2025

Tax Transparency Code

Commonwealth Bank of Australia
ACN 123 123 124

Tax Transparency Code

Commonwealth Bank of Australia (the Group) is one of Australia's largest taxpayers. We recognise the important contribution taxes make to support Australia and Government services.

Our approach to managing our tax affairs is in accordance with CBA's values, purpose and strategy. Our commitment is to comply with all prevailing tax laws in all jurisdictions that we operate and to maintain transparency and collaborative relationships with all tax authorities.

Our tax contributions

Taxes Paid and Collected



$9.0 billion

Total Tax Contribution Globally



$7.3 billion

Total Tax Contribution in Australia

Effective Tax Rate [1]

30.4%

Global

31.6%

Australia

All Taxes Paid Tax Rate [2]

35.8%

Global

37.5%

Australia

1 This is the rate recognised in the financial statements included in our 2025 Annual Report and is calculated as total income tax expense divided by profit before income tax (on a continuing operations basis).

2 Inclusive of corporate tax, net unrecoverable GST, payroll tax, fringe benefits tax and major bank levy.

Tax Transparency Code (continued)

Our Tax Transparency Information

Taxes Paid

The total taxes paid by the Group in FY25 are as follows:

	FY25 $M				FY24 $M
Total Tax Contribution by the Group[2]	Australia	New Zealand	Other	Group Total	Group Total
Corporate Income Taxes Paid	3,532	526	139	**4,197**	4,299
Net Unrecoverable GST/VAT	296	50	1	**347**	313
Employee Taxes Paid/Other Taxes (including Payroll Tax and FBT)	392	23	104	**519**	410
Major Bank Levy	445	–	–	**445**	415
Total	**4,665**	**599**	**244**	**5,508**	**5,437**

2 Represents payments made during the financial year.

Taxes Collected

The total taxes collected by the Group in FY25 are as follows:

	FY25 $M				FY24 $M
Total Tax Collected by the Group on behalf of Government	Australia	New Zealand	Other	Group Total	Group Total
GST/VAT (Customer)	634	26	13	**673**	563
Withholding Taxes (Largely Customer)	294	493	3	**790**	775
PAYG Withholding (Employees)	1,707	217	111	**2,035**	2,011
Total	**2,635**	**736**	**127**	**3,498**	**3,349**

Effective Tax Rate (on a Statutory Basis)

Jurisdiction	Profit before income tax[3]	Income tax expense	Effective income tax rate
Australia	11,829	3,733	31.6%
New Zealand	1,930	535	27.7%
Other	790	148	18.7%
Total	**14,549**	**4,416**	**30.4%**

3 Continuing operations basis.

The Group's effective tax rate for FY25 was 30.4%. This is the rate recognised in the financial statements included in our 2025 Annual Report and is calculated as total income tax expense divided by profit before income tax (on a continuing operations basis).

The effective tax rate is above the Australian company tax rate of 30% primarily as a result of hybrid capital distributions on the Group's issued PERLS Capital Notes. The corporate tax rates in the Group's main countries of operation outside Australia as at 30 June 2025 was as follows: New Zealand (28%), United States (21%), United Kingdom (25% – exclusive of bank corporation tax surcharge), India (25%), Singapore (17%), Hong Kong (16.5%) and Netherlands (25.8%).

Tax Transparency Code (continued)

Our Tax Approach

Tax Policy and Risk Appetite

The Group is governed by a Board approved Group Tax Policy which sets out our approach to governance, decision making and conduct in respect of tax matters. A summary of the key principles and requirements is available in our Tax Policy Principles document.

The Group takes a conservative approach to managing its tax affairs. This includes complying with all tax laws in the jurisdictions in which the Group operates, and includes ensuring that all tax lodgments, payments, reporting, disclosures and other obligations are adhered to.

The Group applies the following principles in its assessment of tax outcomes:

- Only enter into transactions that have a clear business rationale, before taking into account any tax consequences;
- Not participate in or promote aggressive tax planning or tax avoidance arrangements (either for the Group's own tax affairs or for its customers);
- Pay the appropriate amount of tax in accordance with the prevailing tax laws; and
- Claim any deductions, credits, offsets or concessions that are legitimately available.

As tax laws can be very complex and open to interpretation, the Group acknowledges at times tax regulators may interpret tax laws differently to the Group.

Relationship with tax authorities

The Group aims to maintain transparent and collaborative relationships with all tax regulators, which includes:

- Providing any information required on a timely basis;
- Engaging proactively on significant tax issues; and
- Where disputes arise, working openly and constructively to resolve the issues.

Most of the tax paid by the Group is to the Australian Taxation Office (**ATO**). In FY25, the ATO's engagement with CBA was managed through a Pre-lodgement Compliance Review and GST Assurance Review Framework (**PCR**). The PCR sets out the overall engagement and assurance approach the ATO will adopt with CBA for income tax, GST and the Major Bank Levy. Under the PCR, the Group continues to report all significant transactions, risks and other issues to the ATO on a regular basis, and issues are resolved with the ATO in a constructive and efficient manner.

Arm's Length Pricing

The Group ensures that international related party and intra-group transactions are in compliance with the Organisation for Economic Co-operation and Development (**OECD**) guidelines and arm's length principles. The Group does not artificially divert profits to low tax jurisdictions or tax havens.

The Group does not participate in arrangements where transfer pricing outcomes are not consistent with value creation. Transfer pricing outcomes of the Group are consistent with the functional activities undertaken, risks assumed and assets utilised in each jurisdiction.

Tax Transparency Code (continued)

International Related Party Dealings

The Group has an international presence through its shareholdings in foreign retail banks, banking investments, and banking branches in international financial services hubs.

