



ASX announcement

CBA: up to \$10 billion in repayment deferrals for small business and home loans

Friday 20 March 2020 (SYDNEY): Commonwealth Bank (CBA) has today announced further measures to support Australian households and small businesses.

- All home loan and small business customers are now eligible to defer loan repayments by up to 6 months, providing up to \$10 billion of support for the economy.
- CBA to auto-enrol 76,000 businesses into loan deferral arrangements for up to six months, ensuring immediate support for small businesses likely to be most impacted by the coronavirus.

CBA Chief Executive Officer, Matt Comyn said, "These are unprecedented times, and we will continue to take decisive actions to support households and the small business community. We stand shoulder to shoulder with the Government, the Reserve Bank, our regulators and the banking industry to support the economy at this time.

"We welcome today's announcement by the Australian Banking Association (ABA), which benefits 200,000 of the bank's small business customers. The ABA's package is a significant industry-wide initiative and will provide businesses with the ability to defer payments on their loans to improve cash flow.

"The Commonwealth Bank will extend the ABA's loan deferral scheme to include all customers with a home loan. This will provide support of up to \$10 billion to Commonwealth Bank households and small businesses over the next six months.

"To ensure immediate support, CBA will also auto-enrol 76,000 of its small business customers into loan deferral arrangements for up to six months from 1 April. This will ensure that \$240 million of support immediately reaches small businesses who are most vulnerable in the current environment."

Mr Comyn said, "A digital registration process will be available from Saturday for any home loan customer wishing to defer their repayments. Unless the request for support is urgent, there is no need for customers to contact us before this time. We will also be communicating with our small business customers from next week and giving them the choice to opt out of the auto enrolment process."

Measures announced today are in addition to those announced by the Commonwealth Bank over the past two weeks. These include a 125 basis point reduction in all small business loans linked to the cash rate, and support available for businesses facing difficulty including waiving merchant fees, waiving redraw fees, waiving early redraw fees on business term deposit accounts, and deferring repayments on vehicle and equipment finance loans.

The Commonwealth Bank yesterday also announced a 70 bps interest rate reduction in home loans with one, two and three year fixed terms, a 60 bps increase in 12-month term deposits to 1.70% p.a., and changes to home loan repayments which will release up to \$3.6 billion in cash for Australian households over a twelve month period.



“We stand ready to take additional steps to support small businesses, households, and the economy.”

Auto-enrolment into the ABA loan deferral arrangements will occur for Better Business Loan and Asset Finance facilities for customers with total lending limits up to \$3 million. After the first three months, eligible customers will be able to opt-in for a further three months. This will provide up to six months support to customers, in line with today’s ABA announcement.

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