ASX Announcement

CommonwealthBank

Commonwealth Bank enters into sales process in relation to St Andrew's Insurance

Sydney, 26 March 2010: The Commonwealth Bank Group has announced today that it has entered into an agreement to sell the St Andrew's insurance business, consisting of St Andrew's Insurance (Australia) Pty Ltd and St Andrew's Life Insurance Pty Ltd, to Bank of Queensland (BOQ).

The sale does not cover St Andrew's investments, superannuation, retirement income and financial planning businesses which are being integrated into the Commonwealth Bank's Wealth Management business. The agreement is expected to complete around July 2010 subject to sale conditions, including regulatory approval, being met. The sale is not material to the Commonwealth Bank.

St Andrew's insurance provides a range of consumer credit insurance, life insurance and other related protection products through a base of corporate partners that distribute its products.

The Commonwealth Bank acquired the St Andrew's insurance business as part of its acquisition of Bankwest in December 2008, and was being integrated into its insurance arm, CommInsure.

Commonwealth Bank Group Executive, Wealth Management, Grahame Petersen said following an approach by BOQ, an existing corporate partner with St Andrew's insurance, the Group accepted its offer to purchase St Andrew's insurance.

"St Andrew's insurance largely replicates an existing insurance capability within CommInsure, and the sale avoids the complexities and costs of integrating the two insurance businesses.

"We believe the sale is in the best interests and represents a good outcome for all parties, including existing St Andrew's insurance staff, all of whom will be offered employment contracts within the BOQ Group. Further, BOQ intends to operate St Andrew's insurance as a standalone operation utilising existing systems and people," Mr Petersen said.

For more information
Matthew Coleman
02 9303 2995
0439 295 712