail to settle due to non-payment by a counterparty or a systems failure by clearing agents, exchanges or other financial intermediaries. This risk also arises from the Group's exposure to lenders' mortgage insurance and re-insurance providers. There is also a risk that the Group's rights against counterparties may not be enforceable in certain circumstances.

Less favourable business or economic conditions, whether generally or in a specific industry sector or geographic region, as well as the occurrence of events such as natural disasters or geopolitical events, could cause customers or counterparties to fail to meet their obligations in accordance with agreed terms.

Counterparties may default on their obligations due to insolvency, lack of liquidity, operational failure or other reasons. This risk may be increased by a deterioration in economic conditions and a sustained high level of unemployment. In assessing whether to extend credit or enter into other transactions, the Group relies on counterparties providing information that is accurate and not misleading, including financial statements and other financial information and increasingly, disclosures relating to counterparties' exposure to material environmental and social risks. The Group's financial performance could be negatively impacted to the extent that it relies on information that is inaccurate or materially misleading.

Rapid consecutive rises to higher than previously anticipated terminal interest rates could lead to business insolvencies, increased mortgage stress and defaults. In addition, the Reserve Bank of Australia has projected that the majority of all Australian home loans which were on a fixed interest rate in early 2022 will transition to a variable rate by the end of 2024. As the interest rates on these loans transition from fixed to materially higher variable rates, homeowners will face an increase in their mortgage repayments, increasing the potential for mortgage stress and defaults amongst those mortgage holders most highly exposed.

Substantial aggregate unexpected credit losses could have a significant adverse effect on the Group's business, financial condition, operations and prospects.

Operational Risk

The Group may incur losses from operational risks associated with being a large financial institution

Operational risk is defined as the risk of economic gain or loss resulting from (i) inadequate or failed internal processes and methodologies; (ii) people; (iii) systems and models used in making business decisions; or (iv) external events. The continuity and resilience of the Group's operations is crucial for serving its customers, upholding community trust and maintaining its reputation.

The Group is exposed to operational risk through a number of specific risk types that require specific skills, infrastructure, procedures and governance to ensure their effective oversight and management. The Group may also be adversely impacted by failures in the efficacy, adequacy or implementation of these risk-management strategies, frameworks and processes. The emergence of unexpected risks or unanticipated impacts of identified risks may result in financial or reputational losses for the Group.

The Group may be adversely affected by cyber-security risks

The Group's information technology systems, including those supplied by external service providers, are subject to information security risks. Cyber-attacks have the potential to cause financial system instability and could result in serious disruption to customer banking services, or compromise customer data privacy.

Information security risks for the Group have increased in recent years, in part because of: (i) the pervasiveness of technology to conduct financial transactions; (ii) the evolution and development of new technologies; (iii) the Group's increasing usage of digital channels; (iv) customers' increasing use of personal devices that are beyond the Group's control systems; (v) increased remote working by the Group's employees; and (vi) more well-organised and resourced cyber criminals employing new technologies, such as AI to exploit vulnerabilities on an ever-increasing attack surface.

Cyber-attacks have the potential to cause financial system instability and current geopolitical tensions elevate this risk. The sanctions placed on Russia due to the invasion of Ukraine, and ongoing trade tensions between China and western economies such as the United States and Australia increase the risk of cyber-attacks on Australian companies such as the Group.

Risk Factors (Continued)

Although the Group takes protective measures and endeavours to modify these protective measures as circumstances warrant, its computer systems, software and networks, including those supplied by external service providers, may be a target for denial-of-service attacks, phishing attacks, ransomware attacks, computer viruses or other malicious code and other events. These threats could result in the unauthorised access, release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of the Group, its employees, customers or third parties or otherwise adversely impact network access or business operations.

An information security failure (including the impact of any cyber-attack), or more general mishandling of data, could have serious consequences for the Group, including operational disruption, financial losses, a loss of customer or business opportunities, litigation, regulatory penalties or intervention, reputational damage, theft of intellectual property, loss or theft of customer data, and could result in violations of applicable privacy laws.

In 2022 and continuing into 2023, a number of large Australian enterprises experienced significant cyber-attacks. Intense public response to these attacks has led to increased political focus with the potential for future significant increases in penalties for privacy breaches. Should the Group be the target of such an attack, then in addition to the risks discussed above, there is a risk of reputational damage in light of the public response to such an attack and/or penalties imposed by a regulator which may materially adversely affect the Group's operations. The theft of personal information of some of the Group's customers resulting from these cyber-attacks also has the potential to impact the effectiveness of the Group's know your customer ("KYC") identity verification procedures as stolen personal information could be misused for identity theft.

The Group may be adversely affected by technology risks

The Group's businesses are highly dependent on its information technology systems, including those supplied by external service providers, to securely process, store, keep private and transmit information.

The Group provides numerous services to customers through a complex technology infrastructure that requires ongoing update, maintenance and configuration to ensure its network, software applications and hardware, including those supplied by external service providers, are resilient and not disrupted by physical damage, malicious or unintentional acts, or ineffective change management processes.

Disruption to business systems from failure of technology infrastructure can materially impact customers, result in significant financial and reputational losses for the Bank, and result in material fines and penalties.

The Group may be adversely affected by data management risks

The Group manages a large volume of personal and sensitive data. There is a risk that poor decisions may be made due to data quality issues or failing to appropriately manage and maintain the Group's data. This includes the capture, processing, distribution, retention and disposal of data. Failure to appropriately manage and maintain the Group's data, including use of data in a manner inconsistent with the Group's obligations and values, or not complying with data management regulatory obligations, may result in a loss of trust, operational disruptions, financial losses or regulatory action.

The Group may be adversely affected by third party risks

The Group's use of third party suppliers and partnerships, especially those that supply the Group with critical services such as key technology systems or support, expose it to operational risks potentially severe in nature.

The current financial instability and geopolitical tensions across the global landscape have led to general uncertainty over the stability of global supply chains. This context is likely to persist with possible impacts on third-party suppliers of the Group.

The Group may be adversely affected by transaction processing risks

The Group's businesses are highly dependent on their ability to process and monitor a very large number of transactions, many of which are highly complex, across multiple markets and in many currencies. The Group's payment, settlement, collateral management, financial, accounting, record keeping, data processing or other operating systems, processes and facilities may fail to function properly or may become disabled as a result of events that are wholly or partially beyond its control, such as a spike in transaction volumes, damage to critical utilities, environmental hazards, natural disaster, or a failure of a vendors' systems.

The Group may be adversely affected by non-technology business disruption risks

The Bank is exposed to the risk of disruption to business processes from non-technological causes. This includes disruptions from natural disasters or pandemics, violence, social unrest or terrorist events and property disruptions.

The COVID-19 pandemic, and future outbreaks of other communicable diseases or pandemics, have the potential to introduce new and elevated risks to the resilience of the Group's operations. These include, safety risks to employees working in offices and branches, and disruptions to operations arising from remote working and reprioritisation of teams to service increased customer queries and hardship requests. There is an increased risk of complaints, reputational damage and conduct implications if increased volumes of customer requests for relief measures are not appropriately managed. Disruptions also increase the risk of potential non-compliance with ongoing regulatory obligations and commitments.

Disruptions can impact customers' ability to consume critical business services, including access to funds and ability to make payments and transfers. Prolonged or repeated business disruptions could adversely affect the Group's reputation , result in regulatory compliance failures and ultimately require the Group to enter into enforceable undertakings to rectify the failures.

Risk Factors (Continued)

The Group may be adversely affected by artificial intelligence risks

AI are machine-based systems that independently learn from data and can, for a given set of human-defined objectives, generate outputs such as content, predictions, recommendations, or decisions. AI includes technologies such as machine learning (identifies patterns and relationships in data, including supervised, unsupervised and reinforcement learning), dynamic or adaptive models, speech recognition, natural language processing and computer image recognition. AI is being used more often in banking across a range of business processes, including lending, customer service and financial modelling. For example, the Group has integrated AI within its Customer Engagement Engine to better anticipate customer needs and deliver more personalized customer experiences, such as connecting customers with relevant benefits and rebates, and proactively identifying instances of technology facilitated abuse, a targeted form of domestic and family violence.

Not adopting AI within business processes could pose a strategic disadvantage to the Group relative to its competitors who deploy AI tools to increase the speed and quality of decisions. Inadequate adoption and management of AI in business processes by the Group, or by third parties it relies upon (including the inability to understand or explain AI decisions), can result in unwanted financial and non-financial consequences, such as decisions deemed unethical or not in line with the Group's policies and values which could adversely affect the Group's reputation.

The Group may be adversely affected by modelling risks

As a large financial institution, the Group relies on a number of models for material business decisions. Incorrect model design or improper model implementation, maintenance and application can result in incorrect business decisions.

Changing circumstances require rapid updates to models which increases the risk of reporting errors. This increases the risk of not disclosing to the market appropriately as circumstances change, or of failing to comply with the Group's continuous disclosure obligations.

The Group may be adversely affected by fraud and scams risks

The Group is routinely exposed to the risk of fraud from third party suppliers, customers, or by an internal or external party. This can include the theft of funds, unauthorised trading or the theft of assets and non-electronic information. Globally we have observed an increase in scam (authorised fraudulent transactions). Specifically in Australia, the 2022 ACCC ScamWatch report has shown an 80% year on year increase in scam activity with comparatively much lower growth rates in fraud (unauthorised) transactions.

In overseas jurisdictions such as the UK, government and regulators are introducing further Bank liability measures whereas in Australia, government is considering the implementation of sectoral codes which create enhanced accountability for Telecommunications Providers, Digital Platforms and Banks. This Code(s) is currently being drafted and will be distributed by Treasury for consultation in due course and consequently, there is a risk that significant increases in customer scam losses and associated media attention, may lead to heightened expectations in these Code(s) in the role that Banks locally should play in prevention and reimbursement of scams.

The Group may be adversely affected by employment risks

The Group employs a large workforce and is therefore exposed to the risk of breaches of employment legislation, mismanagement of employee relations, and physical or mental injury or death of employees or people on Group premises where the Group is liable.

Due to the size and complexity of the Group's workforce, developments or decisions in labour law may have an impact on the Group's employment arrangements, causing a change in the Group's workforce or the labour cost base, any of which may have an adverse impact on the Group's financial performance and reputation. In addition, if employees take industrial action, the Group could be exposed to loss to the extent the industrial action impairs the Group's ability to provide services or causes disruptions to the Group's operations.

The Group may be adversely affected by accounting and taxation risks

The Group may be exposed to risks from not meeting statutory and regulatory reporting, tax payment and filing requirements.

Management must exercise judgement in selecting and applying the Group's accounting policies so that not only do they comply with generally accepted accounting principles but they also reflect the most appropriate manner in which to record and report on the financial position and results of operations of the Group. Inappropriate application of and changes to accounting policies may adversely impact the Group's results.

Compliance Risk

The Group is subject to compliance risks, which could adversely impact the Group's results and reputation

Compliance risk is the risk of legal or regulatory sanctions, material financial loss or loss of reputation that the Group may suffer as a result of its failure to comply, or perceived failure to comply, with the requirements of relevant laws, regulatory bodies, industry standards and codes. Compliance risk may also arise where the Group interprets its obligations differently from regulators or a court.

Increasing volume, complexity and global reach of such requirements, and the increased propensity for sanctions and the level of financial penalties for breaches of requirements, could adversely impact the Group's results and reputation.

This includes for example, financial crime related obligations such as anti-money laundering and counter-terrorism financing laws, anti-bribery and corruption laws, modern slavery laws, and economic and trade sanctions laws in the jurisdictions in which the Group operates. The number and wide reach of these obligations, combined with the increasing global focus on compliance with and enforcement of these obligations, presents a risk of adverse impacts on the Group, including to its reputation.

Risk Factors (Continued)

Substantial legal liability or regulatory action against the Group may adversely affect the Group's business, financial condition, operations, prospects and reputation

Due to the nature of the Group's business, it is involved in litigation, arbitration and regulatory proceedings, principally in Australia and New Zealand. Such matters are subject to many uncertainties, and the outcome of individual matters cannot be predicted with certainty. If the Group is ordered to pay money (for example, damages, fines, penalties or legal costs), has orders made against its assets (for example, a charging order or writ of execution), is ordered to carry out actions which adversely affect its business operations or reputation (for example, corrective advertising) or is otherwise subject to adverse outcomes of litigation, arbitration and regulatory proceedings, the Group's business, financial condition, operations, prospects and reputation may be adversely affected.

The Group is defending two shareholder class action proceedings alleging breaches of CBA's continuous disclosure obligations and misleading or deceptive conduct in relation to the subject matter of the civil proceedings commenced by AUSTRAC against CBA in September 2017, two class action claims in relation to superannuation products in the Federal Court of Australia, two class actions related to financial advice, as well as a class action commenced in New Zealand against ASB Bank regarding disclosure of loan variations. A settlement was reached with no admissions as to liability, in a third superannuation class action, a class action that was commenced by Bankwest customers and a class action in relation to consumer credit insurance for credit cards and personal loans. The settlements are subject to Court approval.

In addition, there is one civil penalty proceeding commenced by the Fair Work Ombudsman against CBA and CommSec in the Federal Court of Australia alleging contraventions of the Fair Work Act, and the Wage Inspectorate Victoria has commenced criminal proceedings against each of CommSec and BWA Group Services Pty Ltd in the Magistrates' Court of Victoria relating to alleged underpayments of long service leave (LSL) entitlements for 20 former employees of those entities, and alleged non-compliance with a regulatory notice. The Full Court of the Federal Court of Australia dismissed an appeal by ASIC in civil penalty proceeding commenced by ASIC against CBA and Colonial First State Investments Limited (CFSIL), a former Group entity, alleging contraventions of the conflicted remuneration provisions in the Corporations Act. Further details about each of these claims can be found in the "Description of Business Environment – Legal Proceedings and Investigations" section of this Document and Note 7.1 of the 2023 Financial Report.

Furthermore, in recent years there have been increases in the number and scale of regulatory investigations and reviews, enforcement actions (whether by court action or otherwise) and the quantum of fines issued by regulators, particularly against financial institutions both in Australia and globally. The nature of these investigations and reviews can be wide ranging, and may require the Group to incur significant compliance costs. There are also ongoing matters where regulators are investigating whether CBA or a Group entity has breached legal or regulatory obligations.

Where a breach has occurred, regulators are likely to impose, or apply to a Court for, fines and/or other sanctions, which could include an enforceable undertaking or court ordered compliance program whereby CBA or a Group entity commits to achieving specific outcomes.

The Group is also party to five enforceable undertakings and one compliance program with a regulator. These include one enforceable undertaking with the Office of Australian Information Commissioner, one enforceable undertaking with the Australian Communications and Media Authority and a compliance program ordered by the Federal Court of Australia as part of the proceedings which ASIC commenced against Commonwealth Securities Limited (CommSec). Further details about these enforceable undertakings can be found in the "Description of Business Environment – Legal Proceedings and Investigations" section of this Document and Note 7.1 of the 2023 Financial Report. Although the Group is currently in compliance with each of these enforceable undertakings, if the regulator determines the Group is no longer in compliance additional sanctions could be levied. The Group also continues to receive various notices and requests for information from its regulators as part of both industry-wide and Group-specific reviews. The Group continues to address the underlying causes of the Anti-Money Laundering and Counter-Terrorism Financing Act failings that resulted in AUSTRAC commencing enforcement action against the Bank in 2017. The Group provides updates to AUSTRAC on its Anti-Money Laundering and Counter-Terrorism Financing Program and related enhancements and remediation activities. However, there is no assurance that AUSTRAC or the Group's other regulators will agree that the Group's enhancements to its financial crime compliance capabilities, including through the multi-year Program of Action, are adequate or will effectively enhance the Group's financial crime compliance programs across its business units and the jurisdictions in which it operates.

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. The outcomes and total costs associated with such regulatory actions and reviews, and possible claims remain uncertain. The Group has incurred operating expenses for customer refunds and program costs in relation to remediation issues impacting customers of our wealth management and banking businesses, including Aligned Advice remediation. As at 30 June 2023, the provision held by the Group in relation to Aligned Advice remediation was $262 million (30 June 2022: $911 million). For more details on these remediation costs, see page 124 of this Document and Note 7.1 of the 2023 Financial Report. Although the Group believes these provisions are sufficient to provide all necessary customer remediation, it is possible further provisions may be required.

Additionally, investigations, actions, claims and proceedings may harm the Group's business and results by negatively impacting the Group's reputation among the Group's customers, investors and other stakeholders. Reputational harm could result in the loss of customers or restrict the Group's ability to access the capital markets on favourable terms, which could have a material adverse effect on the Group's business, financial condition, operations, prospects and reputation.

Risk Factors (Continued)

The Group may incur losses as a result of the inappropriate conduct of its staff

The Group could be adversely affected if an employee, contractor or external service provider does not act in accordance with regulations or its policies and procedures, engages in inappropriate or fraudulent conduct, or unintentionally fails to meet a professional obligation to specific clients. Examples are inadequate or defective financial advice, product defects and unsuitability, market manipulation, insider trading, privacy or data security breaches and misleading or deceptive conduct in advertising. As a result, the Group could incur losses, financial penalties and reputational damage, and could be subject to legal or regulatory action.

The Group may incur losses as a result of not complying with financial crime legislation

Banks have a critical role to play in combating financial crime and protecting the integrity of the financial system. The Group is required to comply with legislation targeting financial criminal activities globally. This includes legislation relating to sanctions, anti-money laundering, counter-terrorism financing and anti-bribery and corruption and anti-tax evasion facilitation. Not detecting or preventing financial crimes can have a significant impact on the Group's customers and the community and can result in significant fines and penalties for the Group.

The Bank may incur losses as a result of not complying with privacy legislation

The Bank collects and handles a large volume of personal information of individuals. Failure to appropriately collect, handle and protect this data in line with local and international privacy laws can expose the Bank to material reputational damage, fines and penalties. For example, in June 2019 the Australian Information Commissioner accepted an Enforceable Undertaking offered by the Bank, which requires further enhancements to the management and retention of customers' personal information within the Bank and certain subsidiaries. The EU addresses two incidents: one incident in 2016 relating to the disposal by a third party of magnetic data tapes containing historical customer statements, and the other incident in 2018 relating to potential unauthorised internal user access to certain systems and applications containing customers' personal information. The Bank's independent forensic investigation concluded that the most likely scenario was that the data tapes had been disposed of in the incident reported in 2016, and the Bank has found no evidence to date that there have been any instances of unauthorised access by the Bank's employees or third parties as a result of the incident reported in 2018. Accordingly, it has now closed all of its internal investigations.

Liquidity Risk

The Group's results may be adversely affected by liquidity and funding risks

The Group is subject to liquidity and funding risks, which could adversely impact the Group's future results. Liquidity risk is the risk of being unable to meet financial obligations as and when they fall due. Funding risk is the risk of over-reliance on a funding source to the extent that a change or increased competition in that funding source could increase overall funding costs or cause difficulty in raising funds. A loss of investor and/or customer confidence in the financial resilience of the Group may exacerbate the Group's liquidity and funding risks.

Further information on liquidity and funding risk is outlined in Note 9.4 of the 2023 Financial Report which provides an overview of the Group's liquidity and funding risk management framework.

Adverse financial and credit market conditions may significantly affect the Group's ability to access international debt markets, on which it relies for a substantial amount of its wholesale funding

While the majority of the Group's funding comes from deposits, it remains reliant on offshore wholesale funding markets to source a significant amount of its wholesale funding and to grow its business.

Global market volatility may adversely impact the cost of, and the Group's ability to access wholesale funding markets and may also result in increased competition for, and therefore the cost of, deposits in Australia.

Recent bank failures (including the regulatory, government and central bank responses to stabilise the banking system), the COVID-19 pandemic and the Russian invasion of Ukraine have had, and are expected to continue to have, a significant impact on the global economy and global markets. Fiscal and monetary stimulus and liquidity measures impacted the availability of funding during the COVID-19 pandemic. The end of these stimulus measures has resulted in increased competition for deposits and other funding sources, and therefore increased funding costs.

If the Group is unable to pass its increased funding costs on to its customers, its financial performance will decline due to lower net interest margins. If the Group is forced to seek alternative sources of funding, the availability of such alternative funding and the terms on which it may be available will depend on a variety of factors, including prevailing financial and credit market conditions. Even if available, the cost of these alternatives may be more expensive or they may only be available on unfavourable terms, which may adversely impact the Group's cost of borrowing and the Group's ongoing operations and funding.

If the Group is unable to source appropriate and timely funding, it may also be forced to reduce its lending or consider selling assets.

The Group may not be able to maintain adequate levels of liquidity and funding, which would adversely affect the Group's business, financial condition, operations and prospects

The Group's liquidity and funding policies are designed to ensure that it will meet its debts and other obligations as and when they fall due. Although the Group actively monitors and manages its liquidity and funding positions, there are factors outside of its control which could adversely affect these positions. For example, if financial markets are closed for an extended period of time, if there is a change in customer behaviour, or if there is a loss of investor and/or customer confidence in the financial resilience of the Group, it may lead to an outflow of deposits which will adversely impact the Group's liquidity and funding position.

If the Group fails to maintain adequate levels of liquidity and funding, it would adversely affect the Group's business, financial condition, operations and prospects.

Risk Factors (Continued)

Failure to maintain credit ratings could adversely affect the Group's cost of funds, liquidity, access to debt and capital markets, and competitive position

The Bank's credit ratings (which are strongly influenced by Australia's sovereign credit rating) affect the cost and availability of its funding from debt and other funding sources. Credit ratings could be used by potential customers, lenders and investors in deciding whether to transact with or invest in the Group.

A downgrade to the Bank's credit ratings, or the ratings of the Commonwealth of Australia, could adversely affect the Group's cost of funds, liquidity, access to debt and capital markets, collateralisation requirements and competitive position.

Market Risk

Failure to hedge effectively against market risks (including adverse fluctuations in exchange rates) could negatively impact the Group's results of operations

The Group is exposed to market risks, including the potential for losses arising from adverse changes in interest rates, foreign exchange rates, commodity and equity prices, credit spreads, basis risk and implied volatility levels for assets and liabilities. This exposure is split between traded market risks, primarily through providing services to customers on a global basis, and non-traded market risks, predominantly interest rate risk in the Group's banking book.

Changes in market factors such as potential developments or future changes in the administration of financial benchmark interest rates could result in adverse consequences to the return on, value of and market for, securities and other instruments whose returns are linked to any such benchmark, including those securities or other instruments issued by the Group. If the Group was to suffer substantial losses due to any market volatility, it may adversely affect the Group's financial performance or financial condition.

Additionally, a significant proportion of the Group's wholesale funding and some of its profits and investments are in commodities and currencies other than the Australian dollar, primarily the U.S. dollar, the Euro and the New Zealand dollar. This exposes the Group to exchange rate risk on these activities, as the Group's functional and financial reporting currency is the Australian dollar. These activities are hedged where appropriate; however there are also risks associated with hedging. For example, a hedge counterparty may default on its obligations to the Group. For a description of these specific risks, refer to Note 9.3 to the 2023 Financial Report. There can be no assurance that the Group's exchange rate hedging arrangements or hedging policy will be sufficient or effective. The Group's results of operations may be adversely affected if its hedges are not effective to mitigate exchange rate risks, if the Group is inappropriately hedged or if a hedge provider defaults on its obligations under the Group's hedging agreements.

Financial Review

Selected Consolidated Income Statement Data ("statutory basis")	Full Year Ended 30 June					
	2023	2023	2022 [1]	2021 [1]	2020	2019
	USD$M [2]	(AUD$ millions, except where indicated)				
Interest income:						
Effective interest income	**28,619**	**43,182**	23,987	24,804	30,053	34,089
Other	**857**	**1,293**	306	317	514	620
Interest expense	**(14,195)**	**(21,419)**	(4,820)	(5,819)	(11,552)	(16,485)
Net interest income	**15,280**	**23,056**	19,473	19,302	19,015	18,224
Impairment expense	**(734)**	**(1,108)**	357	(554)	(2,518)	(1,201)
Non-interest income	**2,965**	**4,474**	5,463	4,904	4,911	5,281
Operating expenses	**(8,005)**	**(12,079)**	(11,609)	(11,277)	(11,030)	(10,995)
Net profit before tax	**9,506**	**14,343**	13,684	12,375	10,378	11,309
Corporate tax expense	**(2,754)**	**(4,155)**	(4,011)	(3,532)	(2,990)	(3,255)
Net profit after tax	**6,752**	**10,188**	9,673	8,843	7,388	8,054
Non-controlling interests	**–**	**–**	–	–	–	(12)
Net profit attributable to equity holders of the Bank from continuing operations	**6,752**	**10,188**	9,673	8,843	7,388	8,042
Dividend declared [3]	**5,016**	**7,568**	6,559	6,209	5,275	7,630
Weighted average number of shares (basic) (M)	**1,690**	**1,690**	1,722	1,771	1,768	1,765
Earnings per share, basic (cents)	**395. 8**	**597. 2**	625. 4	574. 8	542. 4	485. 3
Earnings per share, fully diluted (cents)	**386. 9**	**583. 8**	601. 4	539. 7	521. 0	468. 3
Dividends per share (cents)	**298**	**450**	385	350	298	431
Dividend payout ratio (%) [4]	**75**	**75**	61	61	55	89

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.
2 USD translated from AUD using the 30 June 2023 End of day rate (Sydney time), refer to exchange rates under "Financial Review - Exchange Rates" below.
3 Represents final dividend declared for each respective year ended 30 June.
4 Dividends paid on ordinary shares divided by statutory earnings (earnings are net of dividends on other equity instruments).

Exchange Rates

For each of the Bank's financial years indicated, as well as for July and August (to date) of 2023, the period end and average exchange rates are set out below, together with the high, low and month end rates (unless otherwise indicated) for recent months. All rates referred to are sourced from Bloomberg, using the End of day rate (Sydney time).

To calculate the USD figures provided herein for comparison purposes as at and for the year ended 30 June 2023, the 30 June 2023 period end rate has been used.

	Full Year Ended 30 June [1]				
	2023	2022	2021	2020	2019
	(expressed in USD$ per AUD$1.00)				
Period End	**0. 6627**	0. 6879	0. 7521	0. 6854	0. 7013
Average Rate	**0. 6734**	0. 7257	0. 7467	0. 6715	0. 7155

	Month Ended 2023 [1]					
	August [2]	July	June	May	April	March
	(expressed in USD$ per AUD$1.00)					
High	**0. 6659**	0. 6876	0. 6887	0. 6785	0. 6776	0. 6754
Low	**0. 6528**	0. 6627	0. 6505	0. 6493	0. 6603	0. 6589
Month End Rates	**0. 6528**	0. 6693	0. 6627	0. 6493	0. 6603	0. 6714

1 Rate rounded to four decimal places. Actual rate used for translation throughout the Document for the 30 June 2023 period is US$0.662745 = A$1.00.
2 Represents the most current August 2023 exchange rate data ended 12 August 2023.

Highlights (continued)

Financial Review (continued)

Consolidated Balance Sheet Data	2023 USD$M [2]	2023	2022 [1]	2021 [1]	2020	2019
	Full Year Ended 30 June					
		(AUD$ millions, except where indicated)				
Assets						
Cash and liquid assets	**77,289**	**116,619**	161,154	100,041	44,165	29,387
Receivables from financial institutions	**4,029**	**6,079**	6,845	5,085	8,547	8,093
Assets at fair value through Income Statement	**44,819**	**67,627**	25,315	36,970	46,545	33,677
Derivative assets	**15,869**	**23,945**	35,736	21,449	30,285	25,215
Investment securities:						
At amortised cost	**1,347**	**2,032**	3,217	4,278	5,173	7,355
At fair value through other comprehensive income	**55,718**	**84,072**	79,086	86,560	79,549	78,912
Assets held for sale	**3**	**5**	1,322	1,201	1,770	16,551
Loans, bills discounted and other receivables	**613,756**	**926,082**	878,854	811,356	772,980	756,553
Property, plant and equipment	**3,281**	**4,950**	4,887	5,284	5,602	2,383
Investments in associates and joint ventures	**1,887**	**2,848**	2,801	3,941	3,034	3,001
Intangible assets	**4,900**	**7,393**	6,899	6,942	6,891	7,965
Deferred tax assets	**2,526**	**3,811**	3,173	2,080	2,104	1,689
Other assets	**4,892**	**7,382**	5,971	6,788	8,839	7,115
Total Assets	**830,316**	**1,252,845**	1,215,260	1,091,975	1,015,484	977,896
Liabilities						
Deposits and other public borrowings	**573,271**	**864,995**	857,586	766,381	703,432	637,420
Payables to financial institutions	**14,521**	**21,910**	26,052	19,059	14,929	23,370
Liabilities at fair value through Income Statement	**26,578**	**40,103**	7,271	8,381	4,397	8,520
Derivative liabilities	**16,799**	**25,347**	33,899	18,486	31,347	22,777
Current tax liabilities	**445**	**671**	263	135	795	326
Deferred tax liabilities	**91**	**138**	150	228	30	–
Liabilities held for sale	**–**	**–**	1,183	405	594	15,796
Provisions	**1,997**	**3,013**	3,636	3,776	3,504	2,798
Term funding from central banks	**35,934**	**54,220**	54,807	51,856	1,500	–
Debt issues	**81,032**	**122,267**	116,902	103,003	142,503	164,022
Bills payable and other liabilities	**10,324**	**15,578**	12,656	12,217	13,188	10,285
	760,991	**1,148,242**	1,114,405	983,927	916,219	885,314
Loan capital [3]	**21,604**	**32,598**	28,017	29,360	27,357	22,966
Total liabilities	**782,595**	**1,180,840**	1,142,422	1,013,287	943,576	908,280
Net Assets	**47,721**	**72,005**	72,838	78,688	71,908	69,616
Shareholders' Equity						
Ordinary share capital	**22,476**	**33,913**	36,467	38,420	38,131	38,020
Reserves	**(1,133)**	**(1,710)**	(460)	3,249	2,666	3,092
Retained profits	**26,375**	**39,797**	36,826	37,014	31,106	28,449
Shareholders' Equity attributable to equity holders of the Bank	**47,718**	**72,000**	72,833	78,683	71,903	69,561
Non-controlling interests	**3**	**5**	5	5	5	55
Total Shareholders' Equity	**47,721**	**72,005**	72,838	78,688	71,908	69,616

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to “Disclosures – Financial Information Definitions – Change in Comparatives” and Appendix C of this Document for further details.

2 USD translated from AUD using the 30 June 2023 End of day rate (Sydney time), (refer to exchange rates under “Financial Review - Exchange Rates” on page 29 of this Document.

3 Represents interest bearing liabilities qualifying as regulatory capital.

Financial Review (continued)

Consolidated Ratios and Operating Data	2023 USD$M [2]	2023	2022 [1]	2021 [1]	2020	2019
		Full Year Ended 30 June (AUD$ millions, except where indicated)				
Profitability from continuing operations						
Net interest margin (%) [3]		**2. 07**	1. 90	2. 08	2. 12	2. 09
Interest spread (%) [4]		**1. 67**	1. 80	1. 95	1. 91	1. 81
Return on average Shareholders' Equity (%) [5]		**14. 1**	12. 8	11. 8	10. 4	11. 8
Return on average total assets (%) [5]		**0. 8**	0. 8	0. 9	0. 7	0. 8
Profitability including discontinued operations						
Net interest margin (%) [3]		**2. 07**	1. 90	2. 08	2. 12	2. 10
Interest spread (%) [4]		**1. 67**	1. 80	1. 95	1. 91	1. 83
Return on average Shareholders' Equity (%) [5]		**13. 9**	14. 3	13. 5	13. 5	12. 6
Return on average total assets (%) [5]		**0. 8**	0. 9	1. 0	1. 0	0. 9
Productivity from continuing operations						
Total operating income per full-time staff equivalent	**365,009**	**550,754**	504,826	544,038	568,744	568,744
Employee expense/Total operating income (%) [6]		**26. 6**	26. 7	25. 3	24. 2	24. 2
Total operating expenses/Total operating income (%) [6]		**43. 5**	46. 3	46. 6	46. 3	46. 2
Productivity including discontinued operations						
Total operating income per full-time staff equivalent	**365,009**	**552,190**	512,616	539,131	568,361	568,449
Employee expense/Total operating income (%) [6]		**26. 5**	26. 6	25. 4	24. 5	25. 4
Total operating expenses/Total operating income (%) [6]		**43. 6**	46. 5	47. 4	47. 4	47. 6
Capital Adequacy (at year end)						
Basel III						
Risk weighted assets	**310,159**	**467,992**	497,892	450,680	454,948	452,762
Tier 1 capital	**44,915**	**67,771**	67,558	70,874	63,392	57,355
Tier 2 capital	**17,237**	**26,009**	19,992	18,472	16,429	12,750
Total capital [7]	**62,152**	**93,780**	87,550	89,346	79,821	70,105
Tier 1 capital/risk weighted assets (%)		**14. 5**	13. 6	15. 7	13. 9	12. 7
Tier 2 capital/risk weighted assets (%)		**5. 6**	4. 0	4. 1	3. 6	2. 8
Total capital/risk weighted assets (%)		**20. 0**	17. 6	19. 8	17. 5	15. 5
Average Shareholders' Equity/Average total assets (%)		**5. 9**	6. 6	7. 2	7. 1	7. 0

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

2 USD translated from AUD using the 30 June 2023 End of day rate (Sydney time), refer to exchange rates under "Financial Review - Exchange Rates" on page 29 of this Document.

3 Net interest income divided by average interest earning assets for the year.

4 Difference between the average interest rate earned and the average interest rate paid on funds.

5 Calculations based on net profit after tax ("statutory basis"), net of dividends on other equity investments, divided by average shareholders' equity and average total assets respectively.

6 Total operating income represents net interest income before deducting loan impairment expense plus non-interest income.

7 Represents Tier 1 capital and Tier 2 capital, less deductions under statutory guidelines imposed by APRA. Refer to "Group Operations and Business Settings" for further details.

Highlights (continued)

Financial Review (continued)

Consolidated Ratios and Operating Data	Full Year Ended 30 June 30 Jun 23 USD$M [1]	30 Jun 23 (AUD$ millions, except where indicated)	2022	2021	2020	2019
Asset Quality Data [2]						
Non-accrual loans [3]	**1,092**	**1,647**	1,477	2,228	2,535	2,567
Gross impaired assets [4]	**2,204**	**3,326**	2,951	3,409	3,548	3,622
Individually assessed provisions for impairment	**500**	**754**	736	900	967	895
Collective provisions for impairment	**3,444**	**5,196**	4,611	5,311	5,396	3,904
Net impaired assets	**1,471**	**2,219**	1,928	2,250	2,293	2,435
Total provisions for impairment/average credit risk (%) [5]		**0. 4**	0. 4	0. 5	0. 5	0. 4
Loan impairment expense/average credit risk (%) [5]		**0. 1**	–	–	0. 2	0. 1
Gross impaired assets/credit risk (%) [6]		**0. 2**	0. 2	0. 3	0. 3	0. 3
Net impaired assets/total Shareholders' Equity (%)		**3. 1**	2. 6	2. 9	3. 2	3. 5
Collective provision for impairment/credit risk weighted assets (%) Basel III		**1. 4**	1. 2	1. 4	1. 4	1. 0

1 USD translated from AUD using the 30 June 2023 End of day rate (Sydney time), refer to exchange rates under "Financial Review -Exchange Rates" on page 29 of this Document.
2 All impaired asset balances and ratios are net of interest reserved.
3 Non-accrual loans comprise any credit risk exposure where a specific provision for impairment has been raised, or is maintained on a cash basis because of significant deterioration in the financial position of the borrower, or where loss of principal or interest is anticipated.
4 Gross impaired assets comprise non-accrual loans, restructured loans, other real estate owned assets and other assets acquired through security enforcement.
5 Average credit risk is based on gross credit risk. Averages are based on current and previous year-end balances.
6 Gross impaired assets as a percentage of credit risk.

Summary Cash Flows Data

Further details of the Bank's cash flows are found in the 2023 Financial Report and Notes to the Financial Statements.

Summary Cash Flows	Full Year Ended 30 June 2023 USD$M [1]	2023 (AUD$ millions, except where indicated)	2022	2021	2020	2019
Net Cash (used in)/provided by operating activities	**(5,560)**	**(8,390)**	23,240	41,312	37,307	18,086
Net Cash (used in)/provided by investing activities	**(579)**	**(873)**	2,669	871	3,749	983
Net Cash (used in)/provided by financing activities [2]	**(1,935)**	**(2,920)**	6,066	17,846	(30,715)	(25,064)
Net (decrease)/increase in cash and cash equivalents	**(8,074)**	**(12,183)**	31,975	60,029	10,341	(5,995)
Cash and cash equivalents at beginning of period	**79,102**	**119,355**	87,380	27,351	17,010	23,005
Cash and cash equivalents at end of period	**71,028**	**107,172**	119,355	87,380	27,351	17,010

1 USD translated from AUD using the 30 June 2023 End of day rate (Sydney time), sourced from Bloomberg (refer to exchange rates under "Financial Review - Exchange Rates" on page 29 of this Document).
2 Includes the balance 'Effect of foreign exchange rates on cash and cash equivalents' as disclosed in the 2023 Financial Report.

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Contents

3. Group Performance Analysis

Group Performance Analysis

Financial Performance and Business Review

Comments are versus prior year unless stated otherwise (continuing operations basis [1]).

The Bank's statutory net profit after tax (NPAT) from continuing operations for the full year ended 30 June 2023 increased $515 million or 5% on the prior year to $10,188 million. The Bank's statutory NPAT (including discontinued operations) decreased $681 million or 6% on the prior year to $10,090 million.

Cash net profit after tax ("cash NPAT" or "cash profit") from continuing operations increased $569 million or 6% on the prior year to $10,164 million. The result was driven by a 13% increase in operating income [2], a 5% increase in operating expenses [2] and a $1,465 million increase in loan impairment expense.

Operating income [2] increased 13% on the prior year. Key movements included:

- Net interest income increased 18%, primarily driven by an 8% or $84 billion increase in average interest earning assets (AIEA) and a 17 basis point recovery in Net Interest Margin (NIM). The increase in AIEA was mainly due to growth in home, business and institutional loans, and increased non-lending interest earning assets including higher liquid assets and reverse sale and repurchase agreements. Excluding the 3 basis points reduction in margin from growth in lower yielding liquid assets, NIM increased by 20 basis points, primarily driven by higher earnings from deposits, replicated products and capital and other hedges, in a rising interest rate environment, partly offset by the impact on lending margin from increased competition and higher swap and cash rates, unfavourable portfolio mix mainly from customers switching to higher yielding deposits, and increased wholesale funding costs.
- Other operating income decreased 11%, primarily driven by loss of income from divestments, including the sale of CommInsure General Insurance in the current year, and the 10% shareholding in Bank of Hangzhou (HZB) in the prior year, lower equity accounted profits from minority investments, reduced CommSec equities income from decreased trading volumes and unfavourable derivative valuation adjustments, partly offset by higher Markets trading and sales income and higher volume driven retail and business fee income.

Operating expenses [2] increased 5% mainly driven by inflation, additional technology spend to support the delivery of our strategic priorities and volume growth, partly offset by productivity initiatives.

Loan impairment expense (LIE) increased $1,465 million, primarily driven by higher collective provision charges reflecting impacts from ongoing cost of living pressures and rising interest rates, and the non-recurrence of COVID-19 related collective provision releases in the prior year. Home loan 90+ day arrears were 0.47%, a slight increase of 4 basis points on the prior half, supported by a strong labour market. Credit cards and Personal loans arrears were 0.55% and 1.19%, an increase of 9 basis points and 24 basis points respectively on the prior half, reflecting increased cost of living pressures. Total provisions as a proportion of credit RWAs is 1.64%, up 26 basis points on the prior half [3], reflecting both an increase in collective provisions and lower credit risk weighted assets.

CET1 increased 10 basis points from 1 January 2023 [4] to 12.2%, well above the regulatory minimum of 10.25%. Excluding the impact from the payment of the 2023 interim dividend (-76 basis points) and the additional on-market share buy-back (-26 basis points) to complete the previously announced $3 billion buy-back, CET1 increased 112 basis points, driven by capital generated from earnings (+104 basis points) and lower RWAs (+14 basis points), partly offset by other regulatory adjustments (-6 basis points).

Earnings per share ("cash basis") increased 8% on the prior year to 602 cents per share, primarily due to the increase in cash profit and the reduction in the number of shares on issue as a result of share buy-backs.

Return on equity ("cash basis") increased 130 basis points to 14.0% due to the impact of higher profit (approximately 80 basis points) and a decrease in average capital levels (approximately 50 basis points), reflecting completion of share buy-backs.

The final dividend determined was $2.40 per share, bringing the total for the year to $4.50 which is equivalent to 74% of the Bank's cash 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 to ensure strength in capital, funding and liquidity. In particular, the Bank has:

- Fulfilled a significant proportion of its funding requirements from customer deposits, accounting for 75% of total funding at 30 June 2023 (up 1% from 74% at 30 June 2022);
- Issued new long-term wholesale funding of $37 billion. Including the RBA Term Funding Facility (TFF) and RBNZ term lending facilities, the portfolio WAM [5] was 5.3 years (up from 4.7 years at 30 June 2022);
- Maintained its strong funding position, with long-term wholesale funding accounting for 74% of total wholesale funding (up from 69% at 30 June 2022); 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 agreements relating to divested entities and CFS.

2 Reflecting underlying performance within operating income and expenses, excluding the impact from: Operating income: $516 million relating to the pre-tax gain on sale of 10% shareholding in HZB in FY22. Operating expenses: $389 million relating to the accelerated amortisation on certain capitalised software in FY22 and $212 million of restructuring and one-off regulatory provision in FY23.

3 Prior half RWA per APRA's previous capital framework. Total provision coverage increased by 14 basis points on prior half if December 2022 RWA were normalised for APRA's revised capital framework. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document.

4 Per APRA's revised capital framework. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document

5 The portfolio WAM excluding the RBA TFF and RBNZ term lending facilities as at 30 June 2023 was 5.5 years (31 December 2022: 5.8 years; 30 June 2022: 6.3 years).

Financial Performance and Business Review (continued)

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

	Full Year Ended [1]			Half Year Ended		
	30 Jun 23	30 Jun 22	Jun 23 vs	**30 Jun 23**	31 Dec 22	Jun 23 vs
Group Performance Summary	**$M**	$M	Jun 22 %	**$M**	$M	Dec 22 %
Underlying operating income	**27,237**	24,173	13	**13,644**	13,593	–
Gain on sale of HZB shares [2]	**–**	516	n/a	**–**	–	–
Total operating income	**27,237**	24,689	10	**13,644**	13,593	–
Underlying operating expenses	**(11,646)**	(11,039)	5	**(5,873)**	(5,773)	2
Restructuring, accelerated amort. and one-off item [3]	**(212)**	(389)	(46)	**(212)**	–	n/a
Total operating expenses	**(11,858)**	(11,428)	4	**(6,085)**	(5,773)	5
Underlying operating performance	**15,591**	13,134	19	**7,771**	7,820	(1)
Operating performance	**15,379**	13,261	16	**7,559**	7,820	(3)
Loan impairment (expense)/benefit	**(1,108)**	357	large	**(597)**	(511)	17
Net profit before tax	**14,271**	13,618	5	**6,962**	7,309	(5)
Corporate tax expense	**(4,107)**	(4,023)	2	**(1,951)**	(2,156)	(10)
Net profit after tax from continuing operations ("cash basis")	**10,164**	9,595	6	**5,011**	5,153	(3)
Non-cash items - continuing operations [4]	**24**	78	(69)	**(39)**	63	(large)
Net profit after tax from continuing operations ("statutory basis")	**10,188**	9,673	5	**4,972**	5,216	(5)
Net profit after tax from discontinued operations ("cash basis")	**18**	113	(84)	**8**	10	(20)
Non-cash items - discontinued operations [4]	**(116)**	985	(large)	**(35)**	(81)	(57)
Net profit after tax ("statutory basis")	**10,090**	10,771	(6)	**4,945**	5,145	(4)

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.
2 Represents the pre-tax gain on sale of 10% shareholding in Bank of Hangzhou of $516 million in FY22.
3 Relates to the impact of accelerated amortisation on certain capitalised software of $389 million in FY22 and $212 million of restructuring and one-off regulatory provision in FY23.
4 Refer to page 10 for further information.

Group Performance Analysis (continued)

Net Interest Income (continuing operations basis)

	Full Year Ended				
	30 Jun 23	30 Jun 22	30 Jun 21	Jun 23 vs	Jun 22 vs
	$M	$M	$M	Jun 22 %	Jun 21 %
Net interest income - "statutory basis"	**23,056**	19,473	19,302	18	1
Average interest earning assets					
Home loans [1]	**565,189**	538,122	501,825	5	7
Personal loans	**16,681**	16,319	17,156	2	(5)
Business and corporate loans	**254,731**	230,101	216,347	11	6
Total average lending interest earning assets	**836,601**	784,542	735,328	7	7
Non-lending interest earning assets	**77,434**	62,484	57,768	24	8
Total average interest earning assets (excl. liquid assets)	**914,035**	847,026	793,096	8	7
Liquid assets [2]	**197,219**	179,884	136,750	10	32
Total average interest earning assets	**1,111,254**	1,026,910	929,846	8	10
Net interest margin (%) - "statutory basis"	**2. 07**	1. 90	2. 08	17 bpts	(18)bpts

1 Net of average mortgage offset balances of $69,717 million for the full year ended 30 June 2023 ($64,748 million for the full year ended 30 June 2022). 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 Bank's net interest margin.

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

Year Ended June 2023 versus June 2022

Net interest income ("statutory basis") was $23,056 million, an increase of $3,583 million or 18% on the prior year. The result was driven by a 17 basis point increase in net interest margin to 2.07% and an $84 billion or 8% increase in average interest earning assets to $1,111 billion. Excluding the impact of higher liquid assets in the current year, average interest earning assets increased by $67 billion or 8%, and the net interest margin increased by 20 basis points on the prior year.

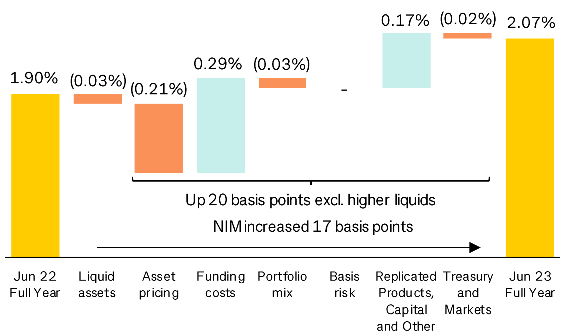
Average Interest Earning Assets

Average interest earning assets increased $84 billion or 8% on the prior year to $1,111 billion.

- Home loan average balances increased $27 billion or 5% on the prior year to $565 billion, reflecting a focus on customer retention in a highly competitive environment and growth in our new digital-only proprietary offering, Unloan. Proprietary mix for CBA and Unloan branded home loans remained at 59% of new business flows;
- Consumer finance average balances increased 2% on the prior year to $17 billion, driven by growth in personal loans from higher new business volumes, and increased credit card accounts and spend;
- Business and corporate loan average balances increased $25 billion or 11% on the prior year to $255 billion, driven by growth in Business Banking lending across a number of industries, and increased institutional lending balances in corporate lending, and warehouse and pooled facilities;
- Non-lending interest earning assets (excl. liquids) average balances increased $15 billion or 24% on the prior year to $77 billion, primarily driven by higher reverse sale and repurchase agreements in Institutional Banking and Markets; and
- Liquid asset average balances increased $17 billion or 10% on the prior year to $197 billion, primarily due to strong customer deposit growth.

For further details on the balance sheet movements refer to the 'Group Assets and Liabilities' on page 49.

NIM Movement since June 2022



Net Interest Margin

The Bank's net interest margin increased 17 basis points on the prior year to 2.07%. Excluding a 3 basis point reduction in margin from increased lower yielding liquid assets, net interest margin increased by 20 basis points. The key drivers of the movement were:

Asset pricing: Decreased margin by 21 basis points mainly driven by competitive pricing in home and business lending, and lower consumer finance margins. Home loan pricing reduced margin by 16 basis points due to increased competition (down 12 basis points) and the impact of higher swap and cash rates (down 4 basis points). Business loan pricing reduced margin by 1 basis point due to the impact of competition. Lower consumer finance margins (down 4 basis points) reflects the impact of higher cash rates, and a reduction in the proportion of interest earning credit card balances.

Funding costs: Increased margin by 29 basis points driven by higher earnings on deposits in a rising interest rate environment.

Group Performance Analysis (continued)

Net Interest Income (continued)

Portfolio mix: Decreased margin by 3 basis points driven by unfavourable deposit mix as customers switch to higher yielding deposits (down 2 basis points), and unfavourable asset mix from an increase in lower margin non-lending interest earning asset balances and pooled facilities (down 1 basis point).

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 impact on the Bank's margin was flat reflecting a low average spread in the current year.

Replicated Products, Capital and other: Increased margin by 17 basis points driven by higher earnings on replicated products, capital and other hedges (up 14 basis points) and increased contribution from New Zealand (up 3 basis points) in a rising rate environment.

Treasury and Markets: Decreased margin by 2 basis points due to higher funding costs in Markets from the Fixed Income, and Commodities and Carbon portfolios (offset by gains in Other Operating Income).

Year Ended June 2022 versus June 2021

Net interest income ("statutory basis") was $19,473 million, an increase of $171 million or 1% on the 2021 financial year. The result was driven by a $97 billion or 10% increase in average interest earning assets to $1,027 billion, partly offset by an 18 basis point or 9% decrease in net interest margin to 1.90%. Excluding the impact of higher liquid assets in the current year, average interest earning assets increased by $54 billion or 7%, and the net interest margin reduced by 10 basis points on the 2021 financial year.

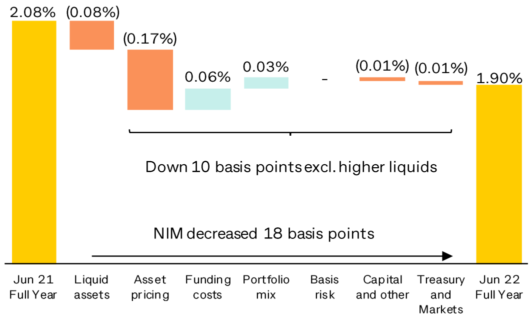
Average Interest Earning Assets

Average interest earning assets increased $97 billion or 10% on the 2021 financial year to $1,027 billion.

- Home loan average balances increased $36 billion or 7% on the 2021 financial year to $538 billion, reflecting strong new business application volumes and continued focus on credit decisioning turnaround times. Proprietary mix for CBA branded home loans decreased from 60% to 59% of new business flows, although increased during the second half of the 2022 financial year;
- Consumer finance average balances decreased $1 billion or 5% on the 2021 financial year to $16 billion, driven by lower consumer demand for unsecured lending;
- Business and corporate loan average balances increased $14 billion or 6% on the 2021 financial year to $230 billion, driven by growth in Business Banking business lending across a number of industries;
- Non-lending interest earning asset (excl. liquids) average balances increased $5 billion or 8% on the 2021 financial year, primarily driven by higher reverse sale and repurchase agreements in Institutional Banking and Markets; and
- Liquid asset average balances increased $43 billion or 32% on the 2021 financial year due to strong customer deposit growth.

For further details on the balance sheet movements refer to the 'Group Assets and Liabilities' on page 49.

NIM Movement since June 2021



Net Interest Margin

The Bank's net interest margin decreased 18 basis points on the 2021 financial year to 1.90%. Excluding an 8 basis point reduction in margin from increased lower yielding liquid assets, net interest margin reduced by 10 basis points. The key drivers of the movement were:

Asset pricing: Decreased margin by 17 basis points mainly driven by reduced home and business lending pricing, and lower consumer finance margins. Decreased home lending pricing (down 15 basis points) reflects the impact of rising swap and cash rates (down 5 basis points), unfavourable portfolio mix from customers switching to lower margin fixed rate loans (down 6 basis points), and increased competition (down 6 basis points), partly offset by repricing (up 2 basis points). Lower business lending pricing (down 1 basis point) reflects changes in customer mix. Lower consumer finance margins (down 1 basis point) reflects a reduction in the proportion of interest earning credit card balances.

Funding costs: Increased margin by 6 basis points driven by higher earnings on deposits mainly from rising cash and swap rates (up 7 basis points), and lower wholesale funding costs (up 1 basis point), partly offset by reduced earnings from the Replicating Portfolio (down 2 basis points).

For more information on the Replicating Portfolio see *"Appendix B – Definitions"*.

