

Update on Prudential Inquiry Remedial Action Plan

Wednesday, 11 August 2021 SYDNEY: Commonwealth Bank of Australia (CBA) today released the eleventh and twelfth 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 the delivery of the RAP is "on schedule". As at 30 June 2021, work has been completed on all milestones and recommendations with only seven embed milestones and six recommendations remaining to be assessed as closed by the Independent Reviewer.

Commonwealth Bank Chief Executive Officer Matt Comyn said: "Three years ago, we set about improving governance, culture and accountability across the bank through the Remedial Action Plan by implementing all of the recommendations in the Prudential Inquiry final report.

"We know we won't be judged by the completion of a plan, but by the extent to which we improve customer and risk outcomes. We've made substantial progress through the RAP and will now focus on ensuring the improvements made are sustained."

"The focus of the next phase of our Prudential Inquiry work includes monitoring the effectiveness of the changes made to ensure the outcomes of the RAP are sustained and continuously improved upon."

APRA will undertake further validation work to assess the sustainability of CBA's improvements with the Independent Reviewer also continuing to monitor CBA's Prudential Inquiry work.

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 October 2021 following the Independent Reviewer submitting its final RAP report (thirteen) to APRA.

Important information

- On 1 May 2018, APRA released its CBA Prudential Inquiry Final Report.
- In June 2018, CBA's RAP was approved by APRA.
- 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.
 - 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.
- While the Inquiry Report made 35 recommendations these have been split into multiple parts, resulting in 45 recommendations in total.

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

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