

When You Produce a Record Profit What Next?

Company/ASX Code	Commonwealth Bank of Australia (CBA)
AGM time and date	9:30am on Wednesday, 14 October 2026
Location	Hyatt Regency, Sydney
Registry	MUFG Corporate Markets
Type of meeting	Physical AGM Webcast only
Monitor	Allan Goldin and Anthea Cudworth
Pre-AGM Meeting	25 September 2026 with Chair, Paul O'Malley and Melanie Kirk, Investor Relations

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

1. How we intend to vote

No.	Resolution description	
2(a)	To re-elect Simon Moutter	For
2(b)	To re-elect Rob Whitfield	For
2(c)	To elect Julie Coates	For
3	Adoption of the 2026 Remuneration Report	For
4	Grant of Securities to the CEO, Matt Comyn	For
5(a)	Amend the company's constitution – Special resolution	Against
5(b)	Disclosure of a pathway to deforestation – free finance	Against

2. Summary of Issues and Voting Intentions for AGM

CBA remains at the heart of Australia's financial market, with one in three Australians and one in four Australian businesses citing the firm as their main financial institution. It is Australia's second largest company and has the widest retail shareholder base of any ASX company.

One of the key differentiators of CBA from other big banks is its strong and long-term investment in technology, its widespread franchise and its exceptional leadership team. For these reasons, it currently trades on a price-earnings ratio of 25 compared to the other banks averaging a PE of 16. The question for investors is whether this is sustainable.

For FY26, CBA's results delivered cash NPAT of \$10,982m, a 7% increase over the previous year. Cash NPAT is management's preferred measure of the Group's financial performance. It excludes non-cash items that are non-recurring in nature and not

considered representative of the Group's ongoing financial performance. Statutory NPAT includes non-cash items. This increase in profit came despite a fall in the net interest margin. The contraction in margin is primarily driven by hyper-competitive domestic market pressures and shifting customer behaviours, which have squeezed the gap between interest earned from loans and interest paid to savers. With the exception of New Zealand, which was held back by the settlement of class actions, CBA's profitability increased across all metrics.

The recent movement of one of Australia's most senior executives to head up the New Zealand operation is an indication of the seriousness of the issues there. A prominent NZ politician recently suggested the NZ government should purchase BNZ from NAB, despite NAB stating that BNZ is not for sale. Would CBA be interested in selling ASB?

Today's buzzword is AI. AI offers opportunities to improve productivity, personalise services and combat fraud, while also introducing new competitors, more sophisticated scams and potential disruption to the bank's customer relationships. In March 2025, CBA established a Seattle-based tech hub, collaborating with OpenAI and Anthropic to develop technology capability, and with MIT for best practice AI risk mitigation and AI tools for better human-AI collaboration. CBA has upskilled thousands of employees on agentic coding (where the software operates autonomously of humans) and responsible AI practice.

In today's world, people's fingers increasingly do the walking. If they find a better, more efficient and more competitive website, and they are able, they leave their financial institution and move to the more attractive option. This is challenging for the CBA as a major source of its profitability has been customer inertia. This is why a prime focus for every single CBA employee is to utilise AI to offer the most accessible, most appealing package of financial services, encouraging customers to stick and attracting new ones. This is very challenging as competition is strong from the traditional financial institutions, as well as new digital entrants such as Revolut and the neobanks which operate under a different regulatory framework and have no physical outlets.

Investors are looking for good and sustainable return on investment (ROI), and by using AI to ensure that its customer experience is the best, CBA is able to retain its profitable and largest franchise. At the same time, AI is being used to reduce costs and help increase profitability even if margins are lower. The emphasis on increased profitability can make life uncertain for employees. CBA says its priority is to support its people to build the skills needed for new opportunities and, when possible, move them into other available roles. CBA's leaders regularly review the capabilities needed as the market evolves and assess how teams are organised. The bank highlighted its \$90 million Future Workforce Program, designed to help workers transition into new internal roles through coaching, skills assessment, and a four-week Career Transition Placement program. CBA stated that more than 500 employees impacted by structural changes throughout the year have successfully transitioned into alternative roles within the organisation.

However, the Finance Sector Union (FSU) has lodged a formal dispute in the Fair Work Commission accusing CBA of using sham redundancies to cut hundreds of local jobs in Australia while simultaneously recruiting for identical roles at its subsidiary in India.

The FSU, which is currently in public negotiations with CBA, says 230 more workers will be made redundant by November 2026.

