

Update on support available to Commonwealth Bank customers affected by the pandemic

August 2020

We attach a copy our Opening Statement for our appearance before this Committee on 4 September 2020.

More specifically, to date in response to the pandemic, we have¹:

For personal customers:

- Provided repayment deferrals on over 159,000 home loans, comprising a total balance of over \$55 billion; with an estimated cash flow impact of \$1.6 billion.
- Made changes to how minimum repayments operate for Principal and Interest variable rate home loan customers with a direct debit arrangement in place, to further free up cash flow.
- Reduced the rate on our fixed package home loan to its lowest advertised level ever.
- Provided repayment deferrals on almost 21,000 personal loans, with a total balance of approximately \$339 million.
- Provided repayment deferrals on over 19,000 credit cards.
- Cancelled credit card interest and late fees for March 2020 for those unable to meet their repayments.
- Promptly processed over 170,000 requests for early release of superannuation funds under the Government's program.

For Australian business customers:

- Offered auto-deferred repayments for over 72,000 small business loan accounts.
- Reduced interest rates by 1.00% p.a. on small business loans.
- Provided new loans and drawdowns to mid-sized business customers of approximately \$9.25bn, including those under the SME Guarantee Scheme.
- Approved over 9,000 SME Guarantee Scheme loan applications, totalling more than \$830 million. Commonwealth Bank now accounts for around half the loans funded through that Government initiative.
- Provided \$20.4bn of new and refinanced facilities to large business customers since February.
- Deferred repayments for large business customers, relating to estimated approximate loan balances of over \$290 million.
- Provided covenant waivers to institutional business customers, relating to credit facilities with estimated total value of over \$12.5 billion.

CBA has developed a detailed response to this next phase of support for customers impacted by COVID-19, including an extensive contact strategy that leverages our digital channels and phone based support. This communications strategy provides detailed information about individual support options for customers.

We have also increased our resourcing and capability, to ensure that customers are assisted by staff who are trained to support their particular circumstances. Depending on customers' needs, further options may include an extension of an existing repayment deferral, restructuring the loan, extension of loan term, or reduced repayments, or where possible resuming pre-COVID repayments. Many of

¹ Deferral figures quoted reflect cumulative assistance provided since the start of the pandemic, rather than just those deferrals still 'active' today.

these solutions are underpinned by APRA's announcement on the next phase of COVID-19 related capital concessions.

We have also attached a recent report from CBA Economics that examines current forecasts of the macro-economic impact of Covid-19. Due to regulatory obligations that require CBA to monitor and manage the distribution of any research the bank produces, we are unable to share these reports publicly. A copy report have been provided to the Committee on a confidential basis.