

# Media Release



## COMMONWEALTH BANK OF AUSTRALIA PROFIT ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2011

**Sydney 27 July 2011:** The Commonwealth Bank of Australia (the Group) is scheduled to release its results for the year ended 30 June 2011 on Wednesday 10 August 2011.

As part of its commitment to improved disclosure and increased transparency, the Group will be making the following changes to its external reporting disclosures:

- The realignment of comparative information to reflect changes to business segmentation, including:
  - B&PB income by segment, reflecting the transfer of clients between each of its customer segments;
  - The transfer of certain expenses and revenue between RBS and B&PB; and
  - The transfer of certain expenses between IB&M and B&PB.
- Consistent with the half year to 31 December 2010, enhanced geographic disclosure for Net Interest Margin, with the "Overseas" region being split into two separate regions – "New Zealand" and "Other"; and
- Reclassification of Bankwest deposit products to align with the broader Group. This also impacts the average balance sheet.

Copies of these historical figures, highlighted in yellow and tabulated in a manner which is consistent with the Profit Announcement, are attached in this release.

ENDS

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# Highlights

Group Performance Summary	Full Year Ended			Half Year Ended			Statutory Full Year result	
	30/06/11	30/06/10	Jun 11 vs Jun 10 %	30/06/11	31/12/10	Jun 11 vs Dec 10 %	30/06/11	Jun 11 vs Jun 10 %
	\$M	\$M		\$M	\$M		\$M	
Net interest income		11,868			6,170			
Other banking income		4,112			2,059			
<b>Total banking income</b>		15,980			8,229			
Funds management income		1,898			1,017			
Insurance income		945			458			
<b>Total operating income</b>		18,823			9,704			
Investment experience		236			35			
<b>Total income</b>		19,059			9,739			
Operating expenses		(8,601)			(4,408)			
Loan impairment expense		(2,075)			(722)			
<b>Net profit before tax</b>		8,383			4,609			
Corporate tax expense		(2,266)			(1,265)			
Non-controlling interests		(16)			(9)			
<b>Net profit after tax ("cash basis")</b>		6,101			3,335			
Hedging and AIFRS volatility		17			(216)			
Bankwest non-cash items		(216)			(48)			
Tax on NZ structured finance transactions		(171)			-			
Other non-cash items		(67)			(19)			
<b>Net profit after tax ("statutory basis")</b>		5,664			3,052			
<b>Represented by:</b>								
Retail Banking Services		2,461			1,392			
Business and Private Banking		898			507			
Institutional Banking and Markets		1,173			498			
Wealth Management		718			359			
New Zealand		388			234			
Bankwest		(45)			224			
Other		508			121			
Net profit after tax ("cash basis")		6,101			3,335			
Investment experience - after tax		(178)			(29)			
<b>Net profit after tax ("underlying basis")</b>		5,923			3,306			

# Group Performance Analysis

	As at				
	30/06/11	31/12/10	30/06/10	Jun 11 vs Dec 10 %	Jun 11 vs Jun 10 %
<b>Total Group Assets &amp; Liabilities</b>	\$M	\$M	\$M		
<b>Interest earning assets</b>					
Home loans including securitisation		327,704	323,573		
Less: securitisation		(9,583)	(9,696)		
Home loans excluding securitisation		318,121	313,877		
Personal		20,665	20,572		
Business and corporate		148,984	154,742		
<b>Loans, bills discounted and other receivables</b>		487,770	489,191		
Non-lending interest earning assets		83,633	74,610		
<b>Total interest earning assets</b>		571,403	563,801		
Other assets		78,239	82,529		
<b>Total assets</b>		649,642	646,330		
<b>Interest bearing liabilities</b>					
Transaction deposits		72,150	73,783		
Saving deposits		81,798	79,435		
Investment deposits		168,770	156,694		
Other demand deposits		63,361	55,957		
<b>Total interest bearing deposits</b>		386,079	365,869		
Deposits not bearing interest		9,266	8,794		
<b>Deposits and other public borrowings</b>		395,345	374,663		
Debt issues		105,086	121,438		
Other interest bearing liabilities		37,678	41,461		
<b>Total interest bearing liabilities</b>		528,843	528,768		
Securitisation debt issues		8,523	8,772		
Non-interest bearing liabilities		76,927	73,220		
<b>Total liabilities</b>		614,293	610,760		
<b>Provisions for impairment losses</b>					
Collective provision		3,327	3,461		
Individually assessed provisions		2,169	1,992		
<b>Total provisions for impairment losses</b>		5,496	5,453		
Less: Off balance sheet provisions		(25)	(25)		
<b>Total provisions for loan impairment</b>		5,471	5,428		

