

CBA's 2021 Half Year Financial Results

Transcript: Matt Comyn video

Wednesday, 10 February 2021 SYDNEY: The following is a transcript of Matt Comyn, Chief Executive Officer of the Commonwealth Bank of Australia regarding the Bank's 2021 Half Year Financial Results. The video interview can be found at <http://www.commbank.com.au/newsroom>.

Introduction: The Commonwealth Bank has announced its half year results for financial year 2021.

Statutory net profit after tax was \$4.9 billion, and cash net profit after tax was \$3.9 billion.

Strong operational execution delivered above market growth in home lending, deposits and business lending. (graphic: Home lending +5.6%, 1.5x system; Household deposits +16.5%, 1.1x system; and Business lending +7.4%, ~3x system)

The Bank's balance sheet is the strongest it has ever been, with the Common Equity Tier 1 capital ratio at 12.6%, well above APRA's unquestionably strong benchmark.

Shareholders will receive an interim dividend of \$1.50 per share, fully franked. (graphic: Interim dividend \$1.50).

Matt Comyn: The last six months have been very challenging for many Australians. We're starting to see a marked turnaround in economic conditions which is of course very good news looking forward. That's primarily been on the back of very effective management of the pandemic, and a variety of both government and business support measures that have been in place.

From our perspective, we've been very focussed on making sure we're continuing to support our customers and communities. We've focussed on strong operational execution which has delivered above system volume growth. We've continued to strengthen our balance sheet to ensure that we're well prepared for a range of different economic scenarios, and we've also refreshed our strategy to ensure we have a bolder ambition for the future.

The result

Our statutory net profit after tax is down 20.8% for the period. Now, about two thirds of that is related to a one-off gain we took last year relating to the sale of our CFS Global Asset Management business. If you look at our cash net profit after tax, which is more commonly referred to, it's down 10.8%. Now if we

exclude the impacts from COVID, particularly loan impairment and higher expenses, broadly we'd see that our cash net profit after tax is flat, which given the overall operating context, I think is a very good result.

And then finally, as I said, our balance sheet is in very strong shape, the strongest it's ever been. We're now 75% deposit funded, up about 20 percentage points over the last 12 years. Our Common Equity Tier 1 (capital level), which is really a measure that looks at the strength of the overall bank's capital, is 12.6% which is about \$10 billion above APRA's unquestionably strong benchmark. And that combination of a very strong balance sheet and strong volume growth during the course of the year, has enabled the Board to declare a fully franked dividend of \$1.50 for the first half.

Technology

Matt Comyn: We're continuing to see a very strong preference for customers to engage with us using our digital and the latest technology, and we want to make sure we're continuing to invest to deliver the best digital experience in our customers' lives.

Priorities

Matt Comyn: Well, looking forward we're absolutely committed to continuing to support our customers through the rest of the pandemic. Of course, Australia's economic recovery and transition is at the centre of that, and we've got to play a leadership role in helping to support our customers get through this period. But also importantly to really seize on some of the opportunities for the economy going forward. We're going to continue to focus on strong operational performance, and continue to invest in our technology to make sure that we're delivering a superior experience for all of our customers.

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

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