

## Commonwealth Bank of Australia

### Overview of misconduct

- 2.1 The Royal Commission has revealed shocking cases of misconduct and conduct falling below community expectations by CBA and its subsidiaries in wealth management and financial advice.
- 2.2 CBA-affiliated financial advisers charged fees to clients who had been dead for years. Its insurance arm rejected trauma claims based on a heart attack definition that was five years out of date.
- 2.3 In relation to consumer lending, the Royal Commission heard CBA failed to disclose the value of broker commissions to its customers, admitted that its payments to brokers contained an inherent conflict of interest, and acknowledged it was aware of 'significant and wide-ranging compliance issues' in relation to loans submitted by brokers.<sup>1</sup> Despite these red flags, CBA had not addressed gaps in its monitoring processes which would have detected or prevented poor broker behaviour.<sup>2</sup>
- 2.4 The Royal Commission heard CBA had sold credit insurance policies to about 64,000 customers who 'may not have been eligible to claim benefits under their policy in the event that they suffered temporary or permanent disability or involuntary unemployment. This was because they were not employed when they were sold the policy.'<sup>3</sup>
- 2.5 It was revealed that approximately 11,059 CBA customers were given personal overdrafts they may not have been able to service because of a programming error. The Interim Report found CBA 'failed to take into

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1 Commissioner Kenneth M Hayne, *Interim Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry* (Interim report), vol 2, p. 25.

2 Commissioner Hayne, 'Financial Services Royal Commission', *Interim report*, vol 2, p. 26.

3 Commissioner Hayne, 'Financial Services Royal Commission', *Interim report*, vol 2, p. 51.

- consideration the declared housing and living expenses' of those customers, which resulted in 'breaches of CBA's responsible lending obligations'.<sup>4</sup>
- 2.6 CBA admitted to being the worst financial services entity in Australia for charging customers fees for financial advice they never received. The Royal Commission heard CBA 'had paid or offered to pay about \$118.5 million in refunds, including interest, to clients who had been charged fees for no service' by CBA's financial advice licensees, CFPL, BWFA and Count.<sup>5</sup>
- 2.7 It was also revealed that, between December 2011 and March 2017, CBA charged double the rate of interest to some of its business customers.<sup>6</sup> While more than 2,500 customers were compensated, it took CBA about two and a half years after the first overcharging occurred and about 240 days after CBA first identified the issue to pay its customers what they were owed.<sup>7</sup> Furthermore, CBA admitted that it delayed refunding customers as part of a media strategy to minimise the impact on the bank, including scrutiny by this committee at its hearing with CBA on 7 March 2017.<sup>8</sup>
- 2.8 In addition to the cases examined by the Royal Commission, CBA has been subject to significant penalties for misconduct including:
- In June 2018, the Federal Court approved CBA's \$700 million settlement with the Australian Transaction Reports and Analysis Centre (AUSTRAC) over anti-money laundering allegations. This represented the largest civil penalty in Australia's corporate history<sup>9</sup>, and
  - In May 2018, CBA agreed to pay the Australian Securities and Investments Commission (ASIC) \$25 million in relation to rate-rigging.<sup>10</sup>
- 2.9 CBA has also been subject to a \$1 billion add-on to its minimum capital requirement and a court-enforceable agreement to implement 35 changes recommended by the Australian Prudential Regulation Authority

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4 Commissioner Hayne, 'Financial Services Royal Commission', *Interim report*, vol 2, p. 64.

5 Commissioner Hayne, 'Financial Services Royal Commission', *Interim report*, vol 2, p. 161.

6 Commissioner Hayne, 'Financial Services Royal Commission', *Interim report*, vol 2, pp. 304-305.

7 Commissioner Hayne, 'Financial Services Royal Commission', *Interim report*, vol 2, p. 306.

8 J Frost, 'CBA delayed refunds to avoid scrutiny', *Australian Financial Review*, 25 May 2018.

9 M Han, 'Federal Court approves CBA's \$700m penalty', *Australian Financial Review*, 26 June 2018.

10 J Shapiro, 'CBA accepts undertaking over BBSW', *Australian Financial Review*, 10 May 2018.

(APRA)'s prudential inquiry into governance, culture and accountability within the CBA group.<sup>11</sup>

