

## CBA has met Prudential Inquiry Enforceable Undertaking obligations

**Friday 30 September 2022 (SYDNEY):** Commonwealth Bank of Australia (CBA) acknowledges APRA's announcement regarding the Prudential Inquiry.

As a result of CBA meeting its obligations under the Enforceable Undertaking (EU), the remaining operational risk capital overlay of \$500 million imposed on CBA is released effective 30 September 2022. This represents an increase in Common Equity Tier 1 capital of 15 basis points.

Commonwealth Bank Chief Executive Officer Matt Comyn said: "We are committed to ensuring the improvements we've made to our governance, culture and risk management practices are continuously improved and sustained."

The release of the operational risk capital overlay follows the completion of CBA's Remedial Action Plan (RAP) in September 2021, further validation work undertaken by APRA and satisfactory final assessments by the Independent Reviewer.

### Important information

- On 30 April 2018, the Commonwealth Bank of Australia entered into an Enforceable Undertaking (EU) with APRA. On 1 May 2018, APRA released its CBA Prudential Inquiry Final Report.
- In 29 June 2018, CBA's RAP was approved by APRA.
- On 20 November 2020, APRA reduced the operational risk capital overlay imposed on CBA from \$1 billion to \$500 million in response to significant progress. CBA completed its Remedial Action Plan on 30 September 2021.
- Following further validation work and satisfactory final assessments, the remaining \$500 million operational risk capital overlay is released.
- The Independent Reviewer has said:
  - There is now clear and committed leadership from the top in managing non-financial risk.
  - The shift in CBA's thinking on customer outcomes was little short of transformative.
  - 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.

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

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