

# ASX ANNOUNCEMENT



## COMMONWEALTH BANK OF AUSTRALIA 2014 FULL YEAR PROFIT ANNOUNCEMENT TEMPLATE

The Commonwealth Bank of Australia (“the Group”) is scheduled to announce its annual results on 13 August 2014. In addition to the full year results release, an Excel template populated with current period financial results and comparative information will be published on the website.

There have been no significant changes to comparatives since our interim results release. However, as previously reported, a number of enhancements were made to financial reporting in the prior half, namely:

- **Reclassification of volume-related expenses** – the Group reviewed the presentation of broker commissions paid within the funds management and insurance businesses, together with other volume-related expenses. These expenses vary directly with the amount of associated revenue generated, and have been reclassified from operating expenses to operating income.
- **Defined benefit superannuation expense** – revisions to AASB 119 Employee Benefits resulted in the recognition of a higher accounting expense, due primarily to a change in the discount rate applied in the calculation of expected return on plan assets.
- **Other changes** – minor refinements were made to the allocation of customer balances and associated revenue and expenses between business segments.

This announcement provides financial comparative tables for the 2014 Full Year Profit Announcement reflecting the full year restated comparatives.

In addition, in order to assist users in analysing the Group’s financial information, the financial comparatives template, which is unchanged from the 2014 interim results, is also now available in user-friendly Excel format on the website at:

[www.commbank.com.au/about-us/shareholders/financial-information/results.html](http://www.commbank.com.au/about-us/shareholders/financial-information/results.html)

**ENDS**

For more information contact:

**Investor Relations**

Warwick Bryan

Ph: (02) 9118 7112

Mobile: 0406 316 725

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## Impact of Prior Half Financial Reporting Enhancements on Prior Year

The impact of the changes made in the prior half on each segment's full year Cash NPAT for the comparative period is set out below:

### Segment Cash NPAT (impact by adjustment type):

Full Year Ended 30 June 2013								
	<b>Retail Banking Services</b>	<b>Business and Private Banking</b>	<b>Institutional Banking and Markets</b>	<b>Wealth Management</b>	<b>New Zealand</b>	<b>Bankwest</b>	<b>IFS and Other</b>	<b>Group</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Cash NPAT - as published	3,054	1,488	1,210	687	635	561	184	7,819
Restatements:								
Defined benefit superannuation expense	-	-	-	-	-	-	(59)	(59)
Other	35	(14)	(15)	(8)	(14)	-	16	-
<b>Cash NPAT - as restated</b>	<b>3,089</b>	<b>1,474</b>	<b>1,195</b>	<b>679</b>	<b>621</b>	<b>561</b>	<b>141</b>	<b>7,760</b>

### Segment Cash NPAT (impact by P&L line item):

Full Year Ended 30 June 2013								
	<b>Retail Banking Services</b>	<b>Business and Private Banking</b>	<b>Institutional Banking and Markets</b>	<b>Wealth Management</b>	<b>New Zealand</b>	<b>Bankwest</b>	<b>IFS and Other</b>	<b>Group</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Cash NPAT - as published	3,054	1,488	1,210	687	635	561	184	7,819
Restatements:								
Decrease in Total operating income	(18)	17	(54)	(514)	(100)	-	(9)	(678)
(Increase)/decrease in Operating expenses	71	(37)	30	514	81	-	(64)	595
(Decrease)/increase in Investment experience	-	-	-	(12)	-	-	12	-
Decrease/(increase) in Corporate tax expense	(18)	6	9	4	5	-	18	24
<b>Cash NPAT - as restated</b>	<b>3,089</b>	<b>1,474</b>	<b>1,195</b>	<b>679</b>	<b>621</b>	<b>561</b>	<b>141</b>	<b>7,760</b>

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## Financial Comparative Tables for the 2014 Full Year Profit Announcement

	Full Year Ended	
	30 Jun 14	30 Jun 13
<b>Group Performance Summary</b>	<b>\$M</b>	<b>\$M</b>
Net interest income	-	13,944
Other banking income	-	4,156
<b>Total banking income</b>	-	18,100
Funds management income	-	1,828
Insurance income	-	739
<b>Total operating income</b>	-	20,667
Investment experience	-	154
<b>Total income</b>	-	20,821
Operating expenses	-	(9,010)
Loan impairment expense	-	(1,082)
<b>Net profit before tax</b>	-	10,729
Corporate tax expense	-	(2,953)
Non controlling interests	-	(16)
<b>Net profit after tax ("cash basis")</b>	-	7,760
Hedging and IFRS volatility	-	27
Other non-cash items	-	(169)
<b>Net profit after tax ("statutory basis")</b>	-	7,618
<b>Represented by:</b>		
Retail Banking Services	-	3,089
Business and Private Banking	-	1,474
Institutional Banking and Markets	-	1,195
Wealth Management	-	679
New Zealand	-	621
Bankwest	-	561
Other	-	141
Net profit after tax ("cash basis")	-	7,760
Investment experience - after tax	-	(105)
<b>Net profit after tax ("underlying basis")</b>	-	7,655