While the use of agentic AI (an artificial intelligence system that can independently plan, execute, and adapt multi-step actions to achieve a broad goal with little to no human supervision) can strengthen stability, security and operational continuity and enhance customer experience, it can also increase potential risks through unintended consequences. CBA, ASB Bank, Bank of America, Capital One, ING Group and NatWest Group have jointly published a shared set of principles to support the development of trusted agentic commerce, helping establish a framework for a future where AI agents could play a greater role in how people choose and pay for products and services. Delivering measurable returns while maintaining security, customer trust and workforce capability will be critical. And cyber resilience remains essential.

A major component of the strength of CBA's national franchise is its physical presence, which is why the bank led the way in creating a moratorium on closure of regional branches until 2027. The Chair acknowledged the economic impact of a local branch departure, and it is possible that there may be an extension of this moratorium.

Despite the rise of online transactions, surprisingly today there is more cash in circulation in Australia than ever before. CBA recognises this and acknowledges the challenge in Australia and New Zealand where only one company can transport cash, and it is currently under threat of insolvency.

CBA says it spent more than \$1 billion in FY26 on fraud, scams, cyber threats and financial crime, noting that AI helped reduce customer fraud losses by more than 20% in the first half of FY26. However, it has not praised the development of the recently introduced Scams Prevention Framework Act 2025. Its reluctance stems from its belief that the ambition of legislation should be to reduce the harm to individuals by reducing scam activity in the first place. Its position has generally been that accountability should sit with the party best placed to prevent the scam at each point in the customer journey, and that frameworks encouraging prevention at the source are likely to deliver better customer outcomes than approaches that place responsibility solely on financial institutions after the event.

Looking ahead, while the Australian mortgage market and CBA's strong market position remains central to the bank's earnings, the question is how much of its current profitability is genuinely sustainable. Signs of softer lending demand, pressure on household spending and competition for loans and deposits will test its ability to protect margins without weakening credit standards. Overseas conflict, diesel supply (Australia is the largest per capita user of diesel in the world) and price pressures, and the highest bond yields in 10 years add uncertainty for customers and the bank's funding costs.

Home loan applications peaked in October 2025, and house prices peaked in March 2026, with affordability constraints from higher inflation and continued increases in interest rates impacting the downward trend. More recently there have been changes to negative gearing and capital gains tax. CBA's broader expectation for housing credit growth was to be lower in FY27 than FY26, around the 4-4.5% range, but any further changes in the cost of living, employment or interest rates, could impact customer behaviours.

Matt Comyn is a central presence at the bank and seems to be the go-to person in all areas. He has a high-profile presence in Canberra and is widely considered to be banking's "golden boy." He has held the CEO role for 8 years, but is comparatively young, and at the 2025 AGM, he said he would remain for at least the next two years. Since then, although he has a large quantity of shares, he sold \$8.4 million worth in August. His marriage has broken down and he is in a high-profile relationship. The Company says it has various scenarios in place should he choose to depart earlier, and a strong pool of well-trained replacements.

3. Matters Considered

Accounts and reports

Financial performance

(As at FYE)	2026	2025	2024	2023	2022
Cash NPAT (\$m)	10,982	10,252	9,847	10,090	9,627
Statutory NPAT (\$m)	10,911	10,133	9,394	9,998	10,690
Share price (\$)	164.62	184.75	127.38	100.27	90.38
Dividend (cents)	505	485	465	450	385
Simple TSR (%)	(.08)	48.8	31.7	15.9	(5.6)
Cash EPS (cents)	656.9	613.2	587.8	596.1	552.4
CEO total remuneration, actual (\$m)	9.135	7.018*	8.977	10.426	6.969

Simple TSR is calculated by dividing the change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

** Decrease is due to the increased deferred equity holding periods from 2021, as required by APRA CPS511*

Governance and culture

PwC has been CBA's auditor since 2008, with the lead audit partner due to change in 12 months, within the regulated five-year period. The Bank says it is limited in its choice of auditor because only three Australian-based professional services firms have the capabilities to audit large financial institutions, together with the international presence to provide global analysis of financial firms, particularly those operating in the US. CBA focuses on the transparency of its audit firm's internal processes, especially when difficult accounting or audit judgments are escalated. CBA's belief is that PwC currently fulfils these requirements better than any other firm.

From 1 September 2026, the eleven-person board has 10 independent directors, five are women meeting the 40:40:20 target. The governance section of the Annual Report provides a high-level Board skills matrix, but it does not individualise the assessments. Like most ASX-listed companies, there are deficiencies in digital and technology, which were not directly addressed in the most recent appointment. Julie Coates has good

complimentary skills, but CBA argues that there is tremendous digital capability within the Bank and that having an expert on the board is not necessarily beneficial due to the rapidly changing environment. However, the Chair maintains a close eye on the market for directors with relevant forward-looking skills.

