



# ASX announcement

## Wealth management and mortgage broking businesses update

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**Thursday, 14 March 2019 (SYDNEY):** Commonwealth Bank of Australia (CBA) has today provided an update on its remediation and demerger plans for its wealth management and mortgage broking businesses.

The update follows the release last week of CBA's full response to implementing the recommendations from the Royal Commission.

CBA is prioritising the implementation of these recommendations, refunding customers and remediating past issues. Accordingly, CBA has suspended preparations for the demerger in order to support the focus on these priorities.

CBA remains committed to its strategy to become a simpler, better bank, including ultimately the exit of its wealth management and mortgage broking businesses.

As disclosed in CBA's half year results, \$1,460 million has been spent or provisioned to address issues over recent years, including \$1,215 million relating to the wealth management businesses. The \$1,460 million comprises:

- \$610m already paid to customers or provisioned, for refunds (including interest) to address issues relating to advice quality, fees where no service was provided in the Advice business, Credit Card Plus, CommInsure Life Insurance and Loan Protection Insurance, and banking fees and interest.
- \$650m in program costs and internal process improvements relating to this work.
- \$200m for an indemnity provision for wealth management-related remediation issues and program costs, including ongoing service fees charged by aligned advisors. We are working to complete this work quickly and accurately.

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