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## Retail Banking Services

	Full Year Ended 30 June 2010				
	Home Loans	Consumer	Retail		Total
		Finance	Deposits	Distribution	
	\$M	\$M	\$M	\$M	\$M
Net interest income	2,213	1,143	2,340	-	5,696
Other banking income	192	417	457	276	1,342
<b>Total banking income</b>	<b>2,405</b>	<b>1,560</b>	<b>2,797</b>	<b>276</b>	<b>7,038</b>
Operating expenses					(2,779)
Loan impairment expense					(736)
<b>Net profit before tax</b>					<b>3,523</b>
Corporate tax expense					(1,062)
<b>Cash net profit after tax</b>					<b>2,461</b>

## Business and Private Banking

	Full Year Ended 30 June 2010						
	Corporate	Regional &	Local	Equities &			Total
	Financial	Agri-	Business	Private	Margin	Other	
	Services	business	Banking	Bank	Lending		\$M
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Net interest income	541	257	461	114	183	87	1,643
Other banking income	419	137	247	126	284	26	1,239
<b>Total banking income</b>	<b>960</b>	<b>394</b>	<b>708</b>	<b>240</b>	<b>467</b>	<b>113</b>	<b>2,882</b>
Operating expenses							(1,295)
Loan impairment expense							(326)
<b>Net profit before tax</b>							<b>1,261</b>
Corporate tax expense							(363)
<b>Cash net profit after tax</b>							<b>898</b>

## Institutional Banking and Markets

	Full Year Ended 30 June 2010		
	Institutional		Total
	Banking	Markets	
	\$M	\$M	\$M
Net interest income	1,127	207	1,334
Other banking income	742	515	1,257
<b>Total banking income</b>	<b>1,869</b>	<b>722</b>	<b>2,591</b>
Operating expenses			(830)
Loan impairment expense			(249)
<b>Net profit before tax</b>			<b>1,512</b>
Corporate tax expense			(339)
<b>Cash net profit after tax</b>			<b>1,173</b>

Balance Sheet	As at				
	30/06/11	31/12/10	30/06/10	Jun 11 vs Dec 10 %	Jun 11 vs Jun 10 %
	\$M	\$M	\$M		
Home lending (including securitisation)		43,070	41,681		
Other lending assets		23,956	25,975		
Other assets		8,813	7,028		
<b>Total assets</b>		<b>75,839</b>	<b>74,684</b>		
Transaction deposits		8,034	8,409		
Savings deposits		7,189	6,848		
Investments deposits		27,766	26,584		
Certificates of deposit and other		25	130		
Debt issues		8,637	10,211		
Due to other financial institutions		15,682	15,382		
Other liabilities		3,647	2,304		
<b>Total liabilities</b>		<b>70,980</b>	<b>69,868</b>		

## Other

	Full Year Ended 30 June 2010				
	IFS Asia	Corporate Centre	Eliminations/ Unallocated	Total	Fiji
	\$M	\$M	\$M	\$M	\$M
Net interest income	62	883	(70)	875	9
Other banking income	124	1	(106)	19	3
Total banking income	186	884	(176)	894	12
Funds management income	-	-	28	28	-
Insurance income	40	-	2	42	6
Total operating income	226	884	(146)	964	18
Operating expenses	(164)	(268)	-	(432)	(12)
Loan impairment expense	(11)	-	100	89	1
Net profit before tax	51	616	(46)	621	7
Corporate tax expense	(7)	(167)	20	(154)	(1)
Non-controlling interests	(2)	-	(14)	(16)	-
Underlying profit after tax	42	449	(40)	451	6
Investment experience after tax	3	-	48	51	-
<b>Cash net profit after tax</b>	<b>45</b>	<b>449</b>	<b>8</b>	<b>502</b>	<b>6</b>

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# Appendices

## 2. Net Interest Margin

	Full Year Ended		Half Year Ended	
	30/06/11	30/06/10	30/06/11	31/12/10
	%	%	%	%
<b>Australia</b>				
Interest spread		2.04		1.90
Benefit of interest-free liabilities, provisions and equity		0.19		0.29
Net interest margin		2.23		2.19
<b>New Zealand</b>				
Interest spread		1.16		1.57
Benefit of interest-free liabilities, provisions and equity		0.46		0.35
Net interest margin		1.62		1.92
<b>Other Overseas</b>				
Interest spread		0.92		0.84
Benefit of interest-free liabilities, provisions and equity		0.03		0.03
Net interest margin		0.95		0.87
<b>Total Group</b>				
Interest spread		1.91		1.84
Benefit of interest-free liabilities, provisions and equity		0.22		0.28
Net interest margin		2.13		2.12

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## 3. Average Balances and Related Interest