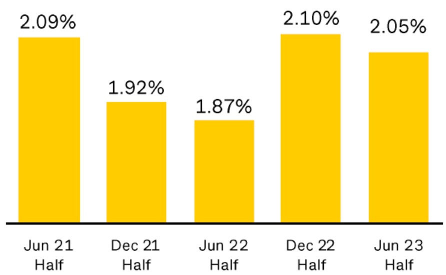
Portfolio mix: Increased margin by 3 basis points driven by favourable funding mix (up 2 basis points) due to strong growth in at-call deposits and drawdown of the RBA TFF, and favourable asset mix from a reduction in lower margin institutional lending (up 1 basis point).

Basis risk: The average spread and exposure remained broadly flat on the 2021 financial year.

Capital and other: Decreased margin by 1 basis point driven by lower earnings on capital.

Treasury and Markets: Decreased margin by 1 basis point due to lower income in Global Markets from the Fixed Income & Rates portfolio.

NIM (Half Year Ended)



Group Performance Analysis (continued)

Other Operating Income (continuing operations basis)

	Full Year Ended					
		Restated [1]		As reported		
	30 Jun 23	30 Jun 22	Jun 23 vs	30 Jun 22	30 Jun 21	Jun 22 vs
	$M	$M	Jun 22 %	$M	$M	Jun 21 %
Commissions	**1,980**	2,078	(5)	**2,309**	2,564	(10)
Lending fees	**753**	736	2	**736**	665	11
Trading income	**1,095**	806	36	**806**	852	(5)
Funds management and insurance income	**82**	208	(61)	**208**	310	(33)
Other income	**271**	872	(69)	**848**	463	83
Underlying other operating income	**4,181**	4,700	(11)	**4,907**	4,854	1
Gain on sale of HZB shares [2]	**–**	516	n/a	**516**	–	n/a
Other operating income - "cash basis"	**4,181**	5,216	(20)	**5,423**	4,854	12
Hedging and IFRS volatility	**1**	175	(99)	**175**	16	large
Gain on disposal and acquisition of controlled entities	**292**	72	large	**72**	242	(70)
Other operating income - "statutory basis" [3]	**4,474**	5,463	(18)	**5,670**	5,112	11

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

2 For further details refer to page 36.

3 For further details refer to "Disclosures – Non-Cash Items Included in Statutory Profit" on page 10 of 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 2.7 of the 2023 Financial Report.

Year Ended June 2023 versus Restated June 2022

Other operating income ("statutory basis") was $4,474 million, a decrease of $989 million or 18% on the prior year.

Commissions decreased by $98 million or 5% to $1,980 million, mainly due to lower equities income from reduced trading volumes, partly offset by higher volume driven foreign exchange and deposit fee income.

Lending fees increased by $17 million or 2% to $753 million, mainly driven by volume growth in business lending, partly offset by lower institutional loan syndication fees and the impact of removing certain lending fees in NZ.

Trading income increased by $289 million or 36% to $1,095 million, mainly driven by higher trading gains and customer sales in Markets, and gains from Treasury interest rate risk management activities, partly offset by unfavourable derivative valuation adjustments.

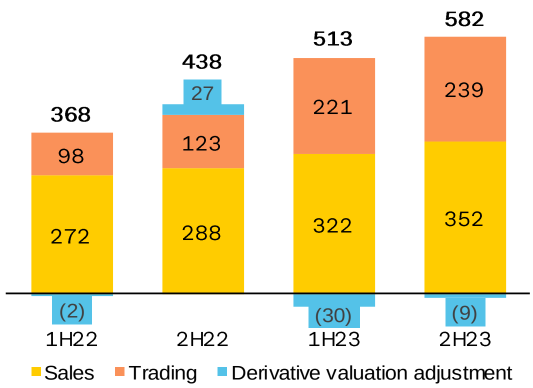
Funds management and insurance income decreased by $126 million or 61% to $82 million, due to lower insurance premiums as a result of the sale of the General Insurance business on 30 September 2022, and reduced funds management income from NZ mainly reflecting unfavourable market performance, the sale of management rights for the Superannuation Master Trust and the removal of KiwiSaver administration fees.

Other income decreased by $601 million or 69% to $271 million, mainly driven by lower equity accounted profits from minority investments, including the impact from the sale of a 10% shareholding in Bank of Hangzhou, equity accounted losses from CFS reflecting challenging investment market conditions and increased investment spend, and the non-recurrence of receipt of the final AIA milestone payment in the prior year.

Gain on disposal and acquisition of entities net of transaction costs increased by $220 million to $292 million, mainly driven by gains associated with previously announced divestments.

Hedging and IFRS volatility decreased by $174 million to $1 million, primarily driven by the non-recurrence of gains on non-trading derivatives that are held for risk management purposes.

Trading Income ($M)



Group Performance Analysis (continued)

Other Operating Income (continued)

As Reported Year Ended June 2022 versus June 2021

Other operating income ("statutory basis") was $5,670 million, an increase of $558 million or 11% on the 2021 financial year.

Commissions decreased by $255 million or 10% to $2,309 million, mainly due to the divestment of Aussie Home Loans (AHL) and AUSIEX on 3 May 2021, lower equities income from reduced trading volumes, and decreased merchants income mainly due to lower margins and COVID-19 fee waivers, partly offset by higher foreign exchange, cards and deposit fee income from increased volumes.

Lending fees increased by $71 million or 11% to $736 million, mainly driven by volume growth in retail and business lending.

Trading income decreased by $46 million or 5% to $806 million, mainly driven by lower Global Markets trading gains from precious metal inventory financing and the Fixed Income and Rates portfolios.

Funds management income was $135 million, a decrease of $30 million or 18% on the prior year. The key drivers were:

- A decrease in Retail Banking Services of $22 million or 69% to $10 million, due to the wind-down and closure of the Commonwealth Financial Planning (CFP) business; and
- A decrease in New Zealand & Other of $8 million or 6% to $125 million, mainly driven by the removal of administration fees on KiwiSaver accounts, partly offset by higher average AUM (up 7%) reflecting net inflows and market performance, and improved margins.

Insurance income was $73 million, a decrease of $72 million or 50% on the prior year. This result was driven by higher claims experience net of reinsurance recoveries, due to increased weather related claims and higher average claims size driven by supply chain disruptions

Other income increased by $385 million or 83% to $848 million, mainly driven by higher Treasury income and the reversal of impairment of aircraft operating leases, partly offset by lower net profits from minority investments including the non-recurrence of gains from the reversal of historical impairments in the 2021 financial year.

Gain on disposal and acquisition of entities net of transaction costs decreased by $170 million or 70% to $72 million, mainly driven by the non-recurrence of gains associated with previously announced divestments and closures in the 2021 financial year.

Hedging and IFRS volatility increased by $159 million to $175 million, primarily driven by gains on non-trading derivatives that are held for risk management purposes.

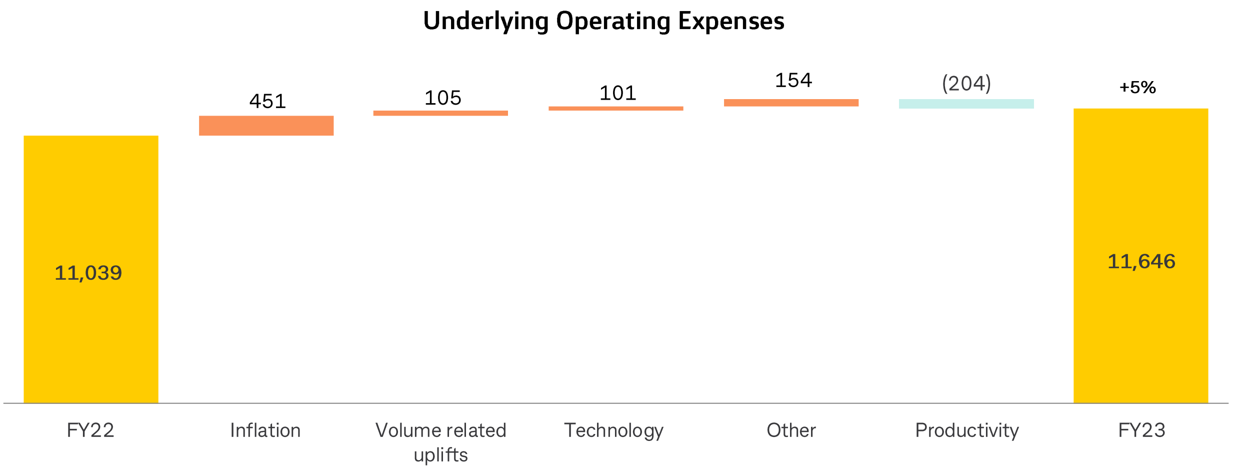
Group Performance Analysis (continued)

Operating Expenses (continuing operations basis)

	Full Year Ended					
		Restated [1]		As reported		
	30 Jun 23	30 Jun 22	Jun 23 vs	30 Jun 22	30 Jun 21	Jun 22 vs
	$M	$M	Jun 22 %	$M	$M	Jun 21 %
Staff expenses	**7,177**	6,582	9	6,532	5,985	9
Occupancy and equipment expenses	**950**	978	(3)	975	1,154	(16)
Information technology services expenses	**2,036**	1,970	3	1,967	2,032	(3)
Other expenses	**1,483**	1,509	(2)	1,465	1,613	(9)
Underlying operating expenses - "cash basis"	**11,646**	11,039	5	10,939	10,784	1
Separation and transaction costs	**221**	181	22	181	126	44
Restructuring, accelerated amort. and one-off item [2]	**212**	389	(46)	696	575	21
Operating expenses - "statutory basis"	**12,079**	**11,609**	4	11,816	11,485	3
Operating expenses to total operating income (%) - "statutory basis"	**43. 9**	46. 6	(270)bpts	47. 0	47. 0	–
Spot number of full-time equivalent staff (FTE)	**49,454**	48,906	1	49,245	44,375	11

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

2 Relates to restructuring and one-off regulatory provision of $212 million in the current period, and the accelerated software amortisation of $389 million in the prior year. As reported figures for the financial years ended 30 June 2022 and 30 June 2021 include remediation costs.



Operating Expenses (continued)

Year Ended June 2023 versus Restated June 2022

Operating expenses ("statutory basis") was $12,079 million an increase of $470 million or 4% on the prior year.

Underlying operating expenses ("cash basis") were $11,646 million, an increase of $607 million or 5% on the prior year.

Staff expenses increased by $595 million or 9% to $7,177 million, mainly driven by wage inflation and increased full-time equivalent staff (FTE), partly offset by higher annual leave usage as COVID-19 restrictions eased, and productivity initiatives. The average number of FTE increased by 2,125 or 5% from 46,997 to 49,122, primarily due to insourcing to reduce reliance on external vendors, and enhancement of our IT and engineering capabilities including fraud and cyber security uplifts.

Occupancy and equipment expenses decreased by $28 million or 3% to $950 million, primarily reflecting benefits from the consolidation of our commercial property footprint, and branch and ATM optimisation.

Information technology services expenses increased by $66 million or 3% to $2,036 million, primarily due to inflation and increased software licensing and infrastructure costs, including growth in cloud computing volumes, partly offset by productivity initiatives including reduction in third party service providers and contractors.

Other expenses decreased by $26 million or 2% to $1,483 million, primarily driven by productivity initiatives, partly offset by increased travel spend as COVID-19 restrictions eased, and higher marketing spend and scam costs.

Separation and transaction costs increased $40 million or 22% to $221 million, primarily due to an increase in the indemnity provided in connection with the sale of Count Financial Limited to cover remediation of past conduct.

Group expense to income ratio decreased 270 basis points from 46.6% to 43.9%.

Underlying operating expenses to underlying total operating income ratio ("cash basis") decreased 290 basis points from 45.7% to 42.8%.

As Reported Year Ended June 2022 versus June 2021

Operating expenses ("statutory basis") was $11,816 million an increase of $331 million or 3% on the 2021 financial year.

Underlying operating expenses ("cash basis") were $10,939 million, an increase of $155 million or 1% on the 2021 financial year.

Staff expenses increased by $547 million or 9% to $6,532 million, mainly driven by increased full-time equivalent staff (FTE) and wage inflation. The average number of FTE increased by 4,414 or 10% from 42,940 to 47,354, primarily to support increased operational and financial crime assessment volumes, and the delivery of our strategic investment priorities, while reducing the reliance on external vendors as we enhance our internal engineering capabilities. In addition, the Bank has increased its frontline and technology resources to help our customers, uplift our cyber security capabilities and improve system resiliency, partly offset by productivity initiatives.

Occupancy and equipment expenses decreased by $179 million or 16% to $975 million, primarily driven by the benefits from the consolidation of our commercial property footprint, and branch and ATM optimisation.

Information technology services expenses decreased by $65 million or 3% to $1,967 million, primarily due to lower amortisation and productivity initiatives. This was partly offset by higher software licensing and infrastructure costs including increased cloud computing volumes, and investment in cyber security capabilities and system resiliency.

Other expenses decreased by $148 million or 9% to $1,465 million, primarily driven by productivity initiatives.

Separation and transaction costs increased $55 million or 44% to $181 million, primarily due to the write-down of customer receivables and employee redundancy payments provision related to the partial transfer of Commonwealth Financial Planning to AIA and closure of the remaining CFP business, partly offset by higher CommInsure General Insurance transaction and separation related costs in the prior comparative period.

Group expense to income ratio was flat at 47.0%.

Operating expenses to total operating income ratio excluding one-off items ("cash basis") decreased 110 basis points from 47.0% to 45.9%.

Staff Numbers

	Full Year Ended		
Full-Time Equivalent Staff including discontinued operations	**30 Jun 23**	30 Jun 22	30 Jun 21
Australia	**36,697**	38,153	37,245
Total	**49,454**	48,906	45,833

Group Performance Analysis (continued)

Operating Expenses (continuing operations basis)

The following table sets out the Bank's operating expenses for financial years 2023, 2022 and 2021.

	Full Year Ended			
		Restated [1]	As reported	
	30 Jun 23 $M	30 Jun 22 $M	30 Jun 22 $M	30 Jun 21 $M
Staff Expenses				
Salaries and related on-costs	**6,563**	5,955	5,955	5,506
Share-based compensation	**123**	111	111	100
Superannuation	**553**	516	516	442
Total staff expenses	**7,239**	6,582	6,582	6,048
Occupancy and Equipment Expenses				
Lease expenses [2]	**159**	141	141	166
Depreciation of property, plant and equipment	**602**	640	640	756
Other occupancy expenses	**189**	197	197	236
Total occupancy and equipment expenses	**950**	978	978	1,158
Information Technology Services				
System development and support	**1,068**	990	990	973
Infrastructure and support	**331**	335	335	336
Communications	**129**	156	156	174
Amortisation and write-offs of software assets [3]	**395**	761	761	422
IT equipment depreciation	**113**	117	117	129
Total information technology services	**2,036**	2,359	2,359	2,034
Other Expenses				
Postage and stationery	**138**	131	131	136
Transaction processing and market data	**93**	94	141	138
Fees and commissions:				
Professional fees	**454**	538	535	528
Other	**92**	127	116	244
Advertising and marketing	**262**	227	401	412
Amortisation of intangible assets	**–**	–	–	5
Non-lending losses	**274**	292	292	509
Other	**320**	100	100	147
Total other expenses	**1,633**	1,509	1,716	2,119
Operating expenses before separation and transaction costs [4]	**11,858**	11,428	11,635	11,359
Separation and transaction costs	**221**	181	181	126
Total operating expenses -"statutory basis"	**12,079**	11,609	11,816	11,485

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

2 The full year ended 30 June 2023 includes rentals of $56 million in relation to short-term and low value leases (full year ended 30 June 2022: $59 million), and variable lease payments based on usage or performance of $5 million (full year ended 30 June 2022: $11 million).

3 The full year ended 30 June 2022 includes the impact of $389 million of accelerated amortisation on certain capitalised software.

4 The full year ended 30 June 2023 includes the impact of $212 million of restructuring and regulatory provision.

Group Performance Analysis (continued)

Investment Spend (continuing operations basis)

	Full Year Ended				
	30 Jun 23 $M	30 Jun 22 $M	30 Jun 21 $M	Jun 23 vs Jun 22 %	Jun 22 vs Jun 21 %
Expensed investment spend [1]	**990**	987	1,026	–	(4)
Capitalised investment spend [2]	**1,008**	891	783	13	14
Investment spend	**1,998**	1,878	1,809	6	4
Comprising:					
Productivity and growth	**924**	771	568	20	36
Risk and compliance	**630**	696	838	(9)	(17)
Infrastructure and branch refurbishment	**444**	411	403	8	2
Investment spend	**1,998**	1,878	1,809	6	4

1 Included within the operating expenses disclosure on page 41.
2 Includes capitalised software investment spend and capitalised non-software investment spend, primarily related to branch refurbishments and the development of the corporate and supporting offices.

Year Ended June 2023 versus June 2022

The Bank has continued to invest in our purpose of building a brighter future for all with $1,998 million of investment spend incurred in the full year ended 30 June 2023, an increase of $120 million or 6% on the prior year. This is mainly driven by an increase of $153 million in productivity and growth initiatives and an increase of $33 million in infrastructure and branch refurbishment spend, partly offset by a $66 million reduction in risk and compliance spend.

In the current year, productivity and growth initiatives accounted for 46% of investment spend, an increase of 5% from 41% in the prior year. The Bank has increased its focus on strengthening our 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 32% of investment spend, a decrease of 5% from 37% in the prior year. 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 22% of investment spend, with the Bank continuing to uplift cyber security and enhance IT infrastructure.

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 of CommBank applications and digital channels to improve the customer service experience and maintain leadership in digital banking and equity trading;
- Simplifying and automating manual back-end processes and systems 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; 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.

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 all of its operations, including upgrading technology, uplifting capabilities, and how the Bank engages with and informs AUSTRAC and other regulators;
- Upgrading processes and systems for additional functionality, automation of controls, protecting against privacy breaches, and ensuring compliance with regulations including Open Banking, NZ's Banking Standard 11, Basel III capital reforms and various Markets related regulatory reform requirements such as the Fundamental Review of the Trading Book; 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 and data centres;
- Retail branch design, refurbishment and technology upgrades to reflect evolving changes in customer preferences; and
- Refurbishment of commercial office spaces including the replacement of existing offices as the leases expire.

Group Performance Analysis (continued)

Investment Spend (continued)

Year Ended June 2022 versus June 2021

In the 2022 financial year, the Bank continued to invest in our strategy of building a brighter future for all with $1,878 million of investment spend incurred in the full year ended 30 June 2022, an increase of $69 million or 4% on the 2021 financial year. This is mainly driven by an increase of $203 million in productivity and growth initiatives, partly offset by a $142 million reduction in risk and compliance spend.

In the 2022 financial year, productivity and growth initiatives accounted for 41% of investment spend, an increase of 10% from 31% in the 2021 financial year. The Bank has increased focus on strengthening our capabilities in digital, technology and customer-centric product offerings through the ongoing modernisation of our platforms to provide integrated and personalised experiences for our customers. The Bank also continued to innovate for future growth through initiatives such as the simplification of our technology platforms, uplifting our payment capabilities, and ongoing advancement of the digital interface for our home loan and everyday banking customers.

Risk and compliance projects accounted for 37% of investment spend, a decrease of 10% from 47% in the 2021 financial year. Risk and compliance initiatives remained a priority for the Bank as we continued to build simpler and better foundations.

Infrastructure and branch refurbishment initiatives accounted for 22% of investment spend, with the Bank continuing to uplift cyber security and enhance IT infrastructure.

Key areas of investment across each of the categories are outlined below.

Productivity and Growth

In the 2022 financial year, the Bank invested in the following:

- Ongoing development of CommBank applications and digital channels designed to improve the customer service experience in digital banking;
- Commercial lending system upgrades to simplify the end-to-end process for loan origination and maintenance, and improve business customer experiences;
- Enhancing technology and customer insights to assist merchant customers, including launching a self-service merchant portal and deploying the next generation Smart EFTPOS terminal;
- Reducing reliance on external vendors and providers by bringing more functions in-house, and delivering cost savings while enhancing quality by building engineering capabilities;
- 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; and
- Simplifying and automating manual back-end processes and systems to improve customer experience, reduce operating costs and digitise end-to-end processes.

Risk and Compliance

In the 2022 financial year, the Bank continued to invest in increasing Group wide capability in the management of financial and non-financial risks, including:

- Anti-money laundering and counter-terrorism financing (AML/CTF) compliance, by upgrading AML/CTF technology, updating policies and procedures, investing in further capability and improving training of our personnel;
- Strengthening the Bank's operating model and processes for monitoring, managing, reporting and controlling financial crime across all of its operations, including how the Bank engages with and informs AUSTRAC and other regulators;
- Enhancing Customer Risk Assessment capability and strengthening data controls and processes;
- Embedding the Prudential Inquiry Remedial Action Plan, with all recommendations assessed as closed; and
- Upgrading processes and systems for additional functionality, automation of controls, protecting against privacy breaches, and ensuring compliance with regulations including Open Banking, Comprehensive Credit Reporting Regime, Banking Code of Practice, Basel III capital reforms and Product Design and Distribution Obligations.

Infrastructure and Branch Refurbishment

In the 2022 financial year, the Bank invested 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 and data centres;
- Retail branch design and refurbishment to reflect evolving changes in customer preferences; and
- Refurbishment and relocation of our head office to a sustainably designed 6 star "Green Star" building that better connects our people, partners and customers.

Capitalised Software

	Full Year Ended				
	30 Jun 23 $M	30 Jun 22 $M	30 Jun 21 $M	Jun 23 vs Jun 22 %	Jun 22 vs Jun 21 %
Opening Balance	**1,409**	1,427	1,296	(1)	10
Additions	**898**	743	553	21	34
Amortisation and write-offs	**(395)**	(761)	(422)	(48)	80
Closing balance	**1,912**	1,409	1,427	36	(1)

Year Ended June 2023 versus June 2022

Capitalised software balance increased $503 million or 36% on the prior year to $1,912 million.

Additions increased by $155 million or 21% to $898 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 decreased by $366 million to $395 million, mainly driven by the non-recurrence of accelerated amortisation on certain capitalised software of $389 million in the prior year.

Year Ended June 2022 versus June 2021

Capitalised software balance decreased $18 million or 1% on the 2021 financial year to $1,409 million.

Additions increased by $190 million or 34% to $743 million, due to higher capitalised investment spend, which is largely a function of the increased mix of value-accretive productivity and growth initiatives as the Bank continued to enhance its product offering and customer experiences, strengthen its digital capabilities, modernise technology platforms and innovate for future growth.

Amortisation and write-offs increased by $339 million to $761 million, mainly driven by the accelerated amortisation of certain capitalised software during the period.

Group Performance Analysis (continued)

Loan Impairment Expense (continuing operations basis)

	Full Year Ended					
		Restated [1]		As reported		
	30 Jun 23	30 Jun 22	Jun 23 vs	30 Jun 22	30 Jun 21	Jun 22 vs
	$M	$M	Jun 22 %	$M	$M	Jun 21 %
Retail Banking Services	**583**	(406)	large	(401)	139	(large)
Business Banking	**496**	115	large	110	228	(52)
Institutional Banking and Markets	**(36)**	(111)	68	(111)	96	(large)
New Zealand	**59**	37	59	37	(5)	large
Corporate Centre and Other	**6**	8	(25)	8	96	(92)
Loan impairment (benefit)/expense - ("statutory basis")	**1,108**	(357)	large	(357)	554	(large)

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

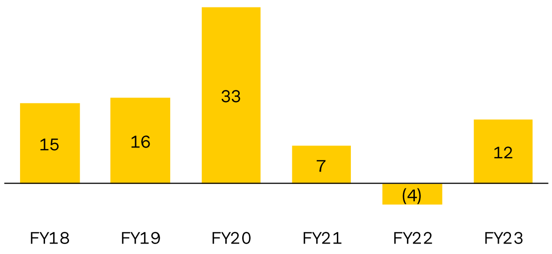
Year Ended June 2023 versus Restated June 2022

Loan impairment expense ("statutory basis") was $1,108 million, an increase of $1,465 million on the prior year. This was driven by:

- An increase in Retail Banking Services of $989 million to $583 million, mainly driven by higher collective provision charges reflecting cost of living pressures, rising interest rates, decline in house prices, as well as the non-recurrence of COVID-19 collective provision releases in the prior year;
- An increase in Business Banking of $381 million to $496 million, driven by higher individual and collective provision charges reflecting the impact of rising interest rates and inflationary pressures on a number of industries of concern, including those exposed to consumer discretionary spend and the Construction sector, as well as the non-recurrence of COVID-19 collective provision releases in the prior year;
- An increase in Institutional Banking and Markets of $75 million to a benefit of $36 million, primarily driven by higher collective provision releases in the prior year related to the aviation sector;
- An increase in New Zealand of $22 million to $59 million, mainly driven by higher collective and individually assessed provision charges reflecting the impact of rising interest rates, inflationary pressures and a decline in house prices; and
- Corporate Centre and Other impairment expense of $6 million is broadly flat on the prior year.

Loan impairment expense as a percentage of average gross loans and acceptances (GLAAs) increased 16 basis points to 12 basis points.

Full Year Loan Impairment Expense as a percentage of average GLAA (bpts)



As Reported Year Ended June 2022 versus June 2021

Loan impairment expense ("statutory basis") decreased $911 million on the 2021 financial year to a benefit of $357 million. This was driven by:

- A decrease in Retail Banking Services of $540 million to a benefit of $401 million, driven by lower collective provisions reflecting reduced COVID-19 uncertainties, partly offset by increased forward-looking adjustments for emerging risks, including inflationary pressures and rising interest rates;
- A decrease in Institutional Banking and Markets of $207 million to a benefit of $111 million, mainly driven by lower collective provisions reflecting a decrease in forward-looking adjustments for the aviation sector and reduced COVID-19 uncertainties, partly offset by a lower level of write-backs;
- A decrease in Business Banking of $118 million to an expense of $110 million, driven by lower individually assessed provision charges and higher write-backs; and
- A decrease in Corporate Centre and Other of $88 million to an expense of $8 million, mainly driven by the non-recurrence of 2021 financial year COVID-19 related collective provision charges in PTBC (PT Bank Commonwealth); partly offset by
- An increase in New Zealand of $42 million to an expense of $37 million, driven by higher collective provision charges reflecting emerging risks, including inflationary pressures and rising interest rates, partly offset by lower write-offs.

Loan impairment expense as a percentage of average gross loans and acceptances (GLAAs) decreased 11 basis points to -4 basis points.

Taxation Expense (continuing operations basis)

	Full Year Ended					
		Restated [1]		As reported		
	30 Jun 23	30 Jun 22	Jun 23 vs	30 Jun 22	30 Jun 21	Jun 22 vs
Income Tax	**$M**	$M	Jun 22 %	$M	$M	Jun 21 %
Retail Banking Services	**2,203**	2,087	6	2,094	2,005	4
Business Banking	**1,701**	1,291	32	1,287	1,236	4
Institutional Banking and Markets	**350**	371	(6)	368	306	20
New Zealand	**523**	487	7	487	457	7
Corporate Centre and Other	**(670)**	(213)	(large)	(213)	(414)	49
Total income tax expense - "cash basis"	**4,107**	4,023	2	4,023	3,590	12
Non-cash tax expense [2]	**48**	(12)	large	(12)	(58)	79
Total income tax expense - "statutory basis" [2]	**4,155**	4,011	4	4,011	3,532	14

	Full Year Ended					
		Restated [1]		As reported		
	30 Jun 23	30 Jun 22	Jun 23 vs	30 Jun 22	30 Jun 21	Jun 22 vs
Effective Tax Rate	**$M**	$M	Jun 22 %	$M	$M	Jun 21 %
Retail Banking Services	**30. 2**	29. 8	40 bpts	29. 8	28. 7	110 bpts
Business Banking	**30. 0**	29. 6	40 bpts	29. 6	29. 5	10 bpts
Institutional Banking and Markets	**25. 3**	26. 0	(70)bpts	26. 0	24. 9	110 bpts
New Zealand	**28. 1**	27. 5	60 bpts	27. 5	28. 2	(70)bpts
Total corporate - "statutory basis"	**29. 0**	29. 3	(30)bpts	29. 3	28. 5	80 bpts

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

2 For further details refer to "Disclosures – Non-Cash Items Included in Statutory Profit" on page 10 of 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 2.7 of the 2023 Financial Report.

Year Ended June 2023 versus Restated June 2022

Income tax expense ("statutory basis") was $4,155 million, an increase of $144 million or 4% on the prior year, reflecting a 29.0% effective tax rate.

The rate is below the Australian company tax rate of 30% primarily as a result of the profit earned by the offshore jurisdictions that have lower corporate tax rates, and profits from associates which are reflected on an after tax basis.

The 30 basis point decrease in effective tax rate from 29.3% to 29.0% was primarily due to a one-off impact from the finalisation of prior year tax matters.

As Reported Year Ended June 2022 versus June 2021

Income tax expense ("statutory basis") was $4,011 million, an increase of $479 million or 14% on the 2021 financial year, reflecting a 29.3% effective tax rate.

The rate is below the Australian company tax rate of 30% primarily as a result of the profit earned by the offshore jurisdictions that have lower corporate tax rates, and profits of associates which is reflected on an after tax basis.

The 80 basis points increase in effective tax rate ("statutory basis") from 28.5% to 29.3% was primarily due to the tax impact from disposals in the current period and prior period.

Group Assets and Liabilities

Total Group Assets and Liabilities	As at 30 Jun 23 $M	30 Jun 22 $M	30 Jun 21 $M	Jun 23 vs Jun 22 %	Jun 22 vs Jun 21 %
Interest earning assets					
Home loans [1]	**652,218**	621,993	579,756	5	7
Consumer Finance	**17,042**	16,494	16,997	3	(3)
Business and corporate loans	**261,512**	244,380	219,653	7	11
Loans and other receivables [2]	**930,772**	882,867	816,406	5	8
Non-lending interest earning assets [3]	**272,007**	269,827	219,473	1	23
Total interest earning assets	**1,202,779**	1,152,694	1,035,879	4	11
Other assets [2]	**50,061**	61,244	54,895	(18)	12
Assets held for sale [4]	**5**	1,322	1,201	(large)	10
Total assets	**1,252,845**	1,215,260	1,091,975	3	11
Interest bearing liabilities					
Transaction deposits [5]	**196,617**	188,917	173,626	4	9
Savings deposits [5]	**276,518**	275,997	259,244	–	6
Investment deposits	**225,502**	169,401	154,252	33	10
Other demand deposits [3]	**79,328**	79,513	64,843	–	23
Total interest bearing deposits	**777,965**	713,828	651,965	9	9
Debt issues	**122,267**	116,902	103,003	5	13
Term funding from central banks [6]	**54,220**	54,807	51,856	(1)	6
Other interest bearing liabilities	**64,640**	64,251	59,945	1	7
Total interest bearing liabilities	**1,019,092**	949,788	866,769	7	10
Non-interest bearing transaction deposits	**118,475**	142,103	112,537	(17)	26
Other non-interest bearing liabilities	**43,273**	49,348	33,576	(12)	47
Liabilities held for sale [4]	**–**	1,183	405	(large)	large
Total liabilities	**1,180,840**	1,142,422	1,013,287	3	13

1 Home loans are presented gross of $69,136 million of mortgage offset balances (30 June 2022: $64,998 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 carried at fair value through Income Statement. Other demand deposits include sale and repurchase agreements carried at fair value through Income Statement.

4 On 30 September 2022, CBA completed the sale of its Australian general insurance business (CommInsure General Insurance) to Hollard Group. The assets and liabilities held for sale in relation to this business have therefore been deconsolidated during the six months ended 31 December 2022, resulting in a decrease in the assets held for sale of $1,311 million and a decrease in the liabilities held for sale of $1,183 million.

5 Transaction and savings deposits includes $69,136 million of mortgage offset balances (30 June 2022: $64,998 million).

6 Term funding from central banks includes the drawn balances of the RBA TFF and the RBNZ Funding for Lending Programme and Term Lending Facility.

Year Ended June 2023 versus June 2022

Total assets as at 30 June 2023 were $1,253 billion, an increase of $38 billion or 3% on the prior year, driven by an increase in home loans, business and corporate loans, non-lending interest earning assets and consumer finance balances, partly offset by lower other assets and assets held for sale.

Total liabilities as at 30 June 2023 were $1,181 billion, an increase of $38 billion or 3% on the prior year, driven by an increase in deposits, debt issues and other interest bearing liabilities, partly offset by a decrease in other non-interest bearing liabilities, liabilities held for sale and term funding from central banks.

The Bank continued to fund a significant portion of lending growth from customer deposits. Customer deposits represented 75% of total funding (30 June 2022: 74%).

Home loans

Home loan balances increased $30 billion to $652 billion, a 5% increase on the prior year. Growth was driven by Retail Banking Services, Business Banking and New Zealand (excluding the impact of FX). Domestic home loan growth was 5% (in line with system [1]). Proprietary mix for CBA and Unloan branded home loans remained flat at 59% of new business flows.

Australian home loans amount to $584 billion (30 June 2022: $556 billion) of which 71% were owner occupied, 28% were investment home loans and 1% were lines of credit (30 June 2022: 71% were owner occupied, 28% were investment home loans and 1% were lines of credit).

1 System source: RBA/APRA.

Group Assets and Liabilities (continued)

Consumer Finance

Consumer finance balances increased $1 billion to $17 billion, a 3% increase on the prior year (while system [1] declined). The increase was driven by growth in personal loans from higher new business volumes, and increased credit card accounts and spend.

Business and corporate loans

Business and corporate loans increased $17 billion to $262 billion, a 7% increase on the prior year. This was driven by a $14 billion or 12% increase in Business Banking (above system [1]) reflecting diversified lending across a number of industries. Institutional lending balances increased $1 billion or 1% primarily due to an increase in pooled facilities and growth in the real estate and commodities financing portfolios. New Zealand business and rural lending increased $2 billion or 5% (excluding the impact of FX).

Domestic business lending (excluding institutional lending) increased 11% (above system [1]).

Non-lending interest earning assets

Non-lending interest earning assets increased $2 billion to $272 billion, a 1% increase on the prior year. This was mainly driven by an increase in Government securities holdings and reverse sale and repurchase agreements in Markets.

Other assets

Other assets, including derivative assets, property, plant and equipment and intangibles, decreased $11 billion to $50 billion, an 18% decrease on the prior year, mainly driven by a reduction in derivative assets due to movements in foreign currency and interest rates.

Total Interest bearing deposits

Total interest bearing deposits increased $64 billion to $778 billion, a 9% increase on the prior year. Growth was driven by a $56 billion or 33% increase in investment deposits and a $1 billion increase in savings deposits, reflecting greater demand for higher yielding deposits. Transactions deposits increased $8 billion or 4% on the prior year, reflecting growth in mortgage offset balances and pooled facilities.

Domestic household deposits grew at 5% (below system [1]).

Debt issues

Debt issues increased $5 billion to $122 billion, a 5% increase on the prior year.

Deposits satisfied the majority of the Bank's funding requirements, however the Group continued to regularly access both domestic and international wholesale debt markets.

Refer to pages 70-71 for further information on debt programs and issuance for the year ended 30 June 2023.

Term funding from central banks

Term funding from central banks includes the drawn balance of the RBA TFF and the RBNZ Funding for Lending Programme and Term Lending Facility. Term funding from central banks decreased $1 billion to $54 billion, a 1% decrease on the prior year, as the initial drawdowns on the RBA Term Funding Facility 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 to $65 billion, a 1% increase on the prior year. The increase was mainly driven by the issuance of additional Tier 2 Capital instruments, PERLS XV and PERLS XVI, partly offset by the maturity of PERLS VII and lower collateral balances from other financial institutions.

Non-interest bearing transaction deposits

Non-interest bearing transaction deposits decreased $24 billion to $118 billion, a 17% decrease on the prior year. The decrease was driven by customer switching to higher yielding deposits.

Other non-interest bearing liabilities

Other non-interest bearing liabilities, including derivative liabilities, decreased $6 billion to $43 billion, a 12% decrease on the prior year. The decrease was mainly driven by lower derivative liabilities due to movements in foreign currency and interest rates, partly offset by higher accrued interest.

1 System source: RBA/APRA.

Group Assets and Liabilities (continued)

Year Ended June 2022 versus June 2021

Total assets as at 30 June 2022 were $1,215 billion, an increase of $123 billion or 11% on the 2021 financial year, driven by an increase in non-lending interest earning assets, home loans, business and corporate loans and other assets, partly offset by lower consumer finance balances.

Total liabilities as at 30 June 2022 were $1,142 billion, an increase of $129 billion or 13% on the 2021 financial year, driven by an increase in deposits, debt issues, term funding from central banks, other interest bearing liabilities and other non-interest bearing liabilities.

The Bank continued to fund a significant portion of lending growth from customer deposits. Customer deposits represented 74% of total funding (30 June 2021: 73%).

Home loans

Home loan balances increased $42 billion to $622 billion, a 7% increase on the 2021 financial year. The increase was driven by Retail Banking Services, Business Banking and New Zealand. Domestic home loan growth of 7% was broadly in line with system [1] growth. Proprietary mix for CBA branded home loans decreased from 60% to 59% of new business flows, although increased during the second half of the current year.

Australian home loans amount to $556 billion (30 June 2021: $516 billion) of which 71% were owner occupied, 28% were investment home loans and 1% were lines of credit (30 June 2021: 70% were owner occupied, 28% were investment home loans and 2% were lines of credit).

Consumer Finance

Consumer finance balances decreased $1 billion to $16 billion, a 3% decrease on the 2021 financial year, broadly in line with system [1] decline. The decrease was driven by lower consumer demand for personal loans, partly offset by growth in credit cards from a recovery in spend.

Business and corporate loans

Business and corporate loans increased $25 billion to $244 billion, an 11% increase on the 2021 financial year. This was driven by a $14 billion or 14% increase in Business Banking (above system [1] growth) reflecting diversified lending across a number of industries with the largest growth in Property, Agriculture and Health sectors. Institutional lending balances increased by $10 billion or 12% primarily due to growth across the structured, corporate lending and funds financing portfolios. New Zealand business and rural lending increased $1 billion or 4% (excluding the impact of FX).

Domestic business lending (excluding institutional lending) increased 14%, above system [1] growth.

Non-lending interest earning assets

Non-lending interest earning assets increased $50 billion to $270 billion, a 23% increase on the 2021 financial year. This was mainly driven by an increase in liquid asset balances due to strong customer deposit growth, and higher reverse sale and repurchase agreements in Global Markets, partly offset by a decline in trading assets mainly in Government securities.

Other assets

Other assets, including derivative assets, property, plant and equipment and intangibles, increased $6 billion to $61 billion, a 12% increase on the 2021 financial year, mainly driven by an increase in derivative assets due to volatility and movements in foreign currency and interest rates, partly offset by lower commodities inventory balances in Institutional Banking and Markets, and the sale of a 10% shareholding in the Bank of Hangzhou.

Total Interest bearing deposits

Total interest bearing deposits increased $62 billion, across all product types, to $714 billion, a 9% increase on the 2021 financial year. Growth in transaction and savings deposits was driven by increased domestic money supply, growth in mortgage offsets, and increased demand for at-call deposits in the low-rate environment which existed for most of the current year. Growth in investment deposits was primarily from offshore institutional banking clients, while growth in other demand deposits was mainly driven by higher sale and repurchase agreements.

Domestic household deposits grew at 13%, in line with system [1] growth.

Debt issues

Debt issues increased $14 billion to $117 billion, a 13% increase on the 2021 financial year, to meet the Group's future funding and liquidity requirements.

Deposits satisfied the majority of the Bank's funding requirements, however strong access was maintained to both domestic and international wholesale debt markets.

Refer to pages 70-71 for further information on debt programs and issuance for the year ended 30 June 2022.

Term funding from central banks

Term funding from central banks includes the drawn balance of the RBA Term Funding Facility and the RBNZ Funding for Lending Programme and Term Lending Facility. Refer to Note 4.4 of the 2022 Financial Report for further details on these term funding facilities. Term funding from central banks increased $3 billion on the 2021 financial year, driven by additional drawdown of the RBNZ Funding for Lending Programme and Term Lending Facility.

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 $4 billion to $64 billion, a 7% increase on the 2021 financial year. The increase was mainly driven by the issuance of additional Tier 2 Capital instruments and PERLS XIV, and growth in central bank and foreign currency term deposits.

Non-interest bearing transaction deposits

Non-interest bearing transaction deposits increased $30 billion to $142 billion, a 26% increase on the 2021 financial year. The growth was driven by increased domestic money supply and higher demand for at-call deposits in the low-rate environment which existed for most of the current year.

Other non-interest bearing liabilities

Other non-interest bearing liabilities, including derivative liabilities, increased $16 billion to $49 billion, a 47% increase on the 2021 financial year. The increase was mainly driven by higher derivative liabilities primarily due to volatility and movements in foreign currency and interest rates.

1 System source: RBA/APRA.

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Contents

4. Group Operations & Business Settings

Group Operations and Business Settings

Loan Impairment Provisions and Credit Quality

Provisions for Impairment

	As at				
	30 Jun 23	30 Jun 22	30 Jun 21	Jun 23 vs	Jun 22 vs
	$M	$M	$M	Jun 22 %	Jun 21 %
Provisions for impairment losses					
Collective provision	**5,196**	4,611	5,311	13	(13)
Individually assessed provisions	**754**	736	900	2	(18)
Total provisions for impairment losses	**5,950**	5,347	6,211	11	(14)
Less: Provisions for Off Balance Sheet exposures	**(159)**	(117)	(111)	36	5
Total provisions for loan impairment	**5,791**	5,230	6,100	11	(14)

Year Ended June 2023 versus June 2022

Total provisions for impairment losses as at 30 June 2023 were $5,950 million, an increase of $603 million or 11% on the prior year.

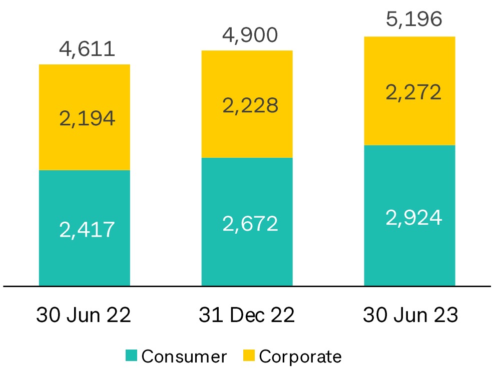
Collective provisions

- Consumer collective provisions increased $507 million or 21% to $2,924 million. This mainly reflects ongoing cost of living pressures, rising interest rates and a decline in house prices.
- Corporate collective provisions increased $78 million or 4% to $2,272 million. This mainly reflects the impact on corporate profits of ongoing inflationary pressures and rising interest rates, and an expected reduction in consumer discretionary spend.

Individually assessed provisions

- Corporate individually assessed provisions increased $31 million or 5% to $643 million. This reflects impairment of a number of exposures across various sectors, in particular construction, partly offset by write-offs and write-backs.
- Consumer individually assessed provisions decreased $13 million or 10% to $111 million. This was mainly driven by the continuation of low levels of arrears in the Australian home lending portfolio.

Collective Provisions ($M)



Year Ended June 2022 versus June 2021

Total provisions for impairment losses as at 30 June 2022 were $5,347 million, a decrease of $864 million or 14% on the 2021 financial year.

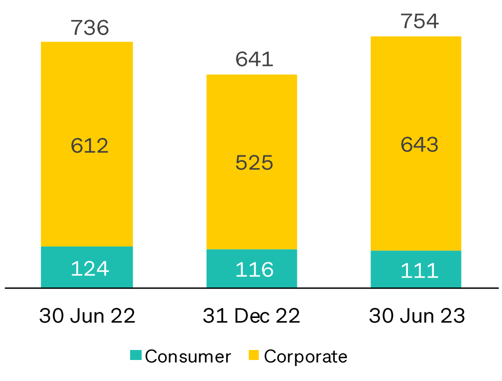
Collective provisions

- Consumer collective provisions decreased $612 million or 20% to $2,417 million. This reflects reduced COVID-19 uncertainties, partly offset by increased forward-looking adjustments for emerging risks, including inflationary pressures and rising interest rates.
- Corporate collective provisions decreased $88 million or 4% to $2,194 million. This reflects reduced COVID-19 uncertainties, partly offset by increased forward-looking adjustments for emerging risks, including inflationary pressures, supply chain disruptions and rising interest rates.

Individually assessed provisions

- Corporate individually assessed provisions decreased $99 million or 14% to $612 million. This was mainly driven by write-backs and write-offs across various industry sectors, partly offset by increased provisions for a small number of large exposures.
- Consumer individually assessed provisions decreased $65 million or 34% to $124 million. This was mainly driven by lower arrears in the Australian home lending portfolio and growth in house prices over the period.

Individually Assessed Provisions ($M)



Loan Impairment Provisions and Credit Quality (continued)

Credit Quality

	Full Year Ended					Half Year Ended		
Credit Quality Metrics	**30 Jun 23 $M**	30 Jun 22 $M	Jun 23 vs Jun 22 %	30 Jun 21 $M	Jun 22 vs Jun 21 %	**30 Jun 23 $M**	31 Dec 22 $M	Jun 23 vs Dec 22 %
Gross loans and acceptances (GLAA) ($M)	**933,251**	884,963	5	818,266	8	**933,251**	912,835	2
Risk weighted assets (RWA) ($M)	**467,992**	497,892	(6)	450,680	10	**467,992**	504,380	(7)
Credit RWA ($M)	**362,869**	393,647	(8)	381,550	3	**362,869**	402,017	(10)
Gross impaired assets ($M)	**3,326**	2,951	13	3,409	(13)	**3,326**	3,036	10
Net impaired assets ($M)	**2,219**	1,928	15	2,250	(14)	**2,219**	2,084	6
Provision Ratios								
Collective provision as a % of credit RWA [1]	**1.43**	1. 17	26 bpts	1. 39	(22)bpts	**1.43**	1. 22	21 bpts
Total provisions as a % of credit RWA [1]	**1.64**	1. 36	28 bpts	1. 63	(27)bpts	**1.64**	1. 38	26 bpts
Total provisions for impaired assets as a % of gross impaired assets	**33.28**	34. 67	(139)bpts	33. 99	68 bpts	**33.28**	31. 36	192 bpts
Total provisions for impaired assets as a % of gross impaired assets (corporate)	**54.89**	58. 80	(391)bpts	49. 52	large	**54.89**	51. 42	large
Total provisions for impaired assets as a % of gross impaired assets (consumer)	**19.28**	20. 74	(146)bpts	22. 04	(130)bpts	**19.28**	18. 87	41 bpts
Total provisions for impairment losses as a % of GLAAs	**0.64**	0. 60	4 bpts	0. 76	(16)bpts	**0.64**	0. 61	3 bpts
Asset Quality Ratios								
Gross impaired assets as a % of GLAAs	**0.36**	0. 33	3 bpts	0. 42	(9)bpts	**0.36**	0. 33	3 bpts
Loans 90+ days past due but not impaired as a % of GLAAs	**0.33**	0. 35	(2)bpts	0. 46	(11)bpts	**0.33**	0. 30	3 bpts
Loan impairment expense annualised as a % of average GLAAs	**0.12**	(0. 04)	16 bpts	0. 07	(11)bpts	**0.13**	0. 11	2 bpts
Net write-offs annualised as a % of GLAAs	**0.06**	0. 07	(1)bpt	0. 09	(2)bpts	**0.05**	0. 08	(3)bpts
Corporate total committed exposures rated investment grade (%) [2]	**69.27**	69. 70	(43)bpts	68. 30	140 bpts	**69.27**	71. 03	(176)bpts
Australian Home Loan Portfolio								
Portfolio dynamic LVR (%) [3]	**44.86**	44. 02	84 bpts	48. 96	(494)bpts	**44.86**	44. 26	60 bpts
Customers in advance (%) [4]	**77.95**	77. 95	–	78. 49	(54)bpts	**77.95**	77. 63	32 bpts

1 30 June 2023 ratios are prepared in accordance with APRA's revised capital framework effective from 1 January 2023. Prior period ratios are prepared in accordance with the previous APRA framework that was effective up until 31 December 2022. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document.

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 Impaired Assets

Half year ended 30 June 2023 vs Half year ended 31 December 2022

As at 30 June 2023, total provisions as a proportion of credit RWA increased 26 basis points on the prior half to 1.64%. This was driven by lower credit RWAs following the implementation of APRA's revised capital framework from 1 January 2023 (12 basis points, for more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document), and higher collective and individual provisions reflecting ongoing inflationary pressures and rising interest rates.

Gross impaired assets were $3,326 million, an increase of $290 million or 10% on the prior half, mainly driven by higher corporate impaired assets and increased restructures within the New Zealand home lending portfolio. Gross impaired assets as a proportion of GLAAs were 0.36%, an increase of 3 basis points on the prior half.

Provision coverage for the impaired asset portfolio was 33.28%, an increase of 192 basis points on the prior half, reflecting increased individual provisions.

Half year ended 31 December 2022 vs Half year ended 30 June 2022

As at 31 December 2022, total provisions as a proportion of credit RWA increased 2 basis points on the half year ended 30 June 2022 to 1.38%. This was driven by higher collective provisions, reflecting ongoing inflationary pressures, supply chain disruptions, rising interest rates and a decline in house prices, partly offset by lower individually assessed provisions.

Gross impaired assets were $3,036 million, broadly flat on the half year ended 30 June 2022, with a small number of offsetting impairments and write-offs in the corporate portfolio. Gross impaired assets as a proportion of GLAAs were 0.33%, flat on the half year ended 30 June 2022.

Provision coverage for the impaired asset portfolio was 31.36%, a decrease of 331 basis points on the half year ended 30 June 2022, mainly driven by the write-off of a small number of corporate exposures and an increase in gross impaired assets in the corporate portfolio.

Group Operations and Business Settings (continued)

Loan Impairment Provisions and Credit Quality (continued)

Retail Portfolio Asset Quality

Half year ended 30 June 2023 vs Half year ended 31 December 2022

Consumer loan impairment expense (LIE) as a percentage of average gross loans and acceptances was 12 basis points, an increase of 1 basis point on the prior half, mainly driven by increased collective provisions reflecting ongoing cost of living pressures and rising interest rates.

Home loan 90+ days arrears were 0.47%, an increase of 4 basis points on the prior half, mainly driven by increases in ASB reflecting cost of living pressures, while the domestic portfolio remained relatively stable supported by low levels of unemployment and stability in savings buffers. Credit cards and personal loans 90+ days arrears were 0.55% and 1.19% respectively, an increase of 9 basis points and 24 basis points on the prior half, reflecting increased cost of living pressures and a seasonal increase following the December holiday period.

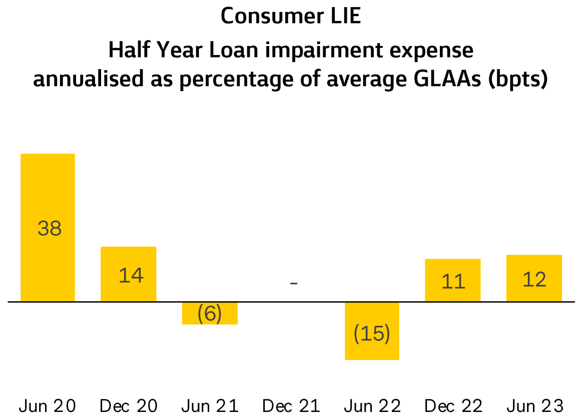
The home loan dynamic LVR was 44.86%, an increase of 60 basis points on the prior half. The home lending book remains well secured and the majority of home lending customers remain in advance of scheduled repayments.

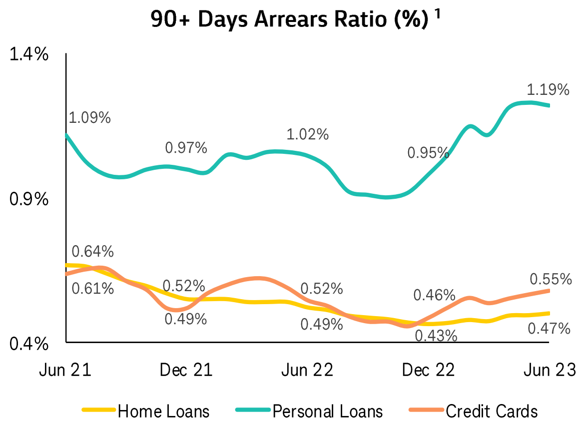
Half year ended 31 December 2022 vs Half year ended 30 June 2022

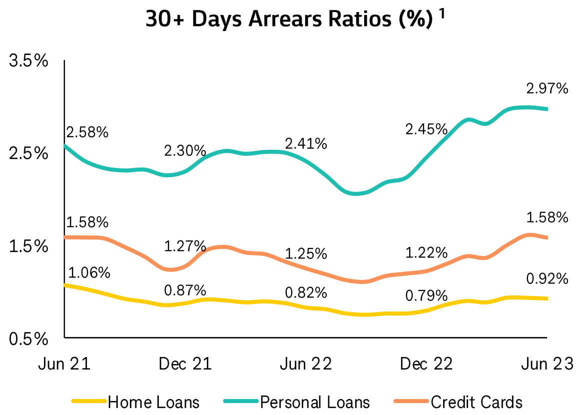
Consumer loan impairment expense (LIE) as a percentage of average gross loans and acceptances (GLAAs) was 11 basis points, an increase of 26 basis points on the half year ended 30 June 2022, mainly driven by higher collective provision charges reflecting ongoing inflationary pressures, rising interest rates and a decline in house prices, and the non-recurrence of COVID-19 collective provision releases in the half year ended 30 June 2022.