The Board's consistent position is that strong financial or operational delivery does not offset below-expectations risk outcomes or shortcomings in risk culture. Remuneration consequences at executive level are intended both to reflect individual accountability and to send clear leadership signals across the organisation. This is why there were three downward adjustments made to members of the executive team's remuneration.

There were several significant executive changes in FY26. Gavin Munroe ceased as Group Chief Information Officer and Group Executive, Technology effective 22 December 2025. On 1 July 2026, Victoria Ledda assumed the role of Group Chief Information Officer and Rodrigo Castillo assumed the role of Group Chief Technology Officer.

Notably, following FY26, but ahead of the AGM, in September 2026, Sinead Taylor moved from head of the institutional bank, after 18 months, to lead ASB Bank in New Zealand.

Sustainability/ESG

Within the Annual Report, a detailed Sustainability Report is provided on pages 92 to 142.

This is CBA's first report under Australia's mandatory sustainability reporting regime. Despite its title, it largely covers climate matters. Broader social and governance matters are covered elsewhere in the Annual Report.

Selected disclosures receive external assurance, while Scope 3 emissions and prior-year comparisons are disclosed voluntarily under transitional arrangements.

CBA describes its commitment to supporting Australia's transition to net zero by 2050, acknowledging the trade-offs required to deliver national energy security, reliability and affordability. It recognises its role in helping direct capital towards productive investments that build energy capacity and resilience across the economy, while cautioning about shifting production offshore or redirecting financing into private markets.

Highlights from the report include:

- CBA retains 10 sector-level goals and five targets for 2030, covering 70% of total funded exposures, with 12 of the 15 reported still on track.
- Having achieved its 2025 operational emissions targets, CBA has set a new target to reduce Scope 1 and 2 emissions by 75% by 2030 against a restated 2020 baseline. It has achieved a 72% reduction.
- CBA purchases renewable electricity certificates equivalent to 100% of its electricity consumption.
- Financed emissions, associated with lending and investments, account for 97.3% of total reported emissions.
- Expanded measurement has substantially increased reported operational Scope 3 emissions. CBA has not yet set a replacement reduction target for these emissions.
- It reports no material credit impacts from climate-related risks since assessments began, citing limited exposure to higher climate risk-related sectors and regions, borrower insurance protection, government support and strong household equity buffers.

Across its 15 goals and target lending areas:

- Commercial property, road transport and aviation emissions intensities improved and remain below their pathways. Power generation remains below its pathway, despite an increase in emissions intensity.
- Housing emissions intensity fell modestly but remains 4% above its pathway.
- Aluminium remains more than 10% above its pathway, while steel has no drawn lending.
- Agriculture, forestry and fishing account for 23.6% of financed emissions on a drawn lending basis but are not yet covered by the 15 areas.
- CBA retains its commitment to cease lending to the thermal coal mining sector by 2030.
- Upstream oil and gas financed emissions are 96% and 91% below their 2020 baselines.
- Total reported financed emissions fell approximately 6%, from a restated 24.0 million tonnes to 22.6 million tonnes of CO₂-e. Most of this reduction reflects some diversified mining customers no longer meeting the thermal coal revenue threshold, so their Scope 3 emissions were no longer counted.

CBA exceeded its \$70 billion sustainability funding target four years early, reaching \$72.7 billion, including \$8.3 billion in FY26. The funding supports a range of projects, including renewable energy, efficient buildings, electric vehicles and home energy upgrades.

Insurance is becoming more expensive and harder to obtain. CBA has \$37.3 billion in Australian home loans exposed to risks such as floods, cyclones and bushfires. It expects no material financial impact on the bank, although customers could be seriously affected. Its measurement of these risks does not yet cover corporate lending.

CBA has strengthened the way it assesses risks to nature by examining forest loss, training bankers and updating agribusiness risk assessments. The analysis does not show whether the forest loss was illegal or how much environmental damage it caused.

Overall, CBA is making progress in funding the transition and managing emissions. Success still depends heavily on government policy, cleaner electricity and customer action. Some emissions lack reduction targets, and risk measurement remains incomplete. Lower reported emissions from lending do not always mean less pollution in the atmosphere.