### Average Balances

	Full Year Ended 30/06/11			Full Year Ended 30/06/10		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
	\$M	\$M	%	\$M	\$M	%
<b>Interest Bearing Liabilities</b>						
Transaction deposits				67,201	1,183	1.76
Saving deposits				78,887	2,397	3.04
Investment deposits				148,047	6,162	4.16
Certificates of deposit and other				72,429	4,227	5.84
<b>Total interest bearing deposits</b>				<b>366,564</b>	<b>13,969</b>	<b>3.81</b>
Payables due to other financial institutions				14,744	164	1.11
Liabilities at fair value through Income Statement				16,074	764	4.75
Debt issues				109,901	4,396	4.00
Loan capital				14,055	622	4.43
<b>Total interest bearing liabilities</b>				<b>521,338</b>	<b>19,915</b>	<b>3.82</b>
Securitisation debt issues				9,927	459	4.62
Non-interest bearing liabilities				75,618		
<b>Total average liabilities</b>				<b>606,883</b>		

	Half Year Ended 30/06/11			Half Year Ended 31/12/10			Half Year Ended 30/06/10		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%
<b>Interest Earning Assets</b>									
Home loans excluding securitisation				316,002	10,695	6.71	305,967	9,584	6.32
Personal				20,342	1,279	12.47	20,622	1,239	12.12
Business and corporate				151,654	4,745	6.21	155,129	4,596	5.97
<b>Loans, bills discounted and other receivables</b>				<b>487,998</b>	<b>16,719</b>	<b>6.80</b>	<b>481,718</b>	<b>15,419</b>	<b>6.45</b>
Cash and liquid assets				27,240	193	1.41	24,847	155	1.26
Assets at fair value through Income Statement (excluding life insurance)				22,819	462	4.02	23,120	425	3.71
Available-for-sale investments				35,743	835	4.63	30,512	673	4.45
<b>Non-lending interest earning assets</b>				<b>85,802</b>	<b>1,490</b>	<b>3.44</b>	<b>78,479</b>	<b>1,253</b>	<b>3.22</b>
Total interest earning assets (excluding securitisation)				573,800	18,209	6.30	560,197	16,672	6.00
Securitisation home loan assets				9,330	274	5.83	10,141	267	5.31
Non-interest earning assets				68,303			78,422		
<b>Total average assets</b>				<b>651,433</b>			<b>648,760</b>		

	Half Year Ended 30/06/11			Half Year Ended 31/12/10			Half Year Ended 30/06/10		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
	\$M	\$M	%	\$M	\$M	%	\$M	\$M	%
<b>Interest Bearing Liabilities</b>									
Transaction deposits				72,461	792	2.17	68,736	652	1.91
Saving deposits				79,591	1,551	3.87	78,092	1,299	3.35
Investment deposits				166,743	4,305	5.12	154,451	3,583	4.68
Certificates of deposit and other				60,138	1,781	5.87	64,178	1,982	6.23
<b>Total interest bearing deposits</b>				<b>378,933</b>	<b>8,429</b>	<b>4.41</b>	<b>365,457</b>	<b>7,516</b>	<b>4.15</b>
Payables due to other financial institutions				14,232	118	1.64	14,575	82	1.13
Liabilities at fair value through Income Statement				15,285	345	4.48	15,352	351	4.61
Debt issues				115,558	2,850	4.89	120,377	2,603	4.36
Loan capital				12,940	327	5.01	13,915	345	5.00
<b>Total interest bearing liabilities</b>				<b>536,948</b>	<b>12,069</b>	<b>4.46</b>	<b>529,676</b>	<b>10,897</b>	<b>4.15</b>
Securitisation debt issues				8,761	244	5.52	8,924	236	5.33
Non-interest bearing liabilities				70,247			75,590		
<b>Total average liabilities</b>				<b>615,956</b>			<b>614,190</b>		