Home loan 90+ days arrears were 0.43%, a decrease of 6 basis points on the half year ended 30 June 2022, supported by a strong labour market. Credit cards and Personal loans 90+ days arrears were 0.46% and 0.95% respectively, a decrease of 6 basis points and 7 basis points on the half year ended 30 June 2022, mainly driven by seasonality and a strong labour market.

The home loan dynamic LVR was 44.26%, an increase of 24 basis points on the half year ended 30 June 2022. The home lending book remained well secured and the majority of home lending customers remained in advance of scheduled repayments.







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

Loan Impairment Provisions and Credit Quality (continued)

Corporate Portfolio Asset Quality

Half year ended 30 June 2023 vs Half year ended 31 December 2022

Corporate troublesome exposures were $3.8 billion, an increase of $0.5 billion on the prior half mainly driven by downgrades across various sectors.

Investment grade rated exposures reduced 176 basis points on the prior half to 69.27% of overall portfolio risk graded counterparties, mainly reflecting a reduction in the proportion of exposures in the Government, Administration & Defence sector as the Group diversifies its lending exposures across multiple industry sectors. The Group has also experienced downgrades across a number of sectors.

Corporate LIE as a percentage of average gross loans and acceptances was 17 basis points, an increase of 4 basis points on the prior half, reflecting increased provisions for risks associated with ongoing inflationary pressures and rising interest rates.

Half year ended 31 December 2022 vs Half year ended 30 June 2022

Corporate troublesome exposures were $3.3 billion, a decrease of $0.1 billion or 3% on the half year ended 30 June 2022, mainly driven by the transfer of a small number of exposures to the impaired portfolio, partly offset by net downgrades from a small number of exposures moving from performing into the troublesome portfolio.

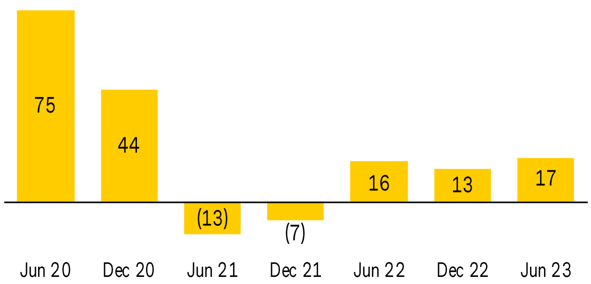
Investment grade rated exposures increased 133 basis points on the half year ended 30 June 2022 to 71.03% of overall portfolio risk rated counterparties, reflecting an improvement in credit quality across a range of sectors.

Corporate LIE as a percentage of gross loans and acceptances was 13 basis points, a decrease of 3 basis points on the half year ended 30 June 2022, mainly driven by lower individually assessed provision charges reflecting an improvement in portfolio credit quality, partly offset by higher collective provisions reflecting ongoing input cost pressures, supply chain disruptions and rising interest rates.

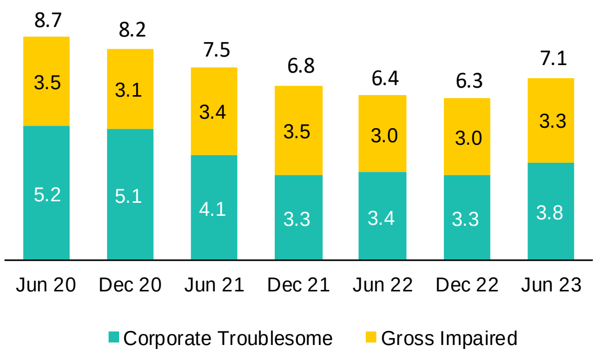
Corporate LIE

Half Year Loan impairment expense

annualised as percentage of average GLAA (bpts)

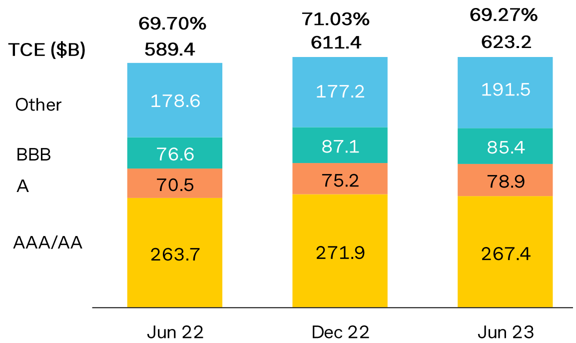


Troublesome and Impaired Assets ($B)



Corporate Portfolio Quality

% of book rated investment grade [1]



1 CBA grades in S&P equivalents.

Loan Impairment Provisions and Credit Quality (continued)

Industry Exposure and Asset Quality

Half year ended 30 June 2023 vs Half year ended 31 December 2022

The distribution of the Bank's credit exposures by sector remained relatively consistent during the half. The largest movement was a decrease of 50 basis points in the Government, Administration & Defence sector, from 17.0% to 16.5% of the Bank's total committed exposures, driven by both an increase in industry diversification across the portfolios and a reduction in central bank cash holdings as part of the Bank's ongoing liquidity management activities.

Movements in troublesome and impaired assets (TIA) were mixed across sectors, as total TIA increased $824 million on the prior half to $7,099 million.

TIA as a percentage of total committed exposures (TCE) was 0.51%, an increase of 5 basis points on the prior half.

The increase in TIA % of TCE over the half is concentrated in:

- Construction (up 147 basis points) due to the impact of inflationary pressures and rising interest rates, particularly on those exposed to margin pressure from fixed price contracts;
- Retail Trade (up 83 basis points) due to increased interest rates and cost of living pressures impacting consumer discretionary spending; and
- Commercial Property (up 19 basis points) due to increased interest rates and vacancy rates, particularly in lower quality office properties.

A number of sectors have been influenced by a small number of client downgrades over the half, including Media & Communications (up 81 basis points) and Electricity, Water & Gas (up 78 basis points), which the Bank believes reflects business-specific issues rather than systematic sector risks.

These increases were partly offset by improvements in Transport & Storage (down 45 basis points), Entertainment, Leisure & Tourism (down 39 basis points), Personal & Other Services (down 34 basis points) and Health & Community Services (down 30 basis points), mainly driven by client upgrades.

Management is closely monitoring sectors of concern, including Construction, Commercial Property, Retail Trade and Entertainment, Leisure & Tourism.

Half year ended 31 December 2022 vs Half year ended 30 June 2022

The distribution of the Bank's credit exposures by sector remained relatively consistent during the half.

Movements in troublesome and impaired assets (TIA) were mixed across sectors, as total TIA decreased $128 million on the half year ended 30 June 2022 to $6,275 million.

TIA as a percentage of total committed exposures (TCE) was 0.46%, a decrease of 2 basis points on the half year ended 30 June 2022 reflecting:

- Media & Communications (down 104 basis points) mainly driven by the refinancing of a single exposure;
- Wholesale Trade (down 81 basis points) mainly driven by client upgrades and debt reductions;
- Entertainment, Leisure & Tourism (down 62 basis points) mainly driven by client upgrades and asset sales;
- Manufacturing (down 58 basis points) mainly driven by the write-off of a small number of exposures, partly offset by downgrades across a small number of exposures;
- Mining, Oil & Gas (down 46 basis points) mainly driven by the write-off of a single exposure;
- Transport & Storage (down 38 basis points) mainly driven by upgrades; and
- Agriculture & Forestry (down 30 basis points) mainly driven by refinancing and write-offs; partly offset by
- Construction (up 72 basis points) mainly driven by downgrades;
- Personal & Other Services (up 33 basis points) mainly driven by the downgrade of a single exposure; and
- Commercial Property (up 11 basis points) mainly driven by downgrades.

Group Operations and Business Settings (continued)

Loan Impairment Provisions and Credit Quality (continued)

Industry Exposure and Asset Quality (continued)

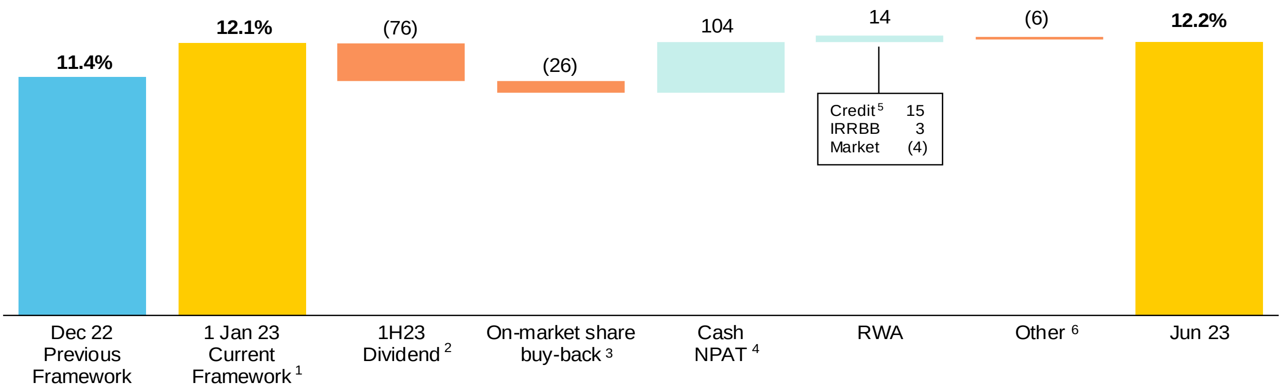
	Total Committed Exposures (TCE)			Troublesome and Impaired Assets (TIA)			TIA % of TCE		
	30 Jun 23	31 Dec 22	30 Jun 22	**30 Jun 23**	31 Dec 22	30 Jun 22	**30 Jun 23**	31 Dec 22	30 Jun 22
Sector	**%**	%	%	**$M**	$M	$M	**%**	%	%
Consumer	**55. 5**	55. 6	55. 9	**2,018**	1,882	1,887	**0. 26**	0. 25	0. 25
Government, Admin. & Defence	**16. 5**	17. 0	17. 0	**–**	–	–	**–**	–	–
Finance & Insurance	**7. 0**	6. 8	6. 8	**98**	58	65	**0. 10**	0. 06	0. 07
Commercial Property	**6. 6**	6. 5	6. 5	**887**	693	574	**0. 96**	0. 77	0. 66
Agriculture & Forestry	**2. 1**	2. 1	2. 1	**637**	585	651	**2. 13**	2. 05	2. 35
Transport & Storage	**1. 8**	1. 8	1. 8	**208**	327	409	**0. 84**	1. 29	1. 67
Manufacturing	**1. 4**	1. 4	1. 3	**368**	298	356	**1. 91**	1. 54	2. 12
Entertainment, Leisure & Tourism	**1. 1**	1. 1	1. 0	**373**	404	468	**2. 33**	2. 72	3. 34
Wholesale Trade	**1. 1**	1. 0	1. 0	**394**	322	400	**2. 48**	2. 24	3. 05
Retail Trade	**1. 1**	1. 1	1. 0	**410**	270	238	**2. 66**	1. 83	1. 75
Health & Community Services	**1. 0**	1. 0	1. 0	**337**	350	307	**2. 30**	2. 60	2. 35
Business Services	**1. 0**	1. 0	1. 0	**237**	254	261	**1. 62**	1. 77	2. 04
Electricity, Water & Gas	**1. 0**	0. 9	0. 9	**118**	10	5	**0. 86**	0. 08	0. 04
Construction	**0. 8**	0. 9	0. 8	**649**	476	370	**5. 50**	4. 03	3. 31
Mining, Oil & Gas	**0. 5**	0. 5	0. 6	**63**	56	94	**0. 86**	0. 75	1. 21
Media & Communications	**0. 4**	0. 4	0. 4	**58**	12	68	**1. 01**	0. 20	1. 24
Education	**0. 3**	0. 3	0. 3	**18**	15	16	**0. 49**	0. 41	0. 47
Personal & Other Services	**0. 2**	0. 2	0. 2	**33**	42	31	**1. 00**	1. 34	1. 01
Other	**0. 6**	0. 4	0. 4	**193**	221	203	**3. 24**	2. 37	3. 86
Total	**100. 0**	100. 0	100. 0	**7,099**	6,275	6,403	**0. 51**	0. 46	0. 48

Capital

	As at [1]				
	30 Jun 23	31 Dec 22	30 Jun 22	Jun 23 vs	Jun 23 vs
Summary Group Capital Adequacy Ratios	**%**	%	%	Dec 22 %	Jun 22 %
Common Equity Tier 1	**12. 2**	11. 4	11. 5	80 bpts	70 bpts
Additional Tier 1	**2. 3**	1. 9	2. 1	40 bpts	20 bpts
Tier 1	**14. 5**	13. 3	13. 6	120 bpts	90 bpts
Tier 2	**5. 5**	4. 5	4. 0	100 bpts	150 bpts
Total Capital (APRA)	**20. 0**	17. 8	17. 6	220 bpts	240 bpts

1 30 June 2023 ratios are prepared in accordance with APRA's revised capital framework effective from 1 January 2023. 31 December 2022 and 30 June 2022 ratios are prepared in accordance with the previous APRA framework that was effective up until 31 December 2022. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document.

Capital – CET1 (APRA)
+10bpts from 1 January 2023



1 CET1 ratio under APRA's revised capital framework effective 1 January 2023. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document.
2 The 2023 interim dividend included the on-market purchase of $596 million of shares (CET1 impact of 13 bpts) in respect of the Dividend Reinvestment Plan.
3 As at 30 June 2023, the previously announced $3 billion on-market share buy-back has been completed, with 30,222,281 shares acquired at an average price of $99.26. $1.2 billion of this was completed in the half year ended 30 June 2023.
4 Excludes net equity accounted profits/losses from associates as they are capital neutral with offsetting changes in regulatory capital deductions.
5 Excludes impact of foreign exchange movements which is included in 'Other'.
6 Includes the impact of intangibles, FX impact on Credit RWA, equity accounted profits/losses from associates, movements in reserves and other regulatory adjustments.

Capital Position

Half year ended 30 June 2023 vs Half year ended 31 December 2022

The Group's CET1 ratio (APRA) was 12.2% as at 30 June 2023, an increase of 10 basis points from 31 December 2022 after allowing for the 70 basis point uplift in the CET1 ratio from the implementation of the new capital framework on 1 January 2023. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document. The CET1 ratio was well above APRA's regulatory requirement at all times throughout the full year ended 30 June 2023.

Excluding the payment of the 2023 interim dividend (-76 basis points) and completion of the previously announced $3 billion on-market share buy-back (-26 basis points), the CET1 ratio increased 112 basis points. Key drivers of the change in CET1 for the 6 months ended 30 June 2023 were:

- Capital generated from earnings (+104 basis points); and
- Lower total RWA (+14 basis points), mainly driven by decreased Credit RWA; partly offset by
- Other regulatory adjustments and movement in reserves (-6 basis points).

Further details on the movements in RWA are provided on page 63.

Capital (continued)

Half year ended 31 December 2022 vs Half year ended 30 June 2022

The Group's CET1 ratio (APRA) was 11.4% as at 31 December 2022, a decrease of 10 basis points from 30 June 2022 and a decrease of 40 basis points from 31 December 2021. Excluding the payment of the 2022 final dividend (-71 basis points) and on-market share buy-back (-27 basis points), the CET1 ratio increased 88 basis points. The CET1 ratio was well above the current regulatory requirements at all times throughout the half year ended 31 December 2022.

Key drivers of the change in CET1 for the 6 months ended 31 December 2022 were:

- Capital generated from earnings (+103 basis points);
- Removal of the remaining $500 million of APRA's operational risk capital add-on (+15 basis points); and
- Completion of the sale of CommInsure General Insurance (+9 basis points); partly offset by
- Higher total RWA (-25 basis points) mainly driven by increased Credit RWA and Traded Market Risk RWA; and
- Other regulatory adjustments and movement in reserves (-14 basis points).

Further details on the movements in RWA are provided on page 63.

Capital Initiatives

In addition to the on-market share buy-back, the following significant capital initiatives were undertaken during the year ended 30 June 2023:

Common Equity Tier 1 Capital

- The DRP, in respect of both the 2022 final dividend and the 2023 interim dividend, was satisfied in full by the on-market purchase of shares. The participation rate for both was 16.8%.

Additional Tier 1 Capital

- In November 2022, the Group concurrently issued $1,777 million of CommBank PERLS XV Capital Notes and redeemed $1,577 million of CommBank PERLS VII Capital notes, both of which are Basel III compliant Additional Tier 1 Capital;
- In December 2022, the Group redeemed the remaining $1,423 million of CommBank PERLS VII Capital Notes; and
- In June 2023, the Group issued $1,550 million of CommBank PERLS XVI Capital Notes that are Basel III compliant Additional Tier 1 Capital.

Tier 2 Capital

The Group issued the following Basel III compliant subordinated notes:

- HKD400 million and AUD300 million in September 2022;
- JPY20 billion in October 2022;
- Two subordinated notes totalling AUD2,000 million in November 2022;
- AUD1,750 million in March 2023; and
- HKD580 million in April 2023.

Capital (continued)

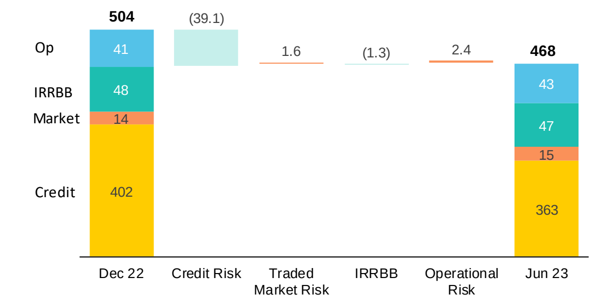
Risk Weighted Assets (RWA) [1]

Total Group Risk Weighted Assets

Half year ended 30 June 2023 vs Half year ended 31 December 2022

Total RWA decreased $36.4 billion or 7% on the prior half to $468.0 billion, mainly driven by lower Credit Risk RWA from the implementation of APRA's revisions to the capital framework on 1 January 2023. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document.

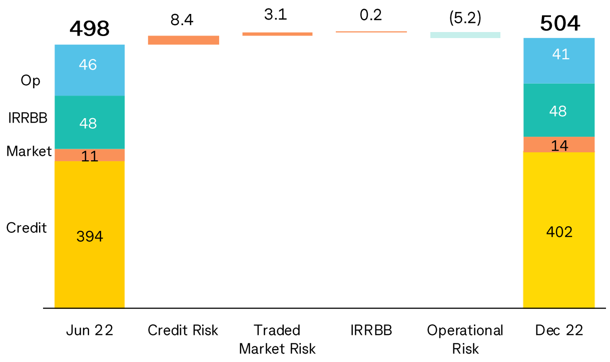
Total Risk Weighted Assets ($B)



Half year ended 31 December 2022 vs Half year ended 30 June 2022

Total RWA increased $6.5 billion or 1% on the half year ended 30 June 2022 to $504.4 billion, driven by growth in Credit Risk RWA and Traded Market Risk RWA, partly offset by a decrease in Operational Risk RWA.

Total Risk Weighted Assets ($B)



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

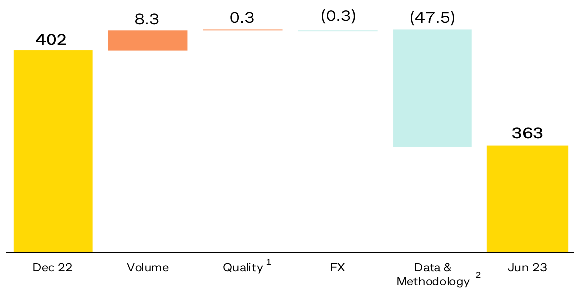
Credit Risk Weighted Assets

Half year ended 30 June 2023 vs Half year ended 31 December 2022

Credit Risk RWA decreased $39.1 billion or 10% on the prior half to $362.9 billion. Key drivers include:

- Volume growth (increase of $8.3 billion) across retail and commercial portfolios and derivatives.
- Credit quality movement (increase of $0.3 billion) primarily driven by ASB and domestic unsecured retail portfolios, partly offset by improvements in commercial portfolios.
- Foreign currency movements (decrease of $0.3 billion).
- Data and methodology, including changes in credit risk estimates and regulatory treatments (decrease of $47.5 billion), primarily driven by the implementation of APRA's revisions to the capital framework on 1 January 2023 as well as the benefit of new capital models approved and implemented in the half, partly offset by data, methodology and other changes. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document.

Credit Risk Weighted Assets ($B)



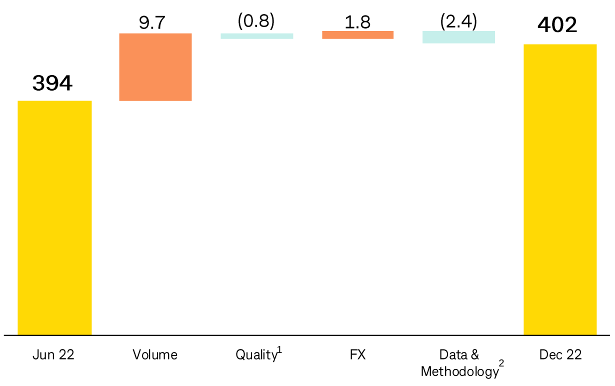
1 Credit quality includes portfolio mix.
2 Includes APRA's revisions to the capital framework, data and methodology, credit risk estimates changes and regulatory treatments.

Half year ended 31 December 2022 vs Half year ended 30 June 2022

Credit Risk RWA increased $8.4 billion or 2% on the half year ended 30 June 2022 to $402.0 billion. Key drivers include:

- Volume growth (increase of $9.7 billion) across commercial portfolios and residential mortgages, partly offset by a reduction in derivatives;
- Credit quality movement (decrease of $0.8 billion) driven by improvements in residential mortgages from reducing portfolio arrears rates;
- Foreign currency movements (increase of $1.8 billion); and
- Data and methodology, including changes to credit risk estimates (decrease of $2.4 billion), primarily related to regulatory approval of new residential mortgage and non-retail property probability of default models.

Credit Risk Weighted Assets ($B)



1 Credit quality includes portfolio mix.
2 Includes data and methodology, credit risk estimates changes and regulatory treatments.

Capital (continued)

Traded Market Risk Weighted Assets

Half year ended 30 June 2023 vs Half year ended 31 December 2022

Traded Market Risk RWA increased $1.6 billion or 12% on the prior half to $15.4 billion. This was driven by increased client activity, market volatility from the rising interest rate environment and an associated increase in the APRA Risks-Not-In-VaR (RNIV) overlay.

Half year ended 31 December 2022 vs Half year ended 30 June 2022

Traded Market Risk RWA increased $3.1 billion or 29% on the half year ended 30 June 2022 to $13.8 billion. This was mainly due to the impact of increased client activity, market volatility from rising interest rates and an associated increase in the APRA Risks-Not-In-VaR (RNIV) overlay.

Interest Rate Risk Weighted Assets

Half year ended 30 June 2023 vs Half year ended 31 December 2022

IRRBB RWA decreased $1.3 billion or 3% on the prior half to $46.6 billion. This was primarily driven by lower embedded losses due to lower swap rates.

Half year ended 31 December 2022 vs Half year ended 30 June 2022

IRRBB RWA increased $0.2 billion on the half year ended 30 June 2022 to $47.9 billion.

Operational Risk Weighted Assets

Half year ended 30 June 2023 vs Half year ended 31 December 2022

Operational Risk RWA increased $2.4 billion or 6% on the prior half to $43.2 billion. This was driven by the adoption of the standardised measurement approach, as required by APS 115 "Capital Adequacy: Standardised Measurement Approach to Operational Risk" under APRA's revised capital framework. Operational risk RWA as at 30 June 2023 are determined under the standardised measurement approach in accordance with APS 115 effective from 1 January 2023. Prior to 1 January 2023 operational risk RWA were determined in accordance with the advanced measurement approach.

Half year ended 31 December 2022 vs Half year ended 30 June 2022

Operational Risk RWA decreased $5.2 billion or 11% on the half year ended 30 June 2022 to $40.7 billion. This was primarily driven by the removal of APRA's operational risk regulatory capital add-on on 30 September 2022.

Regulatory Framework

APRA has implemented a set of capital, liquidity and funding reforms based on the Basel Committee on Banking Supervision (BCBS) "Basel III" framework.

Prior to 1 January 2023, APRA's prudential standards required a minimum CET1 ratio or Prudential Capital Requirement (PCR) of 4.5%. An additional CET1 capital conservation buffer (CCB) of 3.5%, inclusive of a Domestic Systemically Important Bank (D-SIB) requirement of 1% and a countercyclical capital buffer (CCyB)[1] of 0%, brought the minimum CET1 ratio requirement to 8%. The minimum Tier 1 and Total Capital ratio requirements were 9.5% and 13% respectively.

Additionally under this capital framework, APRA's expectation was that the Australian major banks operate for the majority of the year with a CET1 ratio of 10.5% or more.

From 1 January 2023, APRA implemented its revisions to the ADI capital framework. The objectives of these revisions are to increase the risk sensitivity within the capital framework, to enhance the ability of ADIs to respond flexibly to future stress events, and to improve the comparability of the Australian framework with international standards.

1 APRA announced that the CCyB for Australian exposures was 0% prior to 1 January 2023, based on its assessment of systemic risk in the banking sector. This subsequently increased to 1% under the revised capital framework.

Capital (continued)

Regulatory Framework (continued)

APRA's revisions include the following changes with respect to Internal Ratings-based (IRB) ADIs such as CBA:

- A minimum CET1 Capital Ratio of 10.25%, which is comprised of a minimum PCR of 4.5% and a CCB of 5.75%, which includes a D-SIB buffer of 1% and a baseline CCyB set at 1%. The CCyB, which may be varied by APRA in the range of 0-350 basis points, can be released in times of systemic stress and post-stress recovery;
- Enhancing risk sensitivity in the residential mortgage and commercial property portfolio, through greater allowance of an ADI's own models to measure credit risk capital, and higher capital requirements for high-risk segments such as interest only and investor mortgages;
- Replacing the operational risk advanced measurement approach (AMA) with a standardised approach across the industry;
- Implementing a 72.5% output floor to limit the gap in capital requirements between standardised and IRB ADIs; and
- Further aligning the RWA of New Zealand banking subsidiaries at the consolidated group level by adopting a revised version of the RBNZ capital framework.

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

The Tier 1 and Total Capital ratio requirements are 11.75% and 13.75% respectively. From 1 January 2024, D-SIBs, including CBA, will be required to hold additional Total Capital to satisfy APRA's loss-absorbing capacity requirements, bringing the Total Capital ratio requirement to 16.75%. From 1 January 2026, this requirement will increase again to 18.25%.

New Zealand bank capital adequacy requirements

In June 2021, the Reserve Bank of New Zealand (RBNZ) finalised its bank capital adequacy requirements. These requirements include the RWA of New Zealand IRB banks, such as ASB Bank Limited, increasing to approximately 90% of that required under a standardised approach. In addition, for those banks deemed systemically important, including ASB, the Tier 1 capital requirement will increase to 16% of RWA, of which 13.5% must be in the form of CET1 capital. Tier 2 capital will remain in the framework, and can contribute up to 2% of the 18% minimum Total Capital ratio.

These reforms have been phased in from 1 October 2021 with full implementation on 1 July 2028.

Regulatory Developments

IRRBB Consultation

APRA is currently consulting the industry on proposed changes to 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. The changes are expected to be implemented in 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". Consultation is expected to commence in 2024 with revisions to both standards expected to be implemented in 2026.

Resolution Planning

On 18 May 2023, APRA released its final Prudential Standard CPS 900 "Resolution Planning", which aims to ensure that an APRA-regulated entity can be managed by APRA in an orderly manner where that entity is unable to, or is likely to be unable to, meet its obligations or suspends, or is likely to suspend, payments. In such circumstances, the aim of the resolution is to protect beneficiaries, minimise disruption to the financial system and provide continuity of functions that are critical for the economy. CPS 900 will come into effect from 1 January 2024.

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 expects to consult on any revisions to the relevant standards over 2023-2024, with implementation of revised standards expected to occur in 2025.

Recovery and Exit Planning

On 1 December 2022, APRA released its final Prudential Standard CPS 190 "Recovery and Exit Planning", aimed at reinforcing the resilience of the financial system. In particular, the new standard aims to ensure that APRA regulated entities are better prepared to manage periods of severe financial stress. CPS 190 will come into effect from 1 January 2024 for banks.

Pillar 3 Disclosures

Details on the market disclosures required under Pillar 3, per APRA Prudential Standard APS 330 "Public Disclosure", are provided on US Investor Website.

Capital (continued)

The tables below show the APRA Basel III capital adequacy calculation at 30 June 2023 together with prior period comparatives.

	As at		
	30 Jun 23	31 Dec 22	30 Jun 22
	$M	$M	$M
Ordinary share capital and treasury shares			
Ordinary share capital	**33,913**	35,140	36,467
Treasury shares [1]	**162**	137	26
Ordinary share capital and treasury shares	**34,075**	35,277	36,493
Reserves	**(1,710)**	(986)	(460)
Retained earnings and current period profits			
Retained earnings and current period profits	**39,797**	38,384	36,826
Retained earnings adjustment from non-consolidated subsidiaries [2]	**(45)**	(28)	(131)
Net retained earnings	**39,752**	38,356	36,695
Non-controlling interests			
Non-controlling interests [3]	**5**	5	5
Less other non-controlling interests not eligible for inclusion in regulatory capital	**(5)**	(5)	(5)
Non-controlling interests	**–**	–	–
Common Equity Tier 1 Capital before regulatory adjustments	**72,117**	72,647	72,728

1 Represents eligible employee share scheme arrangements. From 31 December 2022, balances include treasury shares held by both trust arrangement and shares held directly by the bank.

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.

Capital (continued)

	As at		
	30 Jun 23	31 Dec 22	30 Jun 22
	$M	$M	$M
Common Equity Tier 1 regulatory adjustments			
Goodwill [1]	**(5,295)**	(5,299)	(5,330)
Other intangibles (including software) [2]	**(2,042)**	(1,782)	(1,548)
Capitalised costs and deferred fees	**(1,230)**	(1,155)	(1,056)
Defined benefit superannuation plan surplus [3]	**(453)**	(411)	(406)
Deferred tax asset	**(3,281)**	(2,962)	(3,016)
Cash flow hedge reserve	**1,820**	1,236	859
Employee compensation reserve	**(99)**	(60)	(94)
Equity investments [4]	**(4,369)**	(4,382)	(4,651)
Equity investments in non-consolidated subsidiaries [5]	**(89)**	(89)	(242)
Shortfall of provisions to expected losses [6]	**–**	(6)	(18)
Unrealised fair value adjustments [7]	**(89)**	(94)	(131)
Other	**(81)**	(91)	(72)
Common Equity Tier 1 regulatory adjustments	**(15,208)**	(15,095)	(15,705)
Common Equity Tier 1	**56,909**	57,552	57,023
Additional Tier 1 Capital			
Basel III complying instruments [8]	**10,862**	9,312	10,535
Total Additional Tier 1 Capital	**10,862**	9,312	10,535
Total Tier 1 Capital	**67,771**	66,864	67,558
Tier 2 Capital			
Basel III complying instruments [9]	**24,320**	22,161	19,491
Holding of Tier 2 Capital	**(467)**	(399)	(519)
Prudential general reserve for credit losses [10]	**2,156**	1,127	1,020
Total Tier 2 Capital	**26,009**	22,889	19,992
Total Capital	**93,780**	89,753	87,550

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 consist of insurance entities and qualifying securitisation vehicles that meets APRA's operational requirement for regulatory capital relief under APS 120 "Securitisation".

6 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 a maximum of 0.6% of total credit RWAs.

7 Includes gains due to changes in the Group's credit risk on fair valued liabilities and other prudential valuation adjustments.

8 As at 30 June 2023, 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), PERLS XI $1,590 million (December 2018), and PERLS X $1,365 million (April 2018).

9 In the half year ended 30 June 2023, the Group issued AUD1,750 million and HKD580 million subordinated notes, all of which were Basel III compliant.

10 Represents the collective provision and general reserve for credit losses for exposures in the Group which are measured for capital purposes under the Standardised approach to credit risk.

Capital (continued)

Risk Weighted Assets (RWA)	As at [1] 30 Jun 23 $M	31 Dec 22 $M	30 Jun 22 $M
Credit Risk			
Subject to AIRB approach [2]			
Corporate (incl. SME corporate)	**80,251**	105,755	99,292
SME retail	**10,189**	8,601	8,522
Sovereign	**n/a**	2,311	2,249
Bank	**n/a**	3,218	4,194
Residential mortgage [3]	**147,716**	171,742	171,819
Qualifying revolving retail	**5,584**	5,050	5,022
Other retail	**8,554**	9,170	8,815
Total RWA subject to AIRB approach	**252,294**	305,847	299,913
Subject to FIRB approach [2]			
Corporate - large	**22,466**	n/a	n/a
Sovereign	**2,173**	n/a	n/a
Financial Institution	**10,857**	n/a	n/a
Total RWA subject to FIRB approach	**35,496**	n/a	n/a
Specialised lending	**3,868**	70,865	67,078
Subject to standardised approach			
Corporate (incl. SME corporate)	**530**	864	1,079
SME retail	**937**	2,112	2,169
Sovereign	**261**	294	322
Residential mortgage	**7,046**	6,680	6,429
Other retail	**604**	1,152	1,078
Other assets	**8,303**	8,352	8,326
Total RWA subject to Standardised approach	**17,681**	19,454	19,403
Securitisation	**3,316**	3,585	3,439
Credit valuation adjustment	**2,226**	2,119	3,136
Central counterparties	**101**	147	678
RBNZ regulated entities	**47,887**	n/a	n/a
Total RWA for credit risk exposures	**362,869**	402,017	393,647
Traded market risk	**15,390**	13,773	10,683
Interest rate risk in the banking book	**46,578**	47,850	47,640
Operational risk [4]	**43,155**	40,740	45,922
Total risk weighted assets	**467,992**	504,380	497,892

1 30 June 2023 prepared in accordance with APRA's revised capital framework effective from 1 January 2023. 31 December 2022 and 30 June 2022 are prepared in accordance with the previous APRA framework that was effective up until 31 December 2022. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document.

2 Pursuant to APRA requirements, RWA amounts at 30 June 2023 derived from AIRB and FIRB risk weight functions have been multiplied by a scaling factor of 1.10 and RWA amounts at 31 December 2022 and 30 June 2022 derived from AIRB risk weight functions have been multiplied by a scaling factor of 1.06.

3 As a condition of APRA's approval of the Residential Mortgage LGD model, a $7.4 billion RWA overlay has been applied at 30 June 2023 for regulatory capital purposes.

4 Operational risk RWA as at 30 June 2023 are determined under the standardised measurement approach in accordance with APS 115 effective from 1 January 2023. Prior to 1 January 2023 operational risk RWA were determined in accordance with the advanced measurement approach.

Leverage Ratio

Summary Group Leverage Ratio	As at [1] 30 Jun 23 $M	31 Dec 22 $M	30 Jun 22 $M	Jun 23 vs Dec 22 %	Jun 23 vs Jun 22 %
Tier 1 Capital ($M)	**67,771**	66,864	67,558	1	–
Total Exposures ($M) [2]	**1,334,426**	1,318,783	1,295,368	1	3
Leverage Ratio (APRA) (%)	**5. 1**	5. 1	5. 2	–	(10)bpts

1 30 June 2023 prepared in accordance with APRA's revised capital framework effective from 1 January 2023. 31 December 2022 and 30 June 2022 are prepared in accordance with the previous APRA framework that was effective up until 31 December 2022. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document.

2 Total exposures is the sum of on Balance Sheet exposures, derivatives, Securities Financing Transactions (SFTs), and off Balance Sheet exposures, net of any Tier 1 regulatory deductions, as outlined in APS 110 "Capital Adequacy".

The Group's leverage ratio, defined as Tier 1 Capital as a percentage of total exposures, was 5.1% at 30 June 2023. The ratio was flat on the prior half, as the 1% increase in exposures from higher lending volumes was offset by a 1% increase in Tier 1 Capital, from the issuance of PERLS XVI and capital generated from earnings after the payment of the 2023 interim dividend and the completion of the on-market share buy-back.

Under APRA's revised capital framework effective 1 January 2023, the minimum leverage ratio requirement for IRB banks, such as CBA, is 3.5%. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document.

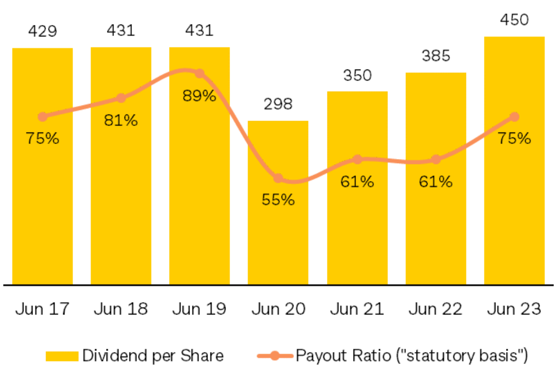
Dividends

Final dividend for the Year Ended 30 June 2023

The final dividend determined was $2.40 per share, bringing the total dividend for the year ended 30 June 2023 to $4.50, an increase of 65 cents compared to the prior full year dividend. The dividend payout ratio ("statutory basis") for the full year ended 30 June 2023 was 75% and for the half year ended 30 June 2023 was 81%.

The final dividend will be fully franked and is expected to be paid on or around 28 September 2023 to owners of ordinary shares at the close of business on 17 August 2023 (record date). Shares were quoted ex-dividend on 16 August 2023.

Payout Ratio ("statutory basis")



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 final dividend. The DRP for the 2023 final dividend is anticipated to be satisfied in full by an on-market purchase of shares.

Dividend Policy

The Bank will seek to:

- Pay cash dividends at a sustainable level;
- Target a full year payout ratio of 70% to 80%; and
- Maximise the use of its franking account by paying fully franked dividends.

Liquidity

	Quarterly Average Ended [1]				
	30 Jun 23	30 Jun 22	30 Jun 21	Jun 23 vs	Jun 22 vs
Level 2	**$M**	$M	$M	Jun 22 %	Jun 21 %
Liquidity Coverage Ratio (LCR) Liquid Assets					
High Quality Liquid Assets (HQLA) [2]	**189,419**	174,138	126,827	9	37
Committed Liquidity Facility (CLF) [3]	**–**	17,277	48,650	(large)	(64)
Total LCR Liquid Assets	**189,419**	191,415	175,477	(1)	9
Net Cash Outflows (NCO)					
Customer deposits	**108,871**	110,616	102,915	(2)	7
Wholesale funding	**17,828**	16,265	11,631	10	40
Other net cash outflows [4]	**17,958**	20,916	21,424	(14)	(2)
Total NCO	**144,657**	147,797	135,970	(2)	9
Liquidity Coverage Ratio (%)	**131**	130	129	100 bpts	100 bpts
LCR Surplus	**44,762**	43,618	39,507	3	10

1 The averages presented are calculated as simple averages of daily observations over the quarter. Spot LCR for 30 June 2023 was 128% (30 June 2022: 127%).
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 Committed Liquidity Facility (CLF) was phased-out to zero as of 1 January 2023 (Spot CLF for 30 June 2022: $15 billion).
4 Includes cash inflows.

Liquidity Coverage Ratio (LCR)

Year Ended 30 June 2023 vs Year Ended 30 June 2022

The Group holds what management believes to be 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. Prior to January 2023, HQLA also consisted of other repo-eligible securities with the Reserve Bank of Australia (RBA) under the Committed Liquidity Facility (CLF).

In September 2021, APRA announced a sector-wide phased reduction in the reliance on the CLF to zero by the end of calendar year 2022, subject to financial market conditions, as APRA and the RBA expect there will be sufficient HQLA for ADIs to meet their LCR requirements without the need to utilise the CLF. The Group's access to CLF was fully phased-out as of 1 January 2023 (31 December 2022: $7.5 billion; 30 June 2022: $15 billion).

The Group's June 2023 quarterly average LCR was 131%, flat compared to the quarterly average ended 31 December 2022, and an increase of 1% from the quarterly average ended 30 June 2022. The LCR remains well above the regulatory minimum of 100%.

Compared to the quarterly average ended 31 December 2022, the Group's LCR liquid assets decreased $3.5 billion or 2%, primarily driven by the CLF being fully phased-out. 30 day modelled NCOs decreased $2.4 billion or 2%, due to lower customer deposit NCOs including the impact from strong growth in term deposits.

Year Ended 30 June 2022 vs Year Ended 30 June 2021

The Group's June 2022 quarterly average LCR was 130%, a decrease of 4% compared to the quarterly average ended December 2021, and an increase of 1% from the quarterly average ended June 2021. The LCR remains well above the regulatory minimum of 100%.

Compared to the December 2021 quarterly average, the Group's LCR liquid assets decreased by $8.3 billion or 4% due to a $12.7 billion decrease in the Group's CLF, partly offset by $4.4 billion in HQLA. The Group's 30 day modelled NCOs decreased by $1.8 billion or 1% due to a reduction in other net cash outflows.

Compared to the June 2021 quarterly average, the Group's LCR liquid assets and 30 day modelled NCOs increased by $15.9 billion and $11.8 billion respectively, driven by the strong growth in customer deposits.

Debt Issues

Debt Issues	As at 30 Jun 23 $M	30 Jun 22 $M	30 Jun 21 $M
Medium-term notes	**74,855**	61,271	58,260
Commercial paper	**7,800**	19,306	2,061
Securitisation notes	**7,241**	7,473	9,721
Covered bonds	**32,371**	28,852	32,961
Total debt issues [1]	**122,267**	116,902	103,003
Short-Term Debt Issues by currency			
USD	**7,855**	19,231	2,061
AUD	**900**	575	–
GBP	**2,551**	709	860
Other currencies	**870**	76	4
Total short-term debt issues	**12,176**	20,591	2,925
Long-Term Debt Issues by currency [2]			
USD [3]	**39,335**	34,395	26,180
EUR	**25,077**	25,650	29,664
AUD	**29,302**	23,019	30,165
GBP	**4,404**	3,796	4,549
NZD	**2,822**	3,063	2,275
JPY	**1,602**	1,259	1,283
Other currencies	**7,549**	5,129	5,962
Total long-term debt issues	**110,091**	96,311	100,078
Maturity Distribution of Debt Issues [4]			
Less than twelve months	**28,540**	36,876	29,454
Greater than twelve months	**93,727**	80,026	73,549
Total debt issues	**122,267**	116,902	103,003

1 Debt issues include a $2,128 million increase from unrealised movements due to foreign exchange losses partly offset by fair value hedge adjustments (30 June 2022: $1,520 million decrease from unrealised movements due to fair value hedge adjustments partly offset by foreign exchange losses).

2 Long-term debt disclosed relates to debt issues which have a maturity at inception of greater than 12 months.

3 Includes US$600 million notes issued by the Group in June 2022 through ASB, its New Zealand subsidiary. While the issuance qualifies as Tier 2 capital under Reserve Bank of New Zealand requirements, it does not qualify for inclusion in the Group's Tier 2 capital due to the lack of contractual features that give rise to conversion or write-off at the point of non-viability.

4 Represents the remaining contractual maturity of the underlying instrument.

For further information on the Bank's Debt Issues please see Note 4.3 of the 2023 Financial Report.

An analysis of our borrowings and outstandings from existing debt programs and issuing shelves including the maturity profile, currency and interest rate structure can be found in Notes 4.3 and 8.2 of the 2023 Financial Report.

Group Operations and Business Settings (continued)

Debt Issues (continued)

The following table details the current debt programmes along with size as at 30 June 2023. 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 Covered 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.

Funding

Group Funding [1]	30 Jun 23 $M	30 Jun 22 $M	30 Jun 21 $M	Jun 23 vs Jun 22 %	Jun 22 vs Jun 21 %
	As at				
Customer deposits	**818,974**	777,763	702,215	5	11
Short-term wholesale funding [2]	**71,087**	82,239	64,228	(14)	28
Long-term wholesale funding - less than one year residual maturity [3]	**67,683**	24,696	35,129	large	(30)
Long-term wholesale funding - more than one year residual maturity [3]	**138,409**	161,427	143,086	(14)	13
IFRS MTM and derivative FX revaluations	**(8,828)**	(5,684)	3,445	55	(large)
Total wholesale funding	**268,351**	262,678	245,888	2	7
Short-term collateral deposits [4]	**4,871**	6,316	13,436	(23)	(53)
Total funding	**1,092,196**	1,046,757	961,539	4	9

1 Shareholders' equity is excluded from this view of funding sources.
2 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 deposits from banks and central banks as well as net securities that are not classified as high quality liquid assets sold or purchased under repurchase agreements.
3 Long-term wholesale funding includes debt with an original maturity or call date of greater than 12 months and the Group's drawn TFF allowance.
4 Short-term collateral deposits includes net collateral received, Vostro balances, and other net repurchase agreements not reported above, including the amount pledged with the Reserve Bank to facilitate intra-day cash flows in the Exchange Settlement Account (ESA).

Year Ended 30 June 2023 vs Year Ended 30 June 2022

Customer Deposits

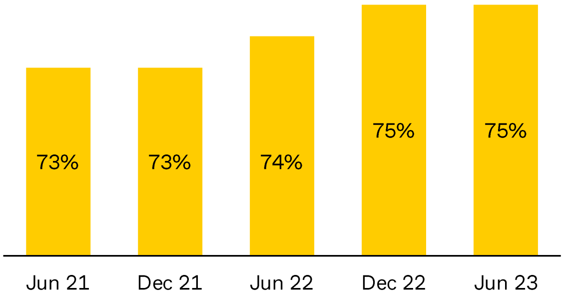
Customer deposits accounted for 75% of total funding at 30 June 2023 (31 December 2022: 75%; 30 June 2022: 74%). The Group satisfied a significant proportion of its funding requirements from retail, business, and institutional customer deposits.

Short-Term Wholesale Funding

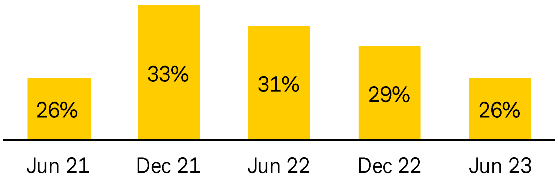
Short-term wholesale funding includes debt with an original maturity or call date of less than 12 months, and consists of Certificates of Deposit and Bank Acceptances, as well as debt issued under domestic, Euro and US Commercial paper programs by the Bank and ASB.

Short-term wholesale funding accounted for 26% of total wholesale funding at 30 June 2023 (31 December 2022: 29%; 30 June 2022: 31%). The Group continues to maintain what management believes to be a conservative funding mix.

Customers Deposits to Total Funding Ratio



Short-Term to Total Wholesale Funding Ratio



Group Operations and Business Settings (continued)

Funding (continued)

Long-Term Wholesale Funding

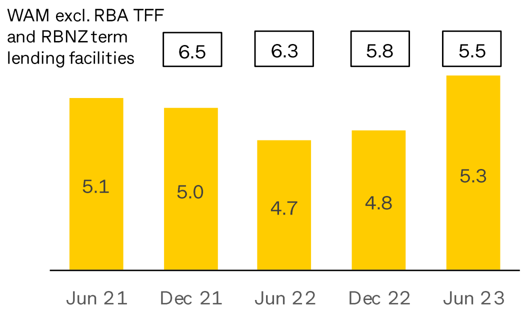
Long-term wholesale funding includes debt with an original maturity or call date greater than 12 months.

Long-term wholesale funding (including IFRS MTM and derivative FX revaluations) accounted for 74% of total wholesale funding at 30 June 2023 (31 December 2022: 71%; 30 June 2022: 69%).

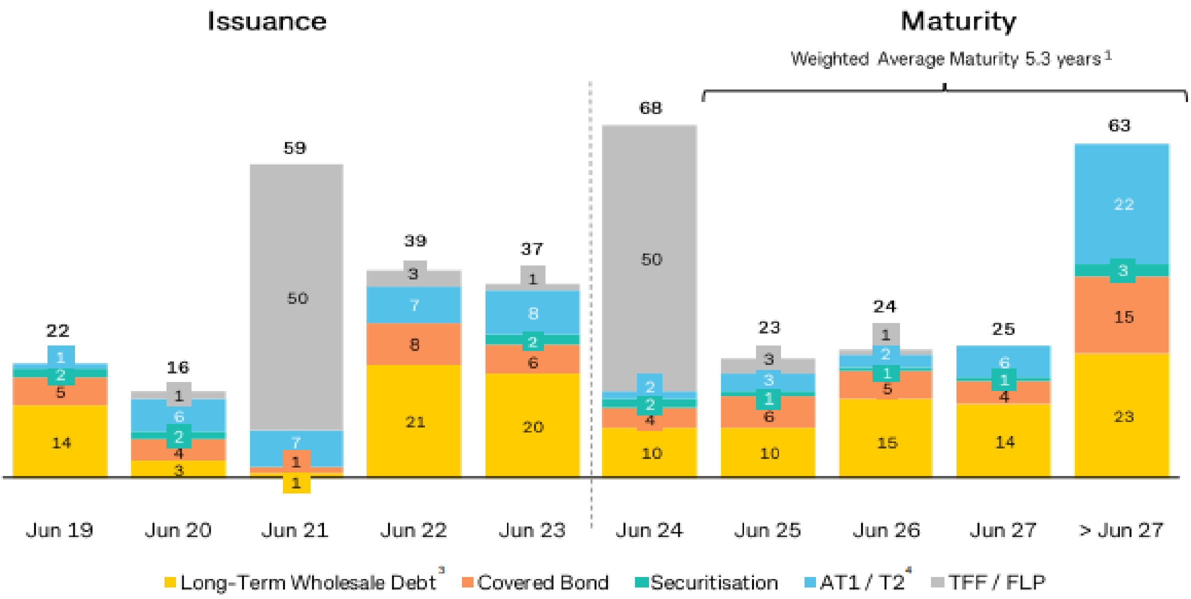
During the full year to 30 June 2023, the Group raised $37 billion of long-term wholesale funding across various instruments. The Group will be actively managing the maturity profile of the RBA TFF across the 2023 – 2025 financial years through a range of funding sources.

The Weighted Average Maturity (WAM) of outstanding long-term wholesale debt with a residual maturity greater than 12 months at 30 June 2023 was 5.3 years (5.5 years excluding the RBA TFF and RBNZ term lending facilities).

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



Long-Term Wholesale Funding Profile ($B) [2]



1 Represents the weighted average maturity of outstanding long-term wholesale debt with a residual maturity greater than 12 months at 30 June 2023 including the RBA TFF and RBNZ term lending facilities drawdowns.

2 Maturities may vary to previous disclosure due to FX revaluation.

3 Includes Senior Bonds and Structured MTN.

4 Additional Tier 1 and Tier 2 Capital.

Year Ended 30 June 2022 vs Year Ended 30 June 2021

Customer Deposits

Customer deposits accounted for 74% of total funding at 30 June 2022, an increase of 1% from 73% at both 31 December 2021 and 30 June 2021. The Group satisfied a significant proportion of its funding requirements from retail, business, and institutional customer deposits.

Short-Term Wholesale Funding

Short-term wholesale funding accounted for 31% of total wholesale funding at 30 June 2022, a decrease of 2% from 33% at 31 December 2021 and an increase of 5% from 26% at 30 June 2021. The Group continues to maintain what it believes to be a conservative funding mix.

Long-Term Wholesale Funding

Long-term wholesale funding (including IFRS MTM and derivative FX revaluations) accounted for 69% of total wholesale funding at 30 June 2022 (31 December 2021: 67%, 30 June 2021: 74%).

During the full year to 30 June 2022, the Group raised $39 billion of long-term wholesale funding across various instruments. The Group will be actively managing the maturity profile of the TFF across the 2023 – 2025 financial years through a range of funding sources.

The Weighted Average Maturity (WAM) of outstanding long-term wholesale debt with a residual maturity greater than 12 months at 30 June 2022 was 4.7 years (6.3 years excluding the TFF).

