ASX announcement

COVID-19 temporary loan repayment deferral data for September 2020

Monday 12 October 2020 (SYDNEY): Commonwealth Bank (CBA) today provides an update on COVID-19 temporary loan repayment deferral data for the month of September 2020, ahead of the Group's Annual General Meeting on 13 October 2020. Key data is attached in chart form and is summarised in the table below.

Commonwealth Bank CEO, Matt Comyn said: "Providing temporary loan repayment deferrals on approximately 250,000 home, personal and business loans has been one of the key ways we have helped our customers to manage the challenges of COVID-19. Our recent focus has been on contacting customers as they approach the end of their initial deferral periods, to talk with them about their options.

Latest figures for September show an encouraging trend in the number of our home loan and SME lending customers who are able to return to making repayments on their loans. As a result, the total number of loan repayment deferrals now sits at 129,000, down from 174,000 in August and 210,000 in June. Total loan balances on these deferrals now stand at $42bn, down from $59bn in August and $67bn in June. Further significant reductions are expected as initial temporary repayment deferrals continue to expire through October.

While these trends are encouraging, we are conscious that many of our customers still require our ongoing support, particularly in regions most affected by COVID-19, such as Victoria, which is reflected in requests for deferral extensions. We will continue to offer support and assistance to our customers as the economy recovers."

	CBA temporary loan repayment deferrals[1] as at September 2020 (rounded totals)
Total Deferrals	• There has been a monthly net reduction in deferred total facilities of 45,000 (monthly net reduction in deferred balances of $17bn). • Expired or exited deferrals of 67,000 in September, representing balances of $25.8bn. • New approved or extended deferrals of $8.4bn in September, with $7.9bn of these an extension of an existing deferral.
Home Loan Deferrals	• There has been a monthly net reduction in deferred home loan facilities of 21,000 (monthly net reduction in deferred balances of $8bn). • Expired or exited deferrals of 40,200 in September, representing balances of $15.9bn. Of the 40,200, 17,300 have been granted an extension of their deferral arrangement for a period of up to 4 months[2]. Victoria accounted for the largest proportion of deferral extensions (43%). • Approximately 93,000 home loans remained in deferral as at end September (balances $37bn). Of these, 52,000 are due to expire and exit in October (balances $20bn)[8], subject to possible extension[2].
SME Loan Deferrals	• There has been a monthly net reduction in deferred SME loan facilities of 23,000 (monthly net reduction in deferred balances of $8bn). • Expired or exited deferrals of 25,100 in September, representing balances of $9.2bn, driven by the roll-off of auto-deferred business loans. Of the 25,100, 1,400 have been granted an extension of their deferral arrangement for a period of up to 4 months[2]. • Approximately 31,000 SME loans remain in deferral as at end September (balances $4bn). Of these, 28,000 are due to expire and exit in October (balances $2.8bn) [8], subject to possible extension[2].

Commonwealth Bank

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This release of this announcement was authorised by the Continuous Disclosure Committee.

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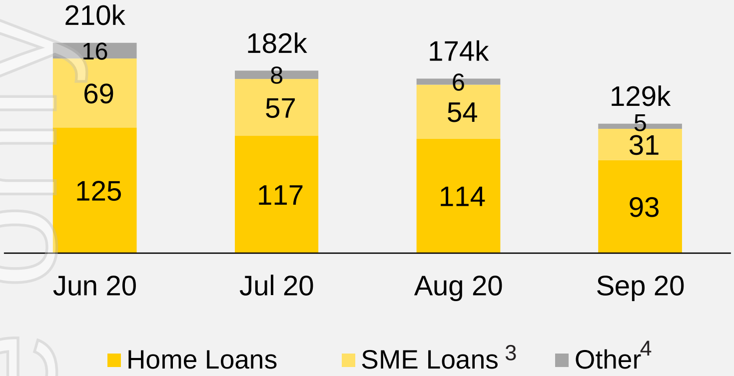
CBA temporary loan repayment deferrals[1]

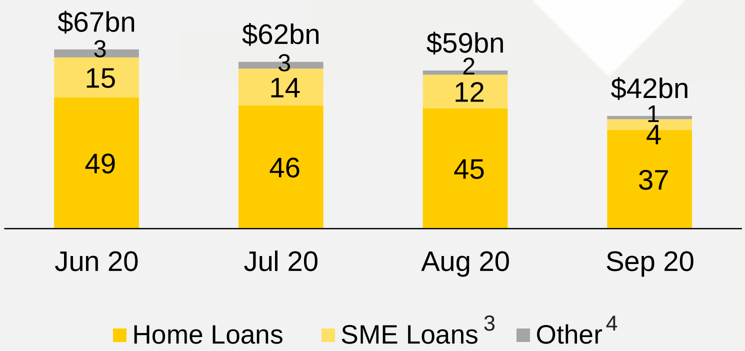
Total deferrals (facilities, no.)

