

CBA has stellar year, maintains its gold standard performance.

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| Company/ASX Code | Commonwealth Bank of Australia/CBA |
| AGM time and date | 9.30am (Adelaide time) Wednesday, 16 October 2024 |
| Location | William Magarey Room, Adelaide Oval, Adelaide |
| Registry | Link Market Services |
| Type of meeting | Physical with webcast and online questions |
| Monitor | Lewis Gomes assisted by Julieanne Mills |
| Pre AGM Meeting | Yes, with Chair Paul O'Malley and Melanie Kirk Investor Relations |

Monitor Shareholding: Some of the individuals involved in the preparation of this voting intention have a shareholding in this company.

How we intend to vote

Proposed Voting Summary

| No. | Resolution description | Voting |
|-----|---|--------|
| 2a | Re-election of Julie Galbo as a Director | For |
| 2b | Re-election of Peter Harmer as a Director | For |
| 2c | Election of Kate Howitt as a Director | For |
| 3 | Adoption of 2024 Remuneration Report | For |
| 4 | Approval grant of securities to CEO, Matt Comyn | For |

Summary of issues for meeting

- The bank has continued with strong performance and complies with most ASA guidelines and Focus Issues.
- We again express disappointment as CBA elected to not hold a hybrid meeting despite numerous representations from the ASA. There will be no online voting facility or voice questions, though there will be an ability for shareholders to submit written questions in association with the webcast. Shareholders unable to attend the meeting will not be able to vary their vote based on the information presented or discussion at the AGM. They will need to lodge a proxy vote at least two days before the meeting, preferably via the ASA.

Matters Considered

Item (1) Consideration of financial statements and reports - No vote required

Financial performance

Net profit after tax (NPAT) on a cash basis (CBA's preferred measure of profitability) excluding discontinued operations was a record \$9,836 million down 2% on the FY23 figure. The statutory NPAT was \$9,481 million, down 6% on FY23.

Basic earnings per share (EPS) on a cash basis was 588.4 cents while the declared total dividend for FY23 was 465 cents, again a record outcome for shareholders. The important net interest margin (NIM) fell by 8 basis points (bpts) on FY23 to 1.99% while the shareholder return on equity was 13.6%, down 30 bpts on FY23.

Total operating income was \$27,174 million up 0.14% on FY23 while expenses rose 3% due to higher inflation impacting staff costs, additional technology spend and lower one-off items. Investment spend was \$2,010 million up 1% on FY23. The cost-to-income ratio rose 120 bpts to 45.0% reflecting higher staff expenses mainly driven by wage inflation and higher staffing levels from internalising some operations previously outsourced.

Of the four core businesses that CBA operates, after tax contributions to profit from business lending increased by 4.1%, retail banking fell by 3.4%, institutional increased by 4.7% and New Zealand fell by 9.5%.

The Bank continued to satisfy a significant portion of its funding from customer deposits, accounting for 77% of total funding. CBA's common equity tier 1 capital ratio (CET1) was 12.3% up 10 bpts on FY23. The minimum CET1 required now by APRA has remained at 10.25% which gives CBA headroom of \$9.8 billion in excess capital. Loan impairment expense was \$802 million, down 28% on FY23 reflecting the strong performance on the loan book despite increasing interest rates and cost-of-living pressures on borrowers. The \$50 billion Term Funding Facility provided to the CBA (along with other Authorised Deposit-Taking Institutions) by the Reserve Bank of Australia for 3 years to support the economy with low interest loan facilities in the aftermath of the Covid 19 economic impacts was repaid in FY24.

The Bank completed a \$3 billion on-market buyback in June 2023 and announced a further \$1 billion on-market buyback of which \$282 million was secured by 30 June 2024.

5 Year Summary

| (As at FYE) | 2024 | 2023 | 2022 | 2021 | 2020 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Cash NPAT (\$m) (1) | 9,847 | 10,090 | 9,627 | 8,801 | 7,407 |
| Statutory NPAT (\$m) (1) | 9,394 | 9,998 | 10,690 | 10,181 | 9,592 |
| Share price (\$) | 127.38 | 100.27 | 90.38 | 99.87 | 69.42 |
| Dividend (cents) | 465 | 450 | 385 | 350 | 298 |
| Simple TSR (%) | 31.7 | 15.9 | (5.6) | 48.9 | (12.5) |
| Cash EPS (cents) | 588.4 | 597.2 | 559.0 | 496.9 | 418.8 |
| CEO total remuneration, actual (\$m) | 8.977 | 10.426 | 6.969 | 5.174 | 3.896 |

(1) Includes contributions from discontinued operations.

Key board or senior management changes

Genevieve Bell resigned as a director on 31 October 2023 to take up a role at the Australian National University in Canberra. Anne Templeman-Jones will retire from the board at the conclusion of this year's AGM having been on the board since 2018. Peter Harmer will replace her as the Chair of the Audit Committee.

Effective 1 October 2024 Kate Howitt will join the board as a non-executive director.

The Chair Paul O'Malley has reduced his other commitments to focus on CBA.