## Financial Services Royal Commission

- 2.10 The committee used the release of the Royal Commission's interim report on 28 September 2018 as an important platform to scrutinise each bank during the public hearings.
- 2.11 The Commonwealth Bank was the subject of 14 case studies in the Royal Commission's interim report, more than any of the other major banks.
- 2.12 In addition, CBA was disproportionately represented among complaints received by the committee.
- 2.13 The committee questioned CBA about the processes it had in place to address the misconduct highlighted in the interim report.
- 2.14 Mr Comyn acknowledged shortfalls in CBA's capability to mitigate operational risks, non-compliance with laws and regulations, and a lack of importance shown by CBA to customer remediation. Mr Comyn stated:
- There are many examples of where we would like to have done things differently, of course... We were too slow to acknowledge and, particularly, to get to the root cause of those mistakes. We should have taken more preventive action and we should have recognised, as you said, some of the red flags that were visible.<sup>12</sup>
- 2.15 To address these issues Mr Comyn had instigated a change in management, with six new executives appointed to the leadership team.
- 2.16 Mr Comyn advised there have been reductions to executive remuneration and greater accountability, in part through the implementation of the Bank Executive Accountability Regime (BEAR).
- 2.17 In June 2018 CBA announced its intention to demerge its wealth management and mortgage broker businesses into a separate entity.<sup>13</sup> Mr Comyn noted the decision to simplify the structure of CBA would enable each business to focus on its core activities.

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11 Australian Prudential Regulation Authority (APRA), 'APRA releases CBA Prudential Inquiry Final Report and accepts Enforceable Undertaking from CBA', *Media Release*, 1 May 2018.

12 Mr Matthew Comyn, CEO, Commonwealth Bank of Australia (CBA), *Transcript*, 11 October 2018, p. 6.

13 CBA, 'CBA announces intention to demerge wealth management and mortgage broking businesses', *Media release*, 25 June 2018, <<https://www.commbank.com.au/guidance/newsroom/demerger-of-wealth-and-mortgage-broking-businesses-201806.html?ei=card-view>>, viewed 30 October 2018.

2.18 The committee was sceptical about the degree of improvement CBA had achieved given a decade of scandals involving wealth management and CommInsure for example. This sentiment was also observed in the Royal Commission's interim report:

The evidence that was led in the first round of hearings suggested that the entities examined had done, and were doing, as little as they thought they have needed to do to meet their legal obligations, offering no (or at best, next to no) encouragement to or reward for staff or third parties to pursue the interests of the consumer.<sup>14</sup>

2.19 Mr Comyn acknowledged the committee's scepticism when he stated 'I understand that I and the Commonwealth Bank will be judged on our actions, not by any words or promises that I provide today'.<sup>15</sup>

2.20 Mr Comyn noted CBA was not only addressing the Royal Commission's interim report, 'we have had the benefit of a very thorough review by an independent panel, which was a very critical but fair report'<sup>16</sup> referring to Australian Prudential Regulation Authority's (APRA) prudential inquiry into CBA released in May 2018.

2.21 CBA committed to biannual publication of progress reports towards implementation of the recommendations made in the prudential inquiry. Mr Comyn noted it was important for stakeholders, including the committee, to hold CBA to account as part of rebuilding trust and confidence in the financial services industry.

## Reforms to remuneration

2.22 The committee asked CBA for an update on reform efforts to prevent the conflict of interest that can arise from some remuneration structures.

2.23 The committee emphasised a point raised in the Royal Commission's interim report, with reference to ASIC analysis on the role of remuneration in the provision of financial advice:

They are results that demonstrate the validity of a basic observation of the world: that the choice between interest and duty is resolved, more often than not, in favour of self-interest.<sup>17</sup>

2.24 The committee pressed CBA to explain how it was prioritising the interests of its customers. Mr Comyn informed the committee that as part

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14 Commissioner Hayne, 'Financial Services Royal Commission', *Interim report*, Vol 1, p. 55.

15 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 6.

16 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 3.