Rounded totals

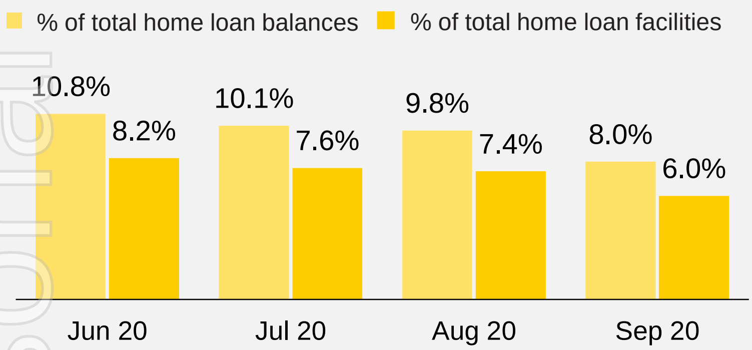


Total deferrals (balances, $bn)

Rounded totals



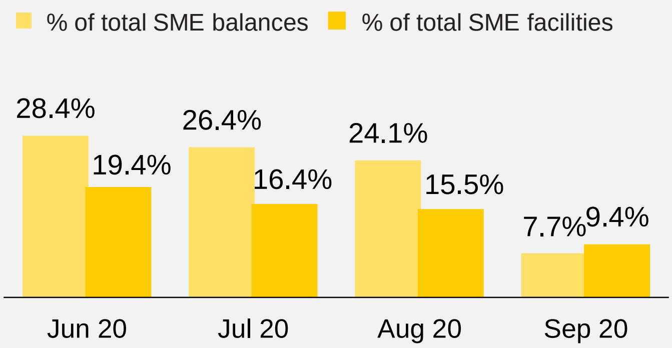
Home lending deferrals



CBA Product View[1] - % of home loans (no.)

8.5%	7.9%	7.6%	6.2%

SME lending deferrals[3,5]

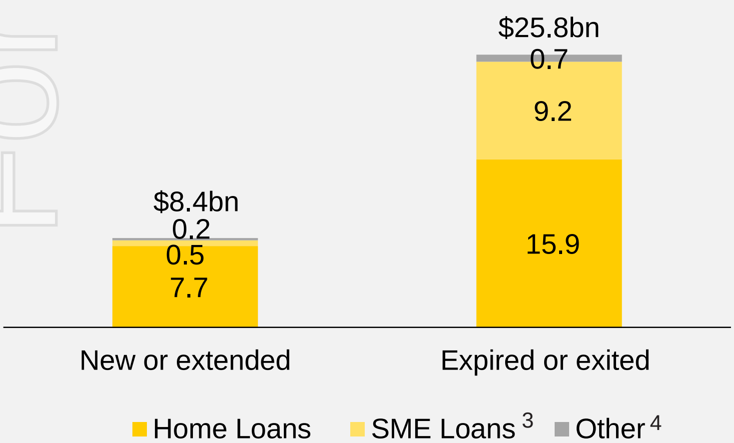


CBA Product View[1] - % of total business lending[6] ($bn)

16.9%	15.4%	12.8%	3.5%

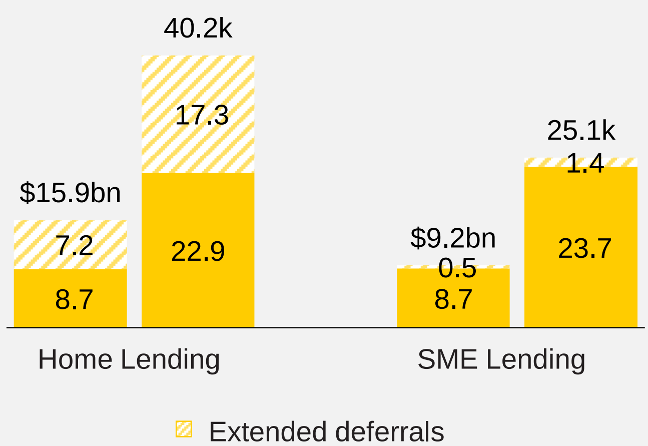
Movement in total deferrals[7]

Month of September



Expired or exited deferrals[7]