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Key Performance Indicators	Full Year Ended	
	30 Jun 14	30 Jun 13
<b>Group</b>		
Statutory net profit after tax (\$M)	-	7,618
Cash net profit after tax (\$M)	-	7,760
Net interest margin (%)	-	2.13
Average interest earning assets (\$M)	-	653,637
Average interest bearing liabilities (\$M)	-	609,557
Funds Under Administration (FUA) - average (\$M)	-	227,780
Average inforce premiums (\$M)	-	2,834
Funds management income to average FUA (%)	-	0.80
Insurance income to average inforce premiums (%)	-	26.1
Operating expenses to total operating income (%)	-	43.6
Effective corporate tax rate (%)	-	27.5
<b>Retail Banking Services</b>		
Cash net profit after tax (\$M)	-	3,089
Operating expenses to total banking income (%)	-	37.7
<b>Business and Private Banking</b>		
Cash net profit after tax (\$M)	-	1,474
Operating expenses to total banking income (%)	-	36.9
<b>Institutional Banking and Markets</b>		
Cash net profit after tax (\$M)	-	1,195
Operating expenses to total banking income (%)	-	33.8
<b>Wealth Management</b>		
Cash net profit after tax (\$M)	-	679
FUA - average (\$M)	-	202,259
Average inforce premiums (\$M)	-	2,068
Funds management income to average FUA (%)	-	0.76
Insurance income to average inforce premiums (%)	-	26.2
Operating expenses to net operating income (%)	-	66.8
<b>New Zealand</b>		
Cash net profit after tax (\$M)	-	621
FUA - average (\$M)	-	8,484
Average inforce premiums (\$M)	-	516
Funds management income to average FUA (%)	-	0.58
Insurance income to average inforce premiums (%)	-	33.2
Operating expenses to total operating income (%)	-	43.9
<b>Bankwest</b>		
Cash net profit after tax (\$M)	-	561
Operating expenses to total banking income (%)	-	47.2
<b>Capital (Basel III)</b>		
Common Equity Tier 1 (Internationally Harmonised %)	-	11.0
Common Equity Tier 1 (APRA %)	-	8.2

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<b>Shareholder Summary</b>	<b>Full Year Ended</b>	
	<b>30 Jun 14</b>	<b>30 Jun 13</b>
Dividends per share - fully franked (cents)	-	364
Dividend cover - cash (times)	-	1.3
Earnings Per Share (EPS) (cents)		
Statutory basis - basic	-	474.2
Cash basis - basic	-	482.1
Dividend payout ratio (%)		
Statutory basis	-	77.4
Cash basis	-	75.9
Weighted average no. of shares ("statutory basis") - basic (M)	-	1,598
Weighted average no. of shares ("cash basis") - basic (M)	-	1,601
Return on equity ("statutory basis") (%)	-	18.0
Return on equity ("cash basis") (%)	-	18.2

<b>Group Assets &amp; Liabilities</b>	<b>As at</b>	
	<b>30 Jun 14</b>	<b>30 Jun 13</b>
	<b>\$M</b>	<b>\$M</b>
<b>Interest earning assets</b>		
Home loans	-	372,840
Consumer finance	-	22,013
Business and corporate	-	172,314
<b>Loans, bills discounted and other receivables</b>	-	567,167
Non-lending interest earning assets	-	106,060
<b>Total interest earning assets</b>	-	673,227
Other assets	-	80,630
<b>Total assets</b>	-	753,857
<b>Interest bearing liabilities</b>		
Transaction deposits	-	87,673
Savings deposits	-	106,935
Investment deposits	-	199,397
Other demand deposits	-	54,472
<b>Total interest bearing deposits</b>	-	448,477
Debt issues	-	138,871
Other interest bearing liabilities	-	44,306
<b>Total interest bearing liabilities</b>	-	631,654
Non-interest bearing liabilities	-	76,666
<b>Total liabilities</b>	-	708,320

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## Retail Banking Services

	Full Year Ended	
	30 Jun 14	30 Jun 13
	\$M	\$M
<b>Divisional result</b>		
Net interest income	-	6,425
Other banking income	-	1,504
<b>Total banking income</b>	-	7,929
Operating expenses	-	(2,992)
Loan impairment expense	-	(533)
<b>Net profit before tax</b>	-	4,404
Corporate tax expense	-	(1,315)
<b>Cash net profit after tax</b>	-	3,089
<b>Income analysis:</b>		
<b>Net interest income</b>		
Home loans	-	2,998
Consumer finance	-	1,568
Retail deposits	-	1,811
Other	-	48
<b>Total net interest income</b>	-	6,425
<b>Other banking income</b>		
Home loans	-	207
Consumer finance	-	483
Retail deposits	-	386
Distribution	-	364
Other	-	64
<b>Total other banking income</b>	-	1,504
<b>Total banking income</b>	-	7,929

	As at	
	30 Jun 14	30 Jun 13
	\$M	\$M
<b>Balance Sheet</b>		
Home loans	-	246,147
Consumer finance	-	15,014
Other interest earning assets	-	1,863
<b>Total interest earning assets</b>	-	263,024
Other assets	-	1,308
<b>Total assets</b>	-	264,332
Transaction deposits	-	17,879
Savings deposits	-	69,030
Investment deposits and other	-	89,043
<b>Total interest bearing deposits</b>	-	175,952
Non-interest bearing liabilities	-	6,334
<b>Total liabilities</b>	-	182,286

	Full Year Ended	
	30 Jun 14	30 Jun 13
<b>Key Financial Metrics</b>		
<b>Performance indicators</b>		
Return on assets (%)	-	1.2
Impairment expense annualised as a % of average GLAA's (%)	-	0.21
Operating expenses to total banking income (%)	-	37.7
<b>Other Asset/Liability Information</b>		
Average interest earning assets (\$M)	-	254,630
Average interest bearing liabilities (\$M)	-	170,045

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## Business and Private Banking

	Full Year Ended	
	30 Jun 14	30 Jun 13
	\$M	\$M
<b>Divisional result</b>		
Net interest income	-	2,952
Other banking income	-	817
<b>Total banking income</b