ASX Announcement

1H26 Results

For the half year ended 31 December 2025[1]

Consistency of execution delivering for customers and shareholders

Results overview

We have continued to execute our strategy with discipline, maintaining a strong focus on supporting customers while delivering sustainable outcomes for shareholders. A strong labour market and, until recently, easing interest rates, have provided some relief for borrowers, and our credit quality has improved. While conditions remain challenging for some customers, recent improvements in economic activity reinforce the resilience of the Australian economy.

Customer outcomes remain central to our approach. We have continued to invest in technology and frontline teams to improve customer experiences.

Our balance sheet settings remain resilient with strong levels of capital, deposit funding and provisioning given the economic backdrop and geopolitical issues. Our financial position enables us to support lending growth, continue investing to accelerate our technology modernisation agenda and enhance our GenAI capability, and help combat fraud, scams, cyber threats and financial crime.

We continue to watch the competitive intensity and its implications across the financial system. We are well placed to compete effectively and will continue to adjust our settings as appropriate.

Our history of long-term decision making has created a strong, resilient bank that supports our customers and communities and delivers for shareholders. This has allowed us to declare an interim dividend of $2.35 per share, fully franked.

Outlook

Economic growth strengthened during the half, driven by increases in consumer demand and rising investment in AI and energy infrastructure. Supply side constraints mean that the economy is struggling to meet this increased demand. As a result, inflation is now expected to remain above the Reserve Bank's target band for some time, placing further upward pressure on interest rates. We will continue to seek to support our customers with their financial resilience. We are optimistic about the prospects for the economy and will play our part in building a brighter future for all.

Chief Executive Officer, Matt Comyn

Net profit after tax

$5,412m	**$5,445m**
Statutory NPAT[2]	Cash NPAT[2]
↑ 5% on 1H25	↑ 6% on 1H25
↑ 8% on 2H25	↑ 6% on 2H25

Net profit after tax (NPAT) was supported by lending and deposit volume growth in our core businesses. This was partly offset by lower margins and higher operating expenses primarily due to inflation and our continued investment in technology.

Pre-provision profit

$8,131m

↑ 5% on 1H25

↑ 5% on 2H25

Our pre-provision profit was up 5% reflecting solid operational performance across our core businesses.

Dividend[3]

$2.35

Per share, fully franked

↑ 4% on 1H25

The interim dividend was $2.35 per share, fully franked. The dividend payout ratio is ~74% of cash NPAT on a normalised basis. The Dividend Reinvestment Plan 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

Net interest margin

2.04%

- ↓ 4bpts on 1H25 (flat underlying basis)
- ↓ 4bpts on 2H25 (-1bpt underlying basis)

Excluding growth in liquid assets and institutional reverse sale and repurchase agreements, which have broadly neutral impacts on net interest income, underlying net interest margin was slightly lower in the half. This was primarily due to competition in home lending and lower Treasury and Markets income, partly offset by higher earnings on the replicating portfolio and favourable funding mix from strong growth in at-call deposits.

Operating expenses[4]

$6,720m (44.7% cost-to-income)

- ↑ 5% on 1H25
- ↑ 3% on 2H25

Underlying operating expenses increased 5% driven by inflation, increased investment in technology, and additional lenders and operations resources, partly offset by benefits from productivity initiatives. Investment spend of $1,207 million was up 10% on 1H25 reflecting the ongoing modernisation of our technology infrastructure to extend our leadership in digital, technology and customer-centric product offerings and enhance our GenAI capabilities.

Credit quality – loan impairment expense

$319m (Loan loss rate[5] 6bpts)

- – Flat on 1H25
- ↓ 21% on 2H25

Loan impairment expense decreased reflecting improved credit quality, partly offset by elevated geopolitical tensions and global macroeconomic uncertainty. Home loan arrears decreased 7bpts in the half reflecting lower interest rates and seasonal tax refunds and 87% of home loan customers are now in advance of their scheduled repayments. Provision coverage remains strong at 1.55% of credit risk weighted assets. We now carry a ~$2.8 billion buffer relative to the losses expected under our central economic scenario.