Group Operations and Business Settings (continued)

Net Stable Funding Ratio (NSFR)

	As at				
	30 Jun 23	31 Dec 22	30 Jun 22	Jun 23 vs	Jun 23 vs
Level 2	**$M**	$M	$M	Dec 22 %	Jun 22 %
Required Stable Funding					
Residential Mortgages [1]	**291,536**	333,121	318,209	(12)	(8)
Other Loans [1]	**336,492**	266,835	258,189	26	30
Liquid and Other Assets	**65,425**	63,008	62,826	4	4
Total Required Stable Funding	**693,453**	662,964	639,224	5	8
Available Stable Funding					
Capital	**108,987**	104,848	103,255	4	6
Retail/SME Deposits	**500,416**	492,420	477,365	2	5
Wholesale Funding & Other	**251,596**	258,195	252,689	(3)	–
Total Available Stable Funding	**860,999**	855,463	833,309	1	3
Net Stable Funding Ratio (NSFR) (%)	**124**	129	130	(500)bpts	(600)bpts

Net Stable Funding Ratio (NSFR)

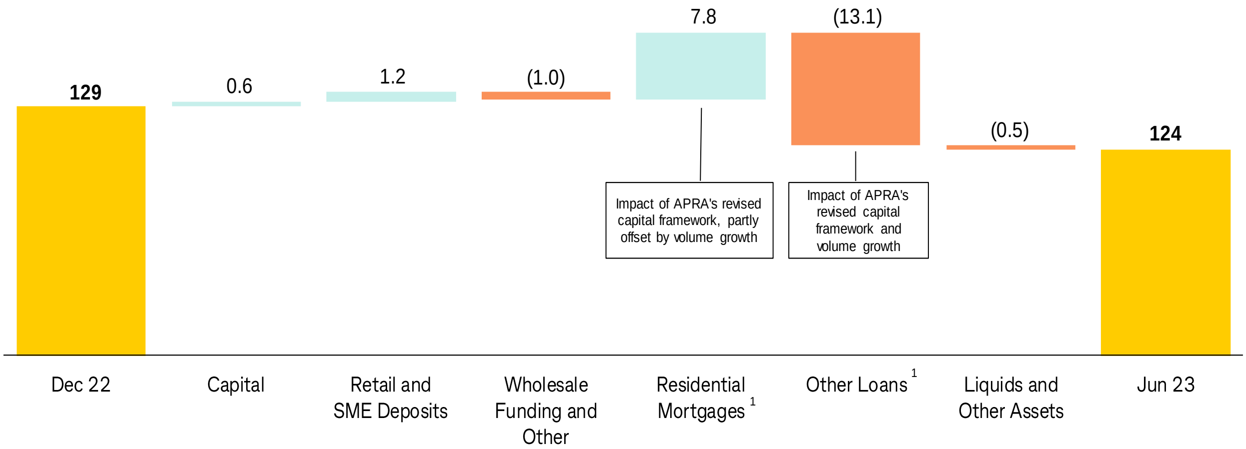
The Net Stable Funding Ratio (NSFR) requirement is designed to encourage stable funding of core assets. APRA prescribed factors are used to determine the stable funding requirement of assets and the stability of funding sources.

The Group's NSFR was 124% at 30 June 2023, a decrease of 5% from 129% at 31 December 2022 and a decrease of 6% from 130% at 30 June 2022. The NSFR remains well above the regulatory minimum of 100%.

The 5% increase in Required Stable Funding (RSF) over the half primarily reflects lending volume growth and the impact of APRA's revised capital framework[1] which resulted in a higher stable funding requirement for certain mortgages. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document.

The 1% increase in Available Stable Funding (ASF) over the half was mainly driven by growth in Retail and SME deposits and an increase in capital, partly offset by lower wholesale funding.

NSFR Movement (%)



1 Primarily relate to residential mortgages that are subject to application of the 65% RSF factor when calculating NSFR. 30 June 2023 balances were impacted by APRA's revised capital framework from 1 January 2023, which narrowed the scope of residential mortgages that qualified for the application of the 65% RSF factor. The residential mortgages that no longer qualify for the 65% RSF factor are now included in Other Loans.

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Contents

5. Divisional Performance

Divisional Performance

Divisional Summary

	Full Year Ended 30 June 2023					
Divisional Summary	**Retail Banking Services [1] $M**	**Business Banking $M**	**Institutional Banking and Markets $M**	**New Zealand $M**	**Corporate Centre and Other $M**	**Total $M**
Net interest income	11,235	7,666	1,415	2,668	72	**23,056**
Other operating income	1,309	1,157	976	424	315	**4,181**
Total operating income	12,544	8,823	2,391	3,092	387	**27,237**
Operating expenses	(4,600)	(2,653)	(1,046)	(1,154)	(2,405)	**(11,858)**
Loan impairment (expense)/benefit	(583)	(496)	36	(59)	(6)	**(1,108)**
Net profit/(loss) before tax	7,361	5,674	1,381	1,879	(2,024)	**14,271**
Corporate tax (expense)/benefit	(2,203)	(1,701)	(350)	(523)	670	**(4,107)**
Net profit/(loss) after tax from continuing operations ("cash basis")	5,158	3,973	1,031	1,356	(1,354)	**10,164**
Net profit after tax from discontinued operations	–	–	–	–	18	**18**
Net profit after tax ("cash basis")	5,158	3,973	1,031	1,356	(1,336)	**10,182**
Gain/(loss) on disposal and acquisition of entities net of transaction costs	181	–	–	–	(265)	**(84)**
Hedging and IFRS volatility	–	–	–	(204)	196	**(8)**
Net profit after tax - "statutory basis" [2]	5,339	3,973	1,031	1,152	(1,405)	**10,090**

	Full Year Ended 30 June 2023 vs Full Year Ended 30 June 2022 [3]					
	Retail Banking Services [1] %	**Business Banking %**	**Institutional Banking and Markets %**	**New Zealand %**	**Corporate Centre and Other %**	**Total %**
Net interest income	17	31	(9)	14	(50)	**18**
Other operating income	(4)	(6)	29	(15)	(77)	**(20)**
Total operating income	14	25	4	9	(74)	**10**
Operating expenses	5	–	6	11	2	**4**
Loan impairment expense	large	large	(68)	59	(25)	**large**
Net profit before tax	5	32	(3)	7	large	**5**
Corporate tax (expense)/benefit	6	32	(6)	7	large	**2**
Net profit/(loss) after tax from continuing operations ("cash basis")	5	32	(3)	7	large	**6**
Net profit after tax from discontinued operations	–	–	–	–	(84)	**(84)**
Net profit/(loss) after tax ("cash basis")	5	32	(3)	7	large	**5**
Gain/(loss) on disposal and acquisition of entities net of transaction costs	large	(large)	–	–	(large)	**large**
Hedging and IFRS volatility	–	–	–	(62)	large	**large**
Net profit after tax - "statutory basis"	12	31	(3)	58	large	**(6)**

1 Retail Banking Services including General Insurance.

2 Please refer to "Disclosures – Non-Cash Items Included in Statutory Profit" on page 10 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 2.7 of the 2023 Financial Report.

3 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

Divisional Performance (continued)

Retail Banking Services

Overview

Retail Banking Services provides simple, convenient 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 2,000 ATMs, Australian-based customer call centres, leading online services and apps, as well as mobile banking specialists, private bankers and support teams. Retail Banking Services also include the financial results of retail banking activities conducted under the Bankwest and Unloan brands.

On 30 November 2021, the Group ceased to provide financial advice services under Commonwealth Financial Planning (CFP) after a partial transfer to AIA Financial Services Limited. This component of Commonwealth Financial Planning does not constitute a major line of the Group's business, and as such the financial results are treated as continuing operations and included in the account lines of Retail Banking Services' performance.

On 30 September 2022, CBA completed the sale of its Australian general insurance business (CommInsure General Insurance) to Hollard Group (Hollard). As CommInsure General Insurance does not constitute a major line of the Group's business, the financial results of CommInsure General Insurance are treated as continuing operations and included in the account lines of Retail Banking Services' performance.

	Full Year Ended						
	Excluding General Insurance			Excluding Mortgage Broking and General Insurance			Total RBS [1]
		Restated [2]		As reported			
	30 Jun 23 $M	30 Jun 22 $M	Jun 23 vs Jun 22 %	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %	30 Jun 23 $M
Net interest income	**11,235**	9,602	17	9,634	9,769	(1)	**11,235**
Other operating income	**1,350**	1,356	–	1,415	1,341	6	**1,309**
Total operating income	**12,585**	10,958	15	11,049	11,110	(1)	**12,544**
Operating expenses	**(4,585)**	(4,321)	6	(4,378)	(4,333)	1	**(4,600)**
Loan impairment (expense)/benefit	**(583)**	406	large	401	(139)	(large)	**(583)**
Net profit before tax	**7,417**	7,043	5	7,072	6,638	7	**7,361**
Corporate tax expense	**(2,220)**	(2,100)	6	(2,109)	(1,986)	6	**(2,203)**
Net profit after tax excluding General Insurance ("cash basis")	**5,197**	4,943	5	4,963	4,652	7	**5,158**
(Loss)/gain on acquisition, disposal, closure and demerger of businesses	**181**	(130)	large	(130)	187	(large)	**181**
Net profit after tax excluding General Insurance ("statutory basis")	**5,378**	4,813	12	4,833	4,839	–	**5,339**
Net (loss)/profit after tax from General Insurance	**(39)**	(30)	(30)	(34)	44	(large)	**–**
Total net profit after tax ("statutory basis")	**5,339**	4,783	12	4,799	4,883	(2)	**5,339**

1 RBS including General Insurance.

2 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

Divisional Performance (continued)

Retail Banking Services (continued)

Income analysis	Full Year Ended						
	Excluding General Insurance			Excluding Mortgage Broking and General Insurance			Total RBS [1]
		Restated [2]		As reported			
	30 Jun 23	30 Jun 22	Jun 23 vs	30 Jun 22	30 Jun 21	Jun 22 vs	30 Jun 23
	$M	$M	Jun 22 %	$M	$M	Jun 21 %	$M
Net interest income							
Home loans	**4,957**	6,004	(17)	6,036	6,370	(5)	**4,957**
Consumer finance & other [3]	**897**	1,105	(19)	1,108	1,236	(10)	**897**
Deposits	**5,381**	2,493	large	2,490	2,163	15	**5,381**
Total net interest income	**11,235**	9,602	17	9,634	9,769	(1)	**11,235**
Other operating income							
Home loans	**266**	278	(4)	282	258	9	**266**
Consumer finance [4]	**321**	332	(3)	421	433	(3)	**321**
Deposits	**479**	439	9	459	417	10	**479**
Distribution & other [5]	**284**	297	(4)	233	169	38	**268**
Funds management and insurance income	**–**	10	(large)	10	32	(69)	**(25)**
Total other operating income	**1,350**	1,356	–	1,405	1,309	7	**1,309**
Total operating income	**12,585**	10,958	15	11,039	11,078	–	**12,544**

Balance Sheet	As at					
	Excluding General Insurance			Excluding Mortgage Broking and General Insurance		
		Restated [2]		As reported		
	30 Jun 23	30 Jun 22	Jun 23 vs	30 Jun 22	30 Jun 21	Jun 22 vs
	$M	$M	Jun 22 %	$M	$M	Jun 21 %
Home loans [6]	**481,578**	456,481	5	460,033	423,113	9
Consumer finance [4]	**11,846**	11,024	7	11,071	11,172	(1)
Other interest earning assets	**2,240**	2,303	(3)	2,254	1,902	19
Total interest earning assets	**495,664**	469,808	6	473,358	436,187	9
Other assets	**6,183**	5,756	7	5,591	6,778	(18)
Total assets	**501,847**	475,564	6	478,949	442,965	8
Transaction deposits [7]	**55,304**	51,751	7	51,946	44,963	16
Savings deposits [7]	**167,492**	159,594	5	159,865	143,818	11
Investment deposits and other	**80,337**	63,639	26	63,804	64,422	(1)
Total interest bearing deposits	**303,133**	274,984	10	275,615	253,203	9
Non-interest bearing transaction deposits	**48,229**	57,343	(16)	57,377	44,598	29
Other non-interest bearing liabilities	**6,677**	5,499	21	5,464	4,009	36
Total liabilities	**358,039**	337,826	6	338,456	301,810	12

1 RBS including General Insurance.
2 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.
3 Consumer finance and other includes personal loans, credit cards and business lending.
4 Consumer finance includes personal loans and credit cards.
5 Distribution includes income associated with the sale of foreign exchange and wealth products. Other includes merchants and business lending.
6 Home loans are presented gross of $56,217 million of mortgage offset balances (30 June 2022: $52,377 million). These balances are required to be grossed up under accounting standards but are netted down for the calculation of customer interest payments.
7 Transaction and Savings deposits includes $56,217 million of mortgage offset balances (30 June 2022: $52,377 million).

Retail Banking Services (continued)

Key Financial Metrics (excl. General Insurance unless stated otherwise)	30 Jun 23	Restated [1] 30 Jun 22	Jun 23 vs Jun 22 %	As reported 30 Jun 22	As reported 30 Jun 21	Jun 22 vs Jun 21 %
Performance indicators						
Net interest margin (%)	**2. 64**	2. 40	24 bpts	2. 39	2. 60	(21)bpts
Return on assets (%)	**1. 0**	1. 0	–	1. 0	1. 1	(10)bpts
Statutory operating expenses to total operating income (%)	**36. 4**	39. 4	(300)bpts	39. 6	39. 0	60 bpts
Statutory impairment expense annualised as a % of average GLAA's (%)	**0. 12**	(0. 09)	21 bpts	(0. 09)	0. 03	(12)bpts
Other information						
Average interest earning assets ($M) [2]	**424,908**	400,609	6	403,301	375,522	7
Risk weighted assets ($M) [3]	**164,977**	166,565	(1)	167,765	156,927	7
90+ days home loan arrears (%)	**0. 46**	0. 51	(5)bpts	0. 51	0. 68	(17)bpts
90+ days consumer finance arrears (%)	**0. 80**	0. 70	10 bpts	0. 70	0. 82	(12)bpts
Number of full-time equivalent staff (FTE)	**16,718**	16,947	(1)	16,333	16,053	2

Full Year Ended

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

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.

3 Includes General Insurance.

Financial Performance and Business Review [1]

Year Ended June 2023 versus Restated June 2022

Retail Banking Services net profit after tax ("statutory basis") for the full year ended 30 June 2023 was $5,339 million, an increase of $556 million or 12% on the prior year. The result reflected a 15% increase in operating income, a 6% increase in operating expenses and a $989 million increase in loan impairment expense.

Net Interest Income

Net interest income was $11,235 million, an increase of $1,633 million or 17% on the prior year. This was driven by a 24 basis point increase in net interest margin and a 6% increase in average interest earning assets.

Net interest margin increased by 24 basis points on the prior year, reflecting:

- Improved deposit margins, including earnings on replicated products, due to the rising interest rate environment; and
- Higher earnings on equity; partly offset by
- Lower home lending margins reflecting increased competition and the impact of cash and swap rates on pricing;
- Lower consumer finance margins mainly reflecting impacts from increases in the cash rate and a reduction in the proportion of credit card balances earning interest; and
- Higher wholesale funding costs.

Other Operating Income

Other operating income was $1,350 million, a decrease of $6 million on the prior year, reflecting:

- Non-recurrence of AIA partnership payments received in the prior year; partly offset by
- Increased volume driven foreign exchange and deposit fee income.

Operating Expenses

Operating expenses were $4,585 million, an increase of $264 million or 6% on the prior year. This was primarily driven by inflation, higher IT spend and amortisation, additional resources to support increased call centre volumes and strategic initiatives, and increased scams and fraud related losses, partly offset by productivity initiatives including workforce and branch optimisation.

The number of full-time equivalent staff (FTE) decreased by 229 FTE or 1% on the prior year, from 16,947 to 16,718. This was driven by workforce optimisation including fewer loan application processing resources, partly offset by additional resources to support call centre volumes, and investment in lenders.

Investment spend focused on strategic growth and productivity initiatives including product and service innovation, digital enhancements, partnership integration, and home buying process optimisation. We have also continued to invest in risk and compliance initiatives.

The operating expenses to operating income ratio was 36.4%, a decrease of 300 basis points on the prior year, reflecting higher operating income.

1 In order to provide an underlying view of performance, the commentary below has been presented excluding the impact of the General Insurance businesses for which commentary has been provided separately.

Divisional Performance (continued)

Retail Banking Services (continued)

Financial Performance and Business Review (continued)

Loan Impairment Expense

Loan impairment expense was $583 million, an increase of $989 million on the prior year. The result was mainly driven by higher collective provisions reflecting ongoing cost of living pressures, rising interest rates and a decline in house prices, as well as the non-recurrence of COVID-19 collective provision releases in the prior year.

Loan impairment expense as a percentage of average gross loans and acceptances increased 21 basis points on the prior year to 0.12%.

Home loan 90+ days arrears decreased by 5 basis points from 0.51% to 0.46%, supported by a strong labour market.

Consumer finance 90+ days arrears increased by 10 basis points from 0.70% to 0.80%, largely within personal loans as cost of living pressures increase.

Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of $25.1 billion or 5%, broadly in line with system [1], reflecting a focus on customer retention in a highly competitive environment and growth in our new digital-only proprietary offering, Unloan. Proprietary mix for CBA and Unloan branded home loans remained at 59% of new business flows;
- Consumer finance growth of $0.8 billion or 7%, driven by growth in personal loans from higher new business volumes, and increased credit cards accounts and spend; and
- Total deposits growth of $19.0 billion or 6% (interest and non-interest bearing). Growth was driven by investment deposits (up 26%) and savings deposits (up 5%), partly offset by decline in transaction deposits (down 5% including non-interest bearing balances) reflecting greater customer demand for higher yielding deposits.

Risk Weighted Assets

Risk weighted assets were $165.0 billion, a decrease of $1.6 billion or 1% on the prior year.

- Credit risk weighted assets decreased by $1.5 billion or 1%, primarily reflecting regulatory approval of new capital models; partly offset by lending volume growth and the implementation of APRA's revised capital framework from 1 January 2023. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document.
- Operational risk weighted assets decreased by $0.1 billion or 1%.

General Insurance

Cash net loss after tax was $39 million, an increase of $9 million on the prior year. The result was mainly driven by lower premiums due to the sale of the General Insurance business on 30 September 2022.

As Reported Year Ended June 2022 versus June 2021

Retail Banking Services net profit after tax ("statutory basis") for the full year ended 30 June 2022 was $4,799 million, a decrease of $84 million or 2% on the 2021 financial year. The result reflected a 1% decrease in operating income, a 1% increase in operating expenses and was partly offset by a $540 million decrease in loan impairment expense.

Net Interest Income

Net interest income was $9,634 million, a decrease of $135 million or 1% on the 2021 financial year. This was driven by an 8% decrease in net interest margin, partly offset by a 7% increase in average interest earning assets.

Net interest margin decreased by 21 basis points on the 2021 financial year, reflecting:

- Lower home lending margins (down 31 basis points) reflecting the impact of swap and cash rates on pricing (down 10 basis points), unfavourable home loan portfolio mix (down 13 basis points) with a shift to lower margin loans (primarily variable to fixed), and increased competition (down 11 basis points), partly offset by repricing (up 3 basis points);
- Lower earnings on equity (down 2 basis points);
- Unfavourable portfolio mix (down 1 basis point) due to a reduction in higher margin consumer finance balances, partly offset by the benefit from strong growth in at-call deposits; and
- Lower consumer finance margins due to a reduction in the proportion of credit card balances earning interest (down 1 basis point); partly offset by
- Improved deposit margins (up 8 basis points) mainly due to benefits from interest rates rising during the second half, partly offset by lower earnings on deposit hedges; and
- Lower wholesale funding costs (up 6 basis points).

Other Banking Income

Other banking income was $1,405 million, an increase of $96 million or 7% on the 2021 financial year, reflecting:

- Higher foreign exchange income following the removal of international travel restrictions;
- Higher home loan wealth package fees due to strong volumes; and
- Volume driven growth in deposit and cards fee income.

1 System source: RBA/APRA.

Divisional Performance (continued)

Retail Banking Services (continued)

Financial Performance and Business Review (continued)

Funds Management Income

Funds management income was $10 million, a decrease of $22 million or 69% on the 2021 financial year. This was driven by the wind-down and closure of the Commonwealth Financial Planning (CFP) business.

Operating Expenses

Operating expenses were $4,378 million, an increase of $45 million or 1% on the 2021 financial year. This was primarily driven by inflation and additional resources to support increased operational and risk assessment volumes, partly offset by productivity initiatives including workforce and branch optimisation.

The number of full-time equivalent staff (FTE) increased by 280 FTE or 2% on the 2021 financial year, from 16,053 to 16,333. This was driven by additional resources to support increased call centre and loan application processing volumes, delivery of strategic initiatives and investment in lenders, partly offset by decreased financial assistance resourcing and frontline optimisation.

Investment spend focused on productivity and growth initiatives including product and service innovation, digital enhancements, partnership integration, and home buying process optimisation. We have also continued to invest in risk and compliance initiatives.

The operating expenses to operating income ratio was 39.6%, an increase of 60 basis points on the 2021 financial year, driven by both lower operating income and higher operating expenses.

Loan Impairment Expense

Loan impairment expense was a benefit of $401 million, a decrease of $540 million on the 2021 financial year. The result was mainly driven by lower collective provisions reflecting reduced COVID-19 uncertainties, partly offset by increased forward-looking adjustments for emerging risks, including inflationary pressures and rising interest rates.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 12 basis points on the 2021 financial year to -0.09%.

Home loan and consumer finance 90+ days arrears decreased by 17 basis points to 0.51% and 12 basis points to 0.70%, respectively on the 2021 financial year, driven by the improving economic environment and strong origination quality.

Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of $36.9 billion or 9% broadly in line with system[1], reflecting strong new business application volumes and a continued focus on credit decisioning turn-around times. Proprietary mix for CBA branded home loans has decreased over the year from 60% to 59% of new business flows, although increased during the second half of the 2022 financial year;
- Consumer finance decrease of $0.1 billion or 1%, driven by lower consumer demand for personal loans, partly offset by growth in credit cards from recovery in spend; and
- Total deposits growth of $35.2 billion or 12% (interest and non-interest bearing). Growth was driven by transaction deposits (up 22% including non-interest bearing balances) and savings deposits (up 11%), partly offset by a decline in investment deposits (down 1%), reflecting increased domestic money supply and greater demand for at-call deposits in the low-rate environment which existed for most of the 2022 financial year.

Risk Weighted Assets

Risk weighted assets were $167.8 billion, an increase of $10.8 billion or 7% on the 2021 financial year.

- Credit risk weighted assets increased $11.0 billion or 8% primarily driven by home loan volume growth; partly offset by
- Operational risk weighted assets decreased $0.2 billion or 1%.

General Insurance and Mortgage Broking

Cash net profit after tax decreased by $78 million on the 2021 financial year to a loss of $34 million. The result was mainly driven by the General Insurance business, with higher claims experience net of reinsurance recoveries, due to increased weather related claims and higher average claims size driven by supply chain disruptions.

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.

	Full Year Ended					
		Restated [1]		As reported		
	30 Jun 23 $M	30 Jun 22 $M	Jun 23 vs Jun 22 %	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %
Net interest income	**7,666**	5,845	31	5,829	5,597	4
Other operating income	**1,157**	1,232	(6)	1,302	1,376	(5)
Total operating income	**8,823**	7,077	25	7,131	6,973	2
Operating expenses	**(2,653)**	(2,661)	–	(2,733)	(2,669)	2
Loan impairment expense	**(496)**	(115)	large	(110)	(228)	(52)
Net profit before tax	**5,674**	4,301	32	4,288	4,076	5
Corporate tax expense	**(1,701)**	(1,291)	32	(1,287)	(1,236)	4
Net profit after tax ("cash basis")	**3,973**	3,010	32	3,001	2,840	6
(Loss)/gain on disposal and acquisition of controlled entities	**–**	20	(large)	20	65	(69)
Net profit after tax ("statutory basis") [2]	**3,973**	3,030	31	3,021	2,905	4

Income analysis						
Net interest income						
Small Business Banking	**3,306**	2,534	30	2,492	2,512	(1)
Business and Corporate Banking	**2,010**	1,501	34	1,614	1,508	7
Regional and Agribusiness	**1,022**	834	23	847	786	8
Major Client Group	**997**	795	25	694	603	15
CommSec	**331**	181	83	182	188	(3)
Total net interest income	**7,666**	5,845	31	5,829	5,597	4
Other operating income						
Small Business Banking	**381**	396	(4)	448	450	–
Business and Corporate Banking	**257**	227	13	260	234	11
Regional and Agribusiness	**115**	98	17	104	90	16
Major Client Group	**174**	148	18	126	112	13
CommSec	**230**	363	(37)	364	490	(26)
Total other operating income	**1,157**	1,232	(6)	1,302	1,376	(5)
Total operating income	**8,823**	7,077	25	7,131	6,973	2

Income by product						
Business products	**5,774**	4,286	35	4,328	4,020	8
Retail products	**2,742**	2,343	17	2,355	2,375	(1)
Equities and margin lending	**307**	448	(31)	448	578	(22)
Total operating income	**8,823**	7,077	25	7,131	6,973	2

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

2 Please refer to "Disclosures – Non-Cash Items Included in Statutory Profit" on page 10 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 2.7 of the 2023 Financial Report.

Business Banking (continued)

Balance Sheet	30 Jun 23 $M	Restated [1] 30 Jun 22 $M	Jun 23 vs Jun 22 %	As reported 30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %
Home loans [2]	**102,242**	100,003	2	96,447	93,077	4
Business loans [3]	**131,158**	117,115	12	117,516	103,371	14
Margin loans	**1,957**	2,261	(13)	2,261	2,383	(5)
Consumer finance	**1,810**	1,813	–	1,780	1,854	(4)
Total interest earning assets	**237,167**	221,192	7	218,004	200,685	9
Non-lending interest earning assets	**53**	62	(15)	62	73	(15)
Other assets	**1,141**	1,185	(4)	1,194	969	23
Total assets	**238,361**	222,439	7	219,260	201,727	9
Transaction deposits [3, 4]	**36,333**	37,209	(2)	36,958	34,411	7
Savings deposits [4]	**77,048**	75,641	2	75,310	70,290	7
Investment deposits and other	**54,304**	36,471	49	36,345	34,218	6
Total interest bearing deposits	**167,685**	149,321	12	148,613	138,919	7
Non-interest bearing transaction deposits	**60,261**	72,403	(17)	72,453	56,976	27
Other non-interest bearing liabilities	**2,443**	1,611	52	1,612	1,369	18
Total liabilities	**230,389**	223,335	3	222,678	197,264	13

As at

Key Financial Metrics	30 Jun 23	Restated [1] 30 Jun 22	Jun 23 vs Jun 22 %	As reported 30 Jun 22	30 Jun 21	Jun 22 vs Jun 21 %
Performance indicators						
Net interest margin (%)	**3. 60**	2. 97	63 bpts	3. 00	3. 11	(11)bpts
Return on assets (%)	**1. 7**	1. 4	30 bpts	1. 4	1. 4	–
Statutory operating expenses to total operating income (%)	**30. 1**	37. 6	(large)	38. 3	38. 3	–
Statutory impairment expense annualised as a % of average GLAA's (%)	**0. 22**	0. 06	16 bpts	0. 05	0. 12	(7)bpts
Other information						
Average interest earning assets ($M) [5]	**213,014**	197,026	8	194,597	179,707	8
Risk weighted assets ($M)	**126,909**	147,326	(14)	146,098	136,006	7
Troublesome and impaired assets ($M) [6]	**4,151**	3,439	21	3,439	3,947	(13)
Troublesome and impaired assets as a % of TCE (%) [6]	**2. 48**	2. 28	20 bpts	2. 28	2. 98	(70)bpts
Spot number of full-time equivalent staff (FTE)	**5,558**	5,732	(3)	5,637	5,316	6

Full Year Ended

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to “Disclosures – Financial Information Definitions – Change in Comparatives” and Appendix C of this Document for further details.
2 Home loans are presented gross of $12,918 million of mortgage offset balances (30 June 2022: $12,619 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 $306 million of Cash Management Pooling Facilities (CMPF) (30 June 2022: $266 million). Transaction deposits include $1,266 million of CMPF liabilities (30 June 2022: $1,124 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 $12,918 million of mortgage offset balances (30 June 2022: $12,619 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 impaired assets only.

Divisional Performance (continued)

Business Banking (continued)

Financial Performance and Business Review

Year Ended June 2023 versus Restated June 2022

Business Banking net profit after tax ("statutory basis") for the year ended 30 June 2023 was $3,973 million, an increase of $943 million or 31% on the prior year. The result was driven by a 25% increase in total operating income, flat operating expenses and a $381 million increase in loan impairment expense.

Net Interest Income

Net interest income was $7,666 million, an increase of $1,821 million or 31% on the prior year. This was driven by a 63 basis point increase in net interest margin and an 8% increase in average interest earning assets.

Net interest margin increased 63 basis points on the prior year, reflecting:

- Higher deposit margins including earnings on replicated products due to the rising interest rate environment, partly offset by unfavourable portfolio mix as customers switch to higher yielding deposits; and
- Higher earnings on equity; partly offset by
- Lower home lending margins reflecting increased competition and the impact of cash and swap rates on pricing;
- Lower business lending margins, reflecting competitive pricing; and
- Lower consumer finance margins reflecting impacts from increases in the cash rate.

Other Operating Income

Other operating income was $1,157 million, a decrease of $75 million or 6% on the prior year, reflecting:

- Lower equities income due to reduced trading volumes; partly offset by
- Higher business lending fee income reflecting volume growth and increased switching to fee based products.

Operating Expenses

Operating expenses were $2,653 million, a decrease of $8 million on the prior year. This was primarily driven by lower remediation costs, productivity initiatives and higher leave usage, partly offset by inflation and higher IT spend.

The number of full-time equivalent staff (FTE) decreased by 174 or 3% on the prior year, from 5,732 to 5,558, due to productivity initiatives, partly offset by investment in customer facing staff.

Investment spend was primarily focused on further enhancing the customer experience through reimagining products and services, system modernisation, digitisation and automation, as well as investment in regulatory, risk and compliance initiatives.

The operating expenses to total operating income ratio was 30.1%, a decrease of 750 basis points on the prior year, mainly driven by higher operating income.

Loan Impairment Expense

Loan impairment expense was $496 million, an increase of $381 million on the prior year. This was driven by an increase in individual and collective provisions reflecting the impact of rising interest rates and ongoing inflationary pressures on a number of industries of concern, including those exposed to consumer discretionary spend and the Construction sector, as well as the non-recurrence of COVID-19 collective provision releases in the prior year. Provision coverage has increased to above pre-COVID levels.

Loan impairment expense as a percentage of average gross loans and acceptances increased 16 basis points to 0.22%.

Troublesome and impaired assets as a percentage of total committed exposure increased 20 basis points to 2.48%, influenced by rising interest rates and inflationary pressures, particularly in the Construction sector.

Balance Sheet

Key spot balance sheet movements included:

- Business loan growth of $14.0 billion or 12%, above system [1] growth, reflecting diversified lending across a number of industries;
- Home loan growth of $2.2 billion or 2%, below system [1] growth, reflecting growth in investor and owner occupied loans; and
- Total deposits growth (interest and non-interest bearing) of $6.2 billion or 3%. Growth was driven by higher investment deposits (up 49%) and savings deposits (up 2%), partly offset by a decrease in transaction deposits (down 12% including non-interest bearing balances), reflecting greater customer demand for higher yielding deposits.

Risk Weighted Assets

Risk weighted assets were $126.9 billion, a decrease of $20.4 billion or 14% on the prior year.

- Credit risk weighted assets decreased by $19.9 billion or 15%, primarily driven by the implementation of APRA's revised capital framework from 1 January 2023, partly offset by lending volume growth.
- Operational risk weighted assets decreased by $0.5 billion or 4%.

1 System source: RBA/APRA.

Divisional Performance (continued)

Business Banking (continued)

Financial Performance and Business Review (continued)

As Reported Year Ended June 2022 versus June 2021

Business Banking net profit after tax ("statutory basis") for the full year ended 30 June 2022 was $3,021 million, an increase of $116 million or 4% on the 2021 financial year. The result was driven by a 2% increase in total banking income and a 52% decrease in loan impairment expense, partly offset by a 2% increase in operating expenses.

Net Interest Income

Net interest income was $5,829 million, an increase of $232 million or 4% on the 2021 financial year. This was driven by an 8% increase in average interest earning assets, partly offset by a 4% decline in net interest margin.

Net interest margin decreased 11 basis points on the 2021 financial year, reflecting:

- Lower home lending margins (down 11 basis points) from the impact of swap rates on fixed rate loans and increased competition (down 7 basis points), and unfavourable home loan portfolio mix (down 5 basis points), with a shift to lower margin loans (variable to fixed), partly offset by repricing (up 1 basis point);
- Reduced earnings on equity (down 4 basis points); and
- Lower deposit margins (down 2 basis points) reflecting decreased earnings on deposit hedges, partly offset by the benefits of rising interest rates during the second half; partly offset by
- Favourable portfolio mix (up 5 basis points) from strong growth in business lending and at-call deposits, partly offset by a decline in higher margin consumer finance balances; and
- Higher business lending margins (up 1 basis point) reflecting lower wholesale funding costs net of repricing, partly offset by change in customer mix resulting in a shift towards higher fee based products, with increased benefits recognised in lending fee income.

Other Banking Income

Other banking income was $1,302 million, a decrease of $74 million or 5% on the 2021 financial year, reflecting:

- Lower equities income due to lower trading volumes and the divestment of AUSIEX on 3 May 2021; and
- Decreased merchant income mainly due to reduced margins and COVID-19 fee waivers to support our customers; partly offset by
- Higher business lending fee income reflecting volume growth; and
- Increased foreign exchange income mainly reflecting higher transaction volumes, partly offset by lower margins due to price competition.

Operating Expenses

Operating expenses were $2,733 million, an increase of $64 million or 2% on the 2021 financial year. This was primarily driven by continued investment in Business Banking product offerings and distribution capabilities, inflation, and other volume related spend, partly offset by lower remediation costs.

The number of full-time equivalent staff (FTE) increased by 321 or 6% on the 2021 financial year, from 5,316 to 5,637, primarily driven by investment in product and customer facing staff.

Investment spend was primarily focused on further enhancing the customer experience through reimagining products and services, system [1] modernisation, digitisation and automation, as well as investment in regulatory, risk and compliance initiatives.

The operating expenses to total banking income ratio was 38.3%, flat on the 2021 financial year.

Loan Impairment Expense

Loan impairment expense was $110 million, a decrease of $118 million or 52% on the 2021 financial year. This was primarily driven by lower individually assessed provision charges and higher write-backs.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 7 basis points to 0.05%.

Troublesome and impaired assets as a percentage of total committed exposure decreased 70 basis points to 2.28% driven by improving economic conditions, good quality volume growth and active management of troublesome and impaired assets.

Balance Sheet

Key spot balance sheet movements included:

- Business loan growth of $14.1 billion or 14%, above system [1] growth, reflecting diversified lending across a number of industries, with the largest growth in the Property, Agriculture and Health sectors;
- Home loan growth of $3.4 billion or 4%, below system [1] growth, reflecting growth in owner occupied loans and subdued investor loan growth; and
- Total deposits growth (interest and non-interest bearing) of $25.2 billion or 13%. Growth was driven by higher transaction (up 20% including non-interest bearing balances) and savings (up 7%) deposits reflecting increased domestic money supply. Investment deposits also increased (up 6%), due to customer preference for higher yields.

Risk Weighted Assets

Risk weighted assets were $146.1 billion, an increase of $10.1 billion or 7% on the 2021 financial year.

- Credit risk weighted assets increased $10.4 billion or 9% primarily driven by lending volume growth, partly offset by improved credit quality; partly offset by
- Operational risk weighted assets decreased $0.3 billion or 3%.

1 System source: RBA/APRA.

Divisional Performance (continued)

Institutional Banking and Markets

Overview

Institutional Banking & 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.

	Full Year Ended					
		Restated [1]		As reported		
	30 Jun 23 $M	30 Jun 22 $M	Jun 23 vs Jun 22 %	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %
Net interest income	**1,415**	1,547	(9)	1,534	1,532	–
Other operating income	**976**	757	29	761	772	(1)
Total operating income	**2,391**	2,304	4	2,295	2,304	–
Operating expenses	**(1,046)**	(986)	6	(988)	(976)	1
Loan impairment benefit/(expense)	**36**	111	68	111	(96)	(large)
Net profit/(loss) before tax	**1,381**	1,429	(3)	1,418	1,232	15
Corporate tax expense	**(350)**	(371)	(6)	(368)	(306)	20
Net profit/(loss) after tax ("cash basis")	**1,031**	1,058	(3)	1,050	926	13
Gain on acquisition, disposal, closure and demerger of businesses	**–**	–	–	–	2	(large)
Net profit after tax ("statutory basis") [2]	**1,031**	1,058	(3)	1,050	928	13
Income analysis						
Net interest income						
Institutional Banking	**1,345**	1,309	3	1,297	1,240	5
Markets	**70**	238	(71)	237	292	(19)
Total net interest income	**1,415**	1,547	(9)	1,534	1,532	–
Other operating income						
Institutional Banking	**423**	365	16	369	289	28
Markets	**553**	392	41	392	483	(19)
Total other operating income	**976**	757	29	761	772	(1)
Total operating income	**2,391**	2,304	4	2,295	2,304	–
Income by product						
Institutional products	**1,570**	1,506	4	1,507	1,460	3
Asset leasing	**198**	168	18	159	69	large
Markets (excluding derivative valuation adjustments)	**655**	612	7	611	771	(21)
Total operating income excluding derivative valuation adjustments	**2,423**	2,286	6	2,277	2,300	(1)
Derivative valuation adjustments [3]	**(32)**	18	(large)	18	4	large
Total operating income	**2,391**	2,304	4	2,295	2,304	–

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.
2 Please refer to "Disclosures – Non-cash Items Included in Statutory Profit" on page 10 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 2.7 of the 2023 Financial Report.
3 Derivative valuation adjustments include both net interest income and other banking income adjustments.

Divisional Performance (continued)

Institutional Banking and Markets (continued)

	Full Year Ended					
		Restated [1]		As reported		
Balance Sheet	**30 Jun 23 $M**	30 Jun 22 $M	Jun 23 vs Jun 22 %	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %
Interest earning lending assets [2]	**96,193**	95,451	1	95,109	84,755	12
Non-lending interest earning assets	**68,079**	63,029	8	63,029	41,949	50
Other assets [3]	**25,603**	33,382	(23)	33,382	27,126	23
Total assets	**189,875**	191,862	(1)	191,520	153,830	25
Transaction deposits [2]	**97,246**	91,396	6	91,455	84,186	9
Savings deposit	**10,634**	16,126	(34)	16,078	15,270	5
Investment deposits	**53,863**	42,883	26	42,841	30,281	41
Certificates of deposit and other [4]	**37,062**	30,116	23	30,223	15,215	99
Total interest bearing deposits	**198,805**	180,521	10	180,597	144,952	25
Due to other financial institutions	**15,022**	17,004	(12)	17,004	14,057	21
Debt issues and other [5]	**7,136**	6,782	5	6,783	2,805	large
Non-interest bearing liabilities [3]	**21,899**	29,774	(26)	29,690	17,885	66
Total liabilities	**242,862**	234,081	4	234,074	179,699	30

	Full Year Ended					
		Restated [1]		As reported		
Key Financial Metrics	**30 Jun 23 $M**	30 Jun 22 $M	Jun 23 vs Jun 22 %	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %
Performance indicators						
Net interest margin (%)	**0.88**	1. 12	(24)bpts	1. 12	1. 11	1 bpt
Net interest margin excl. markets (%)	**1.39**	1. 49	(10)bpts	n/a	n/a	n/a
Return on assets (%)	**0. 5**	0. 6	(10)bpts	0.5	0.6	(10)bpts
Statutory operating expenses to total operating income (%)	**43. 7**	42. 8	90 bpts	43. 1	42. 4	70 bpts
Statutory impairment expense annualised as a % of average GLAA's (%)	**(0. 04)**	(0. 12)	8 bpts	(0. 13)	0. 11	(24)bpts
Other information						
Average interest earning assets ($M)	**161,385**	137,843	17	137,509	137,994	–
Average interest earning assets excl. markets ($M)	**96,989**	88,098	10	n/a	n/a	n/a
Risk weighted assets ($M)	**68,803**	80,001	(14)	80,031	82,171	(3)
Troublesome and impaired assets ($M)	**198**	513	(61)	477	890	(46)
Corporate total committed exposures rated investment grade (%)	**91. 5**	89. 4	210 bpts	89. 4	88. 0	140 bpts
Number of full-time equivalent staff (FTE)	**1,464**	1,439	2	1,439	1,431	1

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

2 Interest earning lending assets include $22,105 million of Cash Management Pooling Facilities (CMPF) (30 June 2022: $20,156 million). Transaction deposits include $42,837 million of CMPF liabilities (30 June 2022: $37,718 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.

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

4 Certificates of deposit and other include sale and repurchase agreements carried at fair value through Income Statement.

5 Debt issues and other includes liabilities at fair value.

Institutional Banking and Markets (continued)

Financial Performance and Business Review

Year Ended June 2023 versus Restated June 2022

Institutional Banking and Markets net profit after tax ("statutory basis") for the full year ended 30 June 2023 was $1,031 million, a decrease of $27 million or 3% on the prior year. The result was driven by a 4% increase in total operating income (6% increase excluding derivative valuation adjustments), a 6% increase in operating expenses and a 68% increase in loan impairment expense.

Net Interest Income

Net interest income was $1,415 million, a decrease of $132 million or 9% on the prior year. Excluding the Markets business, net interest income was $1,345 million, an increase of $36 million or 3% on the prior year. The result excluding Markets was driven by a 10 basis point decrease in net interest margin, partly offset by a 10% increase in average interest earning assets.

Excluding the Markets business, net interest margin decreased 10 basis points, reflecting:

- Lower institutional and structured lending margins due to higher funding costs;
- Unfavourable portfolio mix from an increase in lower margin pooled facilities; and
- Lower Structured Asset Finance revenue driven by the non-recurrence of residual value gains on shipping vessels under finance leases; partly offset by
- Higher deposits and equity earnings reflecting the rising interest rate environment.

Other Operating Income

Other operating income was $976 million, an increase of $219 million or 29% on the prior year, reflecting:

- Higher Markets trading income across Fixed Income, and Carbon and Commodities portfolios (offsetting increased funding costs in net interest income), partly offset by lower gains in Rates; and
- Higher Structured Asset Finance revenue mainly driven by gains from asset sales; partly offset by
- Unfavourable derivative valuation adjustments.

Operating Expenses

Operating expenses were $1,046 million, an increase of $60 million or 6% on the prior year. This was driven by inflation, investment in capabilities, increased IT spend, unfavourable FX and increased volume driven operations costs.

The number of full-time equivalent staff (FTE) increased by 25 or 2% on the prior year, from 1,439 to 1,464 mainly to support increased operational volumes, partly offset by workforce optimisation initiatives.

Investment spend focused on continuing to strengthen the operational risk and compliance framework, upgrading system infrastructure, responding to new regulatory requirements, and strategic initiatives.

The operating expenses to total operating income ratio was 43.7%, an increase of 90 basis points on the prior year, driven by higher operating expenses.

Loan Impairment Expense

Loan impairment expense increased $75 million or 68% on the prior year to a benefit of $36 million. This was primarily driven by higher collective provision releases in the prior year related to the aviation sector.

Loan impairment expense as a percentage of average gross loans and acceptances increased 8 basis points on the prior year to -0.04%.

Asset quality of the book has improved, with the percentage of the book rated as investment grade increasing 210 basis points to 91.5% driven by improved portfolio quality.

Balance Sheet

Key spot balance sheet movements included:

- Lending balance increase of $0.7 billion or 1%, primarily driven by an increase in pooled facilities and growth in the real estate and commodities financing portfolios, partly offset by lower balances in the leasing and funds financing portfolios;
- Non-lending interest earning assets increase of $5.1 billion or 8%, mainly driven by an increase in reverse sale and repurchase agreement balances in Markets reflecting greater client demand;
- Other assets and non-interest bearing liabilities decrease of $7.8 billion or 23% and $7.9 billion or 26% 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; and
- Total interest bearing deposits increase of $18.3 billion or 10%, mainly driven by higher Investment and Transaction deposits (including pooled facilities), and an increase in sale and repurchase agreement balances in Markets to fund higher non-lending interest earning assets, partly offset by lower Savings deposits reflecting greater customer demand for higher yield investment deposits.

Institutional Banking and Markets (continued)

Financial Performance and Business Review (continued)

Risk Weighted Assets

Risk weighted assets were $68.8 billion, a decrease of $11.2 billion or 14% on the prior year.

- Credit risk weighted assets decreased $13.8 billion or 22%, primarily driven by the implementation of APRA's revised capital framework on 1 January 2023. For more information on APRA's revisions to the ADI capital framework that became effective on 1 January 2023, see page 63 of this Document.
- Traded market risk weighted assets increased $4.7 billion or 50%, due to the impact of client activity, market volatility and the APRA risk-not-in-VaR (RNIV) overlay.
- Operational risk weighted assets decreased $2.1 billion or 33%, primarily driven by the adoption of the standardised measurement approach in line with APRA's revised capital framework, and the removal of the APRA add-on.

As Reported Year Ended June 2022 versus June 2021

Institutional Banking and Markets net profit after tax ("statutory basis") for the full year ended 30 June 2022 was $1,050 million, an increase of $122 million or 13% on the 2021 financial year. The result was driven by flat total banking income and a $207 million decrease in loan impairment expense, partly offset by a 1% increase in operating expenses.

Net Interest Income

Net interest income was $1,534 million, an increase of $2 million on the 2021 financial year. The result was driven by a 1% increase in net interest margin and flat interest earning assets.

Net interest margin increased 1 basis point, reflecting:

- Favourable asset mix from the reduction of lower margin pooled facilities (up 6 basis points);
- Higher Institutional lending margins (up 4 basis points) due to lower funding costs; and
- Higher Structured Asset Finance revenue driven by a gain in the residual value of shipping vessels under finance leases (up 2 basis points); partly offset by
- Lower net interest income from the High Grade Bonds portfolio as a result of wider spreads and lower inventory (down 4 basis points);
- Lower deposit revenue reflecting the impact from the low-rate environment which existed for most of the current year (down 4 basis points); and
- Lower earnings on equity (down 3 basis points).

Other Banking Income

Other banking income was $761 million, a decrease of $11 million or 1% on the 2021 financial year, reflecting:

- Lower Global Markets trading income from precious metal inventory financing, and the Fixed Income and Rates portfolios, partly offset by higher trading gains in Foreign Exchange; partly offset by
- Higher Structured Asset Finance revenue including gains from reversal of 2021 financial year impairments of aircraft operating leases; and
- Higher lending fees due to repricing and increased volumes.

Operating Expenses

Operating expenses were $988 million, an increase of $12 million or 1% on the 2021 financial year. This was primarily driven by higher risk and compliance spend, partly offset by productivity initiatives.

The number of full-time equivalent staff (FTE) increased by 8 or 1% on the 2021 financial year, from 1,431 to 1,439.

Investment spend focused on continuing to strengthen the operational risk and compliance framework, upgrading system infrastructure, responding to new regulatory requirements, and strategic initiatives.

The operating expenses to total banking income ratio was 43.1%, an increase of 70 basis points on the 2021 financial year, driven by higher operating expenses.

Loan Impairment Expense

Loan impairment expense was a benefit of $111 million, a decrease of $207 million on the 2021 financial year. This was driven by lower collective provisions reflecting a decrease in forward-looking adjustments for the aviation sector and reduced COVID-19 uncertainties, partly offset by a lower level of write-backs.

Loan impairment expense as a percentage of average gross loans and acceptances decreased 24 basis points on the 2021 financial year to -0.13%.

Asset quality of the book has improved, with the percentage of the book rated as investment grade increasing 140 basis points to 89.4%.

Balance Sheet

Key spot balance sheet movements included:

- Lending balance increase of $10.4 billion or 12%, primarily driven by growth across pooled facilities, warehouse facilities, corporate lending, and funds financing portfolios;
- Non-lending interest earning assets increase of $21.1 billion or 50%, mainly driven by higher reverse sale and repurchase agreements in the Securities Financing portfolio reflecting increased client demand;
- Other assets and Non-interest bearing liabilities increase of $6.3 billion or 23% and $11.8 billion or 66% 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. Other assets growth was partly offset by reduced commodities inventory; and
- Total interest bearing deposits increase of $35.6 billion or 25%, driven by higher sale and repurchase agreements in Global Markets to fund higher non-lending interest earning assets, growth in investment deposits primarily from offshore clients, and increased at-call deposit balances.

Institutional Banking and Markets (continued)

Financial Performance and Business Review (continued)

Risk Weighted Assets

Risk weighted assets were $80.0 billion, a decrease of $2.1 billion or 3% on the 2021 financial year.

- Credit risk weighted assets decreased $4.6 billion or 7%, primarily driven by improved credit quality and data and methodology changes; partly offset by
- Traded market risk weighted assets increased $2.4 billion or 33%, driven by an APRA capital overlay to be held until modelling work is completed by the Group and approved by APRA in relation to the revised Risks-Not-In-VaR (RNIV) framework; and
- Operational risk weighted assets increased $0.1 billion or 2%.

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.

	Full Year Ended					
		Restated [1]		As reported		
New Zealand (A$M)	**30 Jun 23 A$M**	30 Jun 22 A$M	Jun 23 vs Jun 22 %	30 Jun 22 A$M	30 Jun 21 A$M	Jun 22 vs Jun 21 %
Net interest income	**2,668**	2,334	14	2,334	2,150	9
Other operating income [2]	**424**	497	(15)	559	534	5
Total operating income	**3,092**	2,831	9	2,893	2,684	8
Operating expenses	**(1,154)**	(1,042)	11	(1,104)	(1,071)	3
Loan impairment (expense)/benefit	**(59)**	(37)	59	(37)	5	large
Net profit before tax	**1,879**	1,752	7	1,752	1,618	8
Corporate tax expense	**(523)**	(487)	7	(487)	(457)	7
Net profit after tax ("cash basis")	**1,356**	1,265	7	1,265	1,161	9
Gain on acquisition, disposal, closure and demerger of businesses	**–**	–	–	–	3	(large)
Hedging and IFRS volatility (after tax)	**(204)**	(536)	(62)	(536)	(70)	large
Net profit after tax ("statutory basis") [3]	**1,152**	729	58	729	1,094	(33)

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

2 Other operating income disclosed in AUD includes realised gains or losses associated with the hedging of New Zealand operations earnings. The hedging of the New Zealand operations has ceased, and the hedges were fully matured in February 2023.

3 Please refer to "Disclosures – Non-cash Items Included in Statutory Profit" on page 10 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 2.7 of the 2023 Financial Report.

New Zealand (continued)

New Zealand (NZ$M)	Full Year Ended 30 Jun 23 NZ$M	Restated [1] 30 Jun 22 NZ$M	Jun 23 vs Jun 22 %	As reported 30 Jun 22 NZ$M	30 Jun 21 NZ$M	Jun 22 vs Jun 21 %
Net interest income	**2,909**	2,499	16	2,499	2,307	8
Other operating income	**476**	525	(9)	592	562	5
Total operating income	**3,385**	3,024	12	3,091	2,869	8
Operating expenses	**(1,261)**	(1,112)	13	(1,179)	(1,148)	3
Loan impairment (expense)/benefit	**(64)**	(41)	56	(41)	5	large
Net profit before tax	**2,060**	1,871	10	1,871	1,726	8
Corporate tax expense	**(576)**	(518)	11	(518)	(487)	6
Cash net profit after tax from continuing operations	**1,484**	1,353	10	1,353	1,239	9
Gain on acquisition, disposal, closure and demerger of businesses	**–**	–	–	–	3	(large)
Hedging and IFRS volatility (after tax)	**(32)**	35	(large)	35	10	large
Net profit after tax ("statutory basis") [2]	**1,452**	1,388	5	1,388	1,252	11
Represented by :						
ASB	**1,518**	1,453	4	1,453	1,309	11
Other [3]	**(66)**	(65)	2	(65)	(57)	14
Net profit after tax ("statutory basis") [2]	**1,452**	1,388	5	1,388	1,252	11

Key Financial Metrics (continuing operations) [4]	30 Jun 23	Restated [1] 30 Jun 22	Jun 23 vs Jun 22 %	As reported 30 Jun 22	30 Jun 21	Jun 22 vs Jun 21 %
Performance indicator						
Statutory operating expenses to total operating income (%)	**37. 8**	36. 2	160 bpts	37. 5	39. 7	(220)bpts

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.
2 Please refer to "Disclosures – Non-cash Items Included in Statutory Profit" on page 10 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 2.7 of the 2023 Financial Report.
3 Other includes ASB funding entities and elimination entries between New Zealand segment entities.
4 Key financial metrics are calculated in New Zealand dollar terms.