17 Commissioner Hayne, 'Financial Services Royal Commission', *Interim report*, Vol 1, p. 91.

- of a fuller implementation of the Future of Financial Advice (FOFA) reforms CBA had removed its exceptions to FOFA and was now ensuring 'all customers are actively opting into an ongoing service provision by our advisers'.<sup>18</sup>
- 2.25 CBA announced on 9 October 2018 it would take further action to address issues associated with conflicted remuneration by ceasing grandfathered commissions.<sup>19</sup>
- 2.26 The committee asked CBA about reforms to remuneration for staff. CBA noted it has implemented all but one of the recommendations of the Sedgwick review, which recommended banks remove financial incentives directly linked to sales or the achievement of sales targets. Secondly that eligibility for variable reward reflects a broad range of responsibilities or a balanced scorecard approach.
- 2.27 Mr Comyn explained 'in the example of a teller, actually there's zero weighting towards financial performance.'<sup>20</sup> For other staff such as customer service specialists in a branch, on a team basis, less than 30 per cent of variable remuneration relate to financial measures such as sales. Mr Comyn asserted this is a substantial change from the past five years.<sup>21</sup>
- 2.28 CBA informed the committee that the only Sedgwick recommendation yet to be implemented relates to mortgage broker remuneration. The delay is due to the need for cooperation from a broader group of industry participants.
- 2.29 The committee also asked CBA about reforms to executive remuneration. In his opening address, Mr Comyn noted there have been reductions in executive remuneration when he stated 'executives across the organisation have faced consequences for our failures...there has been a \$100 million impact on remuneration.'<sup>22</sup> Mr Comyn also described changes to his own remuneration structure:

The aggregate of measures that contribute to my overall remuneration have only a 30 per cent linking to financial outcomes. That's approximately half what it has been in prior

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18 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 2.

19 CBA, 'CBA takes further action to improve its wealth business', *Media Release*, 9 October 2018 <<https://www.commbank.com.au/guidance/newsroom/cba-takes-action-to-improve-wealth-businesses-201810.html?ei=card-view>>, viewed 30 October 2018.

20 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 15.

21 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 15.

22 Mr Matthew Comyn, CEO, CBA, *transcript*, 11 October 2018, p. 2.

years. That's certainly the lowest it's been for a chief executive of the Commonwealth Bank in decades.<sup>23</sup>

- 2.30 The committee noted this effort but agreed that further reform is necessary to restore community trust in the financial system.

## Customer remediation

- 2.31 The committee was particularly interested in verifying the level of remediation CBA had given to customers affected by its misconduct, particularly associated with issues identified in the Royal Commission.
- 2.32 Mr Comyn explained in total CBA had '...spent \$850 million on a combination of customer remediation, administering that remediation and investing in our advice business.'<sup>24</sup>
- 2.33 CBA noted approximately \$580 million was allocated to improving processes to facilitate remediation in a systemic and comprehensive way for customers who received bad advice. The remaining \$270 million was paid in compensation, including interest, to customers who were provided with poor quality advice or charged fees where service was not provided.<sup>25</sup>
- 2.34 The committee questioned how far back CBA intended to review its customer files to which CBA replied, its approach has been to go back as far as practical when reviewing customer cases.
- 2.35 CBA informed the committee it would review advice fees charged to deceased estates over the past seven years and would refund with interest any instances where unauthorised fees have been charged.
- 2.36 The committee also questioned the pace of remediation repeating an observation from the Royal Commission's interim report with regard to financial advice that observed entities had been very slow to remediate customers who have suffered loss or detriment as a result of misconduct or other compliance failures.<sup>26</sup>
- 2.37 Mr Comyn acknowledged CBA had been too slow to remediate customers when he stated:

...we absolutely are committed to ensuring that, where we have done the wrong thing by our customers, they are remediated in full and particularly on a prompt basis, which is one of the areas

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23 Mr Matthew Comyn, CEO, CBA, *transcript*, 11 October 2018, p. 4.

24 Mr Matthew Comyn, CEO, CBA, *transcript*, 11 October 2018, p. 3.

25 CBA, 'CBA takes further action to improve its wealth business', *Media Release*, 9 October 2018 <<https://www.commbank.com.au/guidance/newsroom/cba-takes-action-to-improve-wealth-businesses-201810.html?ei=card-view>>, viewed 30 October 2018.