David Cohen ceased being a member of the designated key management personnel (KMP) on 31 December 2023. Karen Flynn joined CBA in September 2023 as new Group Counsel and Group Executive; she was a partner at Clayton Utz for 28 years.

Governance and culture

The governance section of the Annual Report describes in detail the skills, focus and role of the board and their activities. An external independent review in FY24 confirmed differing chair styles and the importance of diversity and time and focus on strategy. Continuing education for board members includes mandatory learning across compliance, AI, nature resilience, sustainability and FAR and a new induction process.

The current nine-person board has 4 women. The board's skills matrix does not indicate skills to specific directors but director's details in the Annual Report and Notice of Meeting cover general experience and skills. We would like more detail. There is a need for more digital and technology skills with the loss of Genevieve Bell from the board, especially given the increasing investments in this area. Sustainability also needs boosting given the challenges ahead.

Cyber and financial risk has seen \$800 million invested to target scams and fraud, and with 4,000 people now working in this area, customer losses have halved in FY24. The introduction of name check has prevented \$410 million in scams in FY24. CBA is involved in an international anti-scam group with tech and intel shared across banks and telcos.

Cost-of-living pressures have seen 132,000 customers assisted with \$2,000 interest and fee free credit and 1,000 home loans have been restructured. The bank is proactively reaching out to customers that they can see are struggling to help find solutions. Expected loan loss rates however decreased due to rising housing prices and customers' ability to manage budgets. Troublesome debts are still below average.

CBA has maintained its Moodys A1 credit rating and has rated CBA in the top 5 global banks for financial strength. Approximately 35% of Australian's see the CBA as their main financial institution and this has seen a 29% increase in retail accounts over the past 5 years. The CommBank app has grown to 8.5 million users, tripling since 2014.

Further updates to technology include a focus on further AI generative processes going forward, with significant in-house investment in engineering teams and cloud storage. CBA is developing AI support protocols for its call centre staff to enable them to better service customers while retaining the human contact that many customers value. Interestingly, younger customers seem to prefer interacting with the bank through apps and bots rather than human contact.

Employee engagement has improved further to 84%.

The Workplace Gender Equality Agency reported a gender pay gap of 29.9%, which is well above the average, reflecting a lack of senior roles for women while "like for like" pay was at equity. KMP includes 2 women out of 9. There has been little change at manager and above levels at 44.9%.

Indigenous spend has more than doubled to \$22 million but shows little movement in employment numbers.

Sustainability

The climate report is clearer and has more detail in a more digestible format with good summaries from page 64-68 of the climate report. The Bank expanded its sector level targets with the inclusion of commercial property and transport. The planned Agriculture sector has been removed for the time being due to difficulties with accurate data and the diverse customer base. CBA is walking back from its F22 commitment to set targets for 75% of financed emissions by 2025 due to these difficulties with Agriculture.

Progress has been made with operational emissions seeing a 65% reduction in Scope 1 & 2 emissions from 2020 and 14% reduction in Scope 3 emissions. RE100 commitment has slipped back to 99.6% renewable energy due to problems in NZ.

Results in financed emissions saw decreases in oil and gas, thermal coal mining, power generation and shipping transport, largely due to a reduction in lending.

Decarbonisation of the grid continues to drive financed emissions reductions in housing, and commercial property. Housing makes up the largest percentage (18.8%) of Scope 3 financed emissions and reflects 64.1% of CBA lending it has seen a 60% reduction compared to 2021. Decarbonisation is key to achieving CBA's goals however it relies on government, community and industry support.

Heavy industry and agriculture saw an increase in emissions due to increased lending exposure and new estimates of emissions from their customers. Overall total emissions decreased by 1% to 21.8MtCO₂-e.

A suite of products has been developed to support customers to decarbonise including: Green loans with low secured fixed rates and no fees; Instal pay an interest instalment plan for solar and battery products through Upower; and discounted green personal loans for energy saving products. There are also discounted business products that encourage sustainable agriculture, and energy efficiency and other sustainable financing options.

The sustainability funding target of \$70bn by 2030 has seen \$54.2bn spent to date with \$9.5bn in FY24.

Insurance costs have risen significantly due to the impact of more weather-related events. Some 12% of households have extreme affordability stress from insurance costs with cost increases of 28%.

Overall, CBA continues to show responsible leadership in the support of a transition to a net zero economy by 2050 but there is a long way to go, and it needs continued support from other sectors of the economy and government.

Item (2) Re-election and election of directors

Ms Julie Galbo

Julie is an experienced financial services professional with substantial banking, strategy, risk and regulatory experience. Julie is based in Denmark and this enables her to have access to knowledge and experience of European financial matters. She was first appointed to the board of CBA in September 2021 and is a member of the Audit and Risk & Compliance Committees.

Mr Peter Harmer

Peter was previously CEO of Insurance Australia Group (IAG) and prior to that was CEO of Aon Ltd UK. He was first appointed to the board of CBA in March 2021 and is a member of the Audit, People & Remuneration and Nominations Committees. Peter brings expertise in digital strategy and innovation within fintech and insurance. He currently sits on the NIB and AUB group boards and is chair of Lawcover and a Bain & Company Advisory Council Member.