Funding and liquidity

79% Deposit funding ratio (78% Jun 25)

132% LCR[6] (130% Jun 25)

117% NSFR[6] (115% Jun 25)

Deposit funding remained strong at 79% of total funding, underpinned by a significant proportion of our funding requirements being met through stable retail and business customer deposits. Long-term wholesale funding accounted for 68% of total wholesale funding and a portfolio weighted average maturity of 5.2 years remains conservatively positioned. Our liquidity and funding positions are appropriately managed with LCR and NSFR well above their minimum regulatory requirements.

Common Equity Tier 1 Capital ratio

12.3%

APRA Level 2[7]

- – Flat on Jun 25
- ↑ 10bpts on Dec 24

18.3%

International

The Group maintained a strong capital position with a Common Equity Tier 1 (CET1) ratio of 12.3%, well above APRA's minimum regulatory requirement of 10.25%. Our strong capital position and earnings resilience enable us to support customers, absorb losses and generate sustainable returns.

Shareholder return

13.8%

Return on equity (ROE)

- ↑ 10bpts on 1H25
- ↑ 40bpts on 2H25

$2.35

Dividend per share[3]

- ↑ 10 cents on 1H25
- ↑ 4% on 1H25

The Bank's ROE remained peer leading and increased 10bpts to 13.8%. The interim dividend was $2.35 per share, fully franked.

Building a brighter future for all

Supporting customers

- Provided more than 63,000 tailored payment arrangements for customers most in need of support[8].
- Helped our customers buy more than 79,000 homes[9] and provided support for first-home buyers.
- Committed to supporting regional Australia – largest regional branch footprint in Australia[10].
- CommBank Yello[11] easier to access, more rewarding – scaled CommBank Yello for Business to >750k customers[12].

Protecting communities

- Investing over $1 billion to help protect our customers against fraud, scams, cyber threats and financial crime[13].
- Real-time intelligence using AI bots to engage & help disrupt scammers – over 2,900 AI bots in our disruption fleet[14].
- Identified and alerted customers of suspicious card activity, ~40k alerts sent daily[15].
- 95% increase in intelligence we have contributed to the Anti-Scams Intelligence Loop helping to protect all Australians[16].

Strengthening Australia

- Lent $25 billion[17] to businesses to help them grow.
- Advocating for a safe, efficient and innovative payments system that supports domestic institutions.
- Maintained balance sheet strength to help support customers and financial stability.
- Returned $4.4 billion to shareholders, benefitting over 14 million Australians[18].

Footnotes

1. Unless otherwise stated, the financial results are presented on a continuing operations basis.
2. For an explanation of and reconciliation between statutory and cash NPAT refer to page 3 of the Profit Announcement for the half year ended 31 December 2025.
3. Dividends include discontinued operations.
4. Excludes restructuring and notable items. Current half relates to provisions for the settlement of legal proceedings in NZ; an additional goodwill payment made to certain customers as a result of ASIC's Better Banking review; and domestic customer remediation. Prior half related to domestic and NZ customer remediation as well as a Bankwest restructuring provision.
5. Loan impairment expense as a percentage of average gross loans and acceptances (GLAAs) annualised.
6. Liquidity coverage ratio (LCR) is the quarterly average. Net stable funding ratio (NSFR) is spot.
7. Level 2 is the consolidated banking group including banking subsidiaries such as ASB Bank Limited and CBA Europe N.V..
8. Payment arrangements in 1H26, defined at account level.
9. 1H26.
10. Commitment to keep all regional branches open until at least the end of July 2027. Largest regional branch footprint with 281 regional branches.
11. CommBank Yello has delivered more than $190 million in value in the form of cashbacks, discounts and prize draws to retail customers from November 2023 to December 2025.
12. Total eligible customers for CommBank Yello for Business as at December 2025.
13. Includes expenditure on operational processes and upgrading functionalities in 1H26, annualised.
14. As at 31 December 2025.
15. Average daily suspicious card activity alerts sent in 1H26.
16. 1H26 versus 1H25.
17. Business Banking business lending, new funding and drawdowns in 1H26.
18. Includes the 2H25 dividend paid to more than 800,000 direct shareholders and indirectly benefitting over 14 million Australians through their superannuation.

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The release of this announcement was authorised by the Board.