26 Commissioner Hayne, 'Financial Services Royal Commission', *Interim report*, Vol 1, p. 132.

where we have been unable to demonstrate the right level of speed in terms of the way we remediate our customers.<sup>27</sup>

## CEO actions to address customer complaints

- 2.38 Throughout the hearing the committee sought to identify the specific actions taken by Mr Comyn to demonstrate he understood the effect of a dispute with CBA for individual customers.
- 2.39 The committee asked Mr Comyn how many aggrieved customers he had personally met with, to which he responded less than 10.<sup>28</sup>
- 2.40 Mr Comyn recognised the need for customers to feel like they've had their case heard and informed the committee CBA has reviewed a number of cases. However, Mr Comyn also noted:
- In some instances, there has been a real difference to the way that we have looked at those cases; in others, despite the circumstances being tragic, it's not obvious that the bank could have done something differently.<sup>29</sup>
- 2.41 The committee intends to follow-up at future hearings on efforts of CEOs to improve complaints handling mechanisms and the pace of remediation.

## Complaint handling mechanisms

- 2.42 The committee asked CBA to outline how it had improved its complaints handling processes. CBA noted that customer complaints and trends in complaints are being analysed more regularly at a senior level.
- 2.43 CBA was also asked about the level of resources which are directed towards this area of operations and how long processing requests take.
- 2.44 Mr Comyn noted CBA has a large complaints team and it is CBA's aim to deal with straightforward complaints within five days; however more complex disputes can take longer to resolve.
- 2.45 As part of a commitment to improve, CBA has established a new customer advocacy team with a staff of around 45 people.<sup>30</sup> The customer advocacy team is intended to give dissatisfied customers an additional internal avenue in which to make their case.
- 2.46 Mr David Cohen, CBA's Group Chief Risk Officer, described the need for this change when he noted:

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27 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 3.

28 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 21.

29 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 10.

30 Mr David Cohen, Group Chief Risk Officer, CBA, *Transcript*, 11 October 2018, p. 11.

I think it is fair to say that, for individual customers dealing with a large bank like us when it comes to a complaint, in the past it has been difficult and it has been slow.<sup>31</sup>

- 2.47 In future hearings the committee will scrutinise the effectiveness of CBA's complaints handling mechanisms.

## Bank Executive Accountability Regime

- 2.48 Executive accountability was a consistent theme throughout the Review of the Four Major Banks, including the fourth round of hearings.

- 2.49 On 1 July 2018 the Banking Executive Accountability Regime (BEAR) came into effect for the largest authorised deposit-taking institutions (ADIs). Under the BEAR, all senior executives and directors are required to be registered with APRA. In addition ADIs are required to provide accountability maps of the roles and responsibilities of their senior executives.

- 2.50 CBA responded positively to the introduction of the BEAR, when Mr Comyn noted:

I do think that the government's introduction of the Banking Executive Accountability Regime was a helpful element. Certainly in our experience, the implementation of that actually forced us to go through a very clear accountability mapping exercise which identified areas of ambiguity that had previously existed.<sup>32</sup>

- 2.51 The committee was particularly concerned about how the accountability mapping exercise would translate across the whole organisation.

- 2.52 CBA stated it has extended the BEAR to 90 executives in order to demonstrate increased attentiveness to accountability across the organisation.

## Relationship with regulators

- 2.53 The committee questioned the nature of CBA's relationship with the ASIC, citing the example of an enforceable undertaking for failing to conduct annual reviews for over 31,000 wealth advice clients.

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31 Mr David Cohen, Group Chief Risk Officer, CBA, *Transcript*, 11 October 2018, p. 10.

32 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 4.

