

Update on one-off items impacting FY22 financial results

Monday, 8 August 2022 SYDNEY: Commonwealth Bank of Australia (CBA) today provides an update on the one-off items impacting the 2H22 results.

1. Impact of one-off items impacting the 2H22 Cash Net Profit After Tax

- **Gain on sale of 10% shareholding in Bank of Hangzhou Co., Ltd**

As announced on 30 June 2022, CBA completed the sale of a 10% shareholding in the Bank of Hangzhou Co., Ltd (HQB) to Hangzhou Urban Construction & Investment Group Co., Ltd and Hangzhou Communications Investment Group Co., Ltd, which are entities majority-owned by the Hangzhou Municipal Government.

The transaction has delivered a pre-tax gain of \$516 million which was recognised in the Group's Cash Net Profit Before Tax and included within other banking income. The sale resulted in an increase in the Group's CET1 capital ratio by 35 basis points.

The remaining 5.6% investment in HQB is now treated as a strategic equity investment, with gains and losses recognised within the Statement of Comprehensive Income, and as a result the Group will no longer recognise its share of profits from HQB as an associate within other banking income.

- **One-off expense items**

The Group has also recognised one-off expense items of \$445 million (pre-tax) during the second half of the 2022 financial year, \$389 million relates to the acceleration of amortisation on certain capitalised software as at June 2022. Other provisions of \$56 million were also recognised relating to changes in the Group's operating model. Software amortisation expense (excl.one-offs) is expected to be broadly flat in FY23.

- **One-off items impact on Cash Net Profit After Tax**

The impact of these one-off items is broadly offsetting on Cash Net Profit After Tax for the full year ended 30 June 2022.

2. Full year results announcement

Commonwealth Bank of Australia (CBA) is scheduled to announce its full year results on 10 August 2022. A virtual results briefing will be webcast with Chief Executive Officer, Matt Comyn, and Chief Financial Officer, Alan Docherty, at 10:30am (Australian Eastern Time) on 10 August 2022. This briefing will be available via webcast on the Commonwealth Bank Investor Centre (www.commbank.com.au/about-us/investors/results).

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

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