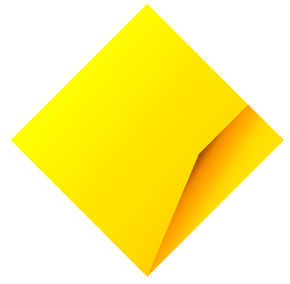


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# Basel III Pillar 3

Capital Adequacy and Risk  
Disclosures as at 31 March 2025



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

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# 1 Introduction

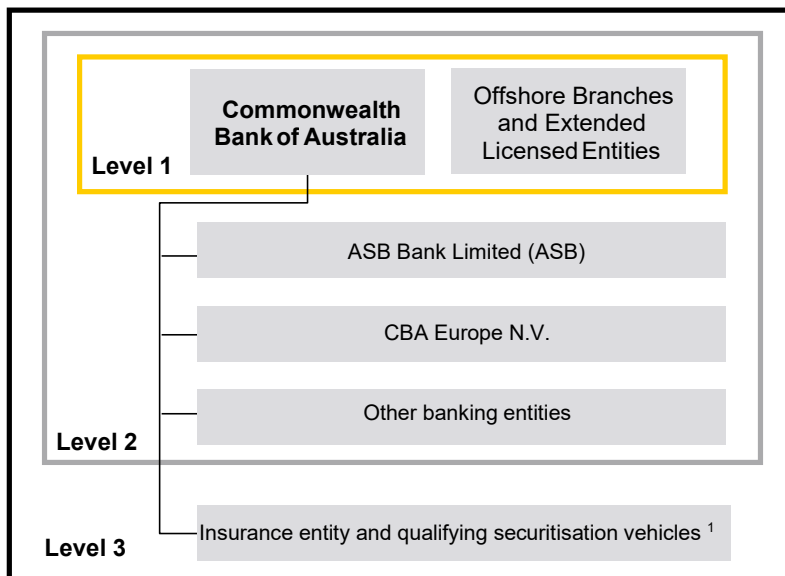
The Commonwealth Bank of Australia (CBA) is an Authorised Deposit-taking Institution (ADI) regulated by the Australian Prudential Regulation Authority (APRA) under the authority of the *Banking Act 1959* (Cth).

This document is prepared for CBA and its subsidiaries (the Group) in accordance with the Board approved policy and APRA's revised Prudential Standard for Public Disclosures (APS 330), that came into effect from 1 January 2025. The revised APS 330 seeks to provide market participants with sufficient information to assess the Group's material risks and capital position, and the format of disclosures has been aligned with the updated international standards for public disclosures set by the Basel Committee and with APRA's ADI capital framework.

This document contains information on the Group's capital adequacy and Risk Weighted Assets (RWA) calculations for credit risk (including securitisation), traded market risk, Interest Rate Risk in the Banking Book (IRRBB) and operational risk. This document also presents information on the Group's leverage and liquidity ratios in accordance with prescribed methodologies.

The Group is required to report its assessment of capital adequacy on a Level 2 basis. Level 2 is defined as the Consolidated Banking Group excluding the insurance entity and certain entities through which securitisation of the Group's assets is conducted.

## APS 330 reporting structure



<sup>1</sup> Securitisation that meets APRA's operational requirements for regulatory capital relief under APS 120 *Securitisation* (APS 120).

The Group is predominantly accredited to use the Advanced Internal-Ratings Based (AIRB) approach for credit risk and the Standardised Measurement Approach for operational risk. The Group is also required to assess its traded market risk and IRRBB requirements under Pillar 1 of the Basel capital framework.

This document is unaudited and has been prepared consistent with information that has been supplied to APRA.

The Group's Pillar 3 documents including disclosure of capital instruments are available on the Group's corporate website: [commbank.com.au/regulatorydisclosures](http://commbank.com.au/regulatorydisclosures).

## 2 Overview

### Capital Position

As at 31 March 2025, the Group's Basel III Common Equity Tier 1 (CET1), Tier 1 and Total Capital ratios were 11.9%, 13.8% and 20.7%, respectively.

The Group's CET1 ratio increased 45 basis points in the quarter after allowing for the impact of the 2025 interim dividend (-78 basis points). This increase was primarily driven by capital generated from earnings (+53 basis points), partly offset by a net increase in total RWAs (-5 basis points) and other regulatory adjustments (-3 basis points).