- 2.54 The committee noted CBA agreed to a community benefit payment of \$3 million and remediation of \$90 million with ASIC. The committee was highly critical of this process emphasising an observation in the Royal Commission's interim report that:
- When deciding what to do in response to misconduct, ASIC's starting point appears to have been: How can this be resolved by agreement?
- This cannot be the starting point for a conduct regulator.<sup>33</sup>
- 2.55 CBA agreed that these discussions had been treated like a negotiation but advised this was likely to change.
- 2.56 On CBA's relationship with APRA, Mr Comyn noted CBA had accepted all of the recommendations from APRA's prudential inquiry.
- 2.57 Mr Comyn stated CBA has embraced the report as 'a road map for the necessary changes for our organisation'.<sup>34</sup>
- 2.58 CBA informed the committee of its intention to make up for past complacency, including concerns raised by regulators such as APRA and AUSTRAC.

## Competition in the financial system

- 2.59 The committee asked CBA to comment on the state of competition among banks observing consumer apathy or an unwillingness to switch products or providers has helped the major banks maintain high profits.
- 2.60 Mr Comyn disputed that claim, noting CBA has observed an increasing level of competition owing to 'the steps that the government are taking in the context of creating greater transparency and ensuring that customers have the ability to more easily compare providers'.<sup>35</sup>
- 2.61 Mr Comyn provided policy initiatives such as Comprehensive Credit Reporting and Open Banking as examples.
- 2.62 CBA noted price is one of several factors consumers consider when choosing a financial service provider. Mr Comyn noted 'for some customers, price is not the only determinant of whether they would choose a product provider. I'm sure that extends beyond banking.'<sup>36</sup>

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33 Commissioner Hayne, 'Financial Services Royal Commission', *Interim report*, Vol 1, p. 277.

34 Mr Matthew Comyn, CEO, CBA, *transcript*, 11 October 2018, p 2.

35 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p 18.

36 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 19.

2.63 However, the committee pointed to findings from the Productivity Commission's final report into Competition in the Financial System that indicates the major banks maintain considerable market power.

2.64 The Productivity Commission noted the high degree of concentration means:

Price competition in the banking system is limited. Although institutions claim that they compete in loan markets by discounting, such behaviour is not indicative of a competitive market when price obfuscation is common and discounts are specific to groups of customers.<sup>37</sup>

## Small-medium enterprise lending

2.65 Non-monetary covenants are an aspect of lending where the major banks have historically held power over small to medium sized enterprises (SMEs) through complex and one-sided loan contracts.

2.66 The committee has previously recommended action should be taken to abolish non-monetary default clauses for loans for small business.

2.67 The committee asked CBA if it had met all of its commitments in response to recommendations from the Carnell Inquiry in relation to small business lending practices. Mr Comyn stated:

We supported the recommendations by Kate Carnell's inquiry, and we've implemented those. In some cases we have implemented them beyond the strict recommendations.<sup>38</sup>

2.68 The complexity of some small business disputes was also mentioned in Mr Comyn's opening statement where he announced the establishment of a dedicated team to assist small business customers.

2.69 However, the committee questioned whether CBA had retreated from certain market segments, notably SME lending.

2.70 CBA did not agree with this characterisation. Mr Comyn noted 'our view is that, first of all, lending to small business is critical because small business in Australia is a major employer.'<sup>39</sup>

2.71 However Mr Comyn noted CBA had withdrawn from some more obscure methods of financing such as invoice financing:

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37 Productivity Commission, 'Competition in the Australian Financial System', *Inquiry Report*, No. 89, 29 June 2018, p. 37.

38 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 12.

39 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 12.

There are many segments of the market that the Commonwealth Bank simply chooses not to participate in, because the interest rates that are being charged – to arguably compensate for the risk – are simply just interest rates we're not comfortable with.<sup>40</sup>

## Access to credit

2.72 In an extension to the SME lending questions, the committee asked CBA if lending standards had been tightened and a reduction in lending had occurred as a result of the Royal Commission.

2.73 Mr Cohen clarified that CBA had tightened lending standards, but this was in response to a reassessment of risk following the Global Financial Crisis (GFC) and not necessarily a consequence of the Royal Commission:

We've not, as a specific result of the royal commission, sought to reduce access to credit. It is the case that, in a couple of sectors where we had seen excessive activity, going back before the royal commission, we had made some strategic decisions to moderate our appetite...<sup>41</sup>

2.74 The committee also discussed the link between the provision of credit and the broader economy to which Mr Comyn noted there is a strong link between banking system and economic conditions.