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# Appendices

## 11. Financial Reporting by Segments

Full Year Ended 30 June 2010

	Retail Banking Services	Business and Private Banking	Institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	Other	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Net interest income	5,696	1,643	1,334	-	716	1,336	1,143	<b>11,868</b>
Other banking income	1,342	1,239	1,257	-	278	233	(237)	<b>4,112</b>
<b>Total banking income</b>	<b>7,038</b>	<b>2,882</b>	<b>2,591</b>	<b>-</b>	<b>994</b>	<b>1,569</b>	<b>906</b>	<b>15,980</b>
Funds management income	-	-	-	1,824	46	-	28	<b>1,898</b>
Insurance income	-	-	-	684	213	-	48	<b>945</b>
<b>Total operating income</b>	<b>7,038</b>	<b>2,882</b>	<b>2,591</b>	<b>2,508</b>	<b>1,253</b>	<b>1,569</b>	<b>982</b>	<b>18,823</b>
Investment experience	-	-	-	183	1	-	52	<b>236</b>
<b>Total income</b>	<b>7,038</b>	<b>2,882</b>	<b>2,591</b>	<b>2,691</b>	<b>1,254</b>	<b>1,569</b>	<b>1,034</b>	<b>19,059</b>
Operating expenses	(2,779)	(1,295)	(830)	(1,706)	(667)	(880)	(444)	<b>(8,601)</b>
Loan impairment expense	(736)	(326)	(249)	-	(100)	(754)	90	<b>(2,075)</b>
<b>Net profit before income tax</b>	<b>3,523</b>	<b>1,261</b>	<b>1,512</b>	<b>985</b>	<b>487</b>	<b>(65)</b>	<b>680</b>	<b>8,383</b>
Corporate tax expense	(1,062)	(363)	(339)	(267)	(99)	20	(156)	<b>(2,266)</b>
Non-controlling interests	-	-	-	-	-	-	(16)	<b>(16)</b>
<b>Net profit after tax ("cash basis")</b>	<b>2,461</b>	<b>898</b>	<b>1,173</b>	<b>718</b>	<b>388</b>	<b>(45)</b>	<b>508</b>	<b>6,101</b>
Hedging and AIFRS volatility	-	-	-	-	(26)	(66)	109	<b>17</b>
Bankwest non-cash items	-	-	-	-	-	(203)	(13)	<b>(216)</b>
Tax on NZ structured finance transactions	-	-	-	-	(171)	-	-	<b>(171)</b>
Other non-cash items	-	-	-	(44)	7	-	(30)	<b>(67)</b>
<b>Net profit after tax ("statutory basis")</b>	<b>2,461</b>	<b>898</b>	<b>1,173</b>	<b>674</b>	<b>198</b>	<b>(314)</b>	<b>574</b>	<b>5,664</b>
<b>Additional information</b>								
Intangible asset amortisation	(25)	(71)	(10)	(5)	(27)	(91)	(51)	<b>(280)</b>
Depreciation	(10)	(24)	(46)	(4)	(29)	(34)	(191)	<b>(338)</b>
<b>Balance Sheet</b>								
Total assets	263,639	78,801	94,495	21,689	53,433	74,684	59,589	<b>646,330</b>
Acquisition of property plant and equipment intangibles and other non-current assets	16	14	39	4	22	43	182	<b>320</b>
Investment in associates	76	26	2	783	-	-	603	<b>1,490</b>
Total liabilities	155,334	103,298	58,898	19,349	49,591	69,868	154,422	<b>610,760</b>



## 20. Analysis Template

	Full Year Ended		Half Year Ended		Page References
	30/06/11	30/06/10	30/06/11	31/12/10	
	\$M	\$M	\$M	\$M	
<b>Profit Summary - Input Schedule</b>					
<b>Income - Cash Basis</b>					
Net interest income		11,868		6,170	
Other banking income		4,112		2,059	
<b>Total banking income</b>		<b>15,980</b>		<b>8,229</b>	
Funds management income		1,898		1,017	
Insurance income		945		458	
Total operating income		18,823		9,704	
Investment experience		236		35	
<b>Total income</b>		<b>19,059</b>		<b>9,739</b>	
<b>Expenses - Cash Basis</b>					
Retail Banking Services		(2,779)		(1,417)	
Business and Private Banking		(1,295)		(653)	
Institutional Banking and Markets		(830)		(415)	
Wealth Management - operating expenses		(1,210)		(619)	
Wealth Management - volume expenses		(496)		(250)	
New Zealand		(667)		(348)	
Bankwest		(880)		(428)	
Other		(444)		(278)	
<b>Total operating expenses</b>		<b>(8,601)</b>		<b>(4,408)</b>	
Profit before loan impairment expense		10,458		5,331	
Loan impairment expense		(2,075)		(722)	
Net profit before income tax		8,383		4,609	
Corporate tax expense		(2,266)		(1,265)	
Operating profit after tax		6,117		3,344	
Non-controlling interests		(16)		(9)	
<b>Net profit after tax - cash basis</b>		<b>6,101</b>		<b>3,335</b>	
Treasury shares valuation adjustment		(44)		(12)	
Hedging and AIFRS volatility		17		(216)	
Gain/(loss) on disposal of controlled entities/investments		(23)		(7)	
Tax on New Zealand structured finance transactions		(171)		-	
Bankwest non-cash items		(216)		(48)	
<b>Net profit after tax - statutory basis</b>		<b>5,664</b>		<b>3,052</b>	
<b>Total Operating Income</b>					
Retail Banking Services		7,038		3,657	
Business and Private Banking		2,882		1,513	
Institutional Banking and Markets		2,591		1,260	
Wealth Management (net of volume expenses)		2,012		1,072	
New Zealand		1,253		683	
Bankwest		1,569		797	
Other		982		472	

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