

# FY24 Results

For the year ended 30 June 2024<sup>1</sup>



## Customer focus and disciplined execution delivering solid results

### Results overview

“Our results demonstrate our continued focus on supporting our customers, our disciplined operational and strategic execution, and the strength of our balance sheet.

Many Australians continue to be challenged by cost of living pressures and a fall in real household disposable income. With slower economic growth and moderating demand, our strong balance sheet allows us to continue to support our customers and the broader economy, and deliver sustainable returns. We have made it easier for our customers to access hardship assistance; provided eligible homeowner customers with the option to suspend mortgage repayments; and supported all customers with access to money management tools.

We have remained focused on deepening our customer relationships, which drives higher engagement, and a better understanding of our customers' needs to deliver superior experiences. Our ongoing focus on customers has led to more than one in three Australian consumers and more than one in four Australian businesses naming us their main financial institution.

We have retained strong loan loss provision coverage, with surplus capital and conservative funding metrics. Our disciplined approach to managing our balance sheet settings positions us with flexibility and capacity for a range of economic scenarios, while continuing to deliver sustainable returns. We have declared a final dividend of \$2.50 per share, fully franked, resulting in a full year dividend of \$4.65.”

Chief Executive Officer, Matt Comyn

### Outlook

“The Australian economy remains resilient with low unemployment, continued private and public investment, and exports supporting national income. Higher interest rates are slowing the economy and gradually moderating inflation. Australia remains well positioned but downside risks continue around productivity, housing affordability, as well as ongoing global uncertainty.

We will play our part in stimulating economic growth by lending to productive parts of the economy. We will also continue to invest in our franchise to bring our purpose to life, *building a brighter future for all.*”

Chief Executive Officer, Matt Comyn

### Net profit after tax

**\$9,481m**                      **\$9,836m**

Statutory NPAT<sup>2</sup>

↓ 6% on FY23

↓ 4% on 1H24

Cash NPAT<sup>2</sup>

↓ 2% on FY23

↓ 4% on 1H24

Net profit after tax (NPAT) was supported by volume growth in our core businesses offset by lower lending and deposit margins. The reduction in NPAT was driven by inflationary increases in operating expenses, partly offset by a lower loan impairment expense.

### Pre-provision profit

**\$14,956m**

↓ 2% on FY23

↓ 4% on 1H24

Our pre-provision profit was down 2% reflecting continued competitive pressure on margins and inflationary cost increases.

### Dividend

**\$4.65**

Per share, fully franked

↑ 3% on FY23

The final dividend was \$2.50 per share, delivering a total FY24 dividend per share of \$4.65, fully franked. The full year dividend payout ratio is 79% of cash NPAT, at the upper end of our target payout range. The Dividend Reinvestment Plan (DRP) continues to be offered to shareholders and is expected to be satisfied through the on-market purchase of shares.

For footnotes see page iv of this ASX Announcement

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## Net interest margin (NIM)

**1.99%**

↓ 8bpts on FY23

↑ 1bpt on 1H24

Margins decreased year-on-year largely due to the impact of competition and deposit switching, partly offset by higher earnings on replicating portfolio and equity hedges. Margins stabilised during the second half of the year.

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## Credit quality – loan impairment expense

**\$802m (Loan loss rate 9bpts)**

↓ 28% on FY23

↓ 7% on 1H24

Loan impairment expense decreased reflecting our robust credit origination and underwriting practices, rising house prices, and lower expected losses within consumer finance. Consumer arrears increased reflecting the impact of higher interest rates and cost of living pressures on some borrowers. Our home lending portfolio remains well-secured and the majority of home lending customers remain in advance of scheduled repayments. Provision coverage remains strong at 1.66% of credit risk weighted assets and we maintain a ~\$2 billion buffer relative to the losses expected under our central economic scenario.

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## Common Equity Tier 1 (CET1) capital ratio

**12.3%** (APRA Level 2)<sup>3</sup> **19.1%** (International)

↑ 10bpts on FY23

– Stable on 1H24

The Bank maintained a strong capital position with a CET1 capital ratio of 12.3%, well above APRA's minimum regulatory requirement of 10.25%. As at 30 June 2024, the Bank has completed \$282 million of the announced \$1 billion on-market share buy-back. The buy-back period has been extended by an additional 12 months to allow for flexibility in execution, with completion expected to reduce the Bank's CET1 capital ratio by ~15bpts<sup>4</sup>. We expect to operate with a post-dividend CET1 capital ratio of greater than 11.0%, except in circumstances of unexpected capital volatility.

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## Operating expenses

**\$12,218m (45.0% cost-to-income)**

↑ 3% on FY23

↑ 3% on 1H24

Operating expenses increased 3% due to higher inflation impacting staff costs, additional technology spend to support the delivery of our strategic priorities, and lower one-off items. Investment spend of \$2,010 million was up 1% on FY23, as we continued to invest to modernise our technology and improve resiliency, enhance our services, and meet evolving regulatory requirements.

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## Funding and liquidity

**77% Deposit funding ratio**

136% LCR (131% FY23) 116% NSFR (124% FY23)

Deposit funding strengthened to 77% of total funding, with an increase in the proportion of our funding requirements met through stable retail, business and institutional deposits. Long-term wholesale funding accounted for 61% of total wholesale funding and portfolio weighted average maturity of 5.2 years remains conservatively positioned. Our liquidity and funding ratios remain well above minimum regulatory requirements.