Ms Kate Howitt

Kate has over 20 years' experience as a professional investor and executive. She has held senior roles with Fidelity International, AMP Capital, AMP Limited and the Boston Consulting Group. Further details are provided in the Notice of Meeting. She brings corporate strategy, financial management, stakeholder engagement and sustainability experience to the board. She currently sits on the Australian Indigenous Education Foundation board and UNSW Council Finance and Strategy committee. When meeting with the ASA, the Chairman commented that she will be a good fit for the CBA providing a broad and challenging view of strategy and exposure to governance issues of ASX listed company.

The ASA intends voting all undirected proxies in favour of the re-election of Ms Galbo and Mr Harmer and the election of Ms Howitt.

Item (3) Adoption of the 2024 remuneration report

The remuneration framework as presented in the Annual Report is clear and transparent. Variable remuneration is assessed against financial and non-financial measures, and against group and individual performance.

Key points to note:

- Fixed remuneration (FR) remained unchanged for all KMP's other than a very minor change to Vittoria Shortt who is paid in New Zealand dollars. The CEO's FR remained at \$2,500,000.
- FY24 Short Term Variable Remuneration (STVR) outcomes were 78.6% of maximum for the CEO and between 76.7% and 83.6% of maximum for other KMP. STVR is delivered as 50% cash and 50% as equity delivered in two equal tranches over two years.
- FY21 Long Term Alignment Remuneration (LTAR) awards vested for the first time with no reductions. For the CEO, 50% of the FY21 LTAR remains in restriction until 30 June 2025. For other KMP the FY21 grant restriction ended on 30 June 2024.
- FY21 Long Term Variable Remuneration (LTVR) vesting outcome was 100% at the end of the performance period (30 June 2024) which reflects a TSR performance of 85.0th and 87.5th percentile for the two comparator groups. 50% of these awards are subject to a two year holding period (to 30 June 2026) and the other 50% for three years (to 30 June 2027).
- FY24 realised remuneration for the CEO and KMP were favourably impacted by the significant increase in the CBA share price from \$82.57 to \$102.62 over this period, an increase of 24%. The TSR over this period increased by 43% so shareholders were not

disadvantaged. Approximately half of the realised remunerations were from long term awards.

Matt Comyn's FY25 FR has been increased by 14% to \$2,850,000 from 1 July 2024 following a review by the board against relevant market levels commensurate with the bank's size, complexity and reputation. This is the first increase in the CEO's FR since 2021 during which period the bank has shown consistently strong financial performance and leading share price growth amongst the four major Australian banks. The ASA suggested in its meeting with the Chairman that perhaps an increase in the at-risk STVR might be better received by shareholders than a large increase in the FR as the STVR is lower relative to the FR than is the case in most other companies. However, the Chairman confirmed his preference for an increase in the FR.

All KMP have met their minimum shareholdings by substantial margins except for Gavin Munroe who is a recent addition to the team but has now met his target well within the specified time frame.

The base fee for board members was increased from \$242,000 to \$260,000 effective 1 January 2024. There were no changes to the Chairman's fee nor to committee fees. The directors' fee pool remains at \$4.75 million and is unchanged since the November 2015 AGM. All directors meet the minimum shareholding of approximately 2,000 shares (based on the 30 June 2024 share price) other than Julie Galbo (1,469 shares) who joined the Board in September 2021 and is a resident of Denmark.

The remuneration framework and details are consistent with APRA's requirements and are judged as reasonable by the ASA given the strong performance of the Bank over recent years. The ASA will therefore be voting all undirected proxies in favour of this resolution.

Item (4) Grant of securities to CEO, Matt Comyn

The Bank is proposing to grant Mr Comyn 15,682 restricted share units as his FY25 LTAR and 15,682 performance rights as his FY25 LTVR award. These numbers are calculated from the maximum opportunity values of \$1,995,000 for each award divided by the share price averaged over 5 days up to but not including 1 July 2024 being \$127.21. Refer to the table in the Appendix for further details of the remuneration framework. Details of how these awards are assessed and the relevant testing and holding periods are provided in the Annual Report and Notice of Meeting.

These awards are consistent with APRA's requirements and are judged as reasonable by the ASA given the strong performance of the Bank over recent years. The ASA will therefore be voting all undirected proxies in favour of this resolution.

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Appendix 1 CEO remuneration framework detail for FY25

| Rem component | Target \$m | % of Total | Max. Opportunity \$m | % of Total |
|---|------------|------------|----------------------|------------|
| Fixed Remuneration | 2.850 | 32 | 2.850 | 30% |
| STVR Cash 50% Year 1 | 1.069 | 12 | 1.336 | 14% |
| STVR Equity 50% Year 2 & 3 | 1.069 | 12 | 1.336 | 14% |
| LTAR- Restricted shares 50% Year 4 and 50% Year 5 | 1.995 | 22 | 1.995 | 21% |
| LTVR- Performance rights 50% Year 6 and 50% Year 7 | 1.995 | 22 | 1.995 | 21% |
| Total | 8.978 | 100% | 9.512 | 100% |