

Items impacting CBA's financial reporting

Thursday, 1 August 2024 Sydney: Commonwealth Bank of Australia (CBA) today provides an update on changes to financial reporting impacting the FY24 financial results.

1. Divestment of PT Bank Commonwealth (PTBC)

As part of CBA's strategy to focus on its banking business in Australia and New Zealand, CBA completed the sale of its 99% shareholding in its Indonesian banking subsidiary, PT Bank Commonwealth (PTBC) on 1 May 2024.

This resulted in a total non-cash loss of \$298 million (post-tax) including a \$133 million impairment loss on remeasurement of PTBC's net assets to fair value in 1H24, an additional \$100 million loss recognised on completion of the sale in 2H24, and \$65 million of separation costs of which \$53 million was provided for in 1H24.

As PTBC does not constitute a major line of the Group's business, the financial results of PTBC were treated as continuing operations during the period. The sale was broadly neutral to the Group's Common Equity Tier 1 ratio.

2. Notable items included within Operating expenses in 2H24

During the half-year ended 30 June 2024, the Group has recognised \$89 million of provisions (pre-tax) relating to costs associated with changes to the operating model of Bankwest. These include the transitioning of Bankwest to a digital bank, the transition of Bankwest business banking to CBA, and changes in the Group's operating model.

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

3. Full year results announcement

Commonwealth Bank of Australia (CBA) is scheduled to announce its full year results on 14 August 2024. A virtual results briefing will be webcast with Chief Executive Officer, Matt Comyn, and Chief Financial Officer, Alan Docherty, at 10:30am (Australian Eastern Standard Time) on 14 August 2024. This briefing will be available via webcast on the Commonwealth Bank Investor Centre (www.commbank.com.au/about-us/investors/results).

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

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