Further details on the movements in RWA are provided on page 4.

The CET1 Capital ratio for Level 1 as at 31 March 2025 was 12.0% (31 December 2024: 12.1%).

	31 Mar 25	31 Dec 24
	%	%
<b>Summary Group Capital Adequacy Ratios (Level 2)</b>		
Common Equity Tier 1	11.9	12.2
Additional Tier 1	1.9	1.9
Tier 1	13.8	14.1
Tier 2	6.9	6.6
<b>Total Capital</b>	<b>20.7</b>	<b>20.7</b>

	31 Mar 25	31 Dec 24
	\$M	\$M
<b>Group Regulatory Capital Position</b>		
Common Equity Tier 1 Capital	57,513	58,871
Additional Tier 1 Capital	9,272	9,272
Tier 1 Capital	66,785	68,143
Tier 2 Capital	33,444	31,562
<b>Total Capital</b>	<b>100,229</b>	<b>99,705</b>
<b>Risk Weighted Assets</b>	<b>484,491</b>	<b>482,369</b>

### Capital Initiatives

The following significant capital initiatives were undertaken during the quarter ended 31 March 2025:

#### Common Equity Tier 1 Capital

The Dividend Reinvestment Plan (DRP) in respect of the 2025 interim dividend was satisfied in full by the on-market purchase of shares. The participation rate for the DRP was 18.1%.

#### Tier 2 Capital

The Group issued USD 1,250 million subordinated notes in March 2025.

## Overview (continued)

### Risk Weighted Assets

Total RWA increased by \$2.1 billion on the prior quarter to \$484.5 billion, driven by increases in credit risk RWA and IRRBB RWA, partly offset by lower traded market risk RWA.

	31 Mar 25	31 Dec 24
	\$M	\$M
<b>Risk Weighted Assets</b>		
Credit Risk	388,084	385,117
of which: IRB (excluding counterparty credit risk)	353,941	349,191
of which: counterparty credit risk and other <sup>1</sup>	34,143	35,926
Traded Market Risk	6,869	7,949
Interest Rate Risk in the Banking Book	41,914	41,679
Operational Risk	47,624	47,624
<b>Total Risk Weighted Assets</b>	<b>484,491</b>	<b>482,369</b>

<sup>1</sup> Includes credit valuation adjustment, securitisation, standardised portfolios and settlement risk RWA.

### Credit Risk RWA

Credit risk RWA increased \$3.0 billion or 0.8% on the prior quarter to \$388.1 billion. The key drivers of credit risk RWA movement include:

- Volume growth (increase of \$5.1 billion) across commercial portfolios, domestic residential mortgages and New Zealand portfolios; and
- Foreign currency movements (increase of \$0.2 billion); partly offset by
- Credit quality improvement (decrease of \$0.6 billion) from lower risk weights for domestic residential mortgages and commercial portfolios; and
- Decrease in derivatives and standardised portfolios (decrease \$1.7 billion).

### Traded Market Risk RWA

Traded market risk RWA decreased by \$1.1 billion or 14% on the prior quarter to \$6.9 billion.

### Interest Rate Risk in the Banking Book (IRRBB) RWA

IRRBB RWA increased by \$0.2 billion or 0.6% on the prior quarter to \$41.9 billion, driven by interest rate management activities offset by lower basis risk.

### Operational Risk RWA

As required by APS115, operational risk RWA as at March 2025 and December 2024 have been determined based on the annual average value of the relevant components of the Group's net income over the financial years ended 30 June 2024, 2023 and 2022.

### Leverage Ratio

The Group's leverage ratio, defined as Tier 1 Capital as a percentage of total exposures, was 4.7% as at 31 March 2025. The decline in the leverage ratio in the quarter was primarily driven by the impact of the 2025 interim dividend and higher exposures, partly offset by capital generated from earnings.

The minimum leverage ratio requirement for IRB banks, such as CBA, is 3.5%.