CBA's extensive climate reporting comes amid a wider reassessment by other ASX companies of climate commitments and reporting costs. Treasury is consulting on simpler requirements, including Scope 3 data collection and assurance. The priority should be clear, reliable information that helps shareholders assess material risks and progress, without unnecessary cost or complexity. A concise summary of achievements, shortfalls and changes to commitments would be useful.

4. Rationale for Voting Intentions

Resolution 2(a) To re-elect Simon Moutter (For)

Simon Moutter was appointed a CBA director in September 2020. He was Managing Director of Spark New Zealand for seven years until 2019. He is also a former Chief Executive Officer of Auckland International Airport and has previously held senior management roles in telecommunications and energy companies. He is the Chair of Kainga Ora and its subsidiaries Housing New Zealand Limited and Housing New Zealand Build Limited, and Chair of four privately owned businesses.

Simon Moutter is well qualified with particular experience in digital and technology, and the New Zealand market, which is why ASA will vote our undirected proxies in favour of his re-election.

Resolution 2(b) To re-elect Rob Whitfield (For)

Rob Whitfield AM was appointed CBA director in September 2017. During his 30-year executive career with Westpac, he held a number of senior leadership positions including Chief Executive Officer of the Institutional Bank, Chief Risk Officer, Group Treasurer and Chair of the Asia Advisory Board. He is a Director of Transurban Group, a former Chair and Director of New South Wales Treasury Corporation, former Secretary of NSW Treasury and former Secretary of NSW Industrial Relations.

His knowledge of banking and finance and risk management is strong. However, it is very unusual for a director to stand for only a one-year term. CBA's constitution allows 3 x 3-year terms then a maximum of 3 x 1 year terms. For that reason, ASA will vote its undirected proxies in favour of this resolution this year but will review this carefully in 2027 should he stand for re-election.

Resolution 2(c) To elect Julie Coates (For)

Julie Coates was appointed a CBA director in September 2026. She was Managing Director and CEO of CSR Limited between 2019–2024. Prior to this, she held various senior executive roles with Goodman Fielder Pty Limited and Woolworths Limited, including as the Managing Director of Big W and Chief Logistics Officer & HR Director of Woolworths Limited. She is a Non-Executive Director of Wesfarmers Limited and Scentre Group Limited.

Although it would have been good to have a candidate with strong digital knowledge, her experience across the retail, consumer goods, construction, manufacturing and building products sectors will bring new skills to the board and ASA will vote its undirected proxies in favour of her election.

Resolution 3 Adoption of the 2026 Remuneration Report (For)

There was no change in the Key Management People (KMP) Fixed Remuneration (FR). In the case of the CEO, this is \$2.85 million.

Annual bonuses, or Short-Term Variable Remuneration (STVR), are delivered as 50% cash and 50% as equity which will vest in two equal tranches over two years. The CEO received an overall score of 91.7% of maximum STVR, or 114.7% of the target award, both of which were higher than last year. There must be some concern at a near-perfect result in People and Leadership (96%) when there is simmering tension expressed by the FSU-represented CBA employees.

FY26 STVR performance scorecards were changed with a greater emphasis on defined outcomes and measures. Strategic priorities included a collective measure aligned to the Risk Management Declaration (RMD) and broader risk priorities, with a particular focus on financial crime compliance, data, and APRA Prudential Standard CPS 230 Operational Risk Management outcomes.

CBA has two long-term remuneration components:

- Long-Term Alignment Remuneration (LTAR) is designed to align executive interests with those of shareholders and drive collective focus on increasing the value of CBA over time. Prior to the LTAR being granted there is an assessment about individual

non-financial people and leadership and strategy execution outcomes and future financial factors, including a long-term approach to capital and balance sheet settings. Downward adjustments are applied if required to reflect material issues. The award is in restricted share units that don't vest as equity for 4 years. Prior to vesting a look back assessment is made. It is a major element, representing 22% of target or expected actual remuneration. 100% of the award was made in 2021 and 2022 and in the case of the CEO 100% vested in 2026. 100% of the LTAR was granted this year with potential vesting commencing in June 2029.

- Long-Term Variable Remuneration (LTVR,) measures total shareholder returns (TSR) over 4 years against two equally weighed listed groups: the 20 largest ASX companies excluding resources and Australian financial peers. 50% will vest in equity after one year and the other 50% in two years. The 2023 LTVR measurement period ended on June 30, 2026, and 100% of the award was made.

LTAR is closely examined, demonstrated by the Board's application of three downward remuneration adjustments to the executive leadership team. These related to compliance, legal and risk-management issues, including the impact of a class-action settlement; a lack of risk-culture focus, notwithstanding strong operational delivery and execution; and delays in identifying and rectifying a product issue where the product operation remained consistent but the terms and conditions weren't as intended.