Financial Performance and Business Review

Year Ended June 2023 versus Restated June 2022

New Zealand net profit after tax[1] ("statutory basis") for the full year ended 30 June 2023 was NZD1,452 million, an increase of NZD64 million or 5% on the prior year. The result was driven by a 12% increase in total operating income, a 13% increase in operating expenses and a 56% increase in loan impairment expense.

The Australian dollar equivalent line item growth rates are impacted by the appreciation of the New Zealand dollar and the mark-to-market movements in foreign exchange hedges relating to New Zealand earnings.

As Reported Year Ended June 2022 versus June 2021

New Zealand net profit after tax [1] ("statutory basis") for the full year ended 30 June 2022 was NZD1,388 million, an increase of NZD136 million or 11% on the 2021 financial year. The result was driven by an 8% increase in total operating income, partly offset by a 3% increase in operating expenses and a NZD46 million increase in loan impairment expense.

1 The New Zealand result incorporates ASB and CBA cost allocations including capital charges and funding costs. The CBA Branch results relating to the Institutional Banking and Markets business in New Zealand are not included.

Divisional Performance (continued)

New Zealand (continued)

ASB (NZ$M)	Full Year Ended					
		Restated [1]		As reported		
	30 Jun 23 NZ$M	30 Jun 22 NZ$M	Jun 23 vs Jun 22 %	30 Jun 22 NZ$M	30 Jun 21 NZ$M	Jun 22 vs Jun 21 %
Net interest income	**3,002**	2,589	16	2,589	2,383	9
Other operating income	**476**	525	(9)	592	562	5
Total operating income	**3,478**	3,114	12	3,181	2,945	8
Operating expenses	**(1,261)**	(1,112)	13	(1,179)	(1,148)	3
Loan impairment (expense)/benefit	**(64)**	(41)	56	(41)	5	large
Net profit before tax	**2,153**	1,961	10	1,961	1,802	9
Corporate tax expense	**(603)**	(543)	11	(543)	(506)	7
Net profit after tax ("cash basis")	**1,550**	1,418	9	1,418	1,296	9
Gain on acquisition, disposal, closure and demerger of businesses	**–**	–	–	–	3	(large)
Hedging and IFRS volatility (after tax)	**(32)**	35	(large)	35	10	large
Net profit after tax ("statutory basis") [2]	**1,518**	1,453	4	1,453	1,309	11

Balance Sheet (NZ$M)	As at					
		Restated [1]		As reported		
	30 Jun 23 NZ$M	30 Jun 22 NZ$M	Jun 23 vs Jun 22 %	30 Jun 22 NZ$M	30 Jun 21 NZ$M	Jun 22 vs Jun 21 %
Home loans	**74,093**	72,055	3	72,055	67,679	6
Business Lending	**21,484**	20,538	5	20,538	19,311	6
Rural Lending	**11,695**	11,045	6	11,045	11,146	(1)
Other interest earning assets	**1,662**	1,611	3	1,611	1,758	(8)
Total lending interest earning assets	**108,934**	105,249	4	105,249	99,894	5
Non-lending interest earning assets	**16,099**	14,299	13	14,299	11,188	28
Other assets	**1,752**	1,904	(8)	1,904	1,509	26
Total assets	**126,785**	121,452	4	121,452	112,591	8
Interest bearing customer deposits	**67,876**	62,664	8	62,664	59,929	5
Debt issues	**21,186**	22,607	(6)	22,607	22,936	(1)
Other deposits [3]	**8,992**	6,950	29	6,950	4,626	50
Other interest bearing liabilities	**2,755**	2,502	10	2,502	1,491	68
Total interest bearing liabilities	**100,809**	94,723	6	94,723	88,982	6
Non-interest bearing customer deposits	**10,490**	13,175	(20)	13,175	11,651	13
Other non-interest bearing liabilities	**2,562**	1,955	31	1,955	997	96
Total liabilities	**113,861**	109,853	4	109,853	101,630	8

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.
2 Please refer to "Disclosures – Non-cash Items Included in Statutory Profit" on page 10 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 2.7 of the 2023 Financial Report.
3 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]	30 Jun 23	Restated [1] 30 Jun 22	Jun 23 vs Jun 22 %	As reported 30 Jun 22	As reported 30 Jun 21	Jun 22 vs Jun 21 %
Performance indicators						
Net interest margin (%)	**2. 44**	2. 22	22 bpts	2. 22	2. 22	–
Statutory return on assets (%)	**1. 2**	1. 2	–	1. 2	1. 2	–
Statutory operating expenses to total operating income (%)	**36. 7**	35. 2	150 bpts	36. 5	38. 7	(220)bpts
Statutory impairment expense annualised as a % of average GLAAs (%)	**0. 06**	0. 04	2 bpts	0. 04	(0. 01)	5 bpts
Other information						
Average interest earning assets (NZ$M)	**123,215**	116,397	6	116,397	107,522	8
Risk weighted assets (NZ$M) [3]	**70,780**	68,301	4	68,301	61,252	12
Risk weighted assets (A$M) [4]	**61,958**	54,054	15	51,916	53,311	(3)
AUM - average (NZ$M) [5]	**20,646**	21,647	(5)	21,647	20,227	7
AUM - spot (NZ$M) [5]	**21,307**	19,980	7	19,980	21,750	(8)
90+ days home loan arrears (%)	**0. 34**	0. 21	13 bpts	0. 19	0. 18	1 bpt
90+ days consumer finance arrears (%)	**0. 49**	0. 53	(4)bpts	0. 49	0. 36	13 bpts
Spot number of full-time equivalent staff (FTE)	**6,016**	5,879	2	5,879	5,722	3

Full Year Ended

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

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 the ASB Superannuation Master Trust (SMT) to Smartshares Limited. The sale includes a transition period where ASB continues to provide investment management and administration services until the transition is complete. The AUM balances related to SMT therefore remain included in the ASB AUM balance at 30 June 2023.

New Zealand (continued)

Financial Performance and Business Review

ASB Bank: Year Ended June 2023 versus Restated June 2022

ASB net profit after tax ("statutory basis") for the full year ended 30 June 2023 was NZD1,518 million, an increase of NZD65 million or 4% on the prior year. The result was driven by a 12% increase in total operating income, a 13% increase in operating expenses and a 56% increase in loan impairment expense.

Net Interest Income

Net interest income was NZD3,002 million, an increase of NZD413 million or 16% on the prior year. The increase was driven by a 10% increase in net interest margin and a 6% growth in average interest earning assets.

Net interest margin increased 22 basis points, reflecting:

- Higher deposit margins including earnings on replicated products, mainly due to the rising interest rate environment, partly offset by unfavourable mix as customers switch to higher yielding deposits; and
- Higher earnings on equity; partly offset by
- Unfavourable lending margins mainly from the impact of swap rates and home loan pricing competition, and unfavourable lending mix;
- Higher wholesale funding costs; and
- Lower income from Treasury related activities.

Other Operating Income

Other operating income was NZD476 million, a decrease of NZD49 million or 9% on the prior year, reflecting:

- Non-recurrence of the gain on sale of the management rights of the ASB Superannuation Master Trust (SMT);
- Reduced Funds Management Income mainly reflecting unfavourable market performance, impact from the sale of management rights of the SMT, and the removal of KiwiSaver administration fees from October 2021; and
- Lower service and lending fees due to fee removals and reductions on transaction accounts and overdrafts.

Operating Expenses

Operating expenses were NZD1,261 million, an increase of NZD149 million or 13% on the prior year. Excluding the impact of a provision released in the prior year relating to historical holiday pay, expenses increased 8% primarily driven by higher staff costs from wage inflation, increased full-time equivalent staff (FTE), higher IT spend and increased investment spend.

The number of full-time equivalent staff (FTE) increased by 137 or 2% on the prior year from 5,879 to 6,016 FTE to support investment in technology including financial crime and fraud prevention, and strategic priorities.

Investment spend continues to focus on regulatory compliance, customer experience initiatives and enhancing technology platforms.

The operating expenses to total operating income ratio ("statutory basis") for ASB was 36.7%, an increase of 150 basis points on the prior year driven by higher operating expenses. Excluding the impact of the provision released in the prior year relating to historical holiday pay, the ratio decreased by 30 basis points.

Loan Impairment Expense

Loan impairment expense was NZD64 million, an increase of NZD23 million or 56% on the prior year. This was mainly driven by higher collective and individually assessed provisions reflecting impact of inflationary and interest rate pressures, and a decline in house prices.

Home loan 90+ days arrears increased 13 basis points to 0.34% as cost of living pressures increased. Consumer finance 90+ days arrears balances remained broadly flat, however arrears rate decreased slightly by 4 basis points to 0.49%, reflecting limited new lending growth in a stable portfolio with sound credit quality.

Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of NZD2.0 billion or 3%, below system[1] growth in a highly competitive, low margin environment;
- Business loan growth of NZD0.9 billion or 5%, above system[1] growth of 2% driven by increases in medium and large business lending;
- Rural loan growth of NZD0.7 billion or 6%, above system[1] growth of 2%;
- Non-lending interest earning assets growth of NZD1.8 billion or 13% mainly driven by increased liquid assets;
- Total customer deposit growth of NZD2.5 billion or 3% (interest bearing and non-interest bearing), above system [1, 2] growth, with greater customer demand for higher yielding deposits; and
- Other deposits growth of NZD2.0 billion or 29% predominantly driven by drawdowns of RBNZ Funding for Lending Programme and growth in certificates of deposit.

Risk Weighted Assets [3]

Risk weighted assets were NZD70.8 billion, an increase of NZD2.5 billion or 4% on the prior year.

- Credit risk weighted assets increased NZD1.2 billion or 2% predominantly driven by lending volume growth;
- Market risk weighted assets increased NZD1.0 billion or 40% primarily due to an increase in interest rate risk positions; and
- Operational risk weighted assets increased NZD0.3 billion or 4% predominantly due to increased volumes.

1 System 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)

ASB Bank: As Reported Year Ended June 2022 versus June 2021

ASB net profit after tax ("statutory basis") for the full year ended 30 June 2022 was NZD1,453 million, an increase of NZD144 million or 11% on the 2021 financial year. The result was driven by an 8% increase in total operating income, partly offset by a 3% increase in operating expenses and a NZD46 million increase in loan impairment expense.

Net Interest Income

Net interest income was NZD2,589 million, an increase of NZD206 million or 9% on the 2021 financial year. The increase was driven by an 8% growth in average interest earning assets and a flat net interest margin.

Net interest margin was flat on the 2021 financial year, reflecting:

- Higher deposit margins (up 16 basis points) mainly due to increases in swap and cash rates;
- Lower wholesale funding costs (up 2 basis points); and
- Favourable portfolio mix (up 1 basis point) driven by strong growth in transaction and savings deposits (up 4 basis points), partly offset by unfavourable lending mix driven by a higher proportion of lower margin home loan balances relative to higher margin consumer finance and business lending balances (down 3 basis points); partly offset by
- Unfavourable lending margins (down 16 basis points) mainly from the impact of swap rates on home loan pricing; and
- Lower income from Treasury related activities (down 3 basis points).

Other Banking Income

Other banking income was NZD443 million, an increase of NZD31 million or 8% on the 2021 financial year, reflecting:

- The gain on sale of the management rights of the ASB Superannuation Master Trust; and
- Higher gains from the sale of government securities.

Funds Management Income

Funds management income was NZD149 million, a decrease of NZD1 million or 1% on the 2021 financial year, mainly driven by the removal of administration fees on KiwiSaver accounts, partly offset by higher average Assets Under Management (AUM) (up 7%) reflecting favourable net inflows and market performance, and improved margins.

Operating Expenses

Operating expenses were NZD1,179 million, an increase of NZD31 million or 3% on the 2021 financial year. The increase was primarily driven by higher staff costs due to increased full-time equivalent staff (FTE), wage inflation and lower annual leave usage due to the impact of COVID-19, growth in investment spend to deliver strategic priorities, and higher IT costs, partly offset by a release of the provision relating to historical holiday pay.

The number of FTE increased by 157 or 3% on the 2021 financial year from 5,722 to 5,879, mainly driven by growth to support investment in technology.

Investment spend continued to focus on enhancing technology platforms, regulatory compliance and customer experience initiatives.

The operating expenses to total operating income ratio ("statutory basis") for ASB was 36.5%, a decrease of 220 basis points on the 2021 financial year driven by growth in total operating income.

Loan Impairment Expense

Loan impairment expense was NZD41 million, an increase of NZD46 million on the 2021 financial year. This was mainly driven by higher collective provisions reflecting emerging risks, including inflationary pressures and rising interest rates, partly offset by lower write-offs.

Home loan 90+ days arrears increased 1 basis point, from 0.18% to 0.19%, and consumer finance 90+ days arrears increased 13 basis points, from 0.36% to 0.49%, as arrears rates start to return towards pre-COVID-19 levels.

Balance Sheet

Key spot balance sheet movements included:

- Home loan growth of NZD4.4 billion or 6%, in line with system[1] growth, with continued customer preference for fixed rate loans in a competitive market;
- Business loan growth of NZD1.2 billion or 6%, below system[1] growth of 9%, driven by an increase in commercial lending, partly offset by a decline in small business lending;
- Rural loan decline of NZD0.1 billion or 1%; and
- Total customer deposit growth of NZD4.3 billion or 6% (interest bearing and non-interest bearing), above system[1] growth of 5%[2], with a customer preference for at-call deposits.

Risk Weighted Assets [3]

Risk weighted assets were NZD68.3 billion, an increase of NZD7.0 billion or 12% on the 2021 financial year.

- Credit risk weighted assets increased NZD6.8 billion or 13% predominately driven by the implementation of the RBNZ 85% Standardised output floor from 1 January 2022, partly offset by modelling changes in credit cards; and
- Operational risk weighted assets increased NZD1.4 billion or 23% predominately due to a change in methodology; partly offset by
- Market risk weighted assets decreased NZD1.2 billion or 32% primarily due to methodology changes and a reduction in interest rate risk positions.

1 System 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 Treasury, Investor Relations, Group Strategy, Legal and Corporate Affairs and Bank-wide elimination entries arising on consolidation.

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

Treasury is primarily focused on the management of the Bank's interest rate risk, funding and liquidity requirements, and management of the Bank's capital.

The Treasury function includes:

- Portfolio Management: manages the interest rate risk of the Bank's non-traded Balance Sheet using transfer pricing to consolidate risk into Treasury, and hedging the residual mismatch between assets and liabilities using swaps, futures and options;
- Group Funding and Liquidity: manages the Bank's long-term and short-term wholesale funding requirements, and the Bank's prudent liquidity requirements; and
- Capital and Regulatory Strategy: manages the Bank's capital requirements.

	Full Year Ended					
		Restated [1]		As reported		
Corporate Centre and Other (including eliminations)	**30 Jun 23 $M**	30 Jun 22 $M	Jun 23 vs Jun 22 %	30 Jun 22 $M	30 Jun 21 $M	Jun 22 vs Jun 21 %
Net interest income	**72**	144	(50)	140	256	(45)
Other operating income	**315**	846	(63)	831	455	83
Underlying operating income	**387**	990	(61)	971	711	37
Gain on sale of HZB shares [2]	**–**	516	n/a	516	–	n/a
Total operating income	**387**	1,506	(74)	1,487	711	large
Underlying operating expenses	**(2,193)**	(1,973)	11	(1,897)	(1,999)	(5)
Restructuring, accelerated amort. and one-off item [2]	**(212)**	(389)	(46)	(445)	–	n/a
Total operating expenses	**(2,405)**	(2,362)	2	(2,342)	(1,999)	17
Loan impairment benefit/(expense)	**(6)**	(8)	(25)	(8)	(96)	(92)
Net loss before tax	**(2,024)**	(864)	large	(863)	(1,384)	(38)
Corporate tax benefit	**670**	213	large	213	414	(49)
Net loss after tax from continuing operations ("cash basis")	**(1,354)**	(651)	large	(650)	(970)	(33)
Net loss after tax from discontinuing operations	**18**	113	(84)	17	14	21
Net loss after tax ("cash basis")	**(1,336)**	(538)	large	(633)	(956)	(34)
Gain on disposal and acquisition of entities net of transaction costs	**(265)**	1,065	(large)	84	305	(72)
Hedging and IFRS volatility	**196**	644	(70)	644	77	large
Net profit/(loss) after tax ("statutory basis") [3]	**(1,405)**	1,171	(large)	95	(574)	(large)

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

2 Refer to page 36 for further information.

3 Please refer to "Disclosures – Non-cash Items Included in Statutory Profit" on page 10 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 2.7 of the 2023 Financial Report.

Divisional Performance (continued)

Corporate Centre and Other (continued)

Financial Performance and Business Review

Year Ended June 2023 versus Restated June 2022

Corporate Centre and Other net profit after tax ("statutory basis") for the full year ended 30 June 2023 was a loss $1,405 million, a decrease of $2,576 million on the prior year. The result was primarily driven by a 74% decrease in total operating income (underlying operating income decreased by 61%), a 2% increase in operating expenses (underlying operating expenses increased by 11%) and a broadly flat loan impairment expense.

Net Interest Income

Net interest income was $72 million, a decrease of $72 million or 50% on the prior year. This was primarily driven by reduced PTBC lending earnings from lower volume and higher funding costs, lower Treasury earnings due to the impact of rising rates, and higher funding costs for corporate assets.

Other Operating Income[1]

Other operating income was $315 million, a decrease of $531 million or 63% on the prior year. This was mainly driven by the cessation of equity accounting following the partial sale of HZB, higher equity accounted losses from CFS reflecting challenging investment market conditions and increased investment spend, and lower gains from sale of Treasury liquid assets.

Operating Expenses[1]

Operating expenses were $2,193 million, an increase of $220 million or 11% on the prior year. This was primarily driven by inflation, increased resources, IT and other spend to deliver centrally held technology and strategic priorities, and higher remediation costs.

Loan Impairment Expense

Loan impairment expense was $6 million, broadly flat on the prior year.

Risk Weighted Assets

Risk weighted assets were $45.3 billion, a decrease of $4.7 billion or 9% on the prior year.

- IRRBB risk weighted assets decreased $2.5 billion or 6%, primarily driven by lower embedded losses as a result of lower swap rates.
- Operational risk weighted assets decreased $1.6 billion or 55% primarily driven by the adoption of the standardised measurement approach in line with APRA's revised capital framework.
- Credit risk weighted assets decreased by $0.6 billion or 8%.

As Reported Year Ended June 2022 versus June 2021

Corporate Centre and Other net profit after tax ("statutory basis") for the full year ended 30 June 2022 was $95 million, an increase of $669 million on the 2021 financial year. The result was primarily driven by a 37% increase in total operating income, a 5% decrease in operating expenses and an $88 million decrease in loan impairment expense. One-off items were largely offsetting in the period.

Net Interest Income

Net interest income was $140 million, a decrease of $116 million or 45% on the 2021 financial year. This was mainly driven by lower Treasury income from reduced earnings on the liquids portfolio and interest rate risk management activities.

Other Operating Income[1]

Other operating income was $831 million, an increase of $376 million or 83% on the 2021 financial year. This was mainly driven by the non-recurrence of upfront costs related to the Group's term debt buyback program in the prior year and higher gains from the sale of Treasury liquid assets.

Operating Expenses[1]

Operating expenses were $1,897 million, a decrease of $102 million or 5% on the 2021 financial year. This was primarily driven by lower Aligned Advice related remediation costs and reduced occupancy expenses including the cessation of concurrent rent as we consolidate our property footprint, partly offset by wage inflation and increased resourcing to deliver centrally held technology and strategic related investment spend.

Loan Impairment Expense

Loan impairment expense decreased $88 million on the 2021 financial year to an expense of $8 million. This was mainly due to the non-recurrence of 2021 financial year COVID-19 related collective provision charges in PTBC.

Risk Weighted Assets

Risk weighted assets were $52.1 billion, an increase of $29.8 billion on the 2021 financial year.

- IRRBB risk weighted assets increased $31.0 billion, mainly due to APRA's required IRRBB capital increase to reflect the impact of the recent interest rate volatility on the Group's equity investment; and
- Operational risk weighted assets increased $0.1 billion or 4%; partly offset by
- Credit risk weighted assets decreased $1.3 billion or 16%.

1 Presented on an underlying basis. Other operating income does not include the pre-tax gain on sale of 10% shareholding in Bank of Hangzhou of $516 million in FY22.

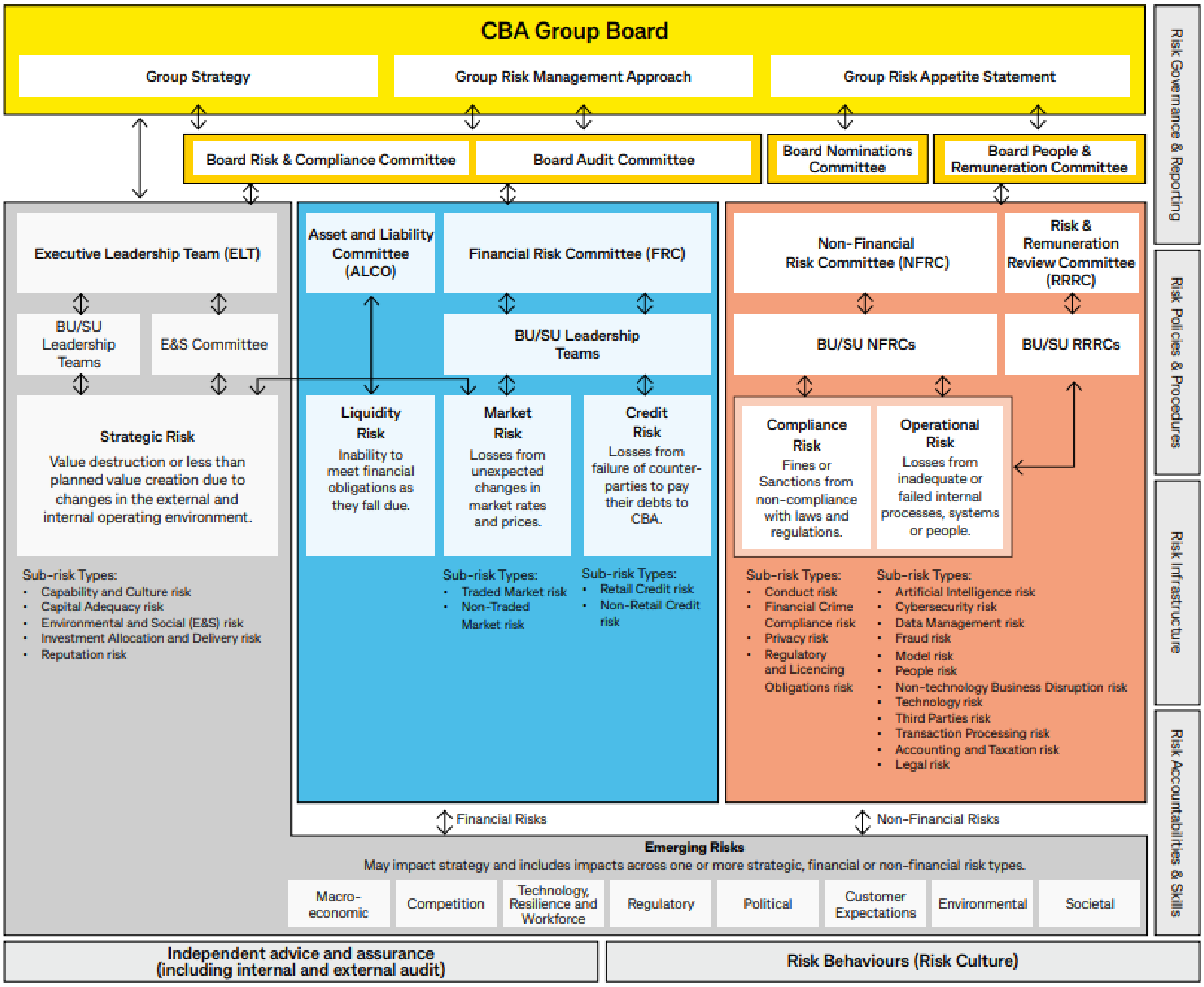
Contents

6. Other Information

Other information

Risk Management

The Group is exposed to financial, non-financial and strategic risks from the products and services it offers. The Group manages these risks through its Risk Management Framework, which evolves to accommodate changes in the business operating environment, better risk practices, and regulatory and community expectations. The components of the Risk Management Framework are illustrated below, including the governance that enables executive and Board oversight of these risks.



Further details on each of the material risks, and how the Group manages them, are outlined in this note.

Risk management framework

The Risk Management Framework comprises the systems, structures, policies, processes and people that identify, measure, evaluate, control, monitor and report on, both internal and external sources of material risk. It incorporates three key documents:

- **The Group's Business Plan** (consisting of the Group Strategy and the Financial Plan) sets out the approach to implement the Group's strategic objectives;
- **The Group Risk Appetite Statement (RAS)** that establishes the type and degree of risk the Board is prepared to accept and the maximum level of risk that the Group must operate within; and
- **The Group Risk Management Approach (RMA)** that sets out the Board and the Executive Leadership Team's expectations regarding the Group's approach to managing risk and the key elements of the Risk Management Framework that give effect to this approach.

The Risk Management Framework is underpinned by the following Risk Framework Enablers that allow the Group to effectively identify, measure, evaluate, control, monitor and report on, both internal and external sources of material risk.

Risk governance and reporting

The Group is committed to ensuring that its risk management practices reflect a high standard of governance. This enables management to undertake, in an effective manner, prudent risk-taking activities. The Board operates as the highest level of the Group's risk governance. The Board Risk and Compliance Committee oversees the Risk Management Framework and helps formulate the Group's risk appetite for consideration by the Board. In particular it:

- Monitors the Group's risk profile (including identification of emerging risks); and
- Reviews regular reports from management on the measurement of risk and the adequacy and effectiveness of the Group's risk management and internal control systems.

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

Regular management information is produced that allows financial, strategic and non-financial risk positions to be monitored against approved risk appetite and policy limits. At Board level, the majority of risk reporting is provided to the Board Risk and Compliance Committee, although select matters are reported directly to the Board as required. Controls reporting is provided to the Board Audit Committee. The Chairs of the Board Risk & Compliance and Audit Committee report to the Board following each Committee meeting.

Risk policies and procedures

Risk policies and procedures provide guidance to the business on the management of each material risk. They support the Risk Management Framework by:

- Summarising the principles and practices to be used by the Group in identifying and assessing its material risks; and
- Quantifying the operating tolerances for material risks.

Risk infrastructure

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

- **Risk processes** to identify, assess, escalate, monitor and manage risks and issues;
- **Management information systems** to measure and aggregate risks across the Group; and
- **Risk models and tools**, including significant calculators.

Risk accountabilities and skills

The Group operates a Three Lines of Accountability (3LoA) model that places the accountability for risk ownership with the Line 1 BUs and SUs, while focusing the mandate of Line 2 Risk teams on risk appetite and the Risk Management Framework, assurance, approval or acceptance of risk decisions of Line 1 and advice. Line 3 Internal Audit provides independent assurance to the Board, regulators and other stakeholders on the effectiveness of risk management, internal controls and governance. The Risk Stewards (senior leaders in Line 1 or Line 2) complement the 3LoA model, by providing a view on the aggregated risk profile and adequacy of the Group's Risk Management Framework for each of our Risk Types, including design of key controls and policies, mitigation strategies and the capabilities needed to manage the Risk Type.

The effective management of the Group's material risks requires appropriate resourcing of skilled employees within each of the Group's 3LoA. It is important for all Group employees to have an awareness of their risk accountabilities, the Risk Management Framework, and the role our Values play in helping us manage risk. This awareness is developed through:

- **Communication of the Group RAS and RMA -** Following approval by the Board, the updated RAS and RMA are made available to all employees;
- **Performance and remuneration frameworks** are designed to drive accountability for managing risks and adopting risk behaviours that assist the Group to respond to new and emerging risks and to better support our customers and communities. Each year employees are assessed on how they met the risk management expectations of their role as part of the annual performance review;
- **Group Mandatory Learning modules** that provide foundational knowledge of the Risk Management Framework and Risk Management Approach for all Group employees;
- **Risk Management Capability Framework** enabling the education, experience and exposure to build risk skills and judgment effectively within the Group; and
- **Induction and ongoing learning** to support employees in gaining the knowledge, skills and behaviours required to work effectively across the Group.

Risk culture and conduct risk

Risk culture is the beliefs, values and behaviours within the Group that determine how risks are identified, measured, governed, and acted upon. A positive risk culture drives the right risk decisions and helps the Group make sound judgements in new and unfamiliar circumstances. The risk behaviours that demonstrate a positive risk culture and are expected of employees by the Board, senior management, customers, communities, shareholders and regulators, are underpinned by our CBA Values of Care, Courage and Commitment.

In relation to conduct risk, the Group requires behaviours and business practices that are fair to customers, protect the fair and efficient operation of the market and engender confidence in our products and services. Annually, the Board forms a view of the Group's risk culture and identifies desirable changes. Action plans are initiated and monitored to improve and sustain risk culture.

Risk management framework (continued)

Material risk types

Description	Governing Policies and Key Management Committees	Key controls and risk mitigation strategies
Credit risk		
Credit risk is the potential for loss arising from the failure of a counterparty to meet their contractual obligations to the Group. The Group is primarily exposed to credit risk through: **Retail Credit Risk** • Residential mortgage lending; and • Unsecured retail lending. **Non-Retail Credit Risk** • Commercial lending; and • Large corporate (institutional) lending and markets exposures.	**Governing Policies:** • Group Credit Risk Policies and Standards, Principles, Framework and Governance **Key Management Committee:** • Financial Risk Committee • BU/SU Financial Risk Committees	• Defined credit risk indicators set in the Group RAS; • Transacting with counterparties that demonstrate the ability and willingness to service their obligations through performance of due diligence and appropriate credit quality assessments; • Applications assessed by credit decisioning models, with more complex or higher risk applications referred to credit authority holders who exercise expert judgement; • Taking collateral where appropriate; • Pricing appropriately for the risks the Group is taking; • Credit concentration frameworks that set exposure limits to counterparties, groups of related counterparties, industry sectors and countries; • Regular monitoring of credit quality, concentrations, arrears, policy exceptions and policy breaches; • Working with customers in financial difficulty, or those in danger of becoming so, to help them rehabilitate their financial positions; and • Stress testing, both at a counterparty and portfolio level.
Market risk		
Market risk is the risk that market rates and prices will change and that this may have an adverse effect on the profitability and/or net worth of the Group. The Group is primarily exposed to market risk through: • Traded Market Risk; • Non-Traded Market Risk; • Interest Rate Risk in the Banking Book (IRRBB); • Structural Foreign Exchange Risk; • Lease Residual Value Risk; and • Non-Traded Equity Risk.	**Governing Policies:** • Group Market Risk Policy **Key Management Committee:** • Financial Risk Committee and IB&M Financial Risk Committee (Oversight of traded market risk) • Asset and Liability Committee (ALCO) (Oversight of Non-Traded Market Risk, including IRRBB)	• Defined market risk indicators set in the Group RAS; • Minimal appetite for proprietary trading; • Conservative market risk limits with granular concentration limits at a position level including currency/index, tenor and product type; • Pricing appropriately for risk; • Back-testing of Value-at-Risk (VaR) models against hypothetical profit and loss; • Daily monitoring and attribution of traded market risk exposures including risk sensitivities, VaR and stress testing; • Weekly monitoring of VaR and stress test measures for derivative valuation adjustments (XVAs); • Monthly monitoring of residual value risk exposures versus limits; • Managing the Balance Sheet with a view to balancing Net interest income profit volatility and market value; • Regular monitoring of IRRBB market risk exposures against limits including risk sensitivities, credit spread risk, value at risk, net interest earning at risk and stress testing; • Appropriate transfer pricing for interest rate risk; • Regular monitoring of structural foreign exchange risk versus limits; and • Regular monitoring of Group Super funding level versus limits, accounting valuations and value at risk.

Risk management framework (continued)

Description	Governing Policies and Key Management Committees	Key controls and risk mitigation strategies
Liquidity risk		
Liquidity risk is the combined risks of not being able to meet financial obligations as they fall due (funding liquidity risk), and that liquidity in financial markets, such as the market for debt securities, may reduce significantly (market liquidity risk).	**Governing Policies:** • Group Liquidity Policy • Group Liquidity Management Standard **Key Management Committee:** • ALCO	• Defined liquidity risk indicators in the Group RAS; • The Annual Funding Strategy (the Group's wholesale funding strategy based on a three year funding plan); • Maintaining a diverse, yet stable, pool of potential funding sources across different currencies, geographies, entities and products; • Maintaining sufficient liquidity buffers and short-term funding capacity to withstand periods of disruption in long-term wholesale funding markets and unanticipated changes in the Balance Sheet funding gap; • Limiting the portion of wholesale funding sourced from offshore; • Conservatively managing the mismatch between asset and liability maturities; • Maintaining a conservative mix of readily saleable or repo-eligible liquid assets; • Daily monitoring of liquidity risk exposures, including Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR); • Market and idiosyncratic stress test scenarios; and • The Contingency Funding Plan providing strategies for addressing liquidity shortfalls in a crisis situation.

Risk management framework (continued)

Description	Governing Policies and Key Management Committees	Key controls and risk mitigation strategies
Operational risk		
Operational risk is the risk of loss arising from inadequate or failed internal processes, systems or people, or from external events. The Group is exposed to operational risk primarily through: • Accounting and Taxation risks; • Artificial Intelligence risks; • Cyber security risks; • Data management risks; • Fraud risks (external and internal); • Legal risks; • Model risks; • Non-technology business disruption risks; • People risks (employment practices and workplace safety); • Technology risks (disruptions from hardware or software failures); • Third party risks; and • Transaction processing risks.	**Governing Policies:** • Operational Risk Management Framework (ORMF) • Group Artificial Intelligence Policy • Group Information Security (IS) Policy • Group Data Management Policy • Group Fraud Management Policy • Group Whistleblower Policy • Group Model Policy • Group Policy on Business Continuity Management • Group Protective Security Policy • Group IT Service Support and Management Policy • Group Supplier Lifecycle Policy **Key Management Committee:** • Non-Financial Risk Committee • BU/SU Non-Financial Risk Committees • Model Risk Governance Committee (MRGC)	• Defined operational risk indicators in the Group RAS; • Implementation of controls to prevent, detect, and mitigate specific operational risks that the Group is exposed to; • Regular Risk and Control Self-Assessment (RCSA) to assess key risks and controls for each BU/SU; • Routine Controls Assurance Program tests to assess whether controls are designed and operating effectively to maintain risk exposures within acceptable levels; • Incident management processes to identify, assess, record, report and manage actual operational or compliance events that have occurred. This data is used to guide management to strengthen processes and controls; • Issue management processes to identify, assess, record, report and manage weaknesses or gaps in controls; • Risk in Change process to effectively understand and manage the risks from changes to the business through projects or initiatives; • Establishment of Key Risk Indicators to monitor movements in risk exposures over time; and • Assurance undertaken by Line 2 Risk teams to assess that operational risks are appropriately identified and managed across the Group.

Risk management framework (continued)

Description	Governing Policies and Key Management Committees	Key controls and risk mitigation strategies
Compliance risk		
Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss of reputation that the Group may incur as a result of its failure to comply with its obligations. The Group is exposed to compliance risk primarily through: • Laws, regulations, rules, licence conditions, and statements of regulatory policy; • Privacy laws and regulations regarding the collection, handling and protection of personal information of individuals; • Financial crime (regulation relating to Anti Money Laundering (AML), Counter Terrorism Financing (CTF), Anti-Bribery and Corruption, Anti Tax Evasion Facilitation and Sanctions); and • Poor conduct (product design and distribution, market conduct and employee misconduct).	**Governing Policies:** • Group Compliance Management Framework (CMF) and Policies • Group and BU Compliance Policies and Standards • Group Privacy Policy • AML/CTF Group Program • Anti-Bribery & Corruption Policy • Group Economic Trade Sanctions Policy • Code of Conduct • Product Development and Distribution Policy **Key Management Committee:** • Executive Financial Crime Risk Committee • Non-Financial Risk Committee • BU/SU Non-Financial Risk Committees	• Compliance and Privacy risk indicators included in the Group RAS; • Mandatory online Compliance and Privacy training for all employees; • Regulatory change management to establish compliant business practices; • Maintenance of obligation registers; • Compliance and Privacy risk profiling through the RCSA process; • Group-wide minimum standards in key compliance areas; • Co-operative and transparent relationships with regulators; • Board and management governance and reporting; • Pre-employment due diligence on the Group's employees and enhanced screening for high risk roles; • Training and awareness sessions to staff highlighting the community impact of financial crime and the Group's role to detect, deter and disrupt money laundering, terrorist financing and other serious crime; • Customer on-boarding processes to meet AML/CTF identification and screening requirements; • Ongoing customer due diligence to ensure information the Group maintains on customers is accurate; • Risk assessments of customers, products and channels to ensure the Group understands the money laundering and terrorist financing risks; • Enhanced customer due diligence on high risk segments; • Monitoring customer payments, trade and all transactions to manage the AML/CTF and sanctions risks identified; • Undertake statutory reporting requirements including International Funds Transfer Instructions, Threshold Transaction Reports and Suspicious Matter Reports; • Controls to prevent corruption of public officials and private sector individuals by employees, representatives, suppliers or third party agents, including disclosure and approval of gifts and entertainment, charitable donations and sponsorships; • Controls to prevent the facilitation of tax evasion by employees, representatives and other third parties who are Associated Persons of the Group, including risk assessments (third party, product/channel and enterprise-wide risk assessment), employee due diligence and ongoing staff training and awareness; • Conduct Risk strategy and Code of Conduct, supported by mandatory training for all staff; • Ongoing Conduct Risk profiling, including use of the Conduct Risk Steward Guides and controls taxonomy to manage and address Conduct Risks; • Measurement and governance of Conduct Risk exposures through RAS metrics and NFRC/Board reporting; • Assurance and monitoring to better identify Conduct Risk Exposures and control weaknesses; • Enhancement of Code of Conduct related policies with changes in understanding of conduct obligations and expectations; and • Consistently applying the Code of Conduct and the 'Should We?' test to deliver the right outcome for customers.

Risk management framework (continued)

Description	Governing Policies and Key Management Committees	Key controls and risk mitigation strategies
Strategic risk		
Strategic risk is the risk of material stakeholder value destruction or less than planned value creation. The strategic risk type also includes the following sub-risk types that support or drive strategic decisions but are managed more routinely through their own dedicated governance, policies and procedures, infrastructure and teams: • **Capital Adequacy Risk**: Inability to capitalise on strategic opportunities or withstand extreme events due to insufficient or inefficient use of capital. • **Capability and Culture Risk**: Inability to execute effectively on strategy due to inadequate organisational skills and capabilities and a misaligned organisational culture. • **Environmental & Social Risk:** Not understanding or failing to take appropriate action to mitigate the impacts of the physical and transition risks related to climate change and nature loss; or from practices that result in negative social impacts. • **Reputation Risk**: Business practices, behaviours or events negatively impact the Group's reputation. • **Investment Allocation and Delivery Risk**: Expected outcomes not achieved or missed strategic opportunities due to variations in the delivery (scope, timing and quality) of change initiatives.	**Governing Policies:** • Group Strategic Risk Management Policy • Stress Testing Policy • Risk Adjusted Performance Measurement Policy • Group Remuneration Policy • Group Environmental & Social Policy • Group Continuous Disclosure Policy • Group Public Disclosure of Prudential Information Policy • Group External Engagement and Communication Policy • Group Policy on Publicly Issued Documents and Marketing Materials • Group Delivery Framework and Policy **Key Management Committee:** • Executive Leadership Team (ELT) • ELT Environmental & Social Committee • Asset and Liability Committee (ALCO) • Non-Financial Risk Committee • ELT Risk and Remuneration Review Committee (RRRC)	**Strategic Risk Management Framework** The Strategic Risk Management Framework considers the impact to the Group's strategy of dynamically evolving material current and emerging risks arising from changes in areas such as: the competitive landscape, emerging technologies, macroeconomic conditions, the regulatory and political environment, and changes in social expectations. The Group assesses, monitors and responds to strategic risk throughout its processes of: • Strategy development, approval and review; • Identifying and monitoring changes and potential changes to the operating environment; and • Monitoring execution progress of strategies. **Capital Adequacy Risk** • Capital advice for projects and funding deals; • Dividend decision and management processes; • Capital monitoring, reporting and forecasting; • Internal Capital Adequacy Assessment Process (ICAAP); • Group, portfolio and risk type stress testing; and • Ratings agency interactions. **Capability and Culture Risk** • Talent acquisition processes; • Leadership development initiatives; • Organisational culture development initiatives; • Performance and remuneration processes; • Inclusion & Diversity initiatives; • Capability development and training; • Accountability frameworks; and • Strategic Workforce Planning. **Environmental & Social Risk** • Defined E&S Risk Indicators in the Group RAS; • Target financed emissions Glidepaths for priority sectors; • Scenario analyses and stress testing to understand the physical and transition risks of climate change; • E&S Risk embedded in the Group and BUs/SUs business profiles; • Client and supplier E&S due diligence process; • Development of new pilot products and services that support reduced emissions; • Environmental, Social & Governance (ESG) lending tool applied to certain lending decisions; • Corporate Responsibility programs; and • Supplier Code of Conduct to ensure adherence to CBA's Environmental & Social (E&S) standards. **Reputation Risk** • Media management, marketing and branding standards, processes and protocols; • Community investment initiatives; • Government and political affairs protocols; and • Strategic decisions to address actual or perceived material conduct risks. **Investment Allocation and Delivery Risk** • Group and BU Change Investment Process; • Group Delivery Framework development and maintenance; and • Project / program reporting and governance.

Cross-Border Outstandings

Cross-border outstandings are based on the country of domicile of the borrower or guarantor of the ultimate risk. Outstandings include loans, acceptances and other monetary assets. Local currency activities with local residents by foreign branches and controlled entities of the Group are excluded. Mark-to-market derivative exposures (which are a subset of other monetary assets) are included in outstandings by the country of the borrower's domicile irrespective of currency.

CBA's cross-border outstandings to borrowers in countries that individually exceeded 0.75% of Group total assets as at 30 June 2023 and 30 June 2022 respectively are as follows:

	As at 30 June 2023				
	Government and Official Institutions	Banks	Other (primarily Commercial and Industrial)	Total	% of Group Total Assets
	$M	$M	$M	$M	%
United States	6,240	1,801	13,642	21,683	1. 73

	As at 30 June 2022				
	Government and Official Institutions	Banks	Other (primarily Commercial and Industrial)	Total	% of Group Total Assets
	$M	$M	$M	$M	%
United States	6,631	3,047	14,981	24,659	2. 03

Other Information (continued)

Off-Balance Sheet Arrangements

The Group is a full service financial institution that offers a range of On-Balance Sheet and Off-Balance Sheet arrangements and commitments to customers in the normal course of business. In addition, the Group has a number of other arrangements that form part of its day-to-day business operations. Such activities include traditional Off-Balance Sheet credit risk related instruments, lease commitments, long-term debt issues, provision of liquidity facilities to securitisation programs and other contractual arrangements. These transactions combine varying levels of credit, interest rate, foreign exchange and liquidity risk. Risk concentrations are managed by a combination of risk policies which limit exposures to individual counterparties, countries, industries, markets and liquidity risk.

Consolidated Structured Entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Group's power over the activities of the entity and its exposure to and ability to influence its own returns, it may consolidate the entity. In other cases, it may sponsor or have exposure to such an entity but not consolidate it.

The Group exercises judgement at inception and periodically thereafter, to assess whether that 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 predominately required for the Group's securitisation program, structured transactions and involvement with investment funds.

Special Purpose Entities

The Group enters into transactions in the normal course of business that transfers financial assets to counterparties or Special Purpose Vehicles (SPVs). Transferred financial assets that do not qualify for derecognition are typically associated with repurchase agreements and our covered bonds and securitisation programs.

Securitisation Programmes

The Group pools and equitably assigns residential mortgages as securities to investors through a series of wholly controlled securitisation vehicles. Where the Group retains substantially all of the risks and rewards associated with the mortgages, it continues to recognise the mortgages on the Balance Sheet. The Group is entitled to any residual income of the securitisation programs after all payments due to investors have been met, where the Group is the income unitholder. The investors have recourse only to the pool of mortgages in the SPV they have invested in.

Covered Bonds Programs

To complement existing wholesale funding sources, the Group has established two global covered bond programmes for the Bank and ASB. Certain residential mortgages have been assigned to SPV's associated with covered bond programs to provide security on the payments to investors. The Group is entitled to any residual income after all payments due to covered bond investors have been met. As the Group retains substantially all of the risks and rewards associated with the mortgages, it continues to recognise the mortgages on the Balance Sheet. The covered investors have dual recourse to the Bank and the covered pool assets.

For further information on the Group's exposures to unconsolidated structured entities, refer to Note 4.5 and Note 11.1 of the 2023 Financial Report.

	Full Year Ended		
Group Arrangements with Issuers	**2023 $M**	2022 $M	2021 $M
Liquidity facilities available to Issuers [1]	**6,783**	4,768	5,395

1 Relates to undrawn facilities to unconsolidated Residential Mortgage-backed Securities, Asset-backed Securities and other financing entities.

Off-Balance Sheet Arrangements (continued)

Credit Risk Related Instruments

Details of contingent liabilities and off Balance Sheet instruments are presented below and on page 120, in relation to legal proceedings and investigations. 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.

Details of contingent liabilities and Off-Balance Sheet instruments are set out in Note 12.1 of the 2023 Financial Report - Contingent liabilities, contingent assets and commitments arising from the banking business.

	Group					
	Face Value			Credit Equivalent		
Credit risk related instruments	**2023 $M**	2022 [1] $M	2021 $M	**2023 $M**	2022 [1] $M	2021 $M
Financial guarantees	**4,098**	3,562	5,909	**3,553**	3,336	3,982
Performance related contingencies	**12,722**	11,139	5,401	**7,011**	6,732	2,700
Commitments to provide credit	**188,830**	184,942	187,572	**144,347**	171,043	176,397
Other commitments	**3,334**	887	1,639	**2,058**	882	1,631
Total credit risk related instruments	**208,984**	200,530	200,521	**156,969**	181,993	184,710

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

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.

Performance-related contingencies are undertakings that oblige the Group to pay third parties should a customer fail to fulfil a contractual non-monetary obligation.

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. As facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements.

Other commitments to provide credit include commitments with certain drawdowns, standby letters of credit and bill endorsements.

Refer to Note 12.1 to the 2023 Financial Report -Contingent Liabilities, Contingent Assets and Commitments arising from the banking business.

The carrying value for Off-Balance Sheet instruments is set out in the below table.

	Carrying Value		
	2023 $M	2022 $M	2021 $M
Total provisions for off balance sheet instruments	**159**	117	111

Securitisation of Assets

The Group conducts a Loan Securitisation program as described under "Special Purpose Entities" on page 109 of this Document.

The outstanding balance of securitised loans at 30 June 2023 was $7,889 million (2022: $8,144 million).

Liquidity facilities are disclosed in Note 9.4 of the 2023 Financial Report. These commitments are considered minor in the totality of the Group's business.

For further information on the Group's securitisation activities refer to Note 4.5 and Note 11.1 of the 2023 Financial Report.

Off-Balance Sheet Arrangements (continued)

Monetary liabilities

The Group also has various monetary contractual liabilities. Refer to Note 9.4 of the 2023 Financial Report for the maturity distribution of these monetary contractual liabilities.

Services Agreements

The maximum contingent liability for termination benefits in respect of service agreements with the Chief Executive Officer and other Group Key Management Personnel at 30 June 2023 was $1,873,998 (2022: $1,867,840).

Transactions in Own Shares

The Group had the following employee share plans in place during the year ended 30 June 2023:

- Employee Share Acquisition Plan (“ESAP”);
- International Employee Share Acquisition Plan (“IESAP”);
- Employee Salary Sacrifice Share Plan (“ESSSP”);
- Employee Equity Plan (“EEP”); and
- Non-Executive Directors Share Plan (“NEDSP”).

For further information regarding compensation arrangements and agreements with Group Key Management Personnel, see the Remuneration Report in the 2023 Financial Report.

Other information (continued)

Description of Business Environment

Our Purpose

Our purpose – building a brighter future for all – reflects the role we seek to play for our customers and communities, and the impact we can make in people's lives. Our purpose conveys our fundamental optimism for the future and the role we play in supporting economic growth, contributing to Australia's prosperity, and helping customers achieve their financial goals.

Our strategic priorities

Our strategy to build tomorrow's bank today for our customers is centred on improving customers' experience and solving their unmet needs. We have continued to execute our strategy which has four strategic priorities:

- Leadership in Australia's recovery and transition;
- Reimagined products and services;
- Global best digital experiences and technology; and
- Simpler, better foundations.

Our purpose	**Building a brighter future for all**			
Our priorities	**Leadership in Australia's recovery and transition**	**Reimagined products and services**	**Global best digital experiences and technology**	**Simpler, better foundations**
	Extend retail and business banking leadership	Reimagine priority customer journeys	Deliver the best integrated digital experiences	Fix customer breakpoints
	Help build Australia's future economy	Differentiate our customer proposition	Build world-class engineering capability	Deliver better customer outcomes through leading risk management
	Lead in the support we provide to customers and communities	Connect to external services and build new ventures	Modernise systems and digitise end-to-end	Reduce operating costs and manage capital with discipline

Our culture	**Care**	**Courage**	**Commitment**
	We care about our customers and each other – we serve with humility and transparency	We have the courage to step in, speak up and lead by example	We are unwavering in our commitment – we do what's right and we work together to get things done

Leadership in Australia's recovery and transition

At a time when many are feeling the strain of higher interest rates and the rising cost of living, we remain committed to supporting our customers financially impacted by the current environment.

We proactively contacted customers whose fixed-rate home loans were maturing to discuss their needs and help them understand their options. We also increased interest rates across a number of our savings products and helped customers better manage their finances through tips and guidance, as well as budgeting and spending tools in the CommBank app.

The Bank's strategic investments in business banking over the past three years have resulted in strong customer engagement, deepening relationships and earnings growth. Our business banking approach is relationship-led with business transaction accounts and payments at the centre of that relationship. From these relationships, we gain unique customer insights and can build deeper customer relationships through our product and service offerings.

We remain committed to helping Australia transition to a more digital, resilient and sustainable economy. We do this by lending to support the transformation of industries, as well as to support key sectors like agriculture, manufacturing, transport, healthcare, retail and wholesale trade. We also provide a range of innovative products, services and solutions that incentivise our customers to make more environmentally sustainable choices.

Reimagined products and services

A key differentiator and core strength of CBA is our deep customer relationships. We continually look to strengthen these relationships, by reimagining banking to deliver superior and more personalised customer experiences.

The CommBank app is central to our customer approach. Harnessing bank data and insights on what customers want from a digital banking experience, this year we released CommBank app 5.0 which provides dynamic navigation, more personalisation and further integration with CommSec and business banking.

We are continuing our investment in technology to protect our customers, as well as providing the tools and resources to empower Australians to stay safe online. This year we launched a new app feature, CallerCheck, which allows customers to verify whether a caller claiming to be from CBA is legitimate. By triggering a security message, customers can confirm who is calling them and quickly identify themselves before sharing sensitive information.

We also introduced NameCheck, which uses AI to search account details and check if the customer is paying the intended recipient, helping reduce false billing scams and mistaken payments. Since launch, NameCheck has prevented over $11 million in mistaken payments. The NameCheck capability will be offered to government organisations and other trusted partners to support a broader national approach to combat scams and fraud.

Description of Business Environment (continued)

Global best digital experiences and technology

We are using data, AI, technology and world-class engineering to enable better personalisation and provide a differentiated customer proposition.

Over the last year, we have leveraged our AI capabilities to enhance scams and fraud detection and prevention – improving our detection of card-not-present fraud by 35%.

CBA's technology capabilities facilitate the delivery of our strategy by driving velocity, availability, efficiency and security. We are continuously improving how we work to deliver improved products and services better and faster, while being supported by modern technology and infrastructure.

Above all else, the security of our systems and data is integral to delivering on our promises. System resilience is central to retaining our customer's trust and we continue to focus on ensuring our systems operate securely and seamlessly.

Simpler, better foundations

We are focused on making it easier for our customers and people to get things done, while keeping the bank strong and safe.

Our customers' expectations continue to evolve, so it's crucial that we not only get the basics right, but we deliver a seamless end-to-end experience by identifying and fixing complex or time consuming operational processes. This may include reducing work rates, improving time-to-decision or simplifying policies and processes.