<b>Summary Group Leverage Ratios</b>	31 Mar 25	31 Dec 24
Tier 1 Capital (\$M)	66,785	68,143
Total Exposures (\$M)	1,410,610	1,393,974
<b>Leverage Ratio (%)</b>	<b>4.7</b>	<b>4.9</b>

# Overview (continued)

## Group Liquidity and Funding Ratios

	31 Mar 25	31 Dec 24
Group Liquidity and Funding Ratios	%	%
Liquidity Coverage Ratio	133	127
Net Stable Funding Ratio	116	116

### Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) requires Australian ADIs to hold sufficient liquid assets to meet 30 day Net Cash Outflows (NCO) projected under an APRA prescribed severe liquidity stress scenario. Over the March 2025 quarter, excess liquid assets averaged \$46 billion and the average LCR increased from 127% to 133%. The increase in average LCR was mainly due to balance sheet management activities, including strong net wholesale funding issuance over the March 2025 quarter.

### Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) is the ratio of the amount of Available Stable Funding (ASF) to the amount of Required Stable Funding (RSF) over a one year horizon. Factors prescribed by APRA are used to determine the stable funding requirement of assets and the stability of alternative sources of funding. The Group's NSFR was 116% at 31 March 2025 and remained stable over the quarter.

### 3 Risk Weighted Assets

RWA are calculated using the AIRB approach for the majority of the Group's credit risk exposures and using the Foundation or Standardised approach as required under the Australian prudential standards. For CBA's New Zealand Subsidiary, ASB, RWA are calculated using the Reserve Bank of New Zealand's prudential rules subject to certain APRA-prescribed adjustments. The Group must use the External Ratings-based Approach where a securitisation exposure is externally rated by an External Credit Assessment Institution (ECAI) or for which an inferred rating is available. Where the Group cannot use the External Ratings-based Approach, the Group must use the Supervisory Formula Approach.

#### OV1 - Overview of RWA

The following table provides an overview of total RWA by risk type and approach with further details on movements in RWA being provided on page 4.

	Risk Weighted Assets		Minimum capital requirements <sup>1</sup>
	31 Mar 25 \$M	31 Dec 24 \$M	31 Mar 25 \$M
<b>1 Credit risk (excluding counterparty credit risk) <sup>2</sup></b>	<b>372,431</b>	367,994	29,794
2 Of which: standardised approach (SA)	18,490	18,803	1,479
3 Of which: foundation internal ratings-based (F-IRB) approach	35,540	36,072	2,843
4 Of which: supervisory slotting approach	8,845	8,893	708
5 Of which: advanced internal ratings-based (A-IRB) approach	309,556	304,226	24,764
<b>6 Counterparty credit risk (CCR)</b>	<b>7,772</b>	8,846	622
7 Of which: standardised approach for counterparty credit risk	7,125	8,236	570
9 Of which: other CCR	647	610	52
10 Credit valuation adjustment (CVA)	4,162	4,589	333
15 Settlement risk	–	3	–
16 Securitisation exposures in banking book	3,719	3,685	298
18 Of which: securitisation external ratings-based approach (SEC-ERBA)	1,416	1,302	114
19 Of which: securitisation standardised approach (SEC-SA)	2,303	2,383	184
<b>20 Market risk</b>	<b>6,869</b>	7,949	550
21 Of which: standardised approach (SA) <sup>3</sup>	1,355	1,458	108
22 Of which: internal model approach (IMA) <sup>4</sup>	5,514	6,491	442
<b>Interest rate risk in the banking book</b>	<b>41,914</b>	41,679	3,353
<b>24 Operational risk</b>	<b>47,624</b>	47,624	3,810
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	–	–	–
26 Output floor applied (%)	72.5	72.5	n/a
27 Floor adjustment	–	–	n/a
<b>29 Total</b>	<b>484,491</b>	482,369	38,760

1 Minimum total capital requirement in accordance with APS 110 *Capital Adequacy* is 8% of RWA.

2 Includes non-retail overlays of \$0.5 billion (31 December 2024: \$0.5 billion) and IPRE risk weight floor top-up of \$2.9 billion (31 December 2024: \$2.9 billion).

3 Represents specific market risk RWA in relation to interest rate risk.

4 Includes internal model approach RWA in relation to VaR of \$1.4 billion (31 December 2024: \$1.6 billion) and SVaR of \$4.1 billion (31 December 2024: \$4.9 billion).

