

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (FOURTH REPORT)

Commonwealth Bank of Australia

CBA09QW: Regarding the bank's 'tools' used in respect to procedures associated with loan impairment, as referred to in evidence given to the Royal Commission, are you able to confirm 'same-for-same' systems are still in place and have there been any enhancements with procedures regarding loan impairments since evidence was given to the Royal Commission?

Answer: CBA executives gave evidence to the Royal Commission on 28, 29 and 30 May 2018 on loan impairment. Procedures about how Commonwealth Bank manages loan impairment have not changed materially since that date.

Separate to processes for loan impairment, Commonwealth Bank has proposed measures to support customers who may be affected by worsening drought conditions. Measures are tailored to the circumstance of individual customers and may include: 1. A credit adjustment for customers with eligible Farm Management Deposits and business loans; 2. A business loan repayment pause; 3. An extension on the business loan term agreement; and 4. Waiving fees and charges related to business loan restructures.