

Completion of Prudential Inquiry Remedial Action Plan

Tuesday, 12 October 2021 SYDNEY: Commonwealth Bank of Australia (CBA) today released the thirteenth and final report from the Independent Reviewer, Promontory Australia, on the completion of CBA's Prudential Inquiry Remedial Action Plan.

As at 30 September 2021, all milestones have been assessed as complete and effective and all recommendations as closed.

Commonwealth Bank Chief Executive Officer Matt Comyn said: "Three years ago we committed to delivering all recommendations in the Prudential Inquiry final report.

"Completing the Remedial Action Plan is a significant milestone but we recognise there is still much more for us to do. Our focus is to now demonstrate that the changes we've made are sustained and continuously improved."

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>.

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.
- On 29 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 at 30 September 2021, CBA has completed the remedial component of work through the RAP. The focus is to now demonstrate that the changes made are sustained and continuously improved. The EU and remaining \$500 million operational risk overlay will remain in place during this time.
- As previously announced, 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 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.

- 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.

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

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