We manage the organisation conservatively to ensure that we are well prepared for a wide range of economic scenarios to support the Australian and New Zealand economy, and our customers and communities.

Our approach to managing credit, interest rate, funding and liquidity risks – and our continued balance sheet strength and capital position – creates flexibility to provide support and manage potential economic headwinds. We remain focused on maintaining capital and pricing discipline, while looking to reduce costs where possible and optimise growth, reinvestment and returns.

Our culture

Our values – Care, Courage and Commitment – are our cultural foundation. We want our culture to instil the right behaviours and actions, allow reflection and encourage constructive challenge.

This year, we prioritised strengthening mindsets, behaviours, processes and practices that put our customers at the centre of everything we do. To create a strong culture, we recognise that change needs to occur simultaneously at three levels: organisational (ways of working, systems and structures), team (practices and social norms), and individual (mindsets and behaviours).

Our Organisational Culture Plan harnesses programs of work to drive culture change, including risk culture, at all three levels. These include making it easier for our people to deliver the highest impact work for our customers, by supporting all teams to understand the impact of their work on our customers' experience.

Our Leadership Principles are a key element of our culture plan, describing both what to prioritise and what is required to lead successfully at CBA:

- Obsess over customers;
- Lead as an owner;
- Be curious and humble; and
- Create exceptional teams.

History and Ownership

Commonwealth Bank of Australia was incorporated as a public company on 17 April 1991 in the Australian Capital Territory after being established in 1911 by a Commonwealth Act of Parliament. Commonwealth Bank is governed by, and operates in accordance with, its Constitution, the Corporations Act and the Listing Rules of the Australian Securities Exchange (which constitute the corporate governance regime of Australia), and certain provisions of the Commonwealth Banks Act 1959 of the Commonwealth of Australia.

The Commonwealth Bank was fully privatised in three stages from July 1991 to July 1996.

On 13 June 2000, Commonwealth Bank and Colonial Limited completed their merger.

On 22 August 2000, Commonwealth Bank purchased the 25 percent non-controlling interest in ASB Holdings Limited in New Zealand giving Commonwealth Bank a 100 percent interest in ASB Bank Limited and its subsidiaries

Other information (continued)

Description of Business Environment (continued)

Australia

Australia has an open, market-based economy. The financial sector plays a vital role in supporting the Australian economy to facilitate sustainable growth in the economy by meeting the financial needs of its users.

Financial Services

Australia has a sophisticated financial services sector with financial services providers offering a wide range of products and services across retail, business and institutional banking, funds management, insurance, risk management and equities trading. The Australian financial system consists of the arrangements covering the borrowing and lending of funds and the transfer of ownership of financial claims in Australia, comprising:

- Authorised Deposit-taking Institutions (“ADIs”) or financial institutions, comprising banks, credit unions and building societies;
- Financial markets – debt, equity and derivative markets; and
- Payment systems – cash, cheques, electronic payments, funds transfers settlements and other high-value payment systems.

New Zealand

The Group's banking activities in New Zealand are conducted by ASB Bank and also by the New Zealand branch of CBA.

Competition

Competitive Landscape

The Australian domestic competitive landscape includes four large domestic banks, mid-tier banks, non-bank financial institutions, foreign banks, investment banks, fund managers, insurance companies, brokers and third party distributors.

The four largest domestic banks in the sector are the Australian banks ANZ, CBA, NAB and Westpac. The major Australian banks are known as the "big four" and are referred to as the pillars of Australia's financial system. The Government's Four Pillars Policy prohibits mergers between the big four. The major Australian banks each offer a full range of financial products and services through branch networks, digital channels and third party intermediaries across Australia. Other participants in the financial services industry offer focused products and services or service specific customer segments.

Technology is providing opportunities for both new entrants and existing participants. However the major Australian banks invest extensively in customer-focused innovation that brings together technology and services that aim to exceed customer expectations. This also increases efficiency in the Australian banking system.

Financial Strength

Our expertise in financial and risk management ensures we continue to support individuals, businesses, our shareholders, and the communities in which we operate.

We strive to build and defend a strong and dependable franchise, and closely manage the business for superior financial and operational outcomes. As at 30 June 2023, we are one of the largest companies (by market capitalisation) on the ASX.

We aim to provide our shareholders with stable returns, which are achieved through a resilient balance sheet and rigorous management of capital, funding and liquidity levels. As one of Australia’s largest employers and corporate taxpayers, and with Australians owning nearly 80% of the Bank, we are proud of the contribution we make to the Australian economy.

Description of Business Environment (continued)

Financial System Regulation in Australia

The main regulators of financial services in Australia are the RBA, APRA, ASIC, AUSTRAC, Australian Financial Complaints Authority ("AFCA"), the Office of the Australian Information Commissioner ("OAIC"), and Australian Competition and Consumer Commission ("ACCC") .

Each agency has system-wide responsibilities for the different objectives of government oversight of the financial system. A description of these agencies and their general responsibilities and functions is set out below.

The RBA is responsible for monetary policy, financial system stability and regulation of the payments system.

APRA has responsibility for the prudential supervision of banks, building societies and credit unions, private health, life and general insurance companies, friendly societies, private health insurers, reinsurance companies and superannuation funds (pension funds). Unless an institution is authorised under the Banking Act or exempted by APRA, it is prohibited from engaging in the general business of deposit-taking. Under the legislation that APRA administers, it is responsible for protecting the interests of depositors, policyholders and superannuation fund members.

ASIC is Australia's integrated corporate, markets, financial services and consumer credit regulator, and carries out most of its work under the Corporations Act. ASIC's role is to maintain, facilitate and improve the performance of the financial system and entities in it; promote confident and informed participation by investors and consumers in the financial system; administer the law effectively and with minimal procedural requirements; receive, process and store, efficiently and quickly, information received; make information about companies and other bodies available to the public as soon as practicable; and take whatever action they can, and which is necessary, to enforce and give effect to the law.

AUSTRAC (Australian Transaction Reports and Analysis Centre) is the Australian Government agency responsible for preventing, detecting and responding to criminal abuse of the financial system to protect the community from serious and organised crime. It has a dual function as Australia's financial intelligence agency and anti-money laundering and counter-terrorism financing regulator.

The Australian Financial Complaints Authority or AFCA was founded in November 2018, and acts as an external dispute resolution scheme for consumers who are unable to resolve complaints with member financial services organisations. AFCA has a broad membership including Australian banks, insurers, credit providers, financial advisers and planners, debt collection agencies, superannuation members and other businesses that provide financial products and services. Determinations made by AFCA are binding on institutions.

The OAIC (Office of the Australian Information Commission) primary functions are privacy, freedom of information and government information policy. They regulate and enforce the Privacy Act 1988, the principal piece of Australian federal privacy legislation. Among other things, the Privacy Act regulates how an individual's personal information is collected, used, disclosed and secured. The OAIC also co-regulates the Consumer Data Right scheme with the ACCC.

The ACCC promotes competition and fair trade to benefit consumers, business and the community through the administration of the Competition and Consumer Protection Act 2010.

Description of Business Environment (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 ("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 retail deposits. As the New York Branch does not accept retail deposits (although it does accept institutional and corporate deposits), the New York Branch is not subject to the supervision of the Federal Deposit Insurance Corporation ("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 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 in the derivatives markets. We are a provisionally registered swap dealer under the U.S. Commodity Exchange Act and Commodity Futures Trading Commission ("CFTC") regulations. Although we are not a registered security-based swap dealer with the U.S. Securities and Exchange Commission ("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 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.

In 2020, the CFTC adopted rules regarding cross-border transactions which, among other things, permit "substituted compliance" by swap dealers located in non-U.S. jurisdictions with regulatory schemes determined by the CFTC to be comparable to its own. The CFTC has previously made such a determination with respect to certain aspects of Australian law and regulation pursuant to guidance issued by the CFTC prior to its adoption of the cross-border rules, and that determination remains in effect under the new rules. 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.

Description of Business Environment (continued)

Financial System Regulation in the United States (continued)

As we are a 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.

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. In October 2019, the FRB and the FDIC issued final rules that apply tailored requirements on resolution planning and modify the enhanced prudential standards applicable to foreign banking organizations, depending on the size of their U.S. operations and their risk profile. Under the final rules, we continue to be a triennial reduced filer as of June 30, 2023. 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 ("CAS"). CAS is a broker-dealer licensed by the SEC and supervised by the SEC and the Financial Industry Regulatory Authority ("FINRA"). CAS 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 CAS, including record-keeping, transaction and communications monitoring, supervision of CAS staff, internal policies and procedures, and many others that govern the day-to-day business of CAS. CAS 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 Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act") substantially broadened 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 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.

Description of Business Environment (continued)

Financial System Regulation in the United States (continued)

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.

Description of Business Environment (continued)

Supervisory Arrangements

The Bank is an ADI under the Banking Act and is subject to prudential regulation by APRA.

In carrying out its prudential responsibilities, APRA closely monitors the operations of banks to ensure that they operate within the prudential framework and that sound management practices are followed.

APRA's broader supervision program includes a combination of on-site thematic reviews, regular engagement with the Board and senior management of individual institutions, prudential consultations and reviews of regular statistical returns reported by individual institutions.

In addition, APRA has established arrangements under which each bank's external auditor reports to APRA regarding observance of Prudential Standards and other supervisory requirements.

The prudential framework applied by APRA is embodied in a series of Prudential Standards and other requirements including:

(i) Capital, Funding and Liquidity

The Group is predominantly accredited to use the Advanced Internal Ratings Based ("AIRB") approach for credit risk and adopted APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk for operational risk effective from 1 January 2023. Prior to this date, the Group applied the Advanced Measurement Approach ("AMA") for operational risk. The Group is also required to assess its traded market risk and IRRBB requirements under Pillar 1 of the Basel capital framework.

From 1 January 2023, APRA implemented its revisions to the ADI capital framework. The objectives of these revisions are to increase the risk sensitivity within the capital framework, to enhance the ability of ADIs to respond flexibly to future stress events, and to improve the comparability of the Australian framework with international standards.

Details of the Group's regulatory capital position and capital management activities are disclosed in Note 8.1 of the 2023 Financial Report and page 63 of this Document.

APRA's prudential guidance for liquidity risk management requires ADIs to maintain a liquidity risk management policy, governance and management framework and funding strategy that complies with the requirement to prudently manage all liquidity risks. The Group's liquidity risk management policy requires an appropriate level of high quality liquid assets be held to support cash outflows in both business as usual and stress conditions.

The Group maintains a portfolio of highly liquid assets to meet liquidity requirements under a range of market conditions. The liquid asset portfolio includes cash and liquid assets, including government and Australian semi-government securities, meeting APRA's high quality liquid asset definition, and other assets which are repo-eligible with the RBA.

The Group has been required to meet a LCR ("Liquidity Coverage Ratio") since 1 January 2015 and revised definitions of eligible High Quality Liquid Asset holding requirements within these changes.

Additionally, the Net Stable Funding Ratio ("NSFR") was introduced on 1 January 2018. This ratio is designed to encourage stable funding of core assets by applying prescribed factors to determine the stable funding requirement of assets and the stability of sources of funding.

More details on the Group's liquidity and funding risks are provided in Note 9.4 of the 2023 Financial Report.

(ii) Large Exposures

APRA requires banks to ensure that, other than in exceptional circumstances, exposures to a counterparty or a group of connected counterparties do not exceed 25% of the bank's Tier 1 Capital, except (i) exposures to foreign governments or central banks that receive a zero percent risk weight, which must not exceed 50% of the bank's Tier 1 Capital and (ii) domestic systemically important banks which are restricted to 20% of the bank's Tier 1 Capital. Prior approval must be obtained from APRA if a bank intends to exceed these thresholds. For information on the Group's large exposures refer to Note 9.2 of the 2023 Financial Report.

(iii) Ownership and Control

In pursuit of transparency and risk minimisation, the Financial Sector (Shareholdings) Act 1998 embodies the principle that regulated financial institutions should maintain widespread ownership. The Act applies a common 20% shareholding limit for ADIs, authorised insurance companies and their respective holding companies.

The Commonwealth Treasurer has the power to approve acquisitions of a stake of more than 20% in Australian financial sector companies. The Treasurer may also delegate approval powers to APRA where one financial institution seeks to acquire another.

The Government's present policy is that mergers among the four major banks will not be permitted until the Government is satisfied that competition from new and established participants in the financial industry has increased sufficiently.

Proposals for foreign acquisition of Australian banks are subject to approval by the Treasurer under the Foreign Acquisitions and Takeovers Act 1975.

(iv) Banks' Association with Related Entities

There are formal guidelines (including maximum exposure limits) that control investments and dealings with subsidiaries and associates. Effective from 1 January 2022, an Australian ADI's exposures to individual related ADI or regulated entity are limited to 25% of Level 1 Tier 1 capital (previously 50% of Level 1 Total Capital), whilst exposures to individual unregulated entity are limited to 15% of Level 1 Tier 1 capital (previously 15% of Level 1 Total Capital). On an aggregate basis, exposures to all related ADIs and all other related entities are limited to 75% and 35% of Level 1 Tier 1 Capital, respectively (previously 150% and 35% of Level 1 Total Capital).

(v) Fit and Proper and Governance

ADIs are subject to APRA's "Fit and Proper" and "Governance" Prudential Standards. ADIs are required to maintain a board approved Fit and Proper policy relating to the fitness and propriety of their responsible persons, which include the Directors and designated members of senior management. ADIs also have to comply with APRA's "Governance" Prudential Standard, which sets out requirements for board size and composition, independence of directors, remuneration policy and other governance matters.

Description of Business Environment (continued)

Legal Proceedings and Investigations

Other than as disclosed elsewhere in this Document, the Group is not engaged in any litigation or claim which is likely to have an adverse effect on the Group's business, reputation, results of operations or financial condition.

Provisions have been recognised by the Group where the criteria outlined in the accounting policy section of Note 7.1 of the 2023 Financial Report is 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.

Litigation

Bankwest class action

In 2016, class action proceedings were filed against CBA in the Supreme Court of NSW. The plaintiffs allege that in the period from 19 December 2008 to 1 October 2012, following the acquisition of Bankwest from HBOS in 2008, Bankwest implemented a system (involving a review of loan files) to enable it to identify, remove and write-off commercial loans, notwithstanding that the loans were performing loans at the time. This is alleged to have amounted to unconscionable conduct and breach of contract (including of the Code of Banking Practice).

Following a mediation in March 2023, a settlement was reached with no admissions as to liability. The settlement is subject to Court approval. The Group has provided for the legal costs expected to be incurred in this matter. The Group does not expect to incur a loss as a result of the settlement.

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, 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).

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 is 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. The two class actions are being case managed together, with a single harmonised statement of claim. CBA denies the allegations made against it, and is defending the proceedings. A trial took place in November and December 2022 and judgement is reserved. It is currently not possible to determine the ultimate impact of these claims, if any, on the Group.

Superannuation class actions

The Group is also defending two class actions in relation to superannuation products and has reached a settlement which is subject to Court approval for a third superannuation class action.

On 9 October 2018, a class action was filed against Colonial First State Investments Limited (CFSIL) and CBA in the Federal Court of Australia. 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 that 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 Court has ordered that mediation occur by 14 June 2024.

On 18 October 2019, a second class action was commenced against CFSIL in the Federal Court of Australia. The claim relates to certain fees charged to members of the FirstChoice Fund. It is 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 denies the allegations and was defending the proceedings. Following a mediation in June 2023, a settlement was reached with no admissions as to liability. The settlement is subject to Court approval.

On 22 January 2020, a further class action was filed against CFSIL and The Colonial Mutual Life Assurance Society Limited (CMLA) in the Federal Court of Australia. On 22 October 2021, AIA Australia Limited (AIAA), who 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. The Court has ordered that mediation occur by 6 December 2023.

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.

Description of Business Environment (continued)

Advice class actions

On 21 August 2020, a class action was filed in the Federal Court of Australia against Commonwealth Financial Planning Limited (CFP), FWL and CMLA. The claim relates to certain CommInsure (CMLA) life insurance policies recommended by financial advisers appointed by CFP and FWL during the period from 21 August 2014 to 21 August 2020. On 16 November 2021, AIAA (who 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.

On 24 August 2020, a class action was commenced against Count Financial Limited (Count) in the Federal Court of Australia. The proceeding relates to commissions paid to Count and its authorised representative financial advisers in respect of financial products (including insurance) and certain obligations of its financial advisers to provide ongoing advice in the period from 21 August 2014 to 21 August 2020. The claim also includes allegations (related to the receipt of commissions) that Count engaged in misleading or deceptive conduct, and that Count and its authorised representatives breached fiduciary duties owed to the applicant and group members. The claim seeks compensation and damages from Count, including any profits resulting from the contraventions. A trial date is fixed for March 2024.

Count was a wholly owned subsidiary of CBA until 1 October 2019, when it was acquired by CountPlus Limited. CBA has assumed the conduct of the defence in this matter on Count's behalf. Count denies the allegations made against it and is defending the proceedings.

It is currently not possible to determine the ultimate impact of these claims, if any, on the Group. The Group has provided for legal costs expected to be incurred in the defence of these claims.

Consumer credit insurance (CCI) class action

On 10 June 2020, a class action was commenced against CBA and CMLA in the Federal Court of Australia. The claim relates to consumer credit insurance for credit cards and personal loans that was sold between 1 January 2010 and 7 March 2018. On 1 April 2022, AIAA (who from 1 April 2021 was liable for and assumed certain liabilities of CMLA under the Part 9 Scheme) was joined as a third respondent to the class action. The class action alleges that CBA and CMLA engaged in unconscionable and misleading or deceptive conduct, failed to act in the best interests of customers and provided them with inappropriate advice. In particular, it is alleged that some customers were excluded from claiming certain benefits under the policies and the insurance was therefore unsuitable or of no value. Allegations are also made in relation to the manner in which the insurance was sold. CBA, CMLA and AIAA deny the allegations.

On 18 October 2022, the parties attended a Court ordered mediation following which they entered into a settlement agreement to resolve the proceedings. The settlement was made without admission of liability and is subject to Court approval. The Court approval hearing took place on 4 August 2023 and the Court indicated an intention to approve the settlement, subject to the provision of some additional evidence by the Applicant.

The Group has provided for the legal costs expected to be incurred in this matter and the agreed settlement amount.

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. These proceedings relate to ASB's compliance with parts of the Credit Contracts and Consumer Finance Act 2003 (CCCFA) which requires variation disclosure to be issued when customers and ASB make agreed changes to loan agreements captured under the CCCFA.

On 11 and 12 July 2023, 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. Following the identification of a procedural issue, a re-hearing of that appeal has subsequently been ordered by the Court and is awaiting scheduling.

The plaintiffs' proposed 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 Courts before, the size of the proposed class is unknown. However, the proposed class and the allegations made in the proceedings would potentially cover hundreds of thousands of loans. ASB is appealing the lower court's decision and does not consider that this is an appropriate case to proceed as an opt-out representative proceeding.

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. The Group has provided for legal costs expected to be incurred in the defence of this claim.

Description of Business Environment (continued)

Regulatory enforcement proceedings

Commonwealth Essential Super proceedings

On 22 June 2020, the Australian Securities and Investments Commission (ASIC) commenced civil penalty proceedings against CFSIL and CBA in the Federal Court of Australia for alleged contraventions of the conflicted remuneration provisions in the Corporations Act relating to the arrangement between CFSIL and CBA for the distribution of Commonwealth Essential Super. Commonwealth Essential Super is a MySuper product and was issued by CFSIL.

CBA and CFSIL deny the allegations and are defending the proceedings. On 29 September 2022, the Federal Court of Australia dismissed ASIC's proceedings, finding that the payments made under the distribution arrangement were not conflicted remuneration. ASIC appealed the Federal Court's decision to dismiss the proceedings. On 17 August 2023, that appeal was dismissed by the Full Court.

It is currently not possible to determine the ultimate impact of this claim, if any, on the Group.

Fair Work Ombudsman (FWO) proceedings

In October 2021, the Fair Work Ombudsman (FWO) commenced civil penalty proceedings in the Federal Court of Australia against CBA and CommSec, alleging contraventions of the Fair Work Act 2009 (Cth) (Fair Work Act), and of the Group's 2014 and 2016 enterprise agreements. The proceedings follow an investigation by FWO of the Group's employee entitlement review (EER). CBA self-disclosed these matters in the EER to the FWO.

CBA and CommSec have cooperated fully with FWO and have entered into a statement of agreed facts and admissions with FWO. A hearing has been listed for 12 September 2023 to determine penalties. It is currently not possible to determine the ultimate impact of this claim on the Group. The Group has provided for legal costs expected to be incurred in relation to this matter and the potential penalty amount.

CBA's broad remediation review of employee entitlements for current and former employees is complete. Ongoing remediation will be carried out under "business as usual" processes.

Long Service Leave (LSL) proceedings

In August 2022, the Wage Inspectorate Victoria commenced criminal proceedings against each of CommSec and BWA Group Services Pty Ltd (BWA) in the Magistrates' Court of Victoria. The proceedings relate to alleged underpayments of approximately $70,000 in long service leave (LSL) entitlements for 20 former employees of those entities (8 CommSec and 12 BWA), and alleged non-compliance with a regulatory notice. LSL underpayments are included in the Group's EER described above. It is currently not possible to determine the ultimate impact of this claim on the Group.

Ongoing regulatory investigations and reviews

The Group undertakes ongoing compliance activities, including breach reporting, reviews of products, advice, conduct and services provided to customers, as well as interest, fees and premiums charged. Some of these activities have resulted in remediation programs and where required the Group consults with the relevant regulator 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 regulators are investigating whether CBA or a Group entity has breached laws or regulatory obligations. Where a breach has occurred, regulators may impose, or apply to a Court for, fines and/or other sanctions. These matters include investigations of a number of issues which were notified to, or identified by, regulators.

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.

Description of Business Environment (continued)

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.

Prudential inquiry into CBA and enforceable undertaking to APRA

On 28 August 2017, APRA announced it would establish an independent prudential inquiry (the Inquiry) into the Group focusing on the governance, culture and accountability frameworks and practices within the Group. The final report of the Inquiry was released on 1 May 2018 (the Final Report). The Final Report made a number of findings regarding the complex interplay of organisational and cultural factors within the Group and the need for enhanced management of non-financial risks.

In response to the Final Report, the Group acknowledged that it would implement all of the recommendations and agreed to adjust its minimum operational risk capital requirements by an additional $1 billion (an impact to risk weighted assets of $12.5 billion) until such time as the recommendations are implemented to APRA's satisfaction. CBA entered into an EU under which CBA's remedial action (Remedial Action Plan) in response to the Final Report was agreed and monitored regularly by APRA.

On 20 November 2020, APRA reduced the operational risk capital overlay imposed on CBA from $1 billion to $500 million. Effective 30 September 2022, APRA announced CBA has met its obligations under the EU and released the remaining operational risk capital overlay of $500 million imposed on CBA. CBA is committed to ensuring the improvements made to governance, culture and accountabilities are continuously improved and sustained.

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 Anti-Money Laundering and Counter-Terrorism Financing Act (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 team and through the Program of Action with coverage across all aspects of financial crime (including AML/CTF, sanctions anti-bribery and corruption and tax evasion).

The Group provides updates to AUSTRAC on its Anti-Money Laundering and Counter-Terrorism Financing Program and related enhancements and remediation activities.

However, there is no assurance that AUSTRAC or the Group's other regulators will agree that the Group's enhancements to its financial crime compliance capabilities, including through the multi-year Program of Action, are adequate or will effectively enhance the Group's financial crime compliance programs across its business units and the jurisdictions in which it operates. Although the Group is not currently aware of any other enforcement action by other domestic or foreign regulators in respect of its financial crime compliance, the Group regularly engages with such regulators (including in respect of compliance matters) and there can be no assurance that the Group will not be subject to such enforcement actions in the future.

Enforceable undertaking to the Office of Australian Information Commissioner (OAIC)

In June 2019, the Australian Information and Privacy Commissioner (Commissioner) accepted an EU offered by CBA, which requires further enhancements to the management and retention of customer personal information within CBA and certain subsidiaries.

The EU follows CBA's work to address two incidents: one relating to the disposal by a third party of magnetic data tapes containing historical customer statements and the other relating to potential unauthorised internal user access to certain systems and applications containing customer personal information. CBA reported the incidents to the Commissioner in 2016 and 2018 respectively and has since addressed these incidents. CBA found no evidence that as a result of these incidents, its customers' personal information was compromised or that there have been any instances of unauthorised access by CBA employees or third parties.

CommSec Compliance Program

On 25 October 2022, the Federal Court of Australia handed down its decision in proceedings which ASIC commenced against Commonwealth Securities Limited (CommSec). CommSec did not defend the proceedings. In addition to ordering a penalty of $20 million, the Federal Court ordered CommSec to undertake a compliance program (the terms of which were agreed with ASIC at the commencement of proceedings). 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 and effectiveness of its systems and controls. The independent expert will conduct an initial review and CommSec is required to address any recommendations. The compliance program contemplates a potential further review by the independent expert of CommSec's response to the recommendations, depending on the outcome of the initial review.

Enforceable undertaking to the Australian Communications and Media Authority (ACMA)

In connection with breaches of certain provisions of the Spam Act 2003, CBA has paid ACMA a fine of $3.55 million and on 2 June 2023, entered into an EU with ACMA. The issues the subject of ACMA's investigation resulted in some customers receiving messages from CBA after they had unsubscribed and others receiving messages without a functioning unsubscribe mechanism. The three-year EU requires CBA to appoint an independent expert to review its current procedures, policies, training and systems relating to CBA's compliance with the Spam Act. CBA has committed to implementing the independent expert's recommendations, providing ongoing compliance reports to ACMA and training relevant personnel under the EU.

Description of Business Environment (continued)

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.

Customer remediation

The Group incurred operating expenses for customer refunds and program costs in relation to remediation issues impacting customers of our wealth management and banking businesses, including Aligned Advice remediation and banking and other wealth customer remediation. These are referred to within this Document as "remediation costs".

Aligned Advice remediation

Aligned advisors were not employed by the Group but were representatives authorised to provide financial advice under the licences of the Group's subsidiaries, Financial Wisdom Limited (FWL), Count Financial Limited (Count Financial) and Commonwealth Financial Planning Limited-Pathways (CFP-Pathways). The Group completed the sale of Count Financial to Count Limited (Count) on 1 October 2019, and ceased providing licensee services through CFP-Pathways and Financial Wisdom in March and June 2020, respectively. The Bank entered into reimbursement agreements with Financial Wisdom and CFP-Pathways, and an indemnity deed with Count to cover potential remediation of past issues including ongoing service fees and commissions, and other remediation matters. For details on the reimbursement agreements and the indemnity deed, refer to Note 11.2 of the 2023 Financial Report.

During the year ended 30 June 2023, the Group recognised an increase in the provision for Aligned Advice remediation issues and program costs of $299 million (including $163 million for ongoing service fees remediation, $91 million for other remediation matters and $45 million for program costs). In addition, the Group paid $838 million customer refunds for ongoing service fees, $2 million other remediation matters and utilised $108 million of program costs during the year ended 30 June 2023. As at 30 June 2023, the provision held by the Group in relation to Aligned Advice remediation was $262 million (30 June 2022: $911 million). This provision includes $67 million for customer fee refunds (30 June 2022: $446 million) and $71 million for interest on fees subject to refunds (30 June 2022: $367 million) for ongoing service fees, $95 million on other remediation matters (30 June 2022: $6 million) and $29 million for program costs (30 June 2022: $92 million).

As at 30 June 2023, the Group had materially completed all assessments for ongoing service fees and commissions. For offers not finalised, an increase/(decrease) in the refund rate by 1% would result in an increase/(decrease) in the provision by approximately $1 million (30 June 2022: $20 million). The Aligned Advice remediation provision of $262 million held as at 30 June 2023 includes $75 million in relation to offers that have not been finalised. The Group continues to engage with ASIC in relation to remediation programs.

Banking and other Wealth customer remediation

As at 30 June 2023, the provision held by the Group in relation to Banking and other Wealth Management customer remediation programs was $84 million (30 June 2022: $157 million). The provision for Banking remediation includes an estimate of customer refunds (including interest) relating to business and retail banking products (including bank guarantees, merchants billing and certain other lending products), and the related program costs. The wealth remediation provision includes an estimate of customer refunds (including interest) relating to certain superannuation and other products, and the related program costs.

Critical Accounting Policies and Estimates

Where applicable, each note in the 2023 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. 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.

Any critical accounting judgements and estimates applied by the Group in determining the numbers are also disclosed in each note in the 2023 Financial Report where applicable.

Remuneration of Auditors

Disclosure of the Remuneration of Auditors is set out in Note 12.3 to the 2023 Financial Report.

Other information (continued)

Addressing Climate Change

Addressing climate change requires a collaborative approach between government, business and the community. We welcome Australia's emissions reduction plan to reduce emissions by 43% by 2030, and achieve net zero emissions by 2050. The Australian Government's 2022 Climate Change Statement and Australian Energy Market Operator's 2022 Integrated System Plan suggest this target is achievable. These reports highlight how the largest near-term reductions in Australia's emissions come from the decarbonisation of Australia's electricity grid – reliant on the Australian Government's target of 82% renewables generation by 2030.

A purposeful and coordinated approach is required across all sectors of the Australian economy to meet near-term decarbonisation goals. Aligned to our purpose and strategy, CBA remains committed to playing our part and supporting Australia's transition to a net zero economy by 2050. Our new sector-level financed emissions targets for Australian housing and heavy industry use credible, 1.5°C aligned decarbonisation pathways published by the Science Based Targets initiative (SBTi) and Mission Possible Partnership (MPP).

We acknowledge there are varying perspectives on the emissions reductions required for Australia to meet the goals of the Paris Agreement [1]. We believe credible, 1.5°C aligned transition scenarios, tailored for Australia's unique energy mix and circumstances can support businesses to set targets.

We welcome and support future work led by the Australian Government to develop sectoral decarbonisation pathways for electricity and energy, industry, the built environment, agriculture and land, transport and resources. We will continue to monitor for Australia-specific pathways, and will review those that are developed by the Australian Government [2].

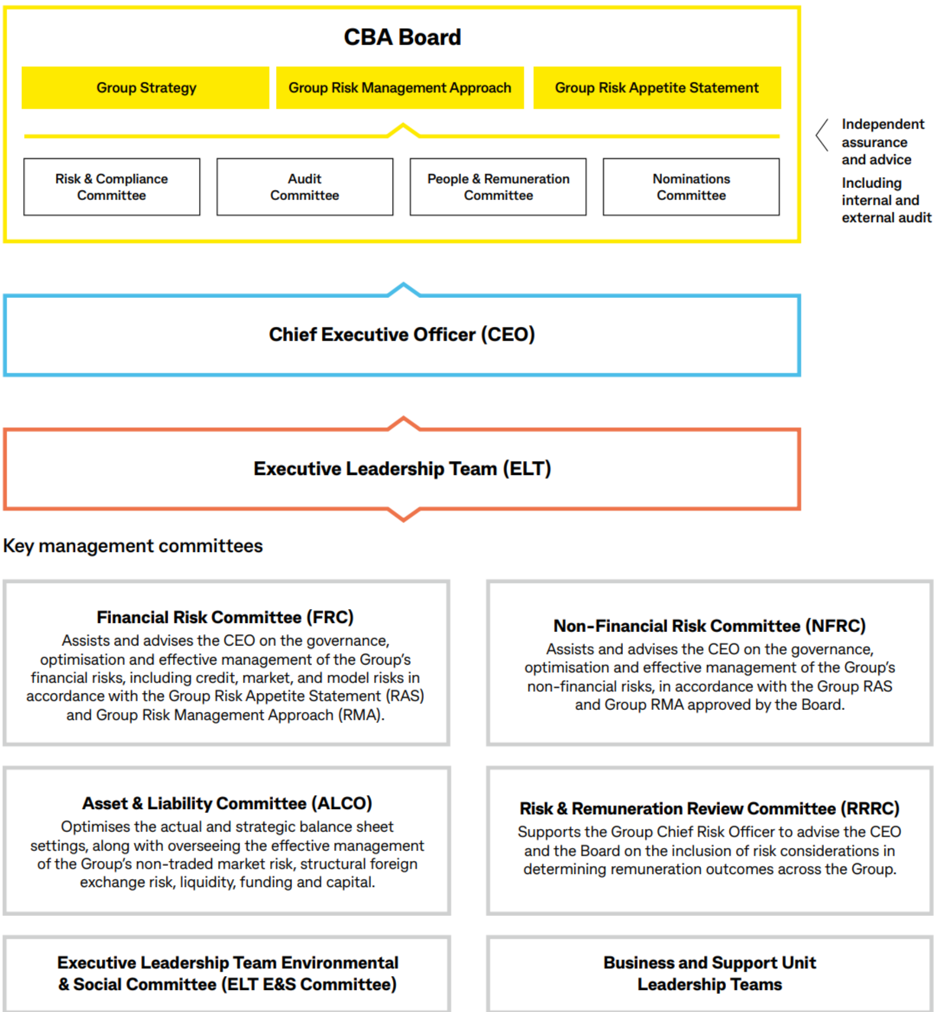
Our approach to governance

The Board continues to oversee the assessment of risks and opportunities arising from climate change. Each of the Board's four standing committees assists the Board to carry out its responsibilities. The Board holds the CEO and Executive Leadership Team (ELT) accountable for the delivery of environmental and social (E&S) responsibilities, including climate.

1 The Paris Agreement, adopted within the United Nations Framework Convention on Climate Change in December 2015, commits all participating countries to limit global temperature rise to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C, to adapt to changes already occurring, and to regularly increase efforts over time.

2 In 2021 we engaged Commonwealth Scientific and Industrial Research Organisation (CSIRO) to develop Australia-specific pathways consistent with limiting global warming to 1.5°C.

Oversight of our Environmental and Social commitments



Addressing Climate Change (continued)

Board responsibility and climate expertise

The Board continues to be responsible for the strategic consideration of the E&S impact of the Bank's activities, and holds the CEO and ELT accountable for the delivery of E&S responsibilities. The Board monitors the E&S work program, including the transition roadmap developed by management to meet CBA's climate-related targets. This year, the Board discussed and approved new financed emissions targets for our Australian housing and heavy industry portfolios. The Board has requested periodic updates to track the progress of these targets. E&S is one of the skills included in the Board Skills Matrix with Directors assessing their prior experience and continuing education relating to a skill. On E&S skill, four directors have been assessed as 'high competency, knowledge and experience' and six have been assessed as 'practised/direct experience'.

Our approach to climate risk

A key part of our climate strategy is to build leading climate risk management practices. We seek to understand how E&S issues could impact our business, and how our business activities can have an impact on climate, our customers and the community. We have a range of tools and processes to help us identify and assess the risks to our operations and strategy, and will continue to manage and monitor these risks as they evolve.

The Bank manages risks, including E&S risk, through our Risk Management Framework (RMF). E&S risk includes climate change and *nature*-related impacts and represents drivers of material strategic, financial and non-financial risks to the Bank. Our approach seeks to measure and monitor the *physical* and *transition risks* from climate change that impact our business over different time horizons. We model potential climate scenarios to inform our understanding and guide our future actions.

We have made further progress on maturing our risk management approach by:

- Finalising the stranded asset *RAS* indicator for the agriculture portfolio and the *non-retail* Institutional Banking portfolio.
- Completing E&S Risk and Control Self-Assessments (*RCSA*s) across all relevant business units during the year. This has positioned us to better understand the Bank's E&S risks and track our management of E&S risk as it evolves.
- Updating our Supplier Risk Governance (SRG) tool and processes to enhance our ability to assess supplier environmental practices against CBA policy and commitments.
- Establishing stress testing of climate scenarios and monitoring of outputs against the market risk *RAS*.
- Updating the Group's Product Development Procedure to govern the development and in-life monitoring of products with E&S features.

How we see climate-related risk impacts

Climate change can impact our risks over the short-, medium- or long-term, and we acknowledge the continuing uncertainty of climate change and its impacts. The table below outlines our current view of the potential compounding effect that climate risks can have on the Bank's material risk types, including the time horizons of their expected impact. Through our E&S work program, we continue to enhance our E&S tools, risk processes, governance and capabilities for each risk type, to enable us to better identify, assess and manage climate risks across the business.

Addressing Climate Change (continued)

Climate impacts on our risks

Risk types	Potential impacts for the Group	Identify & assess climate impact	Manage & monitor climate impact
Strategic **Profitability and business model**	The financial performance of the Group could be impacted if revenue forgone from reducing our exposure to high emitters is not offset by financing opportunities in new green or renewable industries, or industries which are resilient to climate change. Any climate commitments made by the Bank which are perceived to be inadequate could potentially result in exclusion of the Bank from the significant future global and local transition economy. Measures are in place to minimise this risk through our Sustainability Funding Target and developing sustainable products and services.	• Scenario analysis • *Financed emissions* analysis and reporting • *RCSA*	• Sector-level *financed emissions* targets (*glidepaths*) • Developing products with E&S features • Setting and monitoring our Sustainability Funding Target • Product lifecycle monitoring • *E&S Framework* approved by the Board
Reputation	The Bank's reputation could be damaged if our climate policies, *financed emission* reduction strategies, or Sustainability Funding Target fails to meet community expectations. In addition, failure or perceived failure of the Bank's governance, systems and processes, as well as failure to meet regulatory expectations or adhere to our public commitments can lead to regulatory sanctions and damage to our brand. The Bank has implemented a number of measures to minimise these risks, however due to the rapidly changing and escalating customer, community and regulatory expectations in relation to climate action there is potential for a reputational incident to occur.	• Shareholder feedback • Regulatory and industry engagement • ESG risk assessments	• *E&S Framework* approved by the Board • ESG risk assessments • Escalation of decisions to business unit (BU) governance committees • Group Publicly Issued Documents and Marketing Materials Policy
Capital adequacy	A high number of defaults arising from a severe climate event such as a flood or cyclone could reduce the Group's capital. The likelihood of a single event, or series of events that could materially deplete our capital, is considered negligible, and the Group maintains strong capitalisation to minimise the impact of such a risk.	• Scenario analysis	• Climate scenario consideration in the annual Internal Capital Adequacy Assessment Process
Financial **Credit risk**	*Physical* and *transition risks* could impact the ability of households and businesses to repay their loans, and the severity of these defaults could increase due to decline in the value of the assets held as collateral by the Bank. This is particularly relevant to: • Retail and business customers in high risk zones who are unable to secure adequate insurance cover against permanent damage, or face longer periods of employment or business disruption arising from more frequent and severe weather events and longer-term shifts in climate patterns. • Reduced viability of business models of *non-retail* customers due to regulatory changes, technological advancements, or changing community expectations.	• Scenario analysis • Credit risk assessments	• Climate stranded asset *RAS* monitoring • Engagement on existing customer transition plans • Group Credit Risk Framework
Market risk	The Group is exposed to market risk through its Markets portfolios. Climate *transition risks* from changes in policy, technological innovation or community expectations, could result in rapid repricing of financial instruments and corporate debt affecting the value of exposures within the Group. Marketable securities are less vulnerable to the impacts of a longer-term transition to net zero due to the short-term nature of our exposure, and by limiting our *fossil fuel extraction* exposures.	• Stress testing	• Limit management • Monitoring market risk stress test results

Addressing Climate Change (continued)

Risk types	Potential impacts for the Group	Identify & assess climate impact	Manage & monitor climate impact
Liquidity risk	An extreme climate event such as a flood or cyclone could lead to an increased demand for liquidity to support customers. The likelihood of a single event or series of short-term events leading to significant liquidity exposure is considered negligible.	• Group Liquidity Policy and Liquidity Management Standard	• Group Liquidity Policy and Liquidity Management Standard
Compliance **Conduct risk**	The Bank could be exposed to conduct risk from actions by the Bank in situations of increased customer vulnerability, hardship and default arising from the impacts of climate change. Examples include the inability of customers to repay loans due to loss of employment in regions or industries previously dependent on high emitters; new sustainable products or services; pricing or lending criteria deemed to be unfair to certain segments of customers; or misrepresenting the extent to which a product or service is 'environmentally friendly'. Measures are in place to help us treat customers fairly. However, the Bank may need to make difficult decisions in the future in relation to lending in high risk zones which may be perceived to be unfair to existing or future customers.	• Customer hardship processes	• Escalations to BU governance committees • Customer hardship processes • Product development procedures and governance • In-life product monitoring
Regulatory and licensing risk	Risk of failure to comply with current and emerging climate risk regulations, laws, rules and licence conditions could expose the Bank to the risk of penalties, fines, increased supervisory oversight and reputational damage. There are currently minimal regulatory requirements in relation to climate risk in Australia and internationally. This is expected to increase when climate-related reporting for large institutions in Australia becomes mandatory, expected from 2025 for the Bank.	• Regulatory change process	• Obligation management processes • Compliance attestations • Group Publicly Issued Documents and Marketing Materials Policy • Regulatory change process
Operational **Third party supplier risk**	A large number of third party suppliers perform services for, or on behalf of the Bank. Poor environmental practices by a supplier, or practices that fail to meet regulatory or stakeholder expectations, or that are not aligned to CBA's *E&S Framework*, could result in poor reputational, operational or compliance outcomes for the Group. This includes situations where the supplier's failure gives rise to the Group failing to meet its own E&S commitments. The Group's supplier selection processes, contract management and ongoing supplier performance monitoring seeks to reduce this risk. Business practices to adapt to and address the risks of climate change are also still maturing across most industries.	• SRG tool and processes • *RCSA*	• Supplier lifecycle management incorporating E&S considerations
Legal/Liability risk	Legal liability risk for the Bank could arise where our strategies, policies, actions or decisions are perceived to not be aligned to our public disclosures or commitments, or where the Bank has potentially made inaccurate or misleading representations. It could also arise where shareholders deem that the Bank's response to the impacts of climate change is inadequate and has led to a decline in the franchise value of the Bank. Mismanagement of contractual obligations in relation to environmental products and services could also result in legal liability risk. Measures are in place to minimise this risk, however there is still potential for impacts from these risks due to the rapidly changing and escalating expectations in relation to climate action from a wide range of stakeholders, and business practices to adapt and address them are still maturing.	• Legal reviews • *RCSA* • Regulatory and industry engagement	• *E&S Framework* approved by the Board • Escalation of decisions to BU governance committees as relevant • Legal advice and processes • Compliance attestations
Business disruption risk	The Group has 741 branches across Australia, a large network of ATMs, as well as operations in a number of countries. Severe weather-related events could temporarily disrupt the Group's ability to provide services to our customers in impacted regions. The Bank has strong business continuity practices that have been refined in recent years through a number of disruptive events such as COVID-19 and floods in regional areas.	• Business continuity planning assessments • *RCSA* • Scenario analysis (Australian *acute physical risks*)	• Business continuity planning and resilience testing

Time horizon to impact: Short-term – up to five years Medium-term – five to 10 years Long-term – more than 10 years

Addressing Climate Change (continued)

Our portfolio

The table below identifies sectors within our portfolio which are exposed to elevated climate-related *physical* or *transition risk.* We have refined our climate risk table to reflect our improved understanding of the sectors most exposed to a low carbon *transition*. We recognise there may be additional sectors exposed to *transition risk* not included in the corresponding table. Where only a portion of a sector is identified as being exposed to these risks, the sub sectors will not total to the Group's exposure for the industry.

Our portfolio

	Jun 22		Jun 23			
Sectors[1]	**Total sector** TCE $bn[10]	**TCE %** of total[10]	**Total sector** TCE $bn[10]	**TCE %** of total[10]	**Physical risk**[2]	**Transition risk**[3]
Consumer	**748.5**	**55.9%**	**776.8**	**55.5%**		
Exposed to high physical risk[4]	29.4	2.2%	30.1	2.2%	●	
Exposed to high cyclone risk	10.9	0.8%	11.0	0.8%	●	
Exposed to high flood risk	16.2	1.2%	16.7	1.2%	●	
Exposed to high fire risk	1.7	0.1%	1.8	0.1%	●	
Exposed to sea level rise	1.5	0.1%	1.6	0.1%	●	
Exposed to high transition risk[4]	15.1	1.1%	16.0	1.1%		●
Agriculture & forestry	**27.7**	**2.1%**	**30.0**	**2.1%**		
Dairy	6.9	0.5%	7.4	0.5%	●	●
Livestock	11.1	0.8%	11.9	0.8%	●	●
Transport & storage	**24.8**	**1.9%**	**24.8**	**1.8%**		
Coal terminals[5]	0.5	0.0%	0.4	0.0%		●
LNG terminals[6]	0.4	0.0%	0.2	0.0%		●
Air transport	2.5	0.2%	2.6	0.2%		●
Oil & gas shipping (including FPSO)[7]	1.3	0.1%	0.4	0.0%		●
Rail transport	1.7	0.1%	1.8	0.1%		●
Road transport	3.8	0.3%	4.1	0.3%		●
Pipeline transport	0.7	0.1%	0.9	0.1%		●
Manufacturing	**16.8**	**1.3%**	**19.3**	**1.4%**		
Petroleum refining	0.2	0.0%	0.0	0.0%		●
Heavy industry (steel, alumina, aluminium & cement)[8]	0.7	0.1%	1.0	0.1%		●
Chemicals manufacturing	0.1	0.0%	0.1	0.0%		●
Auto manufacturing	0.8	0.1%	1.2	0.1%		●
Retail trade	**13.6**	**1.0%**	**15.4**	**1.1%**		
Automotive fuel retailing	1.5	0.1%	1.6	0.1%		●
Wholesale trade	**13.1**	**1.0%**	**15.9**	**1.1%**		
Petroleum product wholesaling and marketing	1.2	0.1%	1.8	0.1%		●
Electricity, gas & water	**11.6**	**0.9%**	**13.7**	**1.0%**		
Non-renewable power generation[9]	1.3	0.1%	1.9	0.1%		●
Gas supply	0.8	0.1%	0.6	0.0%		●
Mining, oil & gas	**7.5**	**0.6%**	**7.3**	**0.5%**		
Upstream exploration and production	3.3	0.2%	2.4	0.2%		●
Thermal coal mining[8]	0.8	0.1%	0.9	0.1%		●
Metallurgical coal mining	0.0	0.0%	0.1	0.0%		●
Total elevated risk	**82.2**	**6.1%**	**85.4**	**6.1%**		
Total TCE (Group)[10]	**1,337.9**		**1,400.1**			

1 Excluding consumer, sub-sectors are primarily based on a customer's Australian and New Zealand Industrial Classification (1993) (ANZSIC) system, where this does not provide the granularity required additional classification is undertaken using customer knowledge.

2 Identifying of physical risk in Australian residential mortgages was based on modelled loss rates (cyclone, flood and fire), property location and topography (sea level rise). For agriculture, ratings are based on modelled productivity impacts. Physical risks are likely to impact additional sectors not identified above, however, due to data limitations, physical risk is limited to the consumer and agriculture portfolios as the only sectors where assessments have occurred in 2022 or 2023. **Physical risks** are risks arising from damages or reduced asset values caused by extreme weather events such as floods, bushfires, storms and cyclones (acute risk), and longer-term shifts in climate patterns (chronic risk).

3 For the consumer portfolio, we have classified the level of exposure to local economies heavily reliant on the fossil fuels value chain to determine those loans exposed to elevated transition risk. Sectoral transition risk ratings are based on assessments performed using our transition risk framework and includes sectors rated high or mid-high. **Transition risks** are risks arising from transitioning to a net zero emissions economy due to changes in domestic and international policy and regulation, technological innovation, social adaptation and market changes.

4 Of the consumer portfolio, only Australian residential mortgages were assessed for physical and transition risks.

5 Coal terminals include customers whose main business is the operation of ports and terminals that are principally used for transporting and exporting coal.

6 LNG terminals includes direct exposures to customers focused on LNG terminal activities only. It does not include customers with diversified operations which include LNG terminals in their business mix.

7 Includes tankers, Liquid Natural Gas and, Floating Production Storage and Offloading (FPSO) vessel categories. Note, the tanker vessel category includes exposure to oil tankers and chemical tankers. Further, this category includes exposure to transport equipment leasing to the oil and gas shipping industry as the transition risk is considered comparable.

8 Scope of sector aligned to customers captured in glidepath reporting. Diversified glidepath customers are reported based on ANZSIC classification. Glidepath is a tool to set and articulate interim and long term aspirations with respect to emissions as they relate to a bank's financing activities.

9 Non-renewable power generation includes customers whose main business is power generation and where <90% of generation is sourced from renewables. To avoid volatility from customer classification changes, a rolling three-year average will be used to measure this 90% threshold.

10 TCE ("Total Committed Exposures") is defined as the balance outstanding and undrawn components of committed facility limits. It is calculated before collateralisation and excludes settlement exposures on derivatives.

Other information (continued)

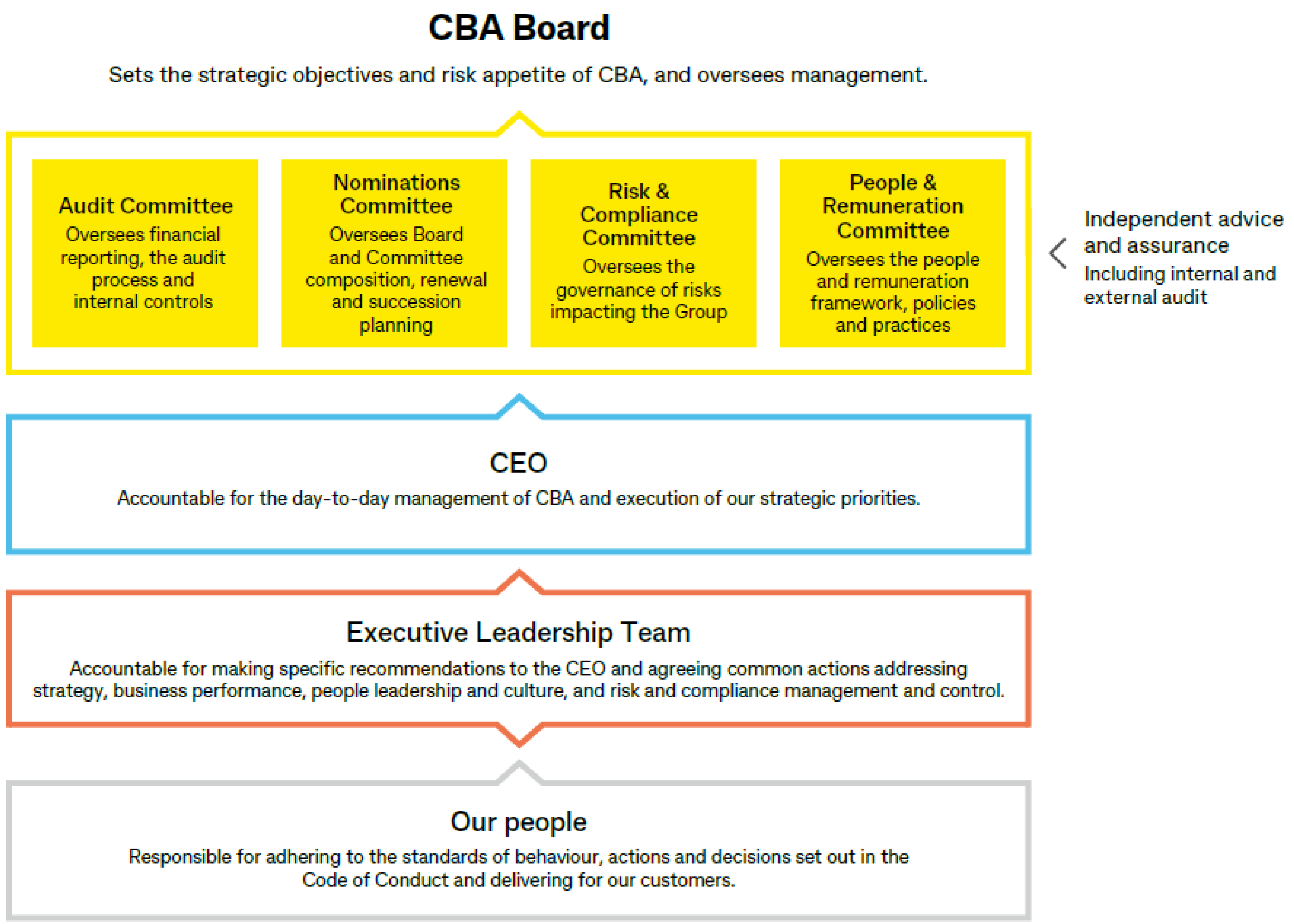
Corporate Governance

The Commonwealth Bank of Australia (**CBA** or **Bank**) is committed to continuously improving our governance practices and ensuring that they are aligned with our business and stakeholders' needs. Effective corporate governance is key to the Bank's ability to deliver on our purpose and strategy. The Board's primary purpose is to ensure sound and prudent management of the Bank and its subsidiaries (**Group**), provide leadership and strategic guidance and delivery of the Group's purpose.

