



ASX announcement

Transcript: Matt Comyn video

Wednesday 12 February 2020 (SYDNEY): The following is a transcript of Matt Comyn, Chief Executive Officer of Commonwealth Bank of Australia regarding the bank's 2020 Half Year Results. The video interview can be found at <http://www.commbank.com.au/newsroom>.

CBA's 2020 Half Year Financial Results

Matt Comyn: Well I think strong operational performance has underpinned a very solid result. Our home lending was up 4%, business lending up 3% over the period, and a very strong deposit result, up 9%.

Overall, our profit was down 4% to \$4.5 billion. This was largely due to a few factors: \$83 million of insurance provisions for claims relating to the bushfires; a \$100 million loan impairment overlay for drought and bushfires; and also the flow through impact of a number of the pricing changes that we announced last year to ensure that we're delivering better customer outcomes.

Overall, our balance sheet, particularly our Common Equity Tier 1 [capital ratio] is in a very strong position at 11.7%, well above APRA's unquestionably strong 10.5%, which has enabled us to declare a fully franked \$2.00 interim dividend, and also that we'll be neutralising the dividend reinvestment plan.

A strong focus on digital innovation

Matt Comyn: A big part of our strategy is, of course, delivering exceptional customer service, but also doing that with leading technology. And it's not just about the digital experience, it's about a real time and high availability system, right the way through that we serve our customers with. And alongside that, we're very committed to increasing the pace of innovation, and particularly what we're able to deliver to our customers. Some of that we'll deliver ourselves onto our market-leading CommBank app, with now almost 6 million customers using that. We're also prepared to enter into partnerships as we have with Klarna, with our 50:50 partnership in Australia and New Zealand to bring some exciting payment propositions to our customers. And X15 is all about building the next generation of ventures in Australia. We're committed to building 25 ventures over the next five years.

Outlook

Matt Comyn: We remain optimistic about the Australian economy and outlook. We've seen an improvement, certainly, in the housing market. We've seen recent unemployment figures which have been very strong, in New South Wales some of the lowest unemployment rates since the 1970s. Clearly, in the near term, we'll also have to deal with the impact from the drought, the bushfires and now global uncertainty around the coronavirus. We do expect that that's going to weigh on both sentiment as well as GDP in this quarter and in the next. But we think the combination of both the recovery and rebuild, and also some of the underlying strength in the Australian economy will start to come through in the back half of this calendar year.

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