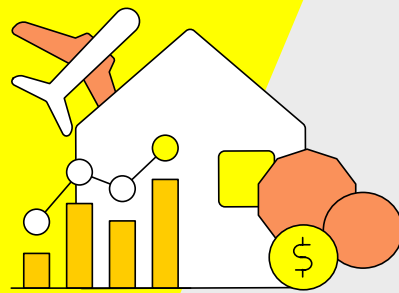


CommBank Household Spending Insights (HSI)



What does household spending tell us about the Australian economy?

Household or consumer spending is the largest component (around 50%) of the Australian economy and central to understanding how it is performing, as well as planning for the future. This is why businesses, governments and major policy setting institutions like the Reserve Bank of Australia closely follow measures of consumer and household spending.



How does the CommBank Household Spending Insights (HSI) series track consumer spending?

Our CommBank Household Spending Insights (HSI) series uses an extensive data set to provide powerful insights into Australian consumer spending. It extends and replaces the capabilities of our previous Household Spending Intentions series.

Key features:

- Use of de-identified payments (credit card, debit card, keypad transactions, ATM, Buy Now - Pay Later, BPay and direct debit transactions) and home lending data from 7 million CBA customers, comprising roughly 30% of Australian consumer transactions.
- Data is from 1 January 2019 and is de-identified to meet privacy and regulatory requirements.
- Data is Australian Bureau of Statistics census-weighted to be nationally representative of spending and seasonally adjusted to reflect changing spending patterns during the year.
- Data per State is also included for the first time.
- The monthly CommBank HSI Index is based on 12 spending categories it also includes comparisons between goods and services, retail and non-retail, and essential and discretionary spending.
- From April 2024, spending is also split by home ownership status, i.e. owner outright, owner with a mortgage and renters. The sample size of this data set is a smaller subset of the overall HSI.
- Produced by CommBank's Global Economic & Markets Research team using data and models provided by CommBank iQ, a joint venture with data science and artificial intelligence company Quantum.

Why use CommBank's Household Spending Insights (HSI)?

Many consumer sentiment surveys capture what people say they will do, but this can be different from what they actually do. The CommBank HSI is based on real behaviour and transactions, leveraging approximately 7 million retail customers to understand consumer spending trends. As a result, the CommBank HSI provides unique, timely and powerful insights into how our economy is performing based on one of Australia's largest consumer transactions data sets. The CommBank HSI Index is released each month, ahead of the official Australian Bureau of Statistics quarterly reporting on retail trade.

What types of spending are measured by CommBank Household Spending Insights

Our monthly CommBank HSI Index is based on spending in 12 different categories.



Food & beverages

e.g. Supermarkets, liquor stores, convenience stores, fruit & vegetable stores.



Household goods

e.g. Hardware stores, department stores, men's & women's clothing, furniture stores.



Motor vehicles

e.g. Car dealers, mechanics, tyre retailers, motorcycle dealers.



Recreation

e.g. Accommodation, airlines, travel bookings, sporting goods stores, fitness clubs & gyms, pet stores and tourist attractions.



Hospitality

e.g. Fast food outlets, restaurants, cafes, pubs & clubs, food delivery services.



Education

e.g. Universities, private schools, public schools, vocational education.



Health

e.g. Pharmacies, general practitioners, dentists, aged care, hospitals.



Insurance

e.g. Home, motor vehicle, health, life and pet insurance.



Transport

e.g. Petrol stations, ride share, public transport networks, tolls, taxis.



Utilities

e.g. Electricity, gas, water, local government, strata fees.



Communications & digital

e.g. Mobile phone providers, electronic stores, computer stores, internet service providers, mobile Apps, Pay TV services.



Household services

e.g. Childcare, accountants, barbers & hairdressers, beauty salons, financial planners, landscaping and swimming pools.

Things you should know: NOT INVESTMENT RESEARCH. The Commonwealth Bank 'Household Spending Insights' is not investment research and nor does it purport to make any recommendations. The Commonwealth Bank 'Household Spending Insights' has been prepared without taking into account your objectives, financial situation (including your capacity to bear loss), knowledge, experience or needs. You should not act on the information contained in this document. To the extent that you choose to make any investment decision after having read this document, you should not rely on it but consider its appropriateness and suitability to your own objectives, financial situation and needs, and, if appropriate, seek professional or independent financial advice, including tax and legal advice. The data used in the 'CommBank Spending Insights' series is a combination of CBA Data and publically available Australian Bureau of Statistics (ABS), CoreLogic and Reserve Bank of Australia data. Any reference made to the term 'CBA data' means the proprietary data of the Bank that is sourced from the Bank's internal systems and may include, but is not limited to, home loan data, credit card transaction data, merchant facility transaction data and applications for credit. All customer data used, or represented, in this report is de-identified before analysis and is used, and disclosed, in accordance with the Group's Privacy Policy. Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945