This Document describes the key governance arrangements and practices of the Group. CBA has followed the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX CGPR 4**) for the reporting period ending 30 June 2023. The Group must comply with the *Corporations Act 2001* (Cth) (**Corporations Act**), the *Banking Act 1959* (Cth) including Part IIAA of the Banking Executive Accountability Regime (**BEAR**) amongst other laws,and, as an authorised deposit-taking institution, with governance requirements prescribed by the Australian Prudential Regulation Authority (**APRA**), including Prudential Standard CPS 510 Governance. The Group's main business activities are also subject to industry codes of practice, such as the Australian Banking Association's Banking Code of Practice.

The Board regularly reviews and refines its corporate governance arrangements and practices in light of new laws and regulations, evolving stakeholder expectations and the dynamic environment in which the Group operates.

Governance Framework



Other information (continued)

Corporate Governance (continued)

Board of Directors

Paul O'Malley
Chair and Independent Non-Executive Director
Appointed: 1 January 2019, Chair from 10 August 2022
Age: 59 years
Residence: Melbourne, Australia

Matt Comyn
Managing Director and Chief Executive Officer
Appointed: 9 April 2018
Age: 47 years
Residence: Sydney, Australia

Genevieve Bell AO
Independent Non-Executive Director
Appointed: 1 January 2019
Age: 56 years
Residence: Canberra, Australia

Lyn Cobley
Independent Non-Executive Director
Appointed: 1 October 2022
Age: 60 years
Residence: Sydney, Australia

Julie Galbo
Independent Non-Executive Director
Appointed: 1 September 2021
Age: 52 years
Residence: Copenhagen, Denmark

Peter Harmer
Independent Non-Executive Director
Appointed: 1 March 2021
Age: 62 years
Residence: Sydney, Australia

Simon Moutter
Independent Non-Executive Director
Appointed: 1 September 2020
Age: 63 years
Residence: Auckland, New Zealand

Mary Padbury
Independent Non-Executive Director
Appointed: 14 June 2016
Age: 64 years
Residence: Melbourne, Australia

Anne Templeman-Jones
Independent Non-Executive Director
Appointed: 5 March 2018
Age: 62 years
Residence: Sydney, Australia

Rob Whitfield AM
Independent Non-Executive Director
Appointed: 4 September 2017
Age: 58 years
Residence: Sydney, Australia

Corporate Governance (continued)

Roles and Responsibilities

The Bank's Governance framework is based on accountability, effective delegation and adequate oversight to support sound decision-making.

The Board is responsible for setting the strategic objectives and risk appetite of the Bank, and approving the Group's Code of Conduct, to set the Board's expectations for the Group's values and desired culture.

The Board delegates certain powers to Board Committees to help it fulfil its roles and responsibilities. The Board also appoints the Chief Executive Officer (CEO). The Board has delegated the management of the Bank to the CEO, except for those matters specifically reserved to the Board or its Committees. The CEO, in turn, may, and has, delegated some of these powers to Group Executives and other officers. The CEO is accountable to the Board for the exercise of the delegated powers and management's performance.

Summaries of the roles and responsibilities of the Board, the Board Chair, each Board Committee, and the CEO are set out below.

The Board

The Board Charter outlines the role, responsibilities and composition of the Board and the manner in which it discharges its responsibilities. The Charter also sets out the respective roles and responsibilities of the Board and management, those matters expressly reserved to the Board and those delegated to management, and is reviewed annually.

The primary purpose of the Board is to ensure sound and prudent management of the Group, provide leadership and strategic guidance, and delivery of the Group's purpose.

The Board's responsibilities include:

- setting the strategic objectives and risk appetite of the Bank, and approving the Group's Code of Conduct to set the Board's expectations for the Group's values and desired culture;
- endorsing the strategic and business plans, and approving the financial plans to be implemented by management;
- approving capital management initiatives;
- overseeing the business of the Group by approving major corporate initiatives, new business ventures, and capital expenditure for certain investments;
- overseeing the Group's Risk Management Framework and its operation by management;
- approving the Group's Risk Appetite Statement (RAS), Risk Management Approach (RMA) and any key risk frameworks and policies for managing financial and non-financial risks reserved for the Board;
- overseeing the Group's efforts to improve the experience and outcomes of the Group's customers;
- approving the Group's half and full year financial statements and reports, the half and full year financial reports required by APRA and the quarterly trading updates, and overseeing the integrity of the Group's accounting and corporate reporting systems;
- overseeing the Group's continuous disclosure process and approving the Group Continuous Disclosure Policy;
- considering the social, and environmental impact of the Group's activities and approving the Group Environmental & Social Framework and Policy, and the associated corporate responsibility and climate related disclosures;
- assessing the performance of and succession planning for the CEO and the CEO's direct reports [1] (in conjunction with the Nominations Committee and the People & Remuneration Committee);
- approving the remuneration arrangements for the CEO and the CEO's direct reports, including remuneration deferrals and breach consequences under the Group BEAR Policy and Procedures, performance scorecard measures and outcomes, and termination payments as required;
- approving new, or material amendments to, performance management frameworks, variable remuneration plans, employee equity plans, employee superannuation and pensions;
- determining the fees payable to CBA Non-Executive Directors within the shareholder approved fee pool limit;
- approving the Group's Inclusion and Diversity Policy, and measurable diversity objectives and metrics (in conjunction with the Nominations and People & Remuneration Committees);
- overseeing and monitoring relevant corporate governance frameworks for the Group; and
- approving relevant Work, Health & Safety (WHS) policies and monitoring WHS matters.

1 '**CEO's direct reports**' refers to all Group Executives and excludes those direct reports of the CEO that are not Group Executives.

Corporate Governance (continued)

The Chair

- fosters open and inclusive discussion and debate by the Board;
- maintains a regular, open and constructive dialogue with the CEO and management, serving as the primary link between the Board and management;
- represents the views of the Board and the Group to stakeholders, including shareholders, regulators and the community;
- liaises with the Group Company Secretary in relation to the Board's information requirements to assist the Board with effective decision-making; and
- sets the Board agenda together with the CEO and the Group Company Secretary, ensuring that appropriate time and attention is devoted to matters within the responsibilities of the Board.

The CEO

- leads the senior executive team including instilling the Group's Code of Conduct, culture and values;
- implements the strategic, business and financial objectives and/or plan, exercising delegations as appropriate;
- analyses the impact on strategic objectives and financial position when allocating resources or capital, approving expenditure or making financial decisions;
- assesses reputational consequences of decisions or actions taken;
- implements processes, policies and systems together with appropriate controls to effectively manage the operations and risk of the Group;
- ensures the timely preparation, presentation, adequacy and integrity of information provided to the Board, to enable the Board to carry out its responsibilities; and
- is responsible for external engagement with stakeholders, including shareholders, government, regulators and the community.

Board Committees

The Board has four standing Committees that assist it in carrying out its responsibilities. These are the:

- Audit Committee;
- Nominations Committee;
- People & Remuneration Committee; and
- Risk & Compliance Committee.

The roles, responsibilities and composition requirements of each Board Committee are detailed in its respective Charter, and are summarised in the following table. The Charters are reviewed annually. The following table also includes a summary of each Committee's key responsibilities and priorities over the past financial year. All Board Committees are chaired by an independent Non-Executive Director.

Membership	Composition requirements	Key responsibilities	2023[1] focus areas
Audit Committee			
Members as at 30 June 2023: Anne Templeman-Jones (Committee Chair) Julie Galbo Peter Harmer Paul O'Malley Rob Whitfield AM	Must: • have at least three independent Non-Executive Directors (**NEDs**); • include the Risk & Compliance Committee Chair; and • not be chaired by the Board Chair.	Assists the Board on matters relating to external reporting of financial information for the Group, the internal control framework for the Group, the Group Auditor, internal Audit function and External Auditor, and (in conjunction with the Risk & Compliance Committee) the Group's Risk Management Framework.	2023 focus areas: Reviewing significant accounting and financial reporting processes and issues. Reporting on the Group's internal control environment. Reviewing key audit findings and insights. Monitoring the progress of the remediation of audit findings, and reporting from the Group Audit & Assurance function. Reviewing and making recommendations to the Board in relation to the full and half year financial results and Basel III Pillar 3 Reports (**Pillar 3 Reports**). Overseeing reporting on the SpeakUp Program and workplace misconduct including matters being investigated, themes and trends.

1 References to 2023 are references to the financial year ended 30 June 2023.

Corporate Governance (continued)

Membership	Composition requirements	Key responsibilities	2023[1] focus areas
Nominations Committee			
Members as at 30 June 2023: Paul O'Malley (Committee Chair) Genevieve Bell AO Mary Padbury Rob Whitfield AM	Must: • have at least three independent NEDs; and • be chaired by the Board Chair.	Assists the Board on matters relating to oversight and review of Board and Board Committee composition, appointment, election and re-election of NEDs, Director induction programs, Director independence assessments, performance review processes for the Board and Board Committees, succession planning for, and performance of, the CEO, diversity of the Board and boards of nominated subsidiaries, and the Subsidiary Governance Policy and policies for overseeing the appointment to, and performance of, boards of key operating subsidiaries.	2023 focus areas: Board renewal. Board Induction and Education Program review. Entity Governance. Diversity.
People & Remuneration Committee			
Members as at 30 June 2023: Simon Moutter (Committee Chair) Genevieve Bell AO Peter Harmer Paul O'Malley Mary Padbury	Must: • have at least four independent NEDs; • include a Risk & Compliance Committee member; and • not be chaired by the Board Chair.	Assists the Board on matters relating to oversight and review of organisational culture, inclusion and diversity, health, safety and wellbeing, executive talent management, the Group's remuneration strategies, recognition programs, Group Remuneration Policy and other people-related policies; and remuneration arrangements for NEDs of the Board and nominated subsidiaries, the CEO, CEO's direct reports, accountable persons under the BEAR and other individuals including those in regulated roles as described in the Committee Charter.	2023 focus areas: Receiving reports on the health, safety and wellbeing of employees. Reviewing talent development and succession plans for senior leaders and other critical roles. Reviewing remuneration and recognition strategy, frameworks and effectiveness. Reviewing inclusion and diversity policies and measurable diversity objectives. Overseeing continued enhancements to remuneration governance.
Risk & Compliance Committee			
Members as at 30 June 2023: Rob Whitfield AM (Committee Chair) Julie Galbo Simon Moutter Paul O'Malley Anne Templeman-Jones	Must: • have at least four independent NEDs; • include the Audit Committee Chair and a People & Remuneration Committee member.	Assists the Board on matters relating to oversight and governance of risks impacting the Group, the design, implementation and operation of the Group's Risk Management Framework and the Group's RMA, monitoring risk appetite and assessing the overall risk profile of the Group, monitoring the effectiveness of the compliance management framework and risk culture.	2023 focus areas: Reviewing the Group RAS and recommending it to the Board for approval. Reviewing the management of material risks including around technology and cyber risk. Reviewing the Risk Management Declaration and following through on focus areas. Monitoring the management of financial crime risks. Monitoring emerging, strategic and capital adequacy risks. Reviewing climate change risk and vulnerability. Reviewing risk culture, including the annual risk culture assessment.

From time to time, other special purpose Committees are established to assist the Board, or to exercise a delegated authority of the Board.

Corporate Governance (continued)

Unless a conflict arises, all Directors have access to Board Committee papers, may attend Committee meetings (other than Nominations Committee meetings), and receive minutes of Committee meetings even if they are not a member of the relevant Committee. Board Committee Chairs provide reports on Committee business at the next relevant Board meeting.

Board and Board Committee Meetings

The number of Board and Board Committee meetings held in the 2023 financial year.

Director appointment process

The Group undertakes appropriate checks before appointing a person as a Non-Executive Director or recommending that person to CBA's shareholders as a Non-Executive Director. Those checks include criminal record and bankruptcy checks, and checks of the person's educational qualifications and employment history. This process also applies to candidates who self-nominate for election.

As all Non-Executive Directors are considered Responsible Persons by APRA, they must be assessed in accordance with the Group's Fit & Proper Policy before commencing as a Non-Executive Director. Non-Executive Directors are also registered by the Group with APRA as 'Accountable Persons', as required under the BEAR.

All persons appointed as Non-Executive Directors of the Bank must stand for election at the next Annual General Meeting (AGM) following their appointment. In addition, Non-Executive Directors must not hold office without re-election beyond the third AGM following the meeting at which the Director was last elected or re-elected.

The Board will provide shareholders with disclosure of all material information relevant for a shareholder to make a properly informed decision on whether to elect a Director at an AGM, including a recommendation on that Director's election.

Each Non-Executive Director has a written agreement with the Bank setting out the terms of their appointment.

Fit and Proper

The Group Fit and Proper Policy addresses the requirements of APRA's Prudential Standards CPS 520 Fit and Proper and SPS 520 Fit and Proper. The Policy requires that all persons appointed to a Responsible Person role (including CBA Directors) satisfy the fit and proper requirements prior to their initial appointment, and to be re-assessed regularly, or at any time when information that may affect their fit and proper status becomes known.

Performance Evaluation

The Board recognises the importance of continuously monitoring and improving its performance and the performance of its Committees and individual Directors. Under its Charter, the Board is required to annually assess both its performance and that of its Directors. The Board has processes in place to conduct these performance assessments. An independent external performance evaluation of the Board and its Committees is conducted at least once every three years. The results of the 2023 performance evaluation were made available to the Board in August 2023.

Board Access to Information and Independent Advice

The Board has free and unfettered access to senior management, and any other relevant internal or external party and information, and may make any enquiries necessary to fulfil its responsibilities.

Directors are entitled to seek independent advice at the Bank's expense, including by engaging and receiving advice and recommendations from appropriate independent experts with the prior approval of the Board Chair.

Senior Executive appointments

The CEO and the CEO's direct reports[1] have written executive employment agreements which set out the terms and conditions of their employment.

The Group undertakes background checks prior to appointing senior executives, and the Group Fit and Proper Policy requires fit and proper assessments for persons appointed to a Responsible Person role, as outlined above.

1 '**CEO's direct reports**' refers to all Group Executives and excludes those direct reports of the CEO that are not Group Executives.

Corporate Governance (continued)

Company Secretaries

As at 30 June 2023, the Board had appointed two Company Secretaries – Carmel Mulhern and Vicki Clarkson.

The Group Company Secretary is accountable directly to the Board, through the Chair, on all matters relating to the proper functioning of the Board.

All Directors have access to the Group Company Secretary.

Entity Governance

The Board has adopted a suite of entity governance policies and associated documents, which includes the following:

1. Group Board Appointment, Renewal and Performance Policy, which sets out the standards for the appointment, renewal, evaluation, performance and removal of Directors to the Board and other boards within the Group;
2. Subsidiary Governance Policy, which outlines the corporate governance practices and principles that apply to Group subsidiaries and other entities nominated by the Board, including director and officer responsibilities, and board governance and information flow; and
3. Minority Interests Policy, which sets out the approach for management and governance of Minority Interests (entities in which the Group has a minority, non-controlling interest).

Inclusion and Diversity

The Inclusion and Diversity Policy

The Group Inclusion and Diversity Policy outlines our approach and commitment to inclusion and diversity. The policy states the principles our employees and senior leaders are expected to work towards to deliver a workplace that is safe, accessible and inclusive, where everyone feels valued and respected.

In accordance with the Board Charter, the Board is responsible for approving the Group's Inclusion and Diversity Policy, and annually setting and assessing measurable objectives in relation to diversity and progress against achieving them (in conjunction with the Nominations and People & Remuneration Committees).

Building an Inclusive and Diverse Culture

The Bank is building an inclusive culture that embraces the diversity of our people, customers and communities and role models reconciliation. We want our people to feel respected, safe and included at work.

The Bank's Inclusion and Diversity strategy is evidence-based and centres around three pillars: foster care, equality and respect; strengthen courageous, inclusive decision-making; and amplify impact and deliver on our commitments. The strategy is grounded in prevention and addresses the stereotypes and assumptions inherent in behaviours and decision-making by promoting inclusive and respectful behaviours. It focuses on actions that influence our culture through policy, leadership, reporting, measurement and listening, transparency and education.

Through our strategic focus on diversity, equity and inclusion, we are working towards achieving the following impacts:

- our employees who are at risk of exclusion feel safe and able to access the support they need, when they need it;
- harmful behaviours are prevented and addressed at work; and
- everyone feels valued and has opportunities to grow.

Corporate Governance (continued)

Gender Diversity

The Nominations Committee assists the Board with setting and approving measurable objectives for gender diversity in the composition of the Board and the boards of key operating subsidiaries. The People & Remuneration Committee assists the Board with setting measurable objectives for gender diversity applicable to the workforce more broadly, including senior executives.

The measurable objective for the composition of the Board is to maintain at least 40% female membership, 40% male membership and 20% of any gender that holds the relevant skills and experience. As at 30 June 2023, women represented 50% of the Board. See page 139 for more information about the gender diversity of the Board.

The measurable objective set for the composition of the Bank's workforce generally is to maintain no less than 50% female representation. As at 30 June 2023, women represented 54.4% of the Bank's workforce overall.

We expect our people leaders to build diverse teams and this is reflected in their Board approved Key Performance Indicators to drive positive action towards our gender equality goals. Inclusion conversations are one of the ways in which our General Managers and above regularly review gender diversity for their teams and identify actions for improvement. To inform these conversations we equip them with data insights including the gender ratios at each role level and the gender breakdown of new hires and departures from the Group. The Group's Inclusion Forum monitors the Group's progress towards achieving our gender equality goals, informs the development of inclusion conversations and discusses outcomes from those conversations. The Inclusion Forum is co-chaired by two Group Executives and includes other senior leaders of the Bank.

We participate in the Bloomberg Gender-Equality Index as our primary benchmark for tracking our progress in advancing gender equality for our people, our customers, and the community. This year, we were one of 484 companies worldwide to be included in the 2023 Bloomberg Gender-Equality Index.

The measurable objective set for the composition of our Senior Executive [1] role levels is to achieve 47–50% female representation by 2025. To support leadership accountability for this measurable objective, progress is evaluated against internal milestones set at a Business Unit level. As at 30 June 2023, women represented 44% of Senior Executives.

Cultural Diversity

The People & Remuneration Committee assists the Board with setting measurable objectives for cultural diversity. Our progress is measured through our Cultural Diversity Index.

Employee Networks

The Bank's employee-led networks play a vital role in creating an inclusive culture. They do this by elevating the voices of our people to ensure their experience at work is heard, promoting respect and inclusion on days of significance, and supporting the Bank's Inclusion and Diversity strategy and action plans, which includes partnering with community organisations and academic experts to inform our approach. The six employee-led networks include: WeCAN (gender equality), Advantage (life-stage and age), Yana Budjari (Aboriginal and Torres Strait Islander peoples and cultures), Unity (sexual orientation and gender identity), Mosaic (cultural diversity) and Enable (accessibility and inclusion for people with a disability).

Supporting Working Parents

We recognise that the sharing of caring responsibilities for families promotes workforce participation. With this in mind, we have been working to ensure that our approach to parental leave and support for carers is gender inclusive, particularly to increase men's access to parental leave.

The Bank offers gender-neutral paid parental leave of up to 13 weeks for primary carers, including superannuation payments for up to 52 weeks and a return-to-work payment.

In the 2023 financial year, 42.1% [2] of employees who commenced a period of parental leave were men. Over half our people are navigating work and family responsibilities, so we are proud to be certified as a Family Friendly Workplace by UNICEF Australia and Parents At Work.

1 For the purposes of reporting against our measurable objectives, Senior Executives is defined as roles at the level of Executive Manager and above. This is the percentage of roles at the level of Executive Manager and above filled by women, in relation to the total headcount at these levels as at 30 June. Headcount captures permanent headcount (full-time, part-time, job share, on extended leave), and contractors (fixed term arrangements) paid directly by the Group, excluding ASB Bank Limited (ASB).

2 This metric represents the proportion of male employees who commenced a period of parental leave in the 2023 financial year, compared to all employees who commenced parental leave during the same period. This excludes ASB.

Corporate Governance (continued)

Board renewal is important for ensuring effective and sustainable Board performance. An overview of the Board's composition and key corporate governance practices follows.

Board Skills Matrix

The Board Skills Matrix is set out below. It sets out the skills and experience considered essential to the effectiveness of the Board and its Committees. The Matrix is reviewed annually by the Nominations Committee to ensure the prescribed skills and experience address the Bank's existing and emerging strategic, business and governance issues. The Matrix is also used to guide the identification of potential director candidates as part of the ongoing Board renewal process.

Skills and experience	High competency, knowledge and experience	Practised/direct experience	Awareness		Relevance to Group
Leadership	9	1		Held senior leadership role such as CEO or similar position in an organisation of significant size or complexity.	Setting strategy and evaluating the performance of senior leaders.
Financial services	6		4	Experience in the financial services sector and regulation, including retail and commercial banking services and adjacent sectors.	Appreciation of the operational landscape, opportunities and challenges in the sector.
Financial acumen	7	1	2	Proficiency in financial accounting and reporting, capital management and/or actuarial experience.	Assessing complex financial and capital management initiatives.
Strategy and global perspective	10			Experience in leading, developing or executing strategic business objectives, including bringing to bear a global perspective.	Reviewing and setting the organisational strategy in a global context.
Governance	7	3		Experience as a Non-Executive Director of a listed entity (Australia or overseas) and/or understanding of legal and regulatory frameworks underpinning corporate governance principles.	Understanding local and offshore legal and regulatory frameworks to effectively perform the role of Director.
Risk management	7	3		Experience in identifying, assessing and monitoring systemic, existing and emerging financial and non-financial risks.	Monitoring risk appetite, assessing the overall risk profile and adapting to emerging trends.
Digital and technology	3	5	2	Experience in technology, use of data and analytics, digital transformation and innovation and their impacts on customer experience and cyber security and other technology risks.	Supporting the Bank's digital strategy.
Enhanced customer outcomes	7	3		Understanding of the changing needs of customers with a focus on improving their financial wellbeing and enhancing their experience.	Providing constructive challenge to ensure customer needs are met.
Stakeholder engagement	8	2		Experience in building and maintaining trusted and collaborative relationships with governments, regulators and/or community partners.	Ensuring an effective engagement program with regulators and other stakeholders is in place.
People and culture	9	1		Understanding organisational culture, succession planning, and remuneration and reward frameworks.	Overseeing the culture of the Group and upholding the Code of Conduct.
Environment and social	4	6		Understanding the potential risks and opportunities from an environmental and social perspective.	Influencing sustainable practices, policies and decisions that support environmental and social outcomes.

High competency, knowledge and experience — Practised/direct experience — Awareness

Individual skills matrices have also been developed for each of the Board Committees.

Corporate Governance (continued)

Structure the board to be effective and add value

Director Independence

It is essential that Non-Executive Directors are independent, that collectively they have the relevant skills and experience, and that they represent a diverse range of views and thinking. This supports sound decision-making and assists the Board to effectively discharge its responsibilities.

The Board has adopted Independence Standards to assess whether a Director qualifies as an independent Non-Executive Director upon appointment, and to consider the ongoing independence of Non-Executive Directors. These Independence Standards are aligned to Recommendation 2.3 of the ASX CGPR 4.

Each Non-Executive Director must disclose all Interests 1 that may affect the exercise of their unfettered and independent judgement as a Director prior to their appointment or election and promptly as and when circumstances change. Disclosure extends to include relevant Interests of associates such as close family members and family companies.

The Nominations Committee assesses the independence of each Director candidate and Non-Executive Director against the Independence Standards based on their disclosure of Interests and/or on the annual Non-Executive Director declaration.

In accordance with those Independence Standards, the Board considers a Non-Executive Director to be independent where they are independent of management and free of any Interests that could materially interfere (or could reasonably be perceived to interfere) with the exercise of unfettered and independent judgement, and ability to act in the best interests of the Group as a whole rather than in the interests of an individual security holder or other party.

The Board considers that all of its Non-Executive Directors, including the Chair, were independent during the 2023 financial year and continue to be independent as at the date of this Statement.

Board Composition and Effectiveness

The Directors on the Board represent a range of ages, nationalities and backgrounds. The Board's objective is for the Board and the boards of all key operating subsidiaries to maintain at least 40% female membership, 40% male membership and 20% of any gender that holds the relevant skills and experience. As at 30 June 2023, there was 50% female representation on the Board.

Board diversity

Board tenure

Length of Service

The table below sets out the Bank's Directors for the 2023 financial year and their tenure:

Current Directors	Appointed	Length of Service[2]
Paul O'Malley	January 2019	4 years 7 months
Matt Comyn (CEO)	April 2018	5 years 4 months
Genevieve Bell AO	January 2019	4 years 7 months
Lyn Cobley	October 2022	10 months
Julie Galbo	September 2021	1 year 11 months
Peter Harmer	March 2021	2 years 5 months
Simon Moutter	September 2020	2 years 11 months
Mary Padbury	June 2016	7 years 2 months
Anne Templeman-Jones	March 2018	5 years 5 months
Rob Whitfield AM	September 2017	5 years 11 months

As at the date of this Statement, the Board has 10 Directors, including nine independent Non-Executive Directors and the CEO.

1 Contracts, interests, positions, associations and relationships.

The Board composition includes longer-serving Directors who have a deeper knowledge of the Group's operations and history, and newer Directors.

Corporate Governance (continued)

Director Appointment

The Board, with the assistance of the Nominations Committee, conducts a formal selection process before appointing new Non-Executive Directors.

Upon a recommendation of the Nominations Committee, the Board evaluates Director candidates having regard to Director Appointment Criteria as set out in the Group Board Appointment, Renewal and Performance Policy.

Professional consultants are engaged as required to identify prospective Director candidates.

Board Renewal

Board renewal and orderly transitions are important for ensuring effective and sustainable Board performance.

The Board Skills Matrix frames the ongoing Board renewal process, ensuring that the prescribed skills and experience are present within the Board and address the Bank's existing and emerging business and governance issues.

Director Induction and Board Education

All new Non-Executive Directors participate in an induction program to assist them in understanding the Group's structure, operations, strategic planning process and competitive and regulatory environments.

A continuing education program is incorporated into the Board calendar, which ensures that Directors, individually and collectively, develop and maintain skills and knowledge which supports the Board's decision-making.

Annual Directors' duties training is provided to the Board and all directors of Group subsidiaries.

The Directors are subject to the Group Mandatory Learning Policy, under which they are required to complete training relating to Group policies. In the 2023 financial year, this included topics such as Financial Crime Compliance, Privacy, Information Security, Code of Conduct and Conflicts of Interest.

The Board also attended a number of targeted education sessions during the 2023 financial year. Directors gained insights and a deeper level of knowledge on topics such as the ethics of artificial intelligence, cyber security, whistleblowing and the Respect at Work legislative changes.

Conflicts Management

The Group Conflicts Management Policy is designed to ensure that actual, perceived or potential conflicts of interest are identified, managed or prevented. The policy and associated procedures outline the organisational and administrative arrangements in place to support the identification and management of conflicts of interest.

Corporate Governance (continued)

Our Values

Our culture is built on living our values of Care, Courage and Commitment, everyday:

Care

We care about our customers and each other – we serve with humility and transparency

Courage

We have the courage to step in, speak up and lead by example

Commitment

We are unwavering in our commitment – we do what's right and we work together to get things done

Our purpose and values are embedded and reinforced across the Bank through various systems and channels, including leadership communications, policies, processes, learning, development, risk, performance and recognition. Conduct is formally assessed with respect to the Bank's values, as outlined in the Code of Conduct.

During the 2023 financial year, other mechanisms to reinforce the Bank's purpose and values included:

- developing the 2023 Organisational Culture Plan detailing priority initiatives to continue evolving our culture, underpinned by our values and purpose;
- embedding our purpose and values through regular targeted employee communications and experiences;
- a continued focus on senior leader role-modelling and authentic communication to send consistent cultural cues through tone, language, symbols, expectations and behaviour;
- design and delivery of a targeted senior-leader development program 'Leading Tomorrow' focused on embedding values aligned with our Leadership Principles;
- a focus on unifying, empowering, developing and connecting leaders across the Bank through an ongoing series of quarterly and bi-annual leader forums;
- providing broader context on the Bank's strategy, operations and external environment through a series of CEO and Executive Leader interviews and Q&A style sessions including CommBank Live and Net Promotor Score Team Talks available and cascaded to all employees;
- performing a biennial deep-dive organisational culture assessment (including risk culture) to ensure continued alignment to the strategy and values and identification of opportunities for continued improvement; and
- amplifying values stories and examples through employee recognition programs. This includes both our everyday Legends Program and quarterly and annual Excellence Awards.

Code of Conduct

The Group's Code of Conduct sets the standards of behaviour, actions and decisions expected of our people when engaging with, and balancing the interests of, the Bank's stakeholders. The Code connects our purpose and values with a 'Should We?' test, to help deliver the right outcomes for all stakeholders. Following the Code is mandatory and it applies to everyone in the Group, including Board members, employees and contractors. The Code guides our decision-making, sets clear boundaries, and provides a roadmap for getting help when we run into unanticipated challenges. Material breaches of the Code are reported to the relevant Committee. Consequences for staff not complying with the Code may include termination of employment.

Other information (continued)

Corporate Governance (continued)

Whistleblower Protection

The Group is committed to fostering a culture where our people and others feel safe to speak up on matters or conduct that concerns them. The Group Whistleblower Policy provides clarity on how the Group will support and protect those who express their concerns, as well as the manner in which concerns can be raised and will be managed.

The Group has:

- a Whistleblower Protection Officer whose role includes overseeing the protection of whistleblowers, including their wellbeing;
- SpeakUP services (including online and independently provided telephone and email channels) that provide avenues for individuals to raise concerns, including anonymously; and
- a Misconduct Governance Committee that oversees the effectiveness of the whistleblower program.

The Audit Committee is provided with regular reporting on the operation of the whistleblower program. This includes material matters reported under the Group Whistleblower Policy, taking into account legislative constraints surrounding both whistleblower protection and confidentiality.

Anti-Bribery and Corruption

The Group is committed to embedding a zero risk appetite culture for bribery, corruption and facilitation payments. An Anti-Bribery & Corruption (AB&C) framework, comprising a Group AB&C Policy and Standard, has been created to:

- formally acknowledge, promote awareness and understanding of the serious nature of bribery and corruption;
- ensure compliance with all applicable AB&C legislation in every jurisdiction the Group operates in, which at a minimum includes the Australian Criminal Code Act 1995 (Cth), United Kingdom Bribery Act 2010 and the United States Foreign Corrupt Practices Act 1977;
- prohibit the giving, receiving or offering of bribes, facilitation payments or other improper benefits to/from another person, including public officials;
- prohibit any dishonest accounting or the deliberate failure to maintain complete and accurate records for the purpose of concealing bribery and corruption;
- identify potential risks and appropriate controls relating to key bribery and corruption risk areas such as the offering or accepting of gifts and entertainment; sponsorships and donations; hiring opportunities as well as the engagement of third party service providers who may act for, or on behalf of, the Group;
- require all parts of the Group to identify and understand the bribery and corruption risks relevant to their operations, and implement appropriate controls;
- outline the requirements for escalating and reporting Group AB&C Policy breaches; and
- outline the accountabilities across the Group for the ongoing management of bribery and corruption risk.

The Board approves the Group AB&C Policy and any material changes to it.

Material breaches of the policy must be reported to the Risk & Compliance Committee.

Corporate Governance (continued)

Corporate Reporting

The Audit Committee assists the Board to discharge its responsibilities on matters relating to the external reporting of financial information for the Group.

The Group Publicly Issued Documents and Marketing Materials Policy establishes the principles for an approval process for public documents and marketing materials including periodic corporate reports such as the Annual Report, profit announcements, quarterly trading updates and Pillar 3 Reports. The policy seeks to ensure:

- that the information included in the relevant document is not inaccurate, false, misleading or deceptive;
- that there are no material omissions in public documents;
- that there are no material omissions in marketing materials which may prevent existing or potential clients or customers from making informed decisions;
- compliance with relevant legislation, regulations, industry codes and standards and the Group’s policy framework;
- compliance with our Code of Conduct;
- that a heightened degree of validation of certain public documents and marketing materials is performed; and
- that appropriate approvals are obtained for publicly issued documents and marketing materials in accordance with the policy.

Under the policy, periodic corporate reports require a verification schedule as a means of verifying the accuracy and completeness of the content. The verification schedule allocates the statements within the relevant document to a responsible person, and records the sign-off of that person against the principles stated above. The verification is then provided to an appropriate approver to sign-off on the accuracy and completeness of the information.

CEO and CFO Declarations

Before the Board approved the Group’s half year and full year financial statements for 2023, the CEO and CFO provided the Board with written declarations that, in their opinion:

- the Group’s financial records have been properly maintained in accordance with the Corporations Act;
- the financial statements and notes comply with the accounting standards and give a true and fair view of the Group’s financial position and performance; and
- the declarations are formed on the basis of a sound system of risk management and internal control, which is operating effectively.

Corporate Governance (continued)

Continuous Disclosure

The Bank is committed to promoting investor confidence in the markets for its shares and debt securities by complying with its disclosure obligations in a way that provides investors with equal access to timely, balanced and effective disclosures.

All market sensitive information is released to ASX in compliance with the Bank's continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

The Group Continuous Disclosure Policy provides the framework for dealing with market sensitive information and seeks to ensure that the Group complies with its continuous disclosure obligations.

Subject to the matters reserved for Board approval, the Disclosure Committee is responsible for determining whether an announcement is released to ASX, or any other foreign securities exchange, and approving the form of the announcement.

The Board receives copies of all material market announcements promptly after release.

The Bank releases copies of new and substantive investor or analyst presentation materials to ASX ahead of the presentation being given.

In addition, the Bank posts all information released to ASX via the Investor Centre.

Corporate Governance (continued)

Shareholders

The Bank seeks to provide shareholders with information that is timely, of high quality and relevant to their investments via ASX announcements. We also encourage shareholders to access the latest information on the Bank's strategy, operations and financial performance through our Investor Centre. Key updates are provided in the form of ASX announcements, full and half-year results, quarterly trading updates, the Annual Report, shareholder letters and the Notice of Annual General Meeting. Our Investor Centre also provides access to webcasts, videos, result summaries and FAQs and our shareholders have the option to utilise electronic communication updates.

Our investor relations program facilitates two-way communication between the Bank and its shareholders. Shareholders are also able to send us communications directly or via our share registry, Link Market Services. Shareholders can contact CBA Investor Relations directly through multiple channels including a dedicated telephone line, by email and post.

Shareholders also have the opportunity to ask questions and hear directly from the Board at the Bank's AGM.

We are committed to listening and responding to shareholder queries, feedback and surveys. Regular updates are provided to the Board so that it has a good understanding of current shareholder views. The Chair, CEO, CFO and Group Executives meet with domestic and offshore institutional investors throughout the year. We also engage directly with buy-and sell-side analysts, proxy advisors, the Australian Shareholders' Association and retail stockbrokers.

Annual General Meeting

The Bank recognises the importance of shareholder participation at our AGM.

The 2023 AGM will be held on Wednesday, 11 October 2023 at the International Convention Centre, Sydney. Shareholders are encouraged to attend and participate.

Shareholders are encouraged to submit questions ahead of the AGM. These can provide useful insights into shareholder concerns and areas of interest, enabling the Chair and CEO to provide relevant feedback on these to the meeting, where consistent themes are raised in advance. Shareholders also have the opportunity to ask questions at the meeting.

The Bank offers direct voting which allows shareholders who are unable to participate in the AGM to vote on resolutions in advance, without needing to appoint a proxy to vote on their behalf. The Bank conducts voting on all resolutions by poll.

Electronic Communications

Shareholders are strongly encouraged to provide the Bank's share registry, Link Market Services, with their email address so that the Bank can communicate important information efficiently.

Corporate Governance (continued)

The Group identifies, monitors and manages its exposure to financial, non-financial and strategic risks, and is committed to having risk management policies, processes and practices that support a high standard of risk governance whilst enabling management to undertake prudent risk-taking activities.

Risk Management Framework

The Group's Risk Management function designs and oversees management's adherence to the Group Risk Management Framework that manages the Group's material risks.

The Group Risk Management Framework comprises the systems, structures, policies, processes and people that identify, measure, evaluate, control, monitor and report on both internal and external sources of material risk. It incorporates three key documents:

- the Group's Business Plan (consisting of the Group Strategy and the Financial Plan) that sets out the approach to implementing the Group's strategic objectives;
- the Group RAS, that establishes the type and degree of risk the Board is prepared to accept and the maximum level of risk that the Group must operate within; and
- Group RMA that sets out the Board and the Executive Leadership Team's expectations regarding the Group's approach to managing risk and the key elements of the Risk Management Framework that give effect to this approach.

The Board is ultimately responsible for the Group Risk Management Framework and for overseeing its operation by management. As required by APRA's Prudential Standard CPS 220 Risk Management, the Board:

- sets the Group RAS and the Group RMA, and ensures that these are consistent with the policies and processes developed to support appropriate levels of risk taking;
- ensures that the Group Risk Management Framework is appropriate for the size, business mix and complexity of the Group, and is reviewed annually by Group Audit & Assurance, and triennially by operationally independent persons. The Group Risk Management Framework was reviewed by the Board in December 2022;
- receives regular management reporting to monitor that material risks are managed within approved appetite;
- forms a view on the risk culture of the Group and oversees relevant improvement action plans; and
- delivers an annual Risk Management Declaration to APRA on the adequacy of design and operating effectiveness of the Group Risk Management Framework.

Internal Audit

Group Audit & Assurance (GA&A) is the Internal Audit function of the Group, also called the 3rd Line of Accountability (3LoA or Line 3). Its role is to provide independent and objective assurance and related consulting services to management, as well as the Audit, Nominations, Risk & Compliance, and People & Remuneration Committees.

GA&A is structured to be independent of management, with the most senior GA&A executive, the Group Auditor, reporting directly to the Audit Committee Chair. The Audit Committee holds regular discussions with the Group Auditor in the absence of management. The Group Auditor may only be appointed or dismissed with the Audit Committee's approval. The Group Auditor has free and unrestricted access to all of the Group's information, people, property and records to discharge GA&A's role. In major offshore subsidiary entities, local audit teams operate with a direct reporting line to local Board committees.

GA&A operates under a separate Charter approved by the Audit Committee, conducts its activities in line with local accounting and regulatory standards and adheres to the Institute of Internal Auditors' International Professional Practice Framework, including the Core Principles for the Professional Practice of Internal Auditing and the Definition of Internal Auditing. GA&A is also subject to external review every three years.

GA&A's responsibilities include:

- developing a risk-based annual Group internal audit plan for the Audit Committee's approval and adjusting that plan where necessary to reflect current and emerging risks;
- executing the audit plan in line with approved audit methodologies and reporting the results of its work to management, the Audit Committee and, where appropriate, to the Risk & Compliance Committee; and
- escalating to management, and the Audit Committee or Risk & Compliance Committee, as appropriate, instances where GA&A believes that management has accepted a level of risk in excess of the business area's approved risk appetite. The Group Auditor also monitors and reports on progress in addressing significant control and risk issues.

Corporate Governance (continued)

External Auditor

PricewaterhouseCoopers (PwC) was appointed as the Group's External Auditor at the 2007 Annual General Meeting. The External Auditor provides an independent opinion on whether, among other things, the Group's financial report provides a true and fair view of the Group's financial position and performance.

In line with legislation promoting auditor independence, the Group requires rotation of PwC's lead audit partner after the audit of five successive financial years. The current lead audit partner, Elizabeth O'Brien, assumed the lead audit partner role on 1 July 2022. The lead audit partner holds regular discussions with the Audit Committee without management present.

The External Auditor attends the AGM and is available to respond to shareholder questions on any matter that concerns them in their capacity as auditor. The Group and its External Auditor must comply with Australian and United States auditor independence requirements. United States Securities and Exchange Commission rules apply to various activities the Group undertakes in the United States, even though the Bank is not registered under the US Exchange Act.

Environmental and Social Policy

The Group's Environmental and Social Policy outlines our approach and commitments to managing the environmental and social impacts of our business activities and operations. The Policy includes commitments related to climate change, human rights and modern slavery. The Group has updated its Environmental and Social Policy, with the updated Policy coming into effect on 9 August 2023.

The Group regularly assesses and discloses our Climate-related progress, performance and the Group's plans in line with the 11 recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This includes climate-related governance, strategy, risk management, metrics and targets.

In addition, we outline our progress and commitments against social objectives including through our annual Modern Slavery and Human Trafficking Statement and our Reconciliation Action Plan and associated reporting.

Corporate Governance (continued)

Executive Remuneration and Performance

The People & Remuneration Committee assists the Board to discharge its responsibilities on matters relating to:

- the Group's remuneration strategies, recognition programs, and effectiveness of the Group Remuneration Policy and other people-related policies; and
- remuneration arrangements for Non-Executive Directors of the CBA Board, the CEO and the CEO's direct reports[1] and any other Accountable Persons and Specified Roles of the Bank and regulated subsidiaries.

In carrying out its role, the People & Remuneration Committee seeks to ensure that the Bank's people and remuneration practices and recognition programs are aligned to the Group's Remuneration Policy and principles, have regard to performance and financial soundness, satisfy governance, legal and regulatory requirements, encourage behaviours which appropriately mitigate against operational, financial, non-financial, regulatory and reputational risks, and do not reward conduct that is contrary to the Group's values, culture or risk appetite.

The Bank has a formal process for evaluating the performance of the CEO and the CEO's direct reports at least twice every reporting period. During the financial year, a preliminary review was undertaken in February and June by a concurrent meeting of the People & Remuneration, Audit, Risk & Compliance and Nominations Committee members which evaluated the CEO's performance and his assessment of the CEO's direct reports' performance [2]. The final assessments were then recommended by the People & Remuneration Committee to the Board for approval in August 2023.

Gender Pay Equity

We seek to achieve gender pay equity. We continue to have a pay gap between what we pay men and women at similar career levels. During the 2023 financial year, the gender pay gap has reduced at the Executive General Manager level, Executive Manager and Manager levels, remained the same at the Team Member level, and slightly increased at the General Manager levels. We review pay equity throughout the year and as part of our annual remuneration review process.

Securities Trading

The Group Securities Trading Policy sets out when our people and their associates may deal in securities, including Group securities.

The policy prohibits dealing in securities when in possession of inside information. It also prohibits certain specified persons and their associates from dealing in Group securities except during limited 'trading windows'.

The policy also sets out the Bank's prohibition on hedging or otherwise limiting economic exposure to equity price risk in relation to unvested equity-linked remuneration issued under any Group equity arrangement.

1 'CEO's direct reports' refers to all Group Executives and excludes those direct reports of the CEO that are not Group Executives.
2 The ASB Board assessed the performance of the CEO of ASB.

Five Year Financial Summary

	30 Jun 23 $M	30 Jun 22 [1] $M	30 Jun 21 [1] $M	30 Jun 20 $M	30 Jun 19 $M
Net interest income	**23,056**	19,473	19,302	19,015	18,224
Other operating income	**4,181**	5,216	4,646	4,746	5,355
Total operating income	**27,237**	24,689	23,948	23,761	23,579
Operating expenses	**(11,858)**	(11,428)	(11,151)	(10,996)	(10,891)
Loan impairment (expense)/benefit	**(1,108)**	357	(554)	(2,518)	(1,201)
Net profit before tax	**14,271**	13,618	12,243	10,247	11,487
Income tax expense	**(4,107)**	(4,023)	(3,590)	(3,022)	(3,301)
Non-controlling interests	**–**	–	–	–	(12)
Net profit after tax from continuing operations ("cash basis")	**10,164**	9,595	8,653	7,225	8,174
Net profit after tax from discontinued operations	**18**	113	148	182	527
Net profit after tax ("cash basis")	**10,182**	9,708	8,801	7,407	8,701
Treasury shares valuation adjustment	**–**	–	–	–	6
Hedging and IFRS volatility	**(8)**	108	7	93	(79)
(Loss)/gain on disposal of entities net of transaction costs	**(84)**	955	1,373	2,092	(61)
Bankwest non-cash items	**–**	–	–	–	(1)
Net profit after income tax attributable to equity holders of the Bank "statutory basis"	**10,090**	10,771	10,181	9,592	8,566
Contributions to profit (after tax)					
Retail Banking Services	**5,158**	4,913	4,693	4,029	4,043
Business Banking	**3,973**	3,010	2,836	2,570	2,765
Institutional Banking and Markets	**1,031**	1,058	933	635	1,090
New Zealand	**1,356**	1,265	1,161	809	1,059
Corporate Centre and Other	**(1,354)**	(651)	(970)	(818)	(783)
Net profit after tax from continuing operations ("cash basis")	**10,164**	9,595	8,653	7,225	8,174
Balance Sheet					
Loans and other receivables	**926,082**	878,854	811,356	772,980	756,553
Total assets	**1,252,845**	1,215,260	1,091,975	1,015,484	977,896
Deposits and other public borrowings	**864,995**	857,586	766,381	703,432	637,420
Total liabilities	**1,180,840**	1,142,422	1,013,287	943,576	908,280
Shareholders' Equity	**72,005**	72,838	78,688	71,908	69,616
Net tangible assets (including discontinued operations)	**64,607**	65,899	71,041	64,307	59,547
Risk weighted assets – Basel III (APRA)	**467,992**	497,892	450,680	454,948	452,762
Average interest earning assets	**1,111,254**	1,026,910	929,846	897,409	871,418
Average interest bearing liabilities	**918,666**	841,695	776,967	771,982	761,115
Assets (on Balance Sheet) – Australia	**1,044,823**	1,012,494	926,909	856,651	826,045
Assets (on Balance Sheet) – New Zealand	**118,192**	112,433	110,104	103,523	99,661
Assets (on Balance Sheet) – Other	**89,830**	90,333	54,962	55,310	52,190

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

Other Information (continued)

Five Year Financial Summary (continued)

		30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20	30 Jun 19
Shareholder summary from continuing operations						
Earnings per share (cents)						
Basic						
Statutory	(cents)	**603. 0**	561. 7	499. 2	417. 8	455. 6
Cash basis	(cents)	**601. 5**	557. 1	488. 5	408. 5	462. 8
Fully diluted						
Statutory	(cents)	**589. 3**	541. 5	470. 6	404. 8	440. 7
Cash basis	(cents)	**587. 9**	537. 3	460. 7	396. 1	447. 4
Shareholder summary including discontinued operations						
Earnings per share						
Basic						
Statutory	(cents)	**597. 2**	625. 4	574. 8	542. 4	485. 3
Cash basis	(cents)	**602. 6**	563. 7	496. 9	418. 8	492. 7
Fully diluted						
Statutory	(cents)	**583. 8**	601. 4	539. 7	521. 0	468. 3
Cash basis	(cents)	**588. 9**	543. 4	468. 4	405. 7	475. 2
Dividends per share – fully franked	(cents)	**450**	385	350	298	431
Dividend cover – statutory	(times)	**1. 3**	1. 6	1. 6	1. 8	1. 1
Dividend cover – cash	(times)	**1. 3**	1. 5	1. 4	1. 4	1. 1
Dividend payout ratio						
Statutory	(%)	**75**	61	61	55	89
Cash basis	(%)	**74**	68	71	71	88
Net tangible assets per share including discontinued operations	($)	**38. 5**	38. 7	40. 0	36. 3	33. 6
Weighted average number of shares (statutory basis)	(M)	**1,690**	1,722	1,771	1,768	1,765
Weighted average number of shares (statutory fully diluted)	(M)	**1,800**	1,833	1,934	1,895	1,897
Weighted average number of shares (cash basis)	(M)	**1,690**	1,722	1,771	1,769	1,766
Weighted average number of shares (cash fully diluted)	(M)	**1,800**	1,833	1,934	1,896	1,898
Number of shareholders [1]		**861,636**	873,764	871,514	888,214	831,655
Share prices for the year						
Trading high	($)	**111. 43**	110. 19	106. 57	91. 05	83. 99
Trading low	($)	**89. 66**	86. 98	62. 64	53. 44	65. 23
End (closing price)	($)	**100. 27**	90. 38	99. 87	69. 42	82. 78

1 This includes employees.

Five Year Financial Summary (continued)

		30 Jun 23	30 Jun 22 [1]	30 Jun 21 [1]	30 Jun 20	30 Jun 19
Performance ratios from continuing operations						
Return on average Shareholders' Equity						
Statutory	(%)	**14. 1**	12. 8	11. 8	10. 4	11. 8
Cash basis	(%)	**14. 0**	12. 7	11. 5	10. 2	12. 0
Return on average total assets						
Statutory	(%)	**0. 8**	0. 8	0. 9	0. 7	0. 8
Cash basis	(%)	**0. 8**	0. 8	0. 8	0. 7	0. 8
Net interest margin	(%)	**2. 07**	1. 90	2. 08	2. 12	2. 09
Performance ratios including discontinued operations						
Return on average Shareholders' Equity						
Statutory	(%)	**13. 9**	14. 3	13. 5	13. 5	12. 6
Cash basis	(%)	**14. 1**	12. 9	11. 7	10. 5	12. 8
Return on average total assets						
Statutory	(%)	**0. 8**	0. 9	1. 0	1. 0	0. 9
Cash basis	(%)	**0. 8**	0. 8	0. 8	0. 7	0. 9
Capital adequacy – Common Equity Tier 1 – Basel III (APRA)	(%)	**12. 2**	11. 5	13. 1	11. 6	10. 7
Capital adequacy – Tier 1 – Basel III (APRA)	(%)	**14. 5**	13. 6	15. 7	13. 9	12. 7
Capital adequacy – Tier 2 – Basel III (APRA)	(%)	**5. 5**	4. 0	4. 1	3. 6	2. 8
Capital adequacy – Total – Basel III (APRA)	(%)	**20. 0**	17. 6	19. 8	17. 5	15. 5
Leverage Ratio Basel III (APRA)	(%)	**5. 1**	5. 2	6. 0	5. 9	5. 6
Liquidity Coverage Ratio – "Quarterly average"	(%)	**131**	130	129	155	132
Net interest margin	(%)	**2. 07**	1. 90	2. 08	2. 12	2. 10
Other information						
Full-time equivalent employees from continuing operations		**49,454**	48,906	44,019	41,778	41,458
Full-time equivalent employees including discontinued operations		**49,454**	48,906	45,833	43,585	45,165
Branches/services centres (Australia)		**741**	807	875	967	1,014
Agencies (Australia)		**3,491**	3,526	3,535	3,547	3,560
ATMs		**1,956**	2,095	2,492	3,542	3,963
EFTPOS terminals (active)		**206,188**	189,977	203,938	190,118	217,608
Productivity from continuing operations [2]						
Total operating income per full-time equivalent employee	($)	**550,754**	504,826	544,038	568,744	568,744
Employee expense/total operating income	(%)	**26. 6**	26. 7	25. 3	24. 2	24. 2
Total operating expenses/total operating income ("cash basis")	(%)	**43. 5**	46. 3	46. 6	46. 3	46. 2
Productivity including discontinued operations [3]						
Total operating income per full-time equivalent employee	($)	**552,190**	512,616	539,131	568,361	568,449
Employee expense/total operating income	(%)	**26. 5**	26. 6	25. 4	24. 5	25. 4
Total operating expenses/total operating income ("cash basis")	(%)	**43. 6**	46. 5	47. 4	47. 4	47. 6

1 Comparative information has been restated to conform to presentation in the current period as detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details.

2 The productivity metrics have been calculated on a cash basis.

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Contents

7. Appendices

Appendices

Appendix A – Additional Historical Information

For the purposes of providing investors with a thorough understanding of the Group's performance, this Appendix provides relevant financial year 2021, 2020 and 2019 information not provided within the 2023 Financial Report and 2022 Financial Report.

The following information presented in Appendix A has not been restated to reflect the change in accounting policy and prior period restatements detailed in Note 1.1 of the 2023 Financial Report. Refer to "Disclosures – Financial Information Definitions – Change in Comparatives" and Appendix C of this Document for further details

Provisions for Impairment

Provisions for impairment losses	2020 $M	2019 $M
Collective provision		
Opening balance	3,904	2,763
Change on adoption of AASB 9	-	1,055
Net collective provision funding	2,043	724
Impairment losses written off	(763)	(901)
Impairment losses recovered	185	206
Other	27	57
Closing balance	5,396	3,904
Individually assessed provisions		
Opening balance	895	870
Net new and increased individual provisioning	658	619
Write-back of provisions no longer required	(183)	(142)
Discount unwind to interest income	(16)	(23)
Impairment losses written off	(444)	(500)
Other	57	71
Closing balance	967	895
Total provisions for impairment losses	6,363	4,799
Less: Provision for Off Balance Sheet exposures	(119)	(84)
Total provisions for loan impairment	6,244	4,715

Provision ratios	2020 %	2019 %
Total provisions for impaired assets as a % of gross impaired assets	35. 37	32. 77
Total provisions for impairment losses as a % of gross loans and acceptances	0. 82	0. 63

Appendix A – Additional Historical Information (continued)

Credit Risk Management

The following tables set out the Group's impaired asset position by industry and asset class as at 30 June 2021, 2020 and 2019.

