

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

CBA

CBA16QW: A copy of the valuation policies that the bank applies to:

(a) infrastructure investments.

(b) large commercial investments or like commercial investments, including definitions that lead to their classification as a large commercial or like commercial investments.

Answer: We have a range of valuation policies across CBA depending on the size and scale of the security.

For customer exposures greater than \$1 million, CBA makes an assessment of the current market value of the infrastructure asset and the real estate asset every year as part of a broader review of the customer relationship.

CBA also has a requirement that its portfolio valuation guidelines for infrastructures assets are reviewed in the event of a material and sustained deterioration in sector conditions and that all existing valuations form part of an internal hindsight review process conducted by suitably qualified staff.