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## Shareholder return

**13.6%**

**\$4.65**

Return on equity (ROE)

Dividend per share

↓ 30bpts on FY23

↑ 3% on FY23

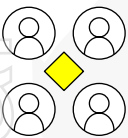
The Bank's ROE decreased to 13.6% due to lower profits. The final dividend was \$2.50 per share, delivering a total dividend for the year of \$4.65 per share, fully franked. The lower share count from the ~\$9.3 billion<sup>5</sup> of buy-backs completed since FY22 have contributed an additional ~26 cents<sup>6</sup> to our FY24 dividend per share (at current payout ratio).

# Building a brighter future for all



## Supporting customers and businesses to build a brighter future

- Supporting Australians' home ownership goals by helping more than 120,000 customers buy a home;
- Lending \$39 billion to support Australian businesses and help them grow;
- Connecting our customers to over \$1.2 billion in grants, rebates and concessions through our Benefits finder tool, since inception;
- Engaging 3 million customers monthly with money management tools<sup>7</sup> to help them make financial decisions and achieve their goals; and
- Maintaining the largest branch network in Australia, with a commitment to keep all CBA-branded regional branches open until at least the end of 2026.



## Contributing to our communities

- We employ over 53,000 people, of which the majority work in either Australia or New Zealand; this equated to over \$7 billion in staff related expenses in FY24;
- We have invested over \$800 million<sup>8</sup> to protect our customers against fraud, scams, financial and cyber crime;
- Our NameCheck technology has been used 57 million<sup>9</sup> times, and has prevented more than \$410 million<sup>10</sup> mistaken payments;
- We have supported 201 community organisations right across Australia through our CommBank Staff Foundational Community Grants program; and
- We have supported 8,983 participants through the Financial Independence Hub since inception in 2020.



## Generating value for shareholders and contributing to Australia's economy

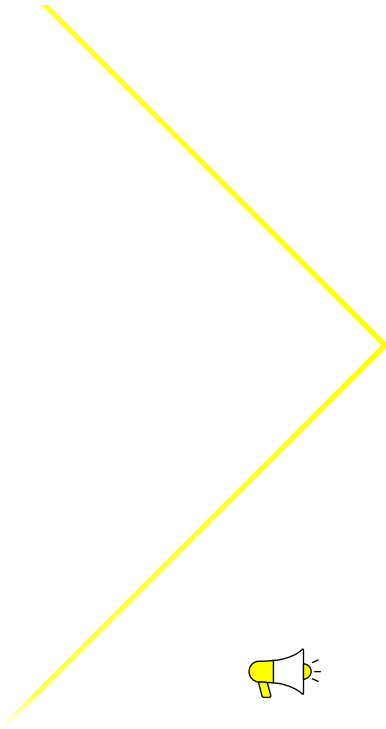
- \$3,618<sup>11</sup> in fully franked dividends related to FY24 for the average retail shareholder;
- We have over 830,000 shareholders with 76% of our shares Australian owned; additionally, we support over 13 million Australians indirectly through their superannuation holdings;
- We continue our on-market share buy-back program<sup>4</sup> to reduce the number of shares on issue, which assists us to continue to deliver sustainable returns to shareholders; and
- We are one of Australia's largest corporate tax payers, paying ~\$3.5 billion in Australian corporate income tax in FY24.



# Footnotes

1. All information in this section is presented on a continuing operations basis, unless stated otherwise. Comparative information has been restated to conform to presentation in the current period.
2. For an explanation of and reconciliation between statutory and cash NPAT refer to page 3 of the Profit Announcement for the year ended 30 June 2024.
3. Level 2 is the consolidated banking group including banking subsidiaries such as ASB Bank and CBA Europe N.V.
4. The timing and actual number of shares purchased under the buy-back will depend on market conditions and other considerations. CBA reserves the right to vary, suspend or terminate the buy-back at any time.
5. Comprises the \$6 billion off-market share buy-back completed in October 2021, the \$3 billion on-market share buy-backs completed in June 2023, and \$282 million of the \$1 billion on-market buy-back announced in August 2023 completed as at 30 June 2024.
6. Reflects the additional dividend per share in FY24 as a result of shares bought back since FY22.
7. Average monthly unique customers who engaged with one of our money management features in the CommBank app in FY24. Money management features include Money Plan, Bill Sense, Category Budgets, Cash Flow View, Goal Tracker, Credit Score and Smart Savings.
8. Invested over \$800 million in FY24, includes expenditure on operational processes and upgrading functionalities.
9. Includes NetBank and CommBank app. Excludes CommBiz, Bankwest and External NameCheck API. Represents the number of times where NameCheck has been used for the period July 2023 to June 2024.
10. Preventing ~\$370 million of mistaken payments by customers and an estimated ~\$40 million of scams via the CommBank app and NetBank from July 2023 to June 2024.
11. Retail shareholder calculation is based on the number of shareholders who hold less than 10,000 shares.

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## Investor Centre

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The release of this announcement was authorised by the Board.