							2021
Industry	Total Balance $M	Gross Impaired Assets $M	Total Provisions for Impaired Assets $M	Net Impaired Assets $M	Write-offs $M	Recoveries $M	Net Write-offs $M
Loans - Australia							
Sovereign	17,620	-	-	-	-	-	-
Agriculture	12,136	106	(52)	54	14	-	14
Bank and other financial	13,886	4	(3)	1	-	-	-
Construction	5,002	78	(37)	41	9	-	9
Consumer	532,157	1,313	(338)	975	521	(115)	406
Other commercial and industrial	124,794	643	(434)	209	107	(3)	104
Total loans - Australia	705,595	2,144	(864)	1,280	651	(118)	533
Loans - Overseas							
Sovereign	138	-	-	-	-	-	-
Agriculture	9,775	130	(21)	109	2	-	2
Bank and other financial	6,792	1	-	1	4	-	4
Construction	683	10	(2)	8	1	-	1
Consumer	66,055	613	(67)	546	56	(12)	44
Other commercial and industrial	29,228	462	(205)	257	145	(1)	144
Total loans - overseas	112,671	1,216	(295)	921	208	(13)	195
Total loans	818,266	3,360	(1,159)	2,201	859	(131)	728

Appendix A – Additional Historical Information (continued)

Credit Risk Management (continued)

Industry	Total Balance $M	Gross Impaired Assets $M	Total Provisions for Impaired Assets $M	Net Impaired Assets $M	Write-offs $M	Recoveries $M	Net Write-offs $M
							2020
Loans - Australia							
Sovereign	23,480	2	-	2	-	-	-
Agriculture	10,512	103	(54)	49	1	(4)	(3)
Bank and other financial	13,260	6	(4)	2	1	-	1
Construction	5,045	71	(42)	29	35	(1)	34
Consumer	503,490	1,611	(423)	1,188	772	(156)	616
Other commercial and industrial	118,691	595	(361)	234	240	(11)	229
Total loans - Australia	674,478	2,388	(884)	1,504	1,049	(172)	877
Loans - Overseas							
Sovereign	14	-	-	-	-	-	-
Agriculture	9,726	155	(19)	136	36	-	36
Bank and other financial	6,730	-	-	-	4	-	4
Construction	658	3	(1)	2	2	-	2
Consumer	58,961	335	(66)	269	65	(13)	52
Other commercial and industrial	29,541	501	(285)	216	51	-	51
Total loans - overseas	105,630	994	(371)	623	158	(13)	145
Total loans	780,108	3,382	(1,255)	2,127	1,207	(185)	1,022

Appendix A – Additional Historical Information (continued)

Credit Risk Management (continued)

							2019
Industry	Total Balance $M	Gross Impaired Assets $M	Total Provisions for Impaired Assets $M	Net Impaired Assets $M	Write-offs $M	Recoveries $M	Net Write-offs $M
Loans - Australia							
Sovereign	22,404	-	-	-	-	-	-
Agriculture	9,140	114	(52)	62	59	-	59
Bank and other financial	11,952	6	(15)	(9)	1	-	1
Home loans	467,361	1,596	(272)	1,324	134	(4)	130
Construction	3,194	82	(84)	(2)	44	(1)	43
Other personal	21,508	276	(202)	74	787	(169)	618
Asset financing	10,471	78	(10)	68	17	(2)	15
Other commercial and industrial	106,991	626	(403)	223	126	(14)	112
Total loans - Australia	653,021	2,778	(1,038)	1,740	1,168	(190)	978
Loans - Overseas							
Sovereign	82	-	-	-	-	-	-
Agriculture	10,612	298	(46)	252	2	-	2
Bank and other financial	5,774	10	-	10	5	-	5
Home loans	55,581	204	(10)	194	2	(1)	1
Construction	573	1	-	1	2	-	2
Other personal	1,924	16	(20)	(4)	70	(11)	59
Asset financing	722	2	-	2	-	-	-
Other commercial and industrial	32,724	145	(73)	72	152	(4)	148
Total loans - overseas	107,992	676	(149)	527	233	(16)	217
Total loans	761,013	3,454	(1,187)	2,267	1,401	(206)	1,195

Appendix A – Additional Historical Information (continued)

Credit Risk Management (continued)

The following tables set out the Group's credit risk by industry and asset class as at 30 June 2021, 2020 and 2019.

Maximum Exposure to Credit Risk by Industry and Asset Class before Collateral Held or Other Credit Enhancements

	At 30 June 2021							
	Sovereign	Agricul-ture	Bank and other financial	Con-struction	Consumer	Other comm and indust.	Other	Total
	$M	$M	$M	$M	$M	$M	$M	$M
Australia								
Credit risk exposures relating to on Balance Sheet assets:								
Cash and liquid assets	66,416	-	10,845	-	-	-	-	77,261
Receivables from financial institutions	-	-	2,590	-	-	-	-	2,590
Assets at fair value through Income Statement:								
Trading	9,893	-	779	-	-	11,270	-	21,942
Other	106	21	229	-	-	10,128	30	10,514
Derivative assets	817	86	13,061	10	-	4,744	-	18,718
Investment securities:								
At amortised cost	-	-	4,278	-	-	-	-	4,278
At fair value through Other Comprehensive Income	53,079	-	11,595	-	-	2,790	-	67,464
Assets held for sale	-	-	-	-	-	-	1,200	1,200
Loans, bills discounted and other receivables [1]	17,620	12,136	13,886	5,002	532,157	124,794	-	705,595
Other assets	652	39	3,870	-	9	451	-	5,021
Total on Balance Sheet Australia	148,583	12,282	61,133	5,012	532,166	154,177	1,230	914,583
Credit risk exposures relating to off Balance Sheet assets:								
Guarantees	398	20	977	197	-	3,179	-	4,771
Loan commitments	778	2,328	6,008	2,553	104,045	41,073	-	156,785
Other commitments	64	13	1,165	1,602	-	3,647	-	6,491
Total Australia	149,823	14,643	69,283	9,364	636,211	202,076	1,230	1,082,630
Overseas								
Credit risk exposures relating to on Balance Sheet assets:								
Cash and liquid assets	16,000	-	6,780	-	-	-	-	22,780
Receivables from financial institutions	75	-	2420	-	-	-	-	2,495
Assets at fair value through Income Statement:								
Trading	4,094	-	199	-	-	196	-	4,489
Other	-	-	-	-	-	25	-	25
Derivative assets	218	12	1,657	-	-	844	-	2,731
Investment securities:								
At amortised cost	-	-	-	-	-	-	-	-
At fair value through Other Comprehensive Income	17,079	-	2,016	-	-	1	-	19,096
Assets held for sale	-	-	-	-	-	-	1	1
Loans, bills discounted and other receivables [1]	138	9,775	6,792	683	66,055	29,228	-	112,671
Other assets	25	-	297	1	10	30	-	363
Total on Balance Sheet overseas	37,629	9,787	20,161	684	66,065	30,324	1	164,651
Credit risk exposures relating to off Balance Sheet assets:								
Guarantees	95	1	415	63	-	343	-	917
Loan commitments	459	901	8,938	231	10,737	9,521	-	30,787
Other commitments	1	-	52	1	-	716	-	770
Total overseas	38,184	10,689	29,566	979	76,802	40,904	1	197,125
Total gross credit risk	188,007	25,332	98,849	10,343	713,013	242,980	1,231	1,279,755
Other [2]	–	–	–	–	–	–	19,638	19,638
Total assets	188,007	25,332	98,849	10,343	713,013	242,980	20,869	1,299,393

1 Loans, bills discounted and other receivables is presented gross of provisions for impairment and unearned income in line with Note 3.1.

2 For the purpose of reconciling to the Balance Sheet, "Other assets" predominantly comprises assets which do not give rise to credit exposure, including Property, plant and equipment, Investment in associates and joint ventures, Intangible assets, Deferred tax assets and Other assets.

Appendix A – Additional Historical Information (continued)

Credit Risk Management (continued)

Maximum Exposure to Credit Risk by Industry and Asset Class before Collateral Held or Other Credit Enhancements.

	At 30 June 2020							
	Sovereign	Agriculture	Bank and other financial	Construction	Consumer	Other comm and indust.	Other	Total
	$M	$M	$M	$M	$M	$M	$M	$M
Australia								
Credit risk exposures relating to on Balance Sheet assets:								
Cash and liquid assets	8,611	-	14,113	-	-	-	-	22,724
Receivables from financial institutions	-	-	2,127	-	-	-	-	2,127
Assets at fair value through Income Statement:								
Trading	28,071	-	842	-	-	5,759	-	34,672
Other	77	105	1,188	-	-	6,708	44	8,122
Derivative assets	1,268	76	22,649	26	-	4,801	-	28,820
Investment securities:								
At amortised cost	9	-	5,159	-	-	-	-	5,168
At fair value through Other Comprehensive Income	47,601	-	12,366	-	-	570	-	60,537
Loans, bills discounted and other receivables [1]	23,480	10,512	13,260	5,045	503,490	118,691	-	1,768
Other assets [2]	637	1	5,844	1	23	189	-	674,478
Assets held for sale	-	-	772	-	-	12	984	6,695
Total on Balance Sheet Australia	109,754	10,694	78,320	5,072	503,513	136,730	1,028	845,111
Credit risk exposures relating to off Balance Sheet assets:								
Guarantees	493	20	1,466	259	-	3,065	-	5,303
Loan commitments	593	1,969	6,575	2,355	92,659	38,541	-	142,692
Other commitments	70	9	1,163	1,521	-	3,763	-	6,526
Total Australia	110,910	12,692	87,524	9,207	596,172	182,099	1,028	999,632
Overseas								
Credit risk exposures relating to on Balance Sheet assets:								
Cash and liquid assets	13,937	-	7,504	-	-	-	-	21,441
Receivables from financial institutions	61	-	6359	-	-	-	-	6,420
Assets at fair value through Income Statement:								
Trading	3184	-	274	-	-	293	-	3,751
Other	-	-	-	-	-	-	-	-
Derivative assets	128	22	939	-	-	376	-	1,465
Investment securities:								
At amortised cost	5	-	-	-	-	-	-	5
At fair value through Other Comprehensive Income	17,068	-	1,944	-	-	-	-	19,012
Loans, bills discounted and other receivables [1]	14	9,726	6,730	658	58,961	29,541	-	105,630
Other assets [2]	24	-	19	1	9	351	-	404
Assets held for sale	-	-	-	-	-	-	2	2
Total on Balance Sheet overseas	34,421	9,748	23,769	659	58,970	30,561	2	158,130
Credit risk exposures relating to off Balance Sheet assets:								
Guarantees	-	2	754	52	-	337	-	1,145
Loan commitments	340	804	6,300	234	9,949	8,218	-	25,845
Other commitments	1	1	243	1	-	586	-	832
Total overseas	34,762	10,555	31,066	946	68,919	39,702	2	185,952
Total gross credit risk	145,672	23,247	118,590	10,153	665,091	221,801	1,030	1,185,584

1 Loans, bills discounted and other receivables is presented gross of provisions for impairment and unearned income.

2 For the purpose of reconciling to the Balance Sheet, "Other assets" predominantly comprises assets which do not give rise to credit exposure, including Property, plant and equipment, Investment in associates and joint ventures, Intangible assets, Deferred tax assets and Other assets

Appendix A – Additional Historical Information (continued)

Credit Risk Management (continued)

Maximum Exposure to Credit Risk by Industry and Asset Class before Collateral Held or Other Credit Enhancements.

	At 30 June 2019									
	Sovereign	Agricul-ture	Bank and other financial	Home loans	Con-struction	Other personal	Asset financing	Other comm and indust.	Other	Total
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Australia										
Credit risk exposures relating to on Balance Sheet assets:										
Cash and liquid assets	4,575	-	11,930	-	-	-	-	-	-	16,505
Receivables from financial institutions		-	3,037	-	-	-	-	-	-	3,037
Assets at fair value through Income Statement:										
Trading	21,354	-	941	-	-	-	-	2,454	-	24,749
Other	81	-	434	-	-	-	-	7,268	242	8,025
Derivative assets	1,414	64	18,550	-	4	-	-	1,150	-	21,182
Investment securities:										
At amortised cost	9	-	7,341	-	-	-	-	-	-	7,350
At fair value through Other Comprehensive Income	43,540	-	16,893	-	-	-	-	67	-	60,500
Loans, bills discounted and other receivables [1]	22,404	9,140	11,952	467,361	3,194	21,508	10,471	106,991	-	653,021
Other assets [2]	488	3	5,496	-	-	10	-	230	14,175	20,402
Assets held for sale	1,423	-	5,633	-	-	-	-	3,943	4,211	15,210
Total on Balance Sheet Australia	95,288	9,207	82,207	467,361	3,198	21,518	10,471	122,103	18,628	829,981
Credit risk exposures relating to off Balance Sheet assets:										
Guarantees	36	20	1,584	-	324	-	-	3,195	-	5,159
Loan commitments	605	1,975	7,675	67,874	2,331	21,207	-	34,156	-	135,823
Other commitments	58	11	1,362	-	1,390	214	12	2,963	-	6,010
Total Australia	95,987	11,213	92,828	535,235	7,243	42,939	10,483	162,417	18,628	976,973
Overseas										
Credit risk exposures relating to on Balance Sheet assets:										
Cash and liquid assets	9,952	-	2,930	-	-	-	-	-	-	12,882
Receivables from financial institutions	-	-	5,056	-	-	-	-	-	-	5,056
Assets at fair value through Income Statement:										
Trading	602	-	251	-	-	-	-	50	-	903
Other	-	-	-	-	-	-	-	-	-	-
Derivative assets	169	12	2,110	-	-	-	-	1,742	-	4,033
Investment securities:										
At amortised cost	5	-	-	-	-	-	-	-	-	5
At fair value through Other Comprehensive Income	16,092	-	2,320	-	-	-	-	-	-	18,412
Loans, bills discounted and other receivables [1]	82	10,612	5,774	55,581	573	1,924	722	32,724	-	107,992
Other assets [2]	30	-	338	-	-	4	8	49	1,308	1,737
Assets held for sale	683	-	469	-	-	-	-	23	166	1,341
Total on Balance Sheet overseas	27,615	10,624	19,248	55,581	573	1,928	730	34,588	1,474	152,361
Credit risk exposures relating to off Balance Sheet assets:										
Guarantees	-	10	949	-	54	-	-	334	-	1,347
Loan commitments	419	834	5,034	7,875	222	2,098	48	9,849	-	26,379
Other commitments	-	-	473	-	3	-	-	612	-	1,088
Total overseas	28,034	11,468	25,704	63,456	852	4,026	778	45,383	1,474	181,175
Total gross credit risk	124,021	22,681	118,532	598,691	8,095	46,965	11,261	207,800	20,102	1,158,148

1 Loans, bills discounted and other receivables is presented gross of provisions for impairment and unearned income.

2 For the purpose of reconciling to the Balance Sheet, "Other assets" predominantly comprises assets which do not give rise to credit exposure, including Property, plant and equipment, Investment in associates and joint ventures, Intangible assets, Deferred tax assets and Other assets.

Appendix A – Additional Historical Information (continued)

Credit Risk Management (continued)

Large Exposures

Concentrations of exposure to any counterparty or counterparty group are controlled by a large credit exposure policy, which defines a graduated limit framework that restricts credit limits based on the internally assessed risk of the client, the type of client and facility tenor. All exposures outside the policy limits require approval by the Executive Credit Authority.

The following table shows the aggregated number of the Group's non-retail (excluding banks and sovereign) aggregated counterparty exposures (including direct and contingent exposures), which individually were greater than 5% of the Group's capital resources (Tier 1 and Tier 2 capital):

	2021	2020	2019
	Number	Number	Number
5% to less than 10% of the Group's capital resources	-	-	-
10% to less than 15% of the Group's capital resources	-	-	-

Appendix A – Additional Historical Information (continued)

Asset Quality

	Australia 2021 $M	Overseas 2021 $M	Total 2021 $M	Australia 2020 $M	Overseas 2020 $M	Total 2020 $M
Non-Performing Loans by Size of Loan						
Less than $1 million	1,190	643	1,833	1,460	386	1,846
$1 million to $10 million	566	233	799	603	187	790
Greater than $10 million	422	355	777	353	559	912
Total	2,178	1,231	3,409	2,416	1,132	3,548

	Australia 2019 $M	Overseas 2019 $M	Total 2019 $M
Non-Performing Loans by Size of Loan			
Less than $1 million	1,698	266	1,964
$1 million to $10 million	628	147	775
Greater than $10 million	564	319	883
Total	2,890	732	3,622

Average Balances and Related Interest

			2021			2020
Net interest margin	**Avg Bal $M**	**Income $M**	**Yield %**	**Avg Bal $M**	**Income $M**	**Yield %**
Total interest earning assets	929,846	24,658	2. 65	897,409	30,162	3. 36
Total interest bearing liabilities	776,967	5,819	0. 75	771,982	11,552	1. 50
Net interest income and interest spread		18,839	1. 90		18,610	1. 86
Benefit of free funds			0. 13			0. 21
Net interest margin			2. 03			2. 07

Appendix A – Additional Historical Information (continued)

Loans, Bills Discounted and Other Receivables

	2021 $M	2020 $M	2019 $M
Australia			
Overdrafts	21,466	29,026	26,297
Home loans [1]	516,217	485,795	467,361
Credit card outstandings	8,640	9,005	11,271
Lease financing	3,731	4,073	4,410
Bills discounted	5	354	1,955
Term loans and other lending	155,536	146,225	141,727
Total Australia	705,595	674,478	653,021
Overseas			
Overdrafts	1,255	1,481	1,842
Home loans [1]	63,539	57,085	55,581
Credit card outstandings	909	911	1,069
Lease financing	1	6	8
Term loans and other lending	46,967	46,147	49,492
Total overseas	112,671	105,630	107,992
Gross loans, bills discounted and other receivables	818,266	780,108	761,013
Less			
Provisions for Loan Impairment:			
Collective provision	(5,200)	(5,277)	(3,820)
Individually assessed provisions	(900)	(967)	(895)
Unearned income:			
Term loans	(622)	(627)	(739)
Lease financing	(188)	(257)	(386)
	(6,910)	(7,128)	(5,840)
Net loans, bills discounted and other receivables	811,356	772,980	755,173

1 Home loans balance includes residential mortgages that have been assigned to securitisation vehicles and covered bond trusts.

Finance Leases	2021 $M	2020 $M	2019 $M
Minimum lease payments receivable:			
Not later than one year	1,468	1,454	1,489
Later than one year but not later than five years	1,945	2,233	2,433
Later than five years	131	135	110
Total finance leases	3,544	3,822	4,032

Appendix A – Additional Historical Information (continued)

Deposits and other public borrowings

	2021 $M	2020 $M
Australia		
Certificates of deposit	29,890	30,126
Term deposits	118,958	129,338
On demand and short term deposits	406,481	372,598
Deposits not bearing interest	103,510	69,143
Securities sold under agreements to repurchase	12,634	14,717
Total Australia	671,473	615,922
Overseas		
Certificates of deposit	14,532	13,669
Term deposits	28,106	35,408
On demand and short term deposits	34,680	28,496
Deposits not bearing interest	10,906	7,777
Securities sold under agreements to repurchase	6,684	2,160
Total overseas	94,908	87,510
Total deposits and other public borrowings	766,381	703,432

Appendix B – Definitions

Glossary of Terms

Term	Description
Aligned Advice	The financial planning businesses comprising Financial Wisdom, Count Financial and CFP Pathways.
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 include 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.
Corporations Act 2001	*Corporations Act 2001* (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.
Funds under administration (FUA)	Funds Under Administration represents the market value of funds administered by the Group and excludes AUM.
Institutional Banking and Markets	Institutional Banking and Markets serves the commercial and wholesale banking needs of large corporate, institutional and government clients across a full range of financial services solutions including access to debt capital markets, transaction banking, working capital and risk management through dedicated product and industry specialists.
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 businesses, or associates that are not discontinued operations. This is management's preferred measure of the Group's financial performance.

Appendix B – 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 Promoter Score	This is an industry standard metric that measures a customer's willingness to recommend a brand's product and services to their friends, family and colleagues. In consumer Atlas, Advocacy is measured on a scale of 0 to 10, with 0 being "Not at all likely" and 10 being "Extremely likely" to recommend. Net Promoter Score ("NPS") is a derived measure by subtracting Detractors (those who selected 0-6) from Promoters (9-10). Those who have selected 7-8 are known as Passives. In Roy Morgan advocacy measures the likelihood of individual retail customers who identified CBA as their main financial institution, recommending CBA to others. It is based on a scale of 10 to 10, with 1 being 'very unlikely' to recommend and 10 being 'very likely' to recommend. The Net Promoter Score ("NPS") is calculated by subtracting the percentage of 'Detractors (score 106) from the percentage of 'Promoters' (score 9-10). The metric is reported as a 6 month rolling average, based on the Australian population aged 14 and over, surveyed by Roy Morgan. ®Net Promoter Score ("NPS") is a trademark of Bain and Company, Inc., Satmetrix Systems, Inc., and Mr. Frederick Reichheld. We introduced the Net Promoter Score as our way of measuring more than just customer satisfaction, but also looking at customer advocacy. NPS helps us understand our customers experiences, positive or negative. It helps us to identify and focus on the root cause of those perceptions, giving us the opportunity to directly address issues and continue to build on strengths.
Net Stable Funding Ratio (NSFR)	The NSFR more closely aligns the behaviour 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.
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.
Profit after capital charge (PACC)	The Group uses PACC, a risk-adjusted measure, as a key measure of financial performance. It takes into account the profit achieved, the risk to capital that was taken to achieve it, and other adjustments.
Replicating Portfolio	The Replicating Portfolio is designed to stabilise the net interest earnings of the bank through interest rate cycles. It comprises a portfolio of interest rate swaps acting as a partial economic hedge for assets and liabilities that have an imperfect correlation between the cash rate and the product interest rate (e.g. if the cash rate increases or decreases, non-interest bearing deposits cannot be re-priced to match the change in the cash rate).
Retail Banking Services	Retail Banking Services provides banking products and services to personal and private bank customers. Retail Banking Services also include the financial results of retail banking activities conducted under the Bankwest and Unloan brands. The sale of the Australian general insurance business (CommInsure General Insurance) was completed on 30 September 2022.
Return on equity ("cash basis")	Based on net profit after tax ("cash basis") less other equity instruments' distributions applied to average shareholders' equity, excluding non-controlling interests and other equity instruments.
Return on equity ("statutory basis")	Based on net profit after tax ("statutory basis") less other equity instruments' distributions applied to average shareholders' equity, excluding non-controlling interests and other equity instruments.
Total Committed Exposure (TCE)	Total Committed Exposure is defined as the balance outstanding and undrawn components of committed facility limits. It is calculated before collateralisation and excludes settlement exposures on derivatives.
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.

Appendix B – 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.

Appendix B – 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 lending	All New Zealand Dollar loans for business use on ASB Balance Sheet excluding agriculture loans, **divided by** Total New Zealand Dollar loans for business use of all New Zealand registered banks excluding agriculture loans (from RBNZ).
Rural lending	All New Zealand Dollar loans for agricultural business use on ASB Balance Sheet, **divided by** Total New Zealand Dollar business loans to the agriculture industry (excluding loans for residential investor property use) of all New Zealand registered banks (from RBNZ).

Appendix C - Disclosure Changes

Changes in Comparatives

Discontinued operations

The financial results of businesses reclassified as discontinued operations are excluded from the results of the continuing operations and are presented as a single line item Net profit/(loss) after income tax from discontinued operations in the Income Statement, and Other Comprehensive Income/(expense) net of income tax from discontinued operations in the Statement of Comprehensive Income.

The Income Statements and the Statements of Comprehensive Income for comparative periods are also restated. Assets and liabilities of discontinued operations subject to disposal have been presented on the Balance Sheet separately as assets and liabilities held for sale. The Balance Sheet is not restated when a business is reclassified as a discontinued operation.

Re-segmentation

During the year ended 30 June 2023, the Group made a number of allocations and reclassifications including refinements to the allocation of support units and other 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.

Changes in Income Statement presentation

During the year ended 30 June 2023, the Group revised presentation of fee and commission expenses directly attributable to revenue generation, such as credit card loyalty fees, card processing expenses, other volume related expenses, and certain other items. These expenses have been reclassified from Operating expenses to Net other operating income and included together with commissions income in the net commissions income line to provide more relevant information about the net margin generated by the Group through certain business activities.

These changes have been applied retrospectively and impacted the prior periods financial statements of the Group and the Bank as follows:

- The Group's Operating expenses and Net other operating income for the years ended 30 June 2022 and 30 June 2021 decreased by $207 million and $208 million, respectively.
- The Bank's Operating expenses and Net other operating income for the year ended 30 June 2022 decreased by $160 million.

The Group's and the Bank's Net other operating income includes $293 million and $241 million of commission expenses as a result of this change, respectively.

The Group has also included Net funds management operating income (30 June 2022: $135 million; 30 June 2021: $165 million) and Net insurance operating income (30 June 2022: $73 million; 30 June 2021: $145 million) that were presented separately in prior periods within Net other operating income. This change has been applied retrospectively.

Adoption of new or amended accounting standards and future accounting developments

New and future accounting developments

New and revised standards and interpretations issued by the AASB and the IASB that are effective for the year ended 30 June 2023 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, which are expected to have a material impact on the Group

Interest Rate Benchmark Reform

Background

Interbank Offered Rates (IBORs), such as the London Interbank Offered Rate (LIBOR), play a critical role in global financial markets, serving as reference rates for derivatives, loans and securities, and as parameters in the valuation of financial instruments. In March 2021, the UK Financial Conduct Authority (FCA) announced LIBOR cessation dates, after which representative LIBOR rates will no longer be available.

IBOR reform program

In October 2018, the Group formed the Interest Rate Benchmark Reform Program (the Program) which was tasked with addressing the impact to the Group resulting from the transition from IBORs to risk-free reference rates (RFRs). The Program includes a formal governance structure to ensure clear accountability for all decisions, and incorporates the requisite risk, treasury, finance, legal, business, and support functions.

The transition from IBORs to RFRs resulted in various risks to the Group, including operational, financial, legal, compliance and conduct risks. These risks stemmed from, amongst others, the need for new products that incorporate RFRs, the impact of IBOR related changes on customers and financial instrument counterparties, as well as the need for different system and process capabilities. The Group under direction of the Program, applied various means of eliminating and managing these risks, while ensuring that customer outcomes are appropriate and any disruption to business is minimised. No material changes were made to the Group's risk management strategy because of IBOR reform and the use of LIBOR in new products was phased out in accordance with industry and supervisory guidance.

Financial instruments impacted by IBOR reform

The cessation date for all tenors of GBP, CHF, EUR and JPY LIBOR and the one week and two-month tenors for USD LIBOR was 31 December 2021. The cessation date for the remaining USD LIBOR tenors was 30 June 2023. USD LIBOR exposures that have not transitioned by 30 June 2023 may rely on synthetic LIBOR rates, where available.

The Group's LIBOR-referencing contracts maturing beyond their respective LIBOR cessation dates are replaced with new contracts or are amended to reference an alternative RFR. Both term and spread adjustments are required to be made to the applicable replacement RFRs to ensure that contracts referencing LIBOR transition on an economically equivalent basis.

Appendix C - Disclosure Changes (continued)

The impact of these changes on each segment's Net profit after tax ("statutory basis"), Balance Sheet and cost to income ratios for the comparative periods is set out below:

Segment Statutory NPAT (impact by adjustment type) – Including Discontinued Operations

	Full Year Ended 30 June 2022					
	Retail Banking Services $M	Business Banking $M	Institutional Banking and Markets $M	New Zealand $M	Corporate Centre and Other [1] $M	Group $M
Stat NPAT (incl. disc ops) - as reported	4,799	3,021	1,050	729	1,172	10,771
Restatements in the current half:						
Re-segmentations and allocations	(16)	9	8	-	(1)	-
Total restatements	(16)	9	8	-	(1)	-
Stat NPAT (incl. disc ops) - as restated	**4,783**	**3,030**	**1,058**	**729**	**1,171**	**10,771**

1 Includes Wealth Management

Segment Statutory NPAT (impact by P&L line item) – Including Discontinued Operations

	Full Year Ended 30 June 2022					
	Retail Banking Services $M	Business Banking $M	Institutional Banking and Markets $M	New Zealand $M	Corporate Centre and Other [1] $M	Group $M
Stat NPAT (incl. disc ops) - as reported	4,799	3,021	1,050	729	1,172	10,771
Restatements:						
Increase/(decrease) in Operating income	(119)	(54)	9	(62)	19	(207)
(Increase)/decrease in Operating expenses	91	72	2	62	(20)	207
(Increase)/decrease in Loan impairment expense	5	(5)	-	-	-	-
(Increase)/decrease in Corporate tax expense	7	(4)	(3)	-	-	-
Total restatements	(16)	9	8	-	(1)	-
Stat NPAT (incl. disc ops) - as restated	4,783	3,030	1,058	729	1,171	10,771

1 Includes Wealth Management

Appendices (continued)

Appendix C - Disclosure Changes (continued)

Segment Statutory Cost to Income Ratios

	Full Year Ended 30 June 2022					
	Retail Banking Services $M	Business Banking $M	Institutional Banking and Markets $M	New Zealand $M	Corporate Centre and Other [1] $M	Group $M
Operating expenses to total operating income (%) - as reported	40%	38%	43%	38%	157%	47%
Operating expenses to total operating income (%) - as restated	40%	38%	43%	37%	157%	46%

1 Includes Wealth Management

Group Performance Summary

	30 Jun 22	
	As Restated $M	As Reported $M
Net interest income	**19,473**	19,473
Other banking income:		
Commissions	**2,078**	2,309
Lending fees	**736**	736
Trading and other income	**2,402**	2,170
Total other banking income	**5,216**	5,215
Total banking income	**24,689**	24,688
Funds management income	**–**	135
Insurance income	**–**	73
Total operating income	**24,689**	24,896
Operating expenses	**(11,428)**	(11,635)
Loan impairment benefit	**357**	357
Net profit before income tax	**13,618**	13,618
Corporate tax expense	**(4,023)**	(4,023)
Net profit after tax from continuing operations - "cash basis"	**9,595**	9,595
Net profit after tax from discontinued operations	**113**	113
Net profit after tax - "cash basis" [1]	**9,708**	9,708
Gain on disposal of entities net of transaction costs	**955**	955
Hedging and IFRS volatility	**108**	108
Net profit after tax - "statutory basis"	**10,771**	10,771

Appendix D - Shareholder information

Top 20 holders of fully paid ordinary shares as at 30 June 2023

Rank	Name of holder	Number of shares	%
1	HSBC Custody Nominees	371,539,949	22. 17%
2	J P Morgan Nominees Australia Limited	237,995,921	14. 20%
3	Citicorp Nominees Pty Limited	106,888,611	6. 38%
4	BNP Paribas Noms Pty Ltd	51,177,405	3. 05%
5	National Nominees Limited	37,460,541	2. 23%
6	Australian Foundation Investment	7,809,000	0. 47%
7	Netwealth Investments Limited	6,676,769	0. 40%
8	Bond Street Custodians Limited	4,012,526	0. 24%
9	Australian Executor Trustees Limited	2,881,580	0. 17%
10	Argo Investments Limited	2,753,731	0. 16%
11	Navigator Australia	2,655,612	0. 16%
12	Mutual Trust Pty Ltd	1,786,585	0. 11%
13	Invia Custodian Pty Limited	1,716,107	0. 10%
14	Mr Barry Martin Lambert	1,643,613	0. 10%
15	Nulis Nominees (Australia)	1,501,601	0. 09%
16	McCusker Holdings Pty Ltd	1,370,000	0. 08%
17	UBS Nominees Pty Ltd	1,200,557	0. 07%
18	Custodial Services Limited	1,128,780	0. 07%
19	Joy Wilma Lambert	1,068,250	0. 06%
20	Washington H Soul Pattinson And Company Limited	1,006,477	0. 06%

The top 20 shareholders hold 844,273,615 shares which is equal to 50.37% of the total shares on issue.

Substantial shareholding

As at 8 August 2023 the following organisations have disclosed a substantial shareholding notice to the Australian Securities Exchange (ASX).

Name	Number of shares	Percentage of voting power
BlackRock Group [1]	106,300,321	6
State Street Corporation [2]	89,958,857	5
Vanguard Group [3]	85,093,294	5

1 Substantial shareholding as at 6 March 2020, as per notice lodged on 10 March 2020.
2 Substantial shareholding as at 9 August 2022, as per notice lodged on 11 August 2022.
3 Substantial shareholding as at 22 July 2022, as per notice lodged on 28 July 2022.

Stock exchange listing

The shares of the Commonwealth Bank of Australia (Bank) are listed on the ASX under the trade symbol of CBA.

Range of shares (fully paid ordinary shares and employee shares) as at 30 June 2023

Ranges	Number of shareholders	Percentage of shareholders	Number of shares	Percentage of issued capital	Number of rights holders [1]
1 – 1,000	660,833	76. 70	176,476,460	10. 53	–
1,001 – 5,000	173,871	20. 18	364,696,258	21. 76	–
5,001 – 10,000	18,931	2. 20	128,836,425	7. 69	–
10,001 – 100,000	7,860	0. 91	147,356,610	8. 79	15
100,001 – over	141	0. 01	858,803,569	51. 23	1
Total [2]	861,636	100. 00	1,676,169,322	100. 00	16
Less than marketable parcel of $500 [3]	11,042	1. 28	21,965	0. 00	–

1 The total number of rights on issue is 1,124,835 rights which carry no entitlement to vote.
1 During the year ended 30 June 2023, 1,374,957 shares were purchased on market at an average share price of $101.58 for the purpose of various CBA equity settled share plans.
2 Based on a closing price of $100.27 on 30 June 2023.

Appendix D - Shareholder information (continued)

Voting rights

Under the Bank's Constitution, shareholders entitled to vote at a general meeting may vote in person, directly or by proxy, attorney or representative, depending on whether the shareholder is an individual or a company.

Subject to any rights or restrictions attaching to shares, each ordinary shareholder present at a general meeting has, on a poll, one vote for each fully paid share. If shares are not fully paid, on a poll the number of votes attaching to the shares is pro-rated accordingly. In accordance with the Corporations Act, the provision in the Constitution providing for one vote on a show of hands is no longer relevant, as general meeting resolutions will be conducted by a poll.

If a person at a general meeting represents personally or by proxy, attorney or official representative more than one shareholder, on a show of hands the person is entitled to one vote only even though he or she represents more than one shareholder.

Where a shareholder appoints two proxies or attorneys to vote at the same general meeting:

- If the appointment does not specify the proportion or number of the shareholder's votes each proxy or attorney may exercise, each proxy or attorney may exercise half the shareholder's votes;
- On a show of hands, neither proxy or attorney may vote if more than one proxy or attorney attends; and
- On a poll, each proxy or attorney may only exercise votes in respect of those shares or voting rights the proxy or attorney represents.

Top 20 holders of CommBank PERLS X Capital Notes ("PERLS X") as at 30 June 2023

Rank	Name of holder	Number of securities	%
1	BNP Paribas Noms Pty Ltd	1,457,517	10. 68%
2	HSBC Custody Nominees	1,104,762	8. 09%
3	Citicorp Nominees Pty Limited	699,255	5. 12%
4	Netwealth Investments Limited	194,129	1. 42%
5	Navigator Australia	111,100	0. 81%
6	Invia Custodian Pty Limited	108,675	0. 80%
7	Australian Executor Trustees Limited	104,714	0. 77%
8	Dimbulu Pty Ltd	100,000	0. 73%
9	Mutual Trust Pty Ltd	93,064	0. 68%
10	Bond Street Custodians Limited	86,572	0. 63%
11	Marrosan Investments Pty Ltd	75,000	0. 55%
12	J P Morgan Nominees Australia Limited	66,943	0. 49%
13	Nulis Nominees (Australia)	63,515	0. 47%
14	Federation University Australia	59,620	0. 44%
15	Eastcote Pty Ltd	50,000	0. 37%
16	Harriette & Co Pty Ltd	50,000	0. 37%
17	Selsey Holdings Pty Ltd	47,000	0. 34%
18	Mr Roni G Sikh	40,492	0. 30%
19	Pamdale Investments	36,000	0. 26%
20	Ainsley Heath Investments Pty Ltd	35,500	0. 26%

The top 20 PERLS X security holders hold 4,583,858 securities which is equal to 33.58% of the total securities on issue.

Stock exchange listing

PERLS X are perpetual subordinated unsecured notes issued by the Bank. They are listed on the ASX under the trade symbol CBAPG.

Range of securities (PERLS X) as at 30 June 2023

Ranges	Number of security holders	Percentage of security holders	Number of securities	Percentage of issued capital
1 – 1,000	12,421	87. 94	4,295,796	31. 47
1,001 – 5,000	1,506	10. 66	3,261,669	23. 90
5,001 – 10,000	125	0. 89	919,961	6. 74
10,001 – 100,000	66	0. 47	1,929,131	14. 13
100,001 – over	6	0. 04	3,243,443	23. 76
Total	14,124	100. 00	13,650,000	100. 00
Less than marketable parcel of $500 [1]	7	0. 05	11	0. 00

1 Based on a closing price of $102.18 on 30 June 2023.

Appendix D - Shareholder information (continued)

Voting rights

PERLS X do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on page 173 for the Bank's ordinary shares.

Top 20 holders of CommBank PERLS XI Capital Notes ("PERLS XI") as at 30 June 2023

Rank	Name of holder	Number of securities	%
1	HSBC Custody Nominees	1,321,172	8. 31%
2	Citicorp Nominees Pty Limited	949,996	5. 97%
3	Netwealth Investments Limited	349,013	2. 20%
4	BNP Paribas Noms Pty Ltd	269,593	1. 70%
5	Australian Executor Trustees Limited	231,969	1. 46%
6	Bond Street Custodians Limited	157,472	0. 99%
7	Dimbulu Pty Ltd	150,000	0. 94%
8	National Nominees Limited	112,561	0. 71%
9	Invia Custodian Pty Limited	109,596	0. 69%
10	Eastcote Pty Limited	100,000	0. 63%
11	Nulis Nominees (Australia)	98,616	0. 62%
12	Diocese Development Fund - Catholic Diocese Of Parramatta	98,000	0. 62%
13	Pamdale Investments	97,831	0. 62%
14	Navigator Australia	88,203	0. 55%
15	J P Morgan Nominees Australia Limited	84,994	0. 53%
16	V S Access Pty Ltd	80,000	0. 50%
17	Mutual Trust Pty Ltd	63,546	0. 40%
18	Edgelake Proprietary Limited	49,267	0. 31%
19	Certane Ct Pty Ltd	44,654	0. 28%
20	Margen Biggs Pty Limited	36,000	0. 23%

The top 20 PERLS XI security holders hold 4,492,483 securities which is equal to 28.25% of the total securities on issue.

Stock exchange listing

PERLS XI are perpetual subordinated unsecured notes issued by the Bank. They are listed on the ASX under the trade symbol CBAPH.

Range of securities (PERLS XI) as at 30 June 2023

Ranges	Number of security holders	Percentage of security holders	Number of securities	Percentage of issued capital
1 – 1,000	15,721	87. 64	5,510,530	34. 66
1,001 – 5,000	1,983	11. 05	4,071,180	25. 60
5,001 – 10,000	147	0. 82	1,074,638	6. 76
10,001 – 100,000	80	0. 45	2,153,158	13. 54
100,001 – over	8	0. 04	3,090,494	19. 44
Total	17,939	100. 00	15,900,000	100. 00
Less than marketable parcel of $500 [1]	12	0. 07	22	0. 00

1 Based on a closing price of $101.79 on 30 June 2023.

Voting rights

PERLS XI do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on page 173 for the Bank's ordinary shares.

Appendix D - Shareholder information (continued)

Top 20 holders of CommBank PERLS XII Capital Notes ("PERLS XII") as at 30 June 2023

Rank	Name of holder	Number of securities	%
1	HSBC Custody Nominees	1,310,225	7. 94%
2	Citicorp Nominees Pty Limited	960,890	5. 82%
3	BNP Paribas Noms Pty Ltd	647,220	3. 92%
4	Netwealth Investments Limited	496,256	3. 01%
5	Royal Freemasons Benevolent Institution	202,500	1. 23%
6	Dimbulu Pty Ltd	200,000	1. 21%
7	Australian Executor Trustees Limited	192,512	1. 17%
8	Tandom Pty Ltd	120,000	0. 73%
9	Mutual Trust Pty Ltd	111,479	0. 68%
10	Bond Street Custodians Limited	110,008	0. 67%
11	Diocese Development Fund - Catholic Diocese Of Parramatta	101,472	0. 61%
12	Invia Custodian Pty Limited	85,137	0. 52%
13	Nulis Nominees (Australia)	79,849	0. 48%
14	Navigator Australia	72,988	0. 44%
15	QM Financial Services	53,500	0. 32%
16	J P Morgan Nominees Australia Limited	51,333	0. 31%
17	Tsco Pty Ltd	48,650	0. 29%
18	Brujan Assets Pty Limited	45,000	0. 27%
19	Mr Roni G Sikh	38,527	0. 23%
20	V S Access Pty Ltd	35,394	0. 21%

The top 20 PERLS XII security holders hold 4,962,940 securities which is equal to 30.08% of the total securities on issue.

Stock exchange listing

PERLS XII are perpetual subordinated unsecured notes issued by the Bank. They are listed on the ASX under the trade symbol CBAPI.

Range of securities (PERLS XII) as at 30 June 2023

Ranges	Number of security holders	Percentage of security holders	Number of securities	Percentage of issued capital
1 – 1,000	15,657	87. 48	5,745,626	34. 82
1,001 – 5,000	2,027	11. 33	4,147,317	25. 14
5,001 – 10,000	134	0. 75	978,362	5. 93
10,001 – 100,000	64	0. 36	1,467,305	8. 89
100,001 – over	15	0. 08	4,161,390	25. 22
Total	17,897	100. 00	16,500,000	100. 00
Less than marketable parcel of $500 [1]	5	0. 03	10	0. 00

1 Based on a closing price of $100.91 on 30 June 2023.

Voting rights

PERLS XII do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on page 173 for the Bank's ordinary shares.

Appendix D - Shareholder information (continued)

Top 20 holders of CommBank PERLS XIII Capital Notes ("PERLS XIII") as at 30 June 2023

Rank	Name of holder	Number of securities	%
1	HSBC Custody Nominees	1,091,229	9. 25%
2	Citicorp Nominees Pty Limited	982,297	8. 32%
3	BNP Paribas Noms Pty Ltd	750,805	6. 36%
4	Netwealth Investments Limited	298,353	2. 53%
5	Mutual Trust Pty Ltd	115,360	0. 98%
6	Leda Holdings Pty Ltd	111,000	0. 94%
7	J P Morgan Nominees Australia Limited	105,485	0. 89%
8	Dimbulu Pty Ltd	100,000	0. 85%
9	Royal Freemasons Benevolent Institution	100,000	0. 85%
10	Nothman Pty Ltd	88,700	0. 75%
11	Herbert St Investments Pty Ltd	84,000	0. 71%
12	Valtellina Properties Pty Ltd	70,844	0. 60%
13	Australian Executor Trustees Limited	63,031	0. 53%
14	Bond Street Custodians Limited	38,935	0. 33%
15	Federation University Australia	35,430	0. 30%
16	Sarina Aged Care Ltd	30,760	0. 26%
17	Beverley Joyce Campbell	28,640	0. 24%
18	Kids Staff Agency Pty Ltd	27,721	0. 23%
19	The Trust Company (Australia) Limited	27,650	0. 23%
20	Nulis Nominees (Australia)	25,056	0. 21%

The top 20 PERLS XIII security holders hold 4,175,296 securities which is equal to 35.38% of the total securities on issue.

Stock exchange listing

PERLS XIII are perpetual subordinated unsecured notes issued by the Bank. They are listed on the ASX under the trade symbol CBAPJ.

Range of securities (PERLS XIII) as at 30 June 2023

Ranges	Number of security holders	Percentage of security holders	Number of securities	Percentage of issued capital
1 – 1,000	10,889	88. 97	3,899,830	33. 05
1,001 – 5,000	1,193	9. 75	2,564,102	21. 73
5,001 – 10,000	93	0. 76	649,449	5. 50
10,001 – 100,000	53	0. 43	1,367,827	11. 59
100,001 – over	11	0. 09	3,318,792	28. 13
Total	12,239	100. 00	11,800,000	100. 00
Less than marketable parcel of $500 [1]	1	0. 01	2	0. 00

1 Based on a closing price of $100.59 on 30 June 2023.

Voting rights

PERLS XIII do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on page 173 for the Bank's ordinary shares.

Appendix D - Shareholder information (continued)

Top 20 holders of CommBank PERLS XIV Capital Notes ("PERLS XIV") as at 30 June 2023

Rank	Name of holder	Number of securities	%
1	BNP Paribas Noms Pty Ltd	4,147,599	23. 70%
2	HSBC Custody Nominees	1,292,889	7. 39%
3	Citicorp Nominees Pty Limited	707,431	4. 04%
4	Netwealth Investments Limited	314,166	1. 80%
5	Dimbulu Pty Ltd	220,000	1. 26%
6	Mutual Trust Pty Ltd	165,721	0. 95%
7	Elmore Super Pty Ltd	120,000	0. 69%
8	John E Gill Trading Pty Ltd	112,110	0. 64%
9	Navigator Australia	88,219	0. 50%
10	Bond Street Custodians Limited	86,848	0. 50%
11	Fibora Pty Ltd	64,740	0. 37%
12	Invia Custodian Pty Limited	64,531	0. 37%
13	J P Morgan Nominees Australia Limited	64,038	0. 37%
14	Australian Executor Trustees Limited	63,043	0. 36%
15	Pamdale Investments	52,150	0. 30%
16	National Nominees Limited	50,970	0. 29%
17	Limeburner Investments Pty Ltd	50,063	0. 29%
18	Marrosan Investments Pty Ltd	50,000	0. 29%
19	Nulis Nominees (Australia)	47,539	0. 27%
20	Sir Moses Montefiore Jewish Home	40,010	0. 23%

The top 20 PERLS XIV security holders hold 7,802,067 securities which is equal to 44.58% of the total securities on issue.

Stock exchange listing

PERLS XIV are perpetual subordinated unsecured notes issued by the Bank. They are listed on the ASX under the trade symbol CBAPK.

Range of securities (PERLS XIV) as at 30 June 2023

Ranges	Number of security holders	Percentage of security holders	Number of securities	Percentage of issued capital
1 – 1,000	12,007	86. 26	4,607,529	26. 33
1,001 – 5,000	1,697	12. 19	3,440,349	19. 66
5,001 – 10,000	142	1. 02	1,021,003	5. 83
10,001 – 100,000	64	0. 46	1,598,197	9. 13
100,001 – over	10	0. 07	6,832,922	39. 05
Total	13,920	100. 00	17,500,000	100. 00
Less than marketable parcel of $500 [1]	3	0. 02	3	0. 00

1 Based on a closing price of $99.19 on 30 June 2023.

Voting rights

PERLS XIV do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on page 173 for the Bank's ordinary shares.

Appendix D - Shareholder information (continued)

Top 20 holders of CommBank PERLS XV Capital Notes ("PERLS XV") as at 30 June 2023

Rank	Name of holder	Number of securities	%
1	BNP Paribas Noms Pty Ltd	1,758,671	9. 89%
2	HSBC Custody Nominees	1,702,068	9. 58%
3	Citicorp Nominees Pty Limited	451,245	2. 54%
4	Netwealth Investments Limited	410,443	2. 31%
5	Megt (Australia) Ltd	124,800	0. 70%
6	Bond Street Custodians Limited	117,030	0. 66%
7	National Nominees Limited	100,351	0. 56%
8	Mutual Trust Pty Ltd	95,720	0. 54%
9	Invia Custodian Pty Limited	92,547	0. 52%
10	Marrosan Investments Pty Ltd	90,000	0. 51%
11	Limeburner Investments Pty Ltd	85,753	0. 48%
12	Royal Freemasons Benevolent Institution	82,000	0. 46%
13	Willimbury Pty Ltd	70,673	0. 40%
14	Navigator Australia	62,709	0. 35%
15	Eastcote Pty Limited	59,300	0. 33%
16	Pamdale Investments	56,441	0. 32%
17	Cordale Holdings Pty Ltd	55,000	0. 31%
18	Mifare Pty Ltd	55,000	0. 31%
19	Nulis Nominees (Australia)	52,759	0. 30%
20	Jamber Investments Pty Ltd	50,000	0. 28%

The top 20 PERLS XV security holders hold 5,572,510 securities which is equal to 31.35% of the total securities on issue.

Stock exchange listing

PERLS XV are perpetual subordinated unsecured notes issued by the Bank. They are listed on the ASX under the trade symbol CBAPL.

Range of securities (PERLS XV) as at 30 June 2023

Ranges	Number of security holders	Percentage of security holders	Number of securities	Percentage of issued capital
1 – 1,000	13,958	85. 63	5,186,787	29. 18
1,001 – 5,000	2,086	12. 80	4,186,775	23. 56
5,001 – 10,000	135	0. 83	956,164	5. 38
10,001 – 100,000	112	0. 68	2,939,189	16. 54
100,001 – over	10	0. 06	4,504,875	25. 34
Total	16,301	100. 00	17,773,790	100. 00
Less than marketable parcel of $500 [1]	3	0. 02	9	0. 00

1 Based on a closing price of $100.49 on 30 June 2023.

Voting rights

PERLS XV do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on page 173 for the Bank's ordinary shares.

Appendix D - Shareholder information (continued)

Top 20 holders of CommBank PERLS XVI Capital Notes ("PERLS XVI") as at 30 June 2023

1	HSBC Custody Nominees	2,127,162	13. 72%
2	BNP Paribas Noms Pty Ltd	588,460	3. 80%
3	Netwealth Investments Limited	349,757	2. 26%
4	Citicorp Nominees Pty Limited	203,538	1. 31%
5	J P Morgan Nominees Australia Limited	180,578	1. 17%
6	Tandom Pty Ltd	150,000	0. 97%
7	Bond Street Custodians Limited	138,042	0. 89%
8	Dimbulu Pty Ltd	100,000	0. 65%
9	Mr John William Cunningham	95,970	0. 62%
10	Higham Hill Pty Ltd	70,000	0. 45%
11	Leda Holdings Pty Ltd	70,000	0. 45%
12	Mutual Trust Pty Ltd	65,942	0. 43%
13	Parkyn Capital Pty Ltd	50,000	0. 32%
14	National Nominees Limited	45,626	0. 29%
15	Kadoo Pty Limited	44,140	0. 28%
16	Certane Ct Pty Ltd	43,700	0. 28%
17	Mr Bradley Vincent Hellen + Mr Sean Patrick Mcmahon	42,500	0. 27%
18	John E Gill Trading Pty Ltd	42,128	0. 27%
19	Colonial First State Inv Ltd	40,550	0. 26%
20	Anglicare Sa Ltd	40,000	0. 26%

The top 20 PERLS XVI security holders hold 4,488,093 securities which is equal to 28.96% of the total securities on issue.

Stock exchange listing

PERLS XVI are perpetual subordinated unsecured notes issued by the Bank. They are listed on the ASX under the trade symbol CBAPM.

Range of securities (PERLS XVI) as at 30 June 2023

Ranges	Number of security holders	Percentage of security holders	Number of securities	Percentage of issued capital
1 – 1,000	12,052	84. 90	4,433,663	28. 60
1,001 – 5,000	1,864	13. 13	4,060,284	26. 20
5,001 – 10,000	181	1. 28	1,330,054	8. 58
10,001 – 100,000	92	0. 65	2,219,455	14. 32
100,001 – over	7	0. 04	3,456,544	22. 30
Total	14,196	100. 00	15,500,000	100. 00
Less than marketable parcel of $500 [1]	3	0. 02	9	0. 00

1 Based on a closing price of $100.58 on 30 June 2023.

Voting rights

PERLS XVI do not confer any voting rights in the Bank but if they are exchanged for ordinary shares of the Bank in accordance with their terms of issue, then the voting rights of the ordinary shares will be as set out on page 173 for the Bank's ordinary shares.

Relevant exchanges

In addition to the ASX, the Group has securities quoted on the London Stock Exchange (LSE), Swiss Exchange (SIX), Indonesian Stock Exchange (IDX) and the New Zealand Exchange (NZX).