The CEO's total actual remuneration, which is based on cash received and the actual value of various equity components at the time they vested during the year was \$9.135 million. Of this \$2.37 million or 26% of the award was based solely on the share price gain from the time the award was granted to when it actually vested. Approximately 55% of the CEO's realised remuneration was from vested equity, including deferred long-term awards.

The base fee for board members remained at \$260,000 and \$890,000 for the Chair. The directors' fee pool remains at \$4.75 million, unchanged since the November 2015 AGM.

All KMP have met their minimum shareholdings by substantial margins except for Kiersten Robinson who is a recent external addition to the team (February 2025). All non-executive directors meet the minimum shareholding of 100% of their annual base fees other than Alistair Currie (7%) and Jane McAloon (39%) who joined the Board in 2025 and are on track to meet the requirement.

The remuneration framework and details are consistent with APRA's requirements. They 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.

Resolution 4 Grant of Securities to the CEO, Matt Comyn (For)

This grant to Matt Comyn is for 12,192 restricted share units representing his 2027 financial year long-term alignment remuneration (LTAR) award, and 12,192 performance rights for his 2027 financial year long-term variable remuneration (LTVR) award. In both cases at the time of the grant being made the value of each was \$1,995,000, however as in both cases the award will be made in cost-free equity so the final value will only be known when the shares vest.

As outlined in Resolution 3, the LTAR award is subject to a look back assessment prior to vesting taking place of up to 50% in June 2030 and the remainder in June 2031.

The amount of the LTVR that will be awarded is subject to success in meeting two separate Relative Total Share Return (RTSR) tests.

As ASA voted in favour of the Remuneration Report it will vote all undirected proxies in favour of this resolution.

Resolution 5(a) Amend the company's constitution – Special resolution (Against)

To insert the following sub-clause into clause 6.7: 'Decisions at general meetings' of the company's Constitution: Member resolutions at general meeting: "The shareholders in general meeting may by ordinary resolution express an opinion, ask for information, or make a request, about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material relevance to the company or the company's business as identified by the company and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company.

ASA recognises the importance of shareholder rights but supports the Board's view that this constitutional amendment would alter the governance framework and may encourage repeated single-issue advisory resolutions. Shareholders have adequate opportunity, at company meetings, to ask questions and express opinions about the company. ASA sees this resolution as possibly causing disruption to the orderly conduct of meetings, which is not in the best interests of all shareholders.

Therefore, ASA will be voting our undirected proxies against this resolution.

Resolution 5(b) Disclosure of a pathway to deforestation – free finance (Against)

5(a) is a special resolution and needs a 75% vote in favour of it, which is unlikely to happen so this resolution will not be put to the meeting. For completeness, it is outlined below together with ASA's voting intention.

Deforestation linked to bank lending, including potentially illegal cases, poses material risks to the bank and its customers. CBA has not disclosed any initiatives to reduce risks arising from deforestation impacts, placing it behind domestic and global peers. Shareholders therefore request that CBA disclose a pathway to achieve deforestation-free finance in line with credible frameworks such as the Accountability Framework initiative.

CBA responded that in FY26, it made targeted updates to risk processes, provided additional banker training and completed initial portfolio-level geospatial analysis of relevant agribusiness exposures. It acknowledged this work is an important step, but that it had been transparent about its limitations. The analysis does not, by itself, establish the cause, legality or environmental significance of potential forest loss. It intends to continue developing its approach and improving transparency over time.

The Board does not believe that the evidence presently supports an immediate blanket commitment to deforestation-free finance across all activities, commodities, geographies and customer circumstances. Such a commitment would prescribe the outcome before the necessary definitions, data and implementation methodology are sufficiently mature.

Although ASA fully recognises the rights of individual shareholders to ask single issue questions, we believe this is best done in consultation with the company directly, not in a general meeting. We understand that talks have taken place, so if this was a resolution ASA would have voted our undirected proxies against it.

Appendix 1

Remuneration framework detail

CEO rem. Framework for FY27	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	2.850	31.74%	2.850	29.94%
STVR - Cash	1.069	11.91%	1.34	14.07%
STVR - Equity	1.069	11.91%	1.34	14.07%
LTAR	1.995	22.22%	1.995	20.96%
LTVR	1.995	22.22%	1.995	20.96%
Total	8.978	100.0%	9.512	100%

*Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some parts of the remuneration framework set a maximum opportunity amount, but not all.

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