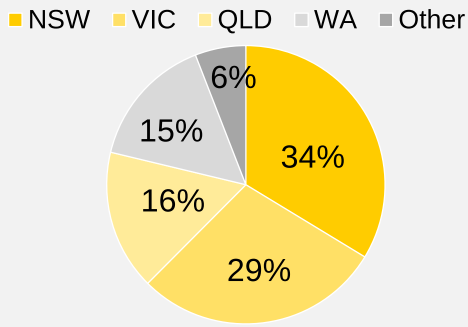
Month of September



CBA temporary loan repayment deferrals[1]

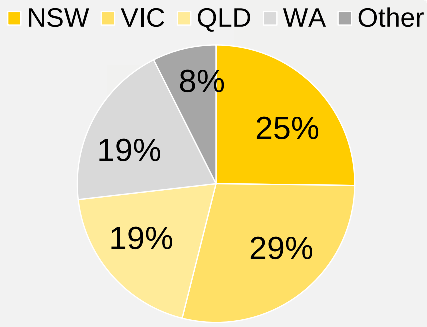
Home Lending deferral balances - by State[8]

September 2020



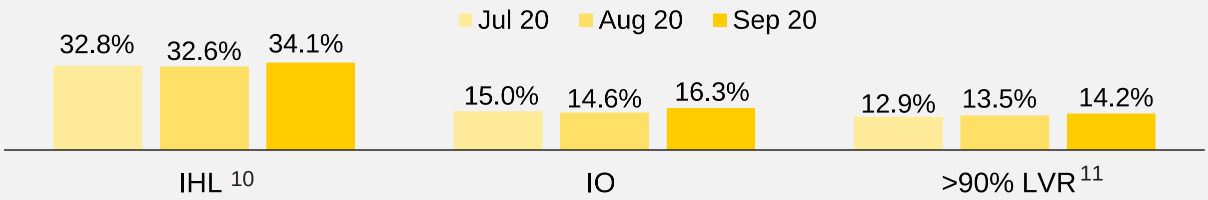
SME Lending deferral balances - by State[8]

September 2020



Home Lending deferral profile[8,9]

% of total home loan deferral balances



CBA Product View[1]

28.4%	15.3%	: Jul 20
28.3%	14.9%	: Aug 20
29.8%	16.6%	: Sep 20

Footnotes

1. COVID-19 temporary loan repayment deferral data as reported to APRA, based on the domestic lending book with segmented reporting for housing and SME lending (defined as lending to clients with total loan facilities up to $10m). Data is categorised and reported based on predominant loan purpose, which differs to a product-based categorisation (Product View) used in the preparation of the Group's financial results. Together with other definitional and classification differences noted against specific metrics and as outlined in footnotes below, this results in some differences in reported deferral numbers relative to APRA reporting. For reference, key metrics under both APRA reporting definitions and the CBA Product View are shown where relevant.
2. Deferral extensions subject to eligibility criteria. Extension periods of up to 4 months for a maximum total deferral period of 10 months from the start of the repayment deferral, or until 31 March 2021, whichever comes first.
3. Includes asset finance leases. SME Government Guarantee loans are excluded from SME loan deferral totals from July 2020.
4. 'Other' includes home loans with a predominant personal purpose and non-SME business loans (>$10m).
5. CBA's relatively high proportion of SME loans in deferral reflects the Bank's pro-active auto-deferral of SME loans where customers had borrowing limits up to $5m. Movement in September reflects the roll-off of auto-deferred business loans with the remaining deferrals largely comprised of asset finance leases.
6. Total business lending deferral balances as a percentage of total business lending balances (including exposures >$10m, ex Institutional Lending).
7. New or extended loan deferrals include deferrals where an extension has been granted in the month. Expired or exited deferrals include deferrals exited in the month or where an extension has been granted in the month.
8. Excludes loan deferrals that do not receive capital concession.
9. Home loan exiting deferrals have been over-represented in the Owner-Occupied, Principal and Interest and <90% LVR segments, resulting in increases in the proportion of remaining deferrals in Investment, Interest Only and >90% LVR segments.
10. Per APRA's EFS data collection, 'Investment housing loan' refers to a loan to a household for the purpose of housing where the funds are used for a residential property that is not owner-occupied and is not the principal place of residence.
11. Current LVR as per APS112 definition. This differs from Dynamic LVR numbers reported in the Group's financial results, which reflect collateral values updated monthly. August increase reflects limited exits from deferrals from the higher LVR segment.

Important Information

The material in this announcement is general background information about the Group and its activities current as at the date of the announcement, 12 October 2020. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any investment decision.