

Update from Commonwealth Bank on measures taken to support customers and the community through the COVID-19 pandemic

April 2021

Commonwealth Bank remains committed to providing tailored support to our customers and the wider community, to help mitigate the negative economic and financial impacts of the COVID-19 pandemic.

We see significant cause for optimism, as the Australian economy has performed more strongly than many had predicted.¹

Positively, of the home loans and business loans where payments were put on hold, almost all have exited deferral. This is a remarkable outcome and a strong testament to the hard work and commitment of our customers.

We are committed to contributing towards positive conditions for investment in the broader economy, so businesses can maximise opportunities available from the broad range of current and upcoming stimulus measures.

Supporting retail customers

In recent months, Commonwealth Bank has supported our customers to exit repayment deferral arrangements on 158,000 home loans.

In March, we announced the lowest ever fixed rate for home loans. We also provided our customers with new functionality to split their loan between variable and fixed rates, by selecting what portion of their loan they would like to fix via NetBank or the CommBank app. This allows them to see in real-time how this split will change their repayments.

Further, we have supported our customers to participate in the Government's HomeBuilder program, helping them build and renovate, while also supporting jobs in the construction industry; with Government having extended applications for the successful program to mid-April.

Via our Benefits Finder feature in the CommBank app and Netbank, customers have saved more than \$481 million over the last year by connecting them to unclaimed government rebates and benefits.

¹ We attach a short summary of current economic indicators, produced by our Chief Economist Stephen Halmarick. 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, and hence they are provided to the Committee on a confidential basis.

Supporting business customers

We're committed to continuing to play a leadership role in Australia's economic recovery, in mobilising much needed funding for businesses of all sizes.

In March, we contacted 85,000 business customers who were receiving JobKeeper, checking in to understand how they were faring and whether they were in need of assistance.

This follows similar customer check-ins last year, when CBA provided repayment deferrals on 83,000 business loans. We proactively engaged all of these customers in advance of the deferral conclusion, to understand the impacts of the pandemic on those businesses.

In April, we announced that applications were open for loans under the Government's SME Recovery Loan Scheme. Commonwealth Bank was the leading provider of loans under the first two phases of the Scheme (the Government Small and Medium Enterprise Guarantee Scheme), funding over \$1.4 billion in loans and accounting for just under 50 percent of loans funded.

Under this third phase, pricing of loans will be up to 75 basis points below those offered under the second phase. Loans can be for up to \$5 million, with variable interest rates from as low as 2.6% p.a. for secured loans, and from 2.85% p.a. for secured loans with a repayment deferral from 12 months.

The new lower-cost loans will help our business customers to invest in assets like equipment and machinery, and will also support longer term investments that underpin growth and jobs. Businesses will be able to use the scheme to refinance existing loans, or invest towards repairing damage flowing from the recent floods in NSW and Queensland.

Our business customers have received tailored support through this last 18 months, including where we have:

- Launched a JobKeeper Bridging Facility for business customers;
- Been a founding member of the Australian Business Growth Fund, which was established to provide patient equity to small and medium-sized high-growth high-potential businesses;
- Provided new loans and drawdowns to SME customers of approximately \$22.3 billion, in the 53 week period from 6 March 2020 through to 5 March 2021.
- Refined products and tools to assist our SME customers to make faster and better informed business decisions. In this vein,
 - **BizExpress** allows eligible CBA customers to receive real-time credit decisions and if approved have up to \$100,000 credited in their account within 12 minutes.
 - **Working Capital financing options** to help businesses manage cash flow while continuing to grow their businesses and invest.
 - **Personalised digital experiences** to support business owners and operators to make decisions in times of ambiguity, underpinned by our digital assets like the CommBank app and NetBank. Examples of these services include:
 - Daily IQ, which allows our customers to enhance their performance and productivity through personalised data-driven insights, such as

- comparing consumer spending, also available via the business banking platform CommBiz; and
 - Capability for SME customers to link their accounting software directly with their Netbank business accounts, to help streamline business bookkeeping.
- Commenced accepting applications under the Government's 'Show Starter' jobs package, which provides the entertainment industry with additional financing options to invest in new productions, shows and events for live audiences; Australia's first arts and entertainment industry-specific loan scheme.

Appendix 1. COVID-19: A timeline of activity.

