

Commonwealth Bank settles ASIC's Storm Financial litigation

Commonwealth Bank of Australia (the "Group") announced on 14 September 2012 that it had reached a resolution with the Australian Securities & Investments Commission ("ASIC") in relation to Storm Financial.

The Group's agreement with ASIC will make available up to an additional A\$136 million to many of the Group's customers who invested through Storm Financial, including those who participated in the Group's Resolution Scheme.

A significant portion of the additional funds has been set aside for customers who did not settle through the Resolution Scheme, including members of the class action brought against the Group. Payments to members of the class action may require further Court orders or directions.

The total of the payments already provided to customers, together with the additional funds to be made available through this agreement, will be in the vicinity of A\$270 million. The Group will continue to provide additional support to its customers through hardship assistance, including reduced interest rates, negative equity write offs and debt and interest forgiveness.

This agreement with ASIC has been reached without any admission of liability by the Group following constructive discussion that focused on what was best for customers. Subject to the Federal Court dismissing the action, this brings to a conclusion the proceedings commenced against the Group by ASIC.

The Group will continue to defend the class action proceedings, which are before the Federal Court in Brisbane. These proceedings involve distinct factual and legal issues.

The Group believes that no further provisioning is required as a result of this agreement reached with ASIC.