



ASX announcement

CBA announces divestment of Count Financial

Thursday, 13 June 2019 (Sydney): Commonwealth Bank of Australia (CBA) has today entered into an agreement to sell Count Financial Limited (Count Financial) to ASX-listed CountPlus Limited (CountPlus) for \$2.5 million (the Transaction). CountPlus is a logical owner of Count Financial given its historical corporate relationship and equity holdings in 15 Count Financial member firms.

CBA will continue to support and manage customer remediation matters arising from past issues at Count Financial, including after completion of the Transaction. CBA will provide an indemnity to CountPlus of \$200 million and all claims under the indemnity must be notified to CBA within 4 years of completion. This indemnity amount represents a potential contingent liability of \$56 million in excess of the previously disclosed customer remediation provisions that CBA has made in relation to Count Financial of \$144 million (which formed part of the remediation provisions announced in the 3Q19 Trading Update). CBA has already provided for the program costs associated with these remediation activities.

The Transaction is subject to a CountPlus shareholder vote to be held in August 2019 and completion is expected to occur in October 2019. The Transaction is not expected to have a material impact on the Group's net profit after tax.

CBA currently owns a 35.9% shareholding in CountPlus and intends, subject to market conditions, to sell its shareholding in an orderly manner over time following completion of the Transaction.

From a financial perspective, the Transaction will result in CBA exiting a business that, in FY19, is estimated to incur a post-tax loss of approximately \$13 million.

Implications for NewCo

Following completion of the Transaction, NewCo will comprise Colonial First State, Financial Wisdom, Aussie Home Loans and CBA's 16% stake in Mortgage Choice. Consistent with the announcement in March 2019, CBA remains committed to the exit of these businesses over time. The current focus is on continuing to implement the recommendations from the Royal Commission and ensuring CBA puts things right by its customers.

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