

# ASX Announcement

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## CBA enters into an Enforceable Undertaking on branch sales of Essential Super

**Friday, 6 July 2018:** Commonwealth Bank of Australia (CBA) today announced it has entered into an Enforceable Undertaking (EU) with the Australian Securities and Investments Commission (ASIC) regarding ASIC's concerns that a small number of customers may potentially have received personal advice in the sale of Essential Super in branch. To address this risk, CBA withdrew the sale of Essential Super from branches in October 2017 and entered into the EU to ASIC.

The EU relates to circumstances where customers may have opened an Essential Super account immediately before, during, or immediately after a Financial Health Check, which is a general discussion about customers' banking arrangements, as there is a possibility that some customers may have received personal advice in this context.

CBA acknowledges ASIC's concerns that the process of branch sales of Essential Super may have involved personal advice being provided to some customers. In response, CBA took steps to remove any risk that the sale of Essential Super could be linked to personal advice.

As part of the EU:

- CBA will not recommend Essential Super or another super product immediately before, during, or immediately after, or in conjunction with, a Financial Health Check or any other similar needs based conversation that we may introduce in future.
- CBA has paused all new account openings and will undertake a review of how Essential Super is offered and develop a revised conversation framework.
- CBA is making a community benefit payment of \$1.25 million as directed by ASIC.

CBA encourages any existing Essential Super customers with questions or concerns to contact us on 13 4074 or email [contactessentialsuper@cba.com.au](mailto:contactessentialsuper@cba.com.au). Existing customers can continue to access their accounts and make contributions including via the CommBank App and NetBank.

-ENDS-

### Background – Essential Super

Essential Super is designed to give everyday Australians access to a competitively priced superannuation product which they can take from job to job.

It has outperformed its performance benchmark objectives since it was launched as a MySuper product in 2013. According to ChantWest, Essential Super is in the top quartile for the lowest fee MySuper products for balances of \$25 000 and \$50 000 for the March quarter 2018.

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