

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (SECOND REPORT)

Commonwealth Bank of Australia

CBA11QON: 27

Mr CRAIG KELLY: Looking at your numbers over the last five years, there seems very little difference on the loss in percentage terms of your loans between small and large business. Would you agree with that?

Mr Narev: Yes. To come back to the point I made before, the difference through the cycle, which we should price for, is quite materially different.

Mr CRAIG KELLY: You are saying that through the cycle it is still much higher for small business?

Mr Narev: Yes.

Mr CRAIG KELLY: How much are we talking? Are we talking double?

Mr Narev: That is not a number I have off the top of my head. I am happy to take that away and give you whatever we make publicly available on that.

Answer:

The data referred to shows that the value of loans recorded as written-off for small business loans was on average around 17 per cent higher (five basis points) than for loans to large businesses between 2012 and 2016. Unfortunately Pillar 3 data is not available to conduct this comparison prior to 2012.