

Update on Prudential Inquiry Remedial Action Plan

Wednesday 10 February 2021 (SYDNEY): Commonwealth Bank of Australia (CBA) today released the ninth and tenth reports from the Independent Reviewer, Promontory Australia, on the progress of CBA's Prudential Inquiry Remedial Action Plan (RAP).

The reports provide an update on actions CBA has taken to deliver the RAP.

The Independent Reviewer noted CBA has made "significant progress in executing the RAP" and "remained on track" to deliver the remainder of the plan.

As at 31 December 2020, CBA had completed work on 169 out of 177 milestones and 39 out of 45 recommendations¹.

Commonwealth Bank Chief Executive Officer Matt Comyn said: "While we remain on track and are pleased with our progress, we recognise there is still a lot left to do to fully embed and sustain the changes made.

"CBA's Board and executives remain fully committed to the RAP and to continuously improving and learning. Our focus is to successfully complete the RAP and to ensure that the improvements we've made to our governance, culture and accountability stand the test of time," Mr Comyn said.

The reports can be accessed on the CBA Newsroom and on <https://www.commbank.com.au/about-us/our-company/our-response-to-apra-prudential-inquiry-report.html>.

Our next update will be provided in August 2021.

Important information

- On 1 May 2018, APRA released its CBA Prudential Inquiry Final Report.
- In June 2018, CBA's RAP was approved by APRA.
- Promontory Australia is the Independent Reviewer and is providing APRA with quarterly progress reports. CBA reports publicly on progress twice a year.

¹ While the Inquiry Report made 35 recommendations these have been split into multiple parts, resulting in 45 recommendations in total.

- On 20 November 2020, APRA reduced the operational risk overlay imposed on CBA from \$1 billion to \$500 million in response to our significant progress.
- As previously reported, the Independent Reviewer has said:
 - There is now clear and committed leadership from the top in managing non-financial risk.
 - Accountabilities have been sharpened.
 - The voices of risk and compliance have been elevated, and are being heard.
 - There has been considerable improvement in the ownership and understanding of Non-Financial Risk by Business Units and Support Units.
 - There is much clearer and stronger focus on ensuring good customer outcomes, and the 'Should We?' question has become an integral part of the Group's everyday conversations.
 - Challenge is not only a consistent feature of meetings and forums, it is welcomed.

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

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