The key international related party dealings for the Group which have a material impact on the Group's Australian taxable income are:

Key International Related Party Dealing	Description	Significant Jurisdictions
Loans	Loans to/from offshore CBA branches and subsidiaries	United Kingdom, United States of America, Singapore, Japan, Hong Kong, New Zealand and Netherlands
Derivative arrangements	Derivative arrangements (including swaps, options, FX and commodity contracts) with offshore CBA branches and subsidiaries	New Zealand, United Kingdom, United States of America, Hong Kong, Singapore and Japan
Dividends	Dividends from offshore subsidiaries	New Zealand
Insurance premiums	Insurance premiums for insurance cover provided by offshore subsidiary	Singapore
Service Centre support	Information Technology and Information Technology enabled business support services from offshore subsidiary	India

The Group maintains contemporaneous documentation supporting the pricing of international related party dealings, which are conducted in accordance with the arm's length principle.

Combatting Tax Evasion

The Group supports regulator initiatives aimed at supporting the integrity of tax systems. The introduction of customer information reporting regimes such as the Foreign Account Tax Compliance Act (**FATCA**) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**) have enabled customer data to be shared between tax authorities on a global basis. The Group is committed to 'doing what is right' and complying with all such measures.

Tax transparency developments

Public Country-by-Country (CbC) reporting (Australia)

Australia's public Country-by-Country (**CbC**) reporting regime requires large multinational groups to publicly disclose certain tax information on a country-by-country basis. The regime applies for reporting periods starting from 1 July 2024 which means the first reporting period for the Group is 1 July 2024 to 30 June 2025. The Public CbC report for the year ended 30 June 2025 is required to be provided to the ATO by 30 June 2026. The ATO will then publish the report on an Australian government website.

OECD Pillar Two (Global Minimum Tax)

The OECD's Pillar Two rules are designed to ensure large multinational groups pay a minimum effective tax rate of 15% in each jurisdiction where they operate. The Pillar Two legislation is effective for the group from 1 July 2024. Further information regarding these rules can be found in Note 2.5 of the Financial Report.

Consolidated Entity Disclosure Statement (CEDS)

As part of the Government's commitment to protect the integrity of the Australian tax system and improve tax transparency, the Corporations Act 2001 (Cth) was amended to introduce a new mandatory disclosure statement for public companies. The new 'Consolidated Entity Disclosure Statement' includes names, legal structures, locations of incorporation, and tax residency status of the Group's consolidated entities. The Group's consolidated entity disclosure statement is provided on pages 365–367 of the Financial Report.

Tax Transparency Code (continued)

Reconciliations

Reconciliation of accounting profit to income tax expense

A reconciliation of the Group's accounting profit to income tax expense for continuing operations is disclosed in the Group's 2025 Annual Report (Note 2.5 of the Financial Report). Income tax expense is calculated in accordance with Australian accounting standards and represents accounting profit multiplied by Australia's corporate tax rate of 30%, adjusted for the "non-temporary" differences between accounting and tax as shown in the table below.

	FY25 $M	FY24 $M
Profit before income tax expense	**14,549**	13,782
Prima facie income tax at 30%	**4,365**	4,135
Tax effect of amounts not deductible/(assessable)		
Offshore tax rate differential	**(109)**	(99)
Taxation offsets and other dividend adjustments	**(7)**	–
Effect of changes in tax rates	**–**	(4)
Income tax (over)/under provided in previous years	**19**	–
Hybrid capital distributions	**137**	163
Other	**11**	106
Total income tax expense	**4,416**	**4,301**
Effective tax rate	**30.4%**	**31.2%**

Reconciliation of income tax expense to income tax payable

The table below reconciles income tax expense to income tax payable. Temporary differences represent the differences between the time transactions are recognised for accounting purposes and when they are recognised for income tax purposes.

	FY25 $M	FY24 $M
Total income tax expense	**4,416**	4,301
Temporary differences (movement)		
Provisions	**90**	(85)
Lease financing	**–**	(14)
Unearned income	**9**	(20)
Intangibles	**(42)**	(27)
Other timing differences	**61**	(14)
Other adjustments	**(43)**	22
Current Year Income Tax Payable	**4,491**	4,163

Tax Transparency Code (continued)

Australian Tax Return Information

The ATO publishes tax return information annually for a number of large public companies. The FY24 amounts disclosed below reconcile to the ATO's 2023–24 Report of Entity Tax Information.

The following FY25 information will be disclosed by the ATO in respect of the Australian Tax Consolidated Group:

Australian Tax Consolidated Group	FY25 $M	FY24 $M[5]
Total Revenues	**66,643**	61,493
Total Taxable Income	**12,875**	11,616
Tax Payable in Australia (after offsets)	**3,792**	**3,435**

5 Restated due to income tax return amendment lodged.

The tax payable above relates to income tax payable by the CBA Tax Consolidated Group for the FY25 year. It will differ from the tax payable disclosed in the "Reconciliation of income tax expense to income tax payable" on page 6 as it does not include tax payable for foreign entities and Australian entities that are not wholly owned.

Basis of Preparation

This report covers the year ended 30 June 2025 and comparative period 30 June 2024 and provides an overview of the tax contributions made by the Group and its approach to tax responsibilities. The information disclosed in this report meets the requirements of the Australian Board of Taxation's Voluntary Tax Transparency Code (**VTTC**) and has been prepared in accordance with the Appendix to the Code issued by the Australian Accounting Standards Board.

Amounts disclosed in this report are in Australian dollars, which is the Group's functional currency. Amounts disclosed in the report have either been sourced from the financial statements in the Group's 2025 Annual Report, financial records or submitted tax returns.



Commonwealth Bank