2.75 Mr Comyn stated:

No institution is more leveraged to the performance of the Australian economy than the Commonwealth Bank. We are very fortunate that we have had 27 years of uninterrupted economic growth.<sup>42</sup>

2.76 Mr Comyn also said he was not concerned about the recent slowdown in house prices due to the underlying strength of the economy as shown by falling unemployment, strong economic growth and low inflation.

## Decision to restructure

2.77 The committee questioned if CBA's decision to demerge its wealth and mortgage broker businesses was affected by the reputational damage suffered as a result of the Royal Commission.

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40 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 20.

41 Mr David Cohen, Group Chief Risk Officer, CBA, *Transcript*, 11 October 2018, p. 25.

42 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 18.

- 2.78 CBA asserted the rationale for the demerger was part of a strategic decision to simplify its business.
- 2.79 The Royal Commission's interim report was critical of decisions by some entities, including CBA, to restructure their business, as this presented a moving target for the Commission.
- 2.80 However, CBA affirmed that it is accountable for the advice and mortgage broker businesses until the demerger is complete.
- 2.81 Mr Comyn emphasised the importance of wealth management services when he stated:
- We also think that, with the wealth management business and the advice industry, notwithstanding the challenges that are faced across all parts of that industry, it's very important that those needs are provided for.<sup>43</sup>
- 2.82 Following the hearing, on 31 October 2018 CBA announced it had agreed to sell Colonial First State Global Asset Management to Mitsubishi UFJ Trust and Banking Corporation. As a result, Colonial First State Global Asset Management would not be included in the demerger.<sup>44</sup>
- 2.83 Also on 31 October, CBA announced the appointment of a Chief Executive Officer and a Chief Financial Officer to the proposed demerged entity.<sup>45</sup>
- 2.84 Following the announcement in June 2018 as part of its decision to demerge its wealth and mortgage broker business, CBA announced a strategic review of CommInsure General Insurance.<sup>46</sup>
- 2.85 In September 2017, CBA announced the sale of its life insurance business, CommInsure Life to AIA Group Limited.<sup>47</sup> As of 23 October 2018 the divestment was pending regulatory approvals and completion expected in the first half of 2019.<sup>48</sup>

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43 Mr Matthew Comyn, CEO, CBA, *Transcript*, 11 October 2018, p. 29.

44 CBA, 'Divestment of Global Asset Management Business', *Media release*, 31 October 2018, <<https://www.commbank.com.au/guidance/newsroom/divestment-of-global-asset-management-business-201810.html?ei=card-view>>, viewed 31 October 2018.

45 CBA, 'Key Appointments to lead demerger', *Media Release*, 31 October 2018, <https://www.commbank.com.au/guidance/newsroom/key-appointments-to-lead-demerger-201810.html?ei=card-view>, viewed 31 October 2018.

46 CBA, 'CBA takes further action to improve its wealth business', *Media Release*, 9 October 2018 <<https://www.commbank.com.au/guidance/newsroom/cba-takes-action-to-improve-wealth-businesses-201810.html?ei=card-view>>, viewed 30 October 2018.

47 CBA, 'Divestment of Australian and New Zealand Life Insurance Business', *Media release*, 21 September 2017, <https://www.commbank.com.au/guidance/newsroom/ASX2-201709.html>, viewed 31 October 2018.

48 CBA, 'Divestment of Indonesian life insurance business', *Media release*, 23 October 2018, <https://www.commbank.com.au/guidance/newsroom/update-on-life-insurance-divestments-201810.html?ei=card-view>, viewed 31 October 2018.

## **Assistance to farmers**

- 2.86 CBA was asked what kind of special consideration it was giving to drought affected farmers. In response, CBA noted it is allowing repayment holidays for those who are struggling to repay their loans.
- 2.87 CBA also noted it offered customers flexibility to break term deposits without penalties and allows customers to use their farm management deposits as an offset for their loans.
- 2.88 CBA informed the committee it has also donated \$2 million to drought relief charities while its customers have donated a further \$7 million.