

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			
Total banking income		15,980			8,229			
Funds management income		1,898			1,017			
Insurance income		945			458			
Total operating income		18,823			9,704			
Investment experience		236			35			
Total income		19,059			9,739			
Operating expenses		(8,601)			(4,408)			
Loan impairment expense		(2,075)			(722)			
Net profit before tax		8,383			4,609			
Corporate tax expense		(2,266)			(1,265)			
Non-controlling interests		(16)			(9)			
Net profit after tax ("cash basis")		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)			
Net profit after tax ("statutory basis")		5,664			3,052			
Represented by:								
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)			
Net profit after tax ("underlying basis")		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 %
Total Group Assets & Liabilities	\$M	\$M	\$M		
Interest earning assets					
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		
Loans, bills discounted and other receivables		487,770	489,191		
Non-lending interest earning assets		83,633	74,610		
Total interest earning assets		571,403	563,801		
Other assets		78,239	82,529		
Total assets		649,642	646,330		
Interest bearing liabilities					
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		
Total interest bearing deposits		386,079	365,869		
Deposits not bearing interest		9,266	8,794		
Deposits and other public borrowings		395,345	374,663		
Debt issues		105,086	121,438		
Other interest bearing liabilities		37,678	41,461		
Total interest bearing liabilities		528,843	528,768		
Securitisation debt issues		8,523	8,772		
Non-interest bearing liabilities		76,927	73,220		
Total liabilities		614,293	610,760		
Provisions for impairment losses					
Collective provision		3,327	3,461		
Individually assessed provisions		2,169	1,992		
Total provisions for impairment losses		5,496	5,453		
Less: Off balance sheet provisions		(25)	(25)		
Total provisions for loan impairment		5,471	5,428		

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
Total banking income	2,405	1,560	2,797	276	7,038
Operating expenses					(2,779)
Loan impairment expense					(736)
Net profit before tax					3,523
Corporate tax expense					(1,062)
Cash net profit after tax					2,461

Business and Private Banking

	Full Year Ended 30 June 2010						
	Corporate	Regional &	Local	Equities &		Total	
	Financial	Agri-	Business	Private	Margin		
	Services	business	Banking	Bank	Lending	Other	
	\$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
Total banking income	960	394	708	240	467	113	2,882
Operating expenses							(1,295)
Loan impairment expense							(326)
Net profit before tax							1,261
Corporate tax expense							(363)
Cash net profit after tax							898

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
Total banking income	1,869	722	2,591
Operating expenses			(830)
Loan impairment expense			(249)
Net profit before tax			1,512
Corporate tax expense			(339)
Cash net profit after tax			1,173

	As at				
	30/06/11	31/12/10	30/06/10	Jun 11 vs Dec 10 %	Jun 11 vs Jun 10 %
Balance Sheet	\$M	\$M	\$M		
Home lending (including securitisation)		43,070	41,681		
Other lending assets		23,956	25,975		
Other assets		8,813	7,028		
Total assets		75,839	74,684		
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		
Total liabilities		70,980	69,868		

Other

	Full Year Ended 30 June 2010				
	IFS Asia	Corporate		Total	Fiji
		Centre	Eliminations/ Unallocated		
	\$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	-
Cash net profit after tax	45	449	8	502	6

Appendices

2. Net Interest Margin

	Full Year Ended		Half Year Ended	
	30/06/11	30/06/10	30/06/11	31/12/10
	%	%	%	%
Australia				
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
New Zealand				
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
Other Overseas				
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
Total Group				
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

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	%
Interest Bearing Liabilities						
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
Total interest bearing deposits				366,564	13,969	3.81
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
Total interest bearing liabilities				521,338	19,915	3.82
Securitisation debt issues				9,927	459	4.62
Non-interest bearing liabilities				75,618		
Total average liabilities				606,883		

	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	%
Interest Earning Assets									
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
Loans, bills discounted and other receivables				487,998	16,719	6.80	481,718	15,419	6.45
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
Non-lending interest earning assets				85,802	1,490	3.44	78,479	1,253	3.22
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		
Total average assets				651,433			648,760		

	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	%
Interest Bearing Liabilities									
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
Total interest bearing deposits				378,933	8,429	4.41	365,457	7,516	4.15
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
Total interest bearing liabilities				536,948	12,069	4.46	529,676	10,897	4.15
Securitisation debt issues				8,761	244	5.52	8,924	236	5.33
Non-interest bearing liabilities				70,247			75,590		
Total average liabilities				615,956			614,190		

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

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	
Profit Summary - Input Schedule					
Income - Cash Basis					
Net interest income		11,868		6,170	
Other banking income		4,112		2,059	
Total banking income		15,980		8,229	
Funds management income		1,898		1,017	
Insurance income		945		458	
Total operating income		18,823		9,704	
Investment experience		236		35	
Total income		19,059		9,739	
Expenses - Cash Basis					
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)	
Total operating expenses		(8,601)		(4,408)	
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)	
Net profit after tax - cash basis		6,101		3,335	
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)	
Net profit after tax - statutory basis		5,664		3,052	
Total Operating Income					
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	