

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (THIRD REPORT)

Commonwealth Bank of Australia

CBA21QW:

Commonwealth have admitted at the Loan Impairment PJC, that between the period of 19 December 2008 to 30 June 2015 there were a total of 1,958 Bankwest performing commercial loans that were impaired where Commonwealth Bank made a loss.

“Of this performing book’ ... in the commercial portfolio there were 1,958 loans where we incurred a write-off in that period 19 December 2008 to 30 June 2015.” - David Cohen

What was the number of Bankwest performing commercial loans impaired, between 19 December 2008 and 30 June 2015, where Commonwealth Bank did not incur a loss (or write-off)?

Answer:

The information requested is not stored in an easily accessible format and would require an extensive analysis to identify such loans.

It should be noted that it is a regulatory requirement to identify when a loan becomes impaired so that a provision of capital can be set aside in the expectation that the loan will not be repaid in full. While loans which have become impaired can be rehabilitated (often either through refinancing or restructuring the business), it would be common that where a provision has been made, the bank subsequently incurs a loss or write-off.