

ASX Announcement

Completion of New Zealand life insurance divestment

Monday, 2 July 2018 (Sydney): Commonwealth Bank today announced the completion of the sale of its life insurance business in New Zealand (“Sovereign”) to AIA Group Limited (“AIA”) and the commencement of a 20-year partnership with AIA for the provision of life and health insurance products to customers in New Zealand.

The sale of Sovereign is a part of the agreed sale of 100% of Commonwealth Bank’s life insurance businesses in Australia (“CommInsure Life”) and New Zealand to AIA for \$3.8 billion, as announced on 21 September 2017 (the “Transaction”).

Commonwealth Bank Chief Executive Officer Matt Comyn said: “The completion of the sale of Sovereign represents a significant milestone for the Transaction, and a key step in CBA’s strategy to create a simpler, better bank focussed on its core banking franchise in Australia and New Zealand. Our partnership with AIA will allow our customers in New Zealand to have continued access to high quality life and health insurance products through ASB Bank.”

AIA Group Chief Executive and President, Ng Keng Hooi, said: “The acquisition of Sovereign and the 20-year bancassurance partnership with ASB Bank will position AIA as the clear leader in the New Zealand life insurance market. We look forward to welcoming the Sovereign team into AIA Group and providing innovative life insurance propositions that meet the growing protection needs of customers throughout the nation.”

The proceeds relating to this first part of the Transaction are \$1.275 billion, which is expected to result in a pro forma uplift to the Group’s Common Equity Tier 1 (“CET1”) ratio of 28 basis points on an APRA basis, based on 31 March 2018 risk weighted assets.

The remainder of the Transaction, the sale of CommInsure Life, remains subject to certain conditions and regulatory approvals and is expected to be completed later in calendar year 2018.

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