## Risk Weighted Assets (continued)

### CMS1 - Comparison of modelled and standardised RWA at risk level

The Group is predominantly accredited to use its own internal models to determine the capital requirements for Credit Risk, Market Risk and IRRBB. APRA's ADI capital framework has been calibrated such that the capital requirements using the internal model methods tend to be lower than standardised capital requirements. This calibration has the policy objectives of encouraging investment by banks in advanced modelling capabilities and associated technology, data and specialist skills and enabling banks to more accurately allocate capital for risk.

The Group's total RWA is above the 72.5% minimum set by the Basel Committee and APRA as a safeguard to ensure that the capital benefit for advanced banks is not excessive and does not unfairly disadvantage standardised banks.

The following table provides details of the comparison of modelled and standardised RWA by risk type. Further details on movements in RWA are provided on page 4.

31 March 2025				
	RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA	RWA calculated using full standardised approach (ie used in the base of the output floor)
	\$M	\$M	\$M	\$M
1 Credit risk (excluding counterparty credit risk)	353,941	18,490	372,431	557,548
2 Counterparty credit risk	7,257	515	7,772	16,254
3 Credit valuation adjustment	n/a	4,162	4,162	4,162
4 Securitisation exposures in the banking book	–	3,719	3,719	3,719
5 Market risk	5,514	1,355	6,869	6,869
Interest rate risk in banking book	41,914	–	41,914	–
6 Operational risk	n/a	47,624	47,624	47,624
7 Residual RWA	n/a	–	–	–
<b>8 Total</b>	<b>408,626</b>	<b>75,865</b>	<b>484,491</b>	<b>636,176</b>

31 December 2024				
	RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA	RWA calculated using full standardised approach (ie used in the base of the output floor)
	\$M	\$M	\$M	\$M
1 Credit risk (excluding counterparty credit risk)	349,191	18,803	367,994	549,828
2 Counterparty credit risk	8,394	452	8,846	20,187
3 Credit valuation adjustment	n/a	4,589	4,589	4,589
4 Securitisation exposures in the banking book	–	3,685	3,685	3,685
5 Market risk	6,491	1,458	7,949	7,949
Interest rate risk in banking book	41,679	–	41,679	–
6 Operational risk	n/a	47,624	47,624	47,624
7 Residual RWA	n/a	3	3	3
<b>8 Total</b>	<b>405,755</b>	<b>76,614</b>	<b>482,369</b>	<b>633,865</b>

The difference between internally modelled RWA and the associated full standardised approach RWA for credit risk is mainly driven by residential mortgage and corporate (including large and SME corporate) asset classes.

**CR8 – RWA flow statements of credit risk exposures under IRB**

The following table summarises the movements of risk weighted assets for credit risk exposures under the Internal Ratings Based (IRB) Approach. The table excludes credit valuation adjustment, counterparty credit risk, securitisation and settlement risk RWA. Further details on movements in RWA are provided on page 4.

	<b>31 Mar 25</b>
	<b>RWA amounts</b>
	<b>\$M</b>
1 RWA as at end of previous reporting period	349,191
2 Asset size <sup>1</sup>	5,146
3 Asset quality	(586)
4 Model updates	–
5 Methodology and policy	–
6 Acquisitions and disposals	–
7 Foreign exchange movements	190
8 Other	–
<b>9 RWA as at end of reporting period</b>	<b>353,941</b>

1 Includes organic changes in book size (including origination of new businesses and maturing loans) but excludes changes in book size resulting from acquisition or disposal of entities.

## 5 Leverage Ratio

### LR2 – Leverage ratio common disclosure template

The following table shows the leverage ratio calculation and includes additional breakdowns of the leverage ratio exposure measure.

Refer to page 4 for the details on movements in the leverage ratio in the quarter.

	31 Mar 25 \$M	31 Dec 24 \$M
<b>On-balance sheet exposures</b>		
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,208,380	1,186,619
2 Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	7,121	8,055
3 (Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(3,940)	(4,515)
4 (Adjustment for securities received under securities financing transactions that are recognised as an asset)	–	–
5 (Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	–	–
6 (Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	(19,336)	(19,158)
<b>7 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	<b>1,192,225</b>	<b>1,171,001</b>
<b>Derivative exposures</b>		
8 Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin, with bilateral netting and/or the specific treatment for client cleared derivatives)	9,367	15,505
9 Add-on amounts for potential future exposure associated with all derivatives transactions	21,713	21,222
10 (Exempted central counterparty (CCP) leg of client-cleared trade exposures)	–	–
11 Adjusted effective notional amount of written credit derivatives	2,540	2,657
12 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(2,508)	(2,625)
<b>13 Total derivative exposures (sum of rows 8 to 12)</b>	<b>31,112</b>	<b>36,759</b>
<b>Securities financing transaction exposures</b>		
14 Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	100,514	101,554
15 (Netted amounts of cash payables and cash receivables of gross SFT assets)	(31,032)	(31,960)
16 Counterparty credit risk exposure for SFT assets	3,910	3,649
17 Agent transaction exposures	–	–
<b>18 Total securities financing transaction exposures (sum of rows 14 to 17)</b>	<b>73,392</b>	<b>73,243</b>
<b>Other off-balance sheet exposures</b>		
19 Off-balance sheet exposure at gross notional amount	224,304	223,673
20 (Adjustments for conversion to credit equivalent amounts)	(110,423)	(110,702)
21 (Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	–	–
<b>22 Off-balance sheet items (sum of rows 19 to 21)</b>	<b>113,881</b>	<b>112,971</b>
<b>Capital and total exposures</b>		
23 Tier 1 capital	66,785	68,143
24 Total exposures (sum of rows 7, 13, 18 and 22)	1,410,610	1,393,974
<b>Leverage ratio</b>		
25 Leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	4.7	4.9
25a Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	4.7	4.9
26 National minimum leverage ratio requirement (%)	3.5	3.5
<b>Disclosure of mean values</b>		
28 Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	69,482	69,594
30 Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,410,610	1,393,974
30a Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,410,610	1,393,974
31 Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.7	4.9
31a Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.7	4.9

## 6

## Liquidity Risk

## Liquidity Coverage Ratio

The Group calculates its LCR position on a daily basis, ensuring a buffer is maintained over the minimum regulatory requirement of 100% and the Board's risk appetite. The Group maintained an average LCR of 133% in the March 2025 quarter. On a spot basis, the LCR ranged between 122% and 141% over the quarter.

The Group's mix of liquid assets consists of HQLA, such as cash, deposits with central banks, Australian semi-government and Commonwealth government securities. Liquid assets also include securities classified as liquid assets by the Reserve Bank of New Zealand (RBNZ). Liquid assets are distributed across the Group to support regulatory and internal requirements and are consistent with the distribution of liquidity needs by currency. Average liquid assets increased \$11.1 billion or 6.4% over the quarter.

NCO are modelled under an APRA prescribed 30 day severe liquidity stress scenario. The Group manages modelled NCO by maintaining a large base of low LCR outflow customer deposits and actively managing its wholesale funding maturity profile as part of its overall liquidity management strategy. Average NCO increased \$2.0 billion or 1.4% over the quarter due to an increase in wholesale funding maturities within the 30-day window and growth in customer deposits offset by a decrease in other NCO.

## 6.1 LIQ1 - Liquidity Coverage Ratio

	31 Mar 25 <sup>1</sup>		31 Dec 24 <sup>1</sup>	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	\$M	\$M	\$M	\$M
<b>High-quality liquid assets</b>				
1 Total HQLA <sup>2</sup>		186,402		175,257
<b>Cash outflows</b>				
2 Retail deposits and deposits from small business customers, of which:	<b>482,393</b>	<b>39,278</b>	<b>475,273</b>	<b>38,535</b>
3 Stable deposits	280,510	14,026	279,231	13,962
4 Less stable deposits	201,883	25,252	196,042	24,573
5 Unsecured wholesale funding, of which:	<b>189,975</b>	<b>81,744</b>	<b>186,749</b>	<b>81,160</b>
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	93,593	22,537	91,344	21,972
7 Non-operational deposits (all counterparties)	85,468	48,293	84,634	48,417
8 Unsecured debt	10,914	10,914	10,771	10,771
9 Secured wholesale funding		<b>5,346</b>		<b>3,619</b>
10 Additional requirements, of which:	<b>193,091</b>	<b>27,346</b>	<b>192,691</b>	<b>27,993</b>
11 Outflows related to derivative exposures and other collateral requirements	7,436	7,436	7,645	7,645
12 Outflows related to loss of funding on debt products	–	–	–	–
13 Credit and liquidity facilities	185,655	19,910	185,046	20,348
14 Other contractual funding obligations	–	–	–	–
15 Other contingent funding obligations	<b>100,084</b>	<b>13,338</b>	<b>96,070</b>	<b>10,736</b>
<b>16 Total cash outflows</b>		<b>167,052</b>		<b>162,043</b>
<b>Cash inflows</b>				
17 Secured lending (eg reverse repos)	54,481	6,548	51,304	5,752
18 Inflows from fully performing exposures	15,294	10,420	14,765	10,048
19 Other cash inflows	10,012	10,012	8,126	8,126
<b>20 Total cash inflows</b>	<b>79,787</b>	<b>26,980</b>	<b>74,195</b>	<b>23,926</b>
		<b>Total adjusted value</b>		<b>Total adjusted value</b>
<b>21 Total HQLA</b>		186,402		175,257
<b>22 Total net cash outflows</b>		140,072		138,117
<b>23 Liquidity Coverage Ratio (%)</b>		133		127
<b>Number of data points used (Business days)</b>		62		63

1 The averages presented are calculated as simple averages of daily observations over the previous quarter.

2 Includes Reserve Bank of New Zealand (RBNZ) securities of \$2.1 billion and alternative liquids assets (ALA) of \$0.0 billion as at 31 March 2025 (31 December 2024: RBNZ securities \$1.1 billion; ALA \$0.0 billion).

## 7

## Key Metrics

## KM1 – Key Metrics

The following table shows key regulatory metrics covering the Group's available capital (including buffer requirements and ratios), RWA, leverage ratio, liquidity coverage ratio and net stable funding ratio. Further details on movements in RWA are provided on page 4.

	31 Mar 25 \$M	31 Dec 24 \$M	30 Sep 24 \$M	30 Jun 24 \$M	31 Mar 24 \$M
<b>Available capital (amounts)</b>					
1 Common Equity Tier 1 (CET1)	57,513	58,871	55,618	57,691	55,991
2 Tier 1	66,785	68,143	64,890	66,963	66,853
3 Total capital	100,229	99,705	95,139	97,791	96,585
<b>Risk-weighted assets (amounts)</b>					
4 Total risk-weighted assets (RWA)	484,491	482,369	473,197	467,551	471,375
4a Total risk-weighted assets (pre-floor)	484,491	482,369	473,197	467,551	471,375
<b>Risk-based capital ratios as a percentage of RWA</b>					
5 CET1 ratio (%)	11.9	12.2	11.8	12.3	11.9
5b CET1 ratio (%) (pre-floor ratio)	11.9	12.2	11.8	12.3	11.9
6 Tier 1 ratio (%)	13.8	14.1	13.7	14.3	14.2
6b Tier 1 ratio (%) (pre-floor ratio)	13.8	14.1	13.7	14.3	14.2
7 Total capital ratio (%)	20.7	20.7	20.1	20.9	20.5
7b Total capital ratio (%) (pre-floor ratio)	20.7	20.7	20.1	20.9	20.5
<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
8 Capital conservation buffer requirement (%)	3.75	3.75	3.75	3.75	3.75
9 Countercyclical buffer requirement (%)	0.83	0.83	0.83	0.83	0.83
10 Bank G-SIB and/or D-SIB additional requirements (%)	1.0	1.0	1.0	1.0	1.0
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	5.58	5.58	5.58	5.58	5.58
12 CET1 available after meeting the bank's minimum capital requirements (%) <sup>1</sup>	7.4	7.7	7.3	7.8	7.4
<b>Basel III Leverage ratio</b>					
13 Total Basel III leverage ratio exposure measure	1,410,610	1,393,974	1,366,087	1,339,175	1,369,458
14 Basel III leverage ratio (%)	4.7	4.9	4.8	5.0	4.9
<b>Liquidity Coverage Ratio (LCR)</b>					
15 Total high-quality liquid assets (HQLA)	186,402	175,257	177,435	177,231	190,968
16 Total net cash outflow	140,072	138,117	135,187	130,753	138,040
17 LCR ratio (%)	133	127	131	136	138
<b>Net Stable Funding Ratio (NSFR)</b>					
18 Total available stable funding	927,375	909,249	880,872	872,447	877,073
19 Total required stable funding	796,982	780,913	767,765	749,021	733,678
20 NSFR ratio (%)	116	116	115	116	120

1 Represents CET1 capital in excess of the regulatory minimum requirement of 4.5%.

# Management Attestation

**Commonwealth Bank of Australia attests that:**

Prudential disclosures for the Commonwealth Bank of Australia and its subsidiaries (the Group) are prepared in accordance with the Disclosure requirements Standard made by the Basel Committee on Banking Supervision (BCBS Standard), subject to modifications specified in APRA Prudential Standard APS 330 Public Disclosure (APS 330). In line with APS 330, the Group maintains a Board-approved disclosure policy that sets out the Group's approach to determining the content of its prudential disclosures, and the internal controls and procedures for disclosures, including review and verification processes. The Group's Pillar 3 Capital Adequacy and Risk Disclosures as at 31 March 2025 have been prepared in accordance with the Group's disclosure policy.



Alan Docherty  
Group Chief Financial Officer  
14 May 2025

# Glossary

Term	Definition
<b>Advanced Internal Ratings-based (AIRB) Approach</b>	This approach is used to measure credit risk in accordance with the Group's Basel III accreditation. This allows the Group to use internal estimates of PD and LGD (excluding senior unsecured and subordinated corporate exposures), with supervisory estimates to be used for EAD for the purposes of calculating regulatory capital.
<b>ASB</b>	ASB Bank Limited – a subsidiary of the Commonwealth Bank of Australia that is regulated by the RBNZ.
<b>Australian Prudential Regulation Authority (APRA)</b>	The Australian Prudential Regulation Authority is an independent statutory authority that supervises institutions across banking, insurance and superannuation, and is accountable to the Australian parliament. The regulator of banks, insurance companies and superannuation funds, credit unions, building societies and friendly societies in Australia.
<b>Authorised Deposit-taking Institution (ADI)</b>	ADIs are corporations that are authorised under the Banking Act 1959 to carry on banking business in Australia.
<b>Banking Book</b>	The banking book is a term for assets on a bank's balance sheet that are expected to be held to maturity, usually consisting of customer loans to, and deposits from retail and corporate customers. The banking book can also include those derivatives that are used to hedge exposures arising from the banking book activity, including interest rate risk.
<b>Basel III</b>	Refers to the Basel Committee on Banking Supervision's framework for more resilient banks and banking systems issued in December 2010 (revised in June 2011), capital requirements for bank exposures to central counterparties (July 2012), and the subsequent Basel III reforms finalised in December 2017.
<b>Capital Floor</b>	The capital floor is defined as the higher of total RWA as determined under the IRB approach, and 72.5% of total RWA as calculated under the standardised approach.
<b>CBA</b>	Commonwealth Bank of Australia – the head entity of the Group.
<b>Central Counterparty (CCP)</b>	A clearing house that interposes itself between counterparties to contracts traded in one or more financial markets, thereby ensuring the future performance of open contracts.
<b>Common Equity Tier 1 (CET1) Capital</b>	The highest quality of capital available to the Group reflecting the permanent and unrestricted commitment of funds that are freely available to absorb losses. It comprises ordinary share capital, retained earnings and reserves; less prescribed deductions.
<b>Corporate</b>	Basel asset class – includes commercial credit risk where annual revenues are greater than or equal to \$75 million but less than \$750 million.
<b>Credit Valuation Adjustment (CVA) Risk Exposure at Default (EAD)</b>	The risk of mark-to-market losses related to deterioration in the credit quality of a derivative counterparty. The extent to which the Group may be exposed upon default of a borrower.
<b>Extended Licenced Entity (ELE)</b>	An Extended Licensed Entity is comprised of an ADI and each subsidiary of an ADI as specified in any approval granted by APRA in accordance with Prudential Standard APS 222 <i>Associations with Related Entities</i> .
<b>External Credit Assessment Institution (ECAI)</b>	For example: Moody's Investor Services, S&P Global Ratings or Fitch Ratings.
<b>Foundation Internal Ratings-based (FIRB) Approach</b>	This approach is used to measure credit risk in accordance with the Group's Basel III accreditation that allows the Group to use internal estimates of PD and rely on supervisory estimates for LGD and EAD for the purposes of calculating regulatory capital.
<b>Group</b>	Commonwealth Bank of Australia and its subsidiaries.
<b>High Quality Liquid Assets (HQLA)</b>	Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value.
<b>Interest Rate Risk in the Banking Book (IRRBB)</b>	Interest Rate Risk in the Banking Book is the risk that the Bank's profit derived from Net Interest Income (interest earned less interest incurred), in current and future periods, is adversely impacted by changes in interest rates. This is measured from two perspectives: firstly by quantifying the change in the net present value of the balance sheet's future earnings potential, and secondly as the anticipated change to Net Interest Income earned over 12 months. This calculation is driven by APRA regulations with further detail outlined in the Group's 30 June 2024 Basel III Pillar 3 report.

# Glossary

Term	Definition
<b>Level 1</b>	The Parent Bank (Commonwealth Bank of Australia), including offshore branches and APRA approved ELE.
<b>Level 2</b>	The level at which the Group reports its capital adequacy to APRA, being the Consolidated Banking Group comprising the ADI and all of its subsidiary entities other than its insurance entity and certain entities through which securitisation of the Group's assets is conducted. This is the basis on which this report has been produced.
<b>Level 3</b>	The conglomerate group including the Group's insurance entity and qualifying securitisation entities.
<b>Leverage Ratio</b>	Tier 1 Capital divided by total exposures, expressed as a percentage.
<b>Liquidity Coverage Ratio (LCR)</b>	The LCR is a quantitative liquidity measure that is part of the Basel III reforms. It was implemented by APRA in Australia on 1 January 2015. It requires Australian ADIs to hold sufficient liquid assets to meet 30 day net cash outflows projected under an APRA-prescribed stress scenario.
<b>Loss Given Default (LGD)</b>	An estimate of the expected severity of loss for a credit exposure following a default event. LGD represents the fraction of EAD that is not expected to be recovered following default.
<b>Net Cash Outflows (NCO)</b>	Net cash outflows in the LCR are calculated by applying prescribed run-off factors on liabilities and various off balance sheet exposures that can generate a cash outflow in the next 30 days.
<b>Net Stable Funding Ratio (NSFR)</b>	The NSFR more closely aligns the behaviour term of assets and liabilities. It is the ratio of the amount of available stable funding (ASF) to the amount of required stable funding (RSF). ASF is the portion of an ADI's capital and liabilities expected to be a reliable source of funds over a one year time horizon. RSF is a function of the liquidity characteristics and residual maturities of an ADI's assets and off balance sheet activities.
<b>Operational Risk under the Standardised Measurement Approach</b>	The methodology used to measure operational risk, utilising an APRA prescribed formulaic approach which is largely dependent on profit or loss from ordinary banking activities.
<b>Probability of Default (PD)</b>	The PD reflects a borrower's ability to generate sufficient cash flows in the future to meet the terms of all of its credit obligations to the Group.
<b>RBA</b>	Reserve Bank of Australia.
<b>RBNZ</b>	Reserve Bank of New Zealand.
<b>Residential Mortgage</b>	Basel asset class – retail exposures secured by residential mortgage property.
<b>Risk Weighted Assets (RWA)</b>	The value of the Group's on and off balance sheet assets are adjusted by risk weights calculated according to various APRA prudential standards.
<b>Securities Financing Transactions (SFT)</b>	APRA defines securities financing transactions as transactions such as repurchase agreements, reverse repurchase agreements, security lending and borrowing, and margin lending transactions, where the value of the transactions depends on the market valuation of securities and the transactions are typically subject to margin agreements.
<b>Securitisation</b>	Basel asset class – Group originated securitised exposures and the provision of facilities to customers in relation to securitisation activities.
<b>Standardised Approach</b>	An alternate approach to the assessment of credit, operational and traded market risk whereby an ADI uses external ratings agencies to assist in assessing credit risk and/or the application of specific values provided by regulators to determine RWA.
<b>Tier 1 Capital</b>	Comprises CET1 and Additional Tier 1 Capital.
<b>Tier 2 Capital</b>	Capital items that fall short of the necessary conditions to qualify as Tier 1 Capital.
<b>Total Capital</b>	Comprises CET1, Additional Tier 1 Capital and Tier 2 Capital.
<b>Total Exposures (as used in the leverage ratio)</b>	The sum of on balance sheet items, derivatives, securities financing transactions (SFTs), and off balance sheet items, net of any Tier 1 regulatory deductions that are already included in these items, as outlined in APS 110 <i>Capital Adequacy</i> (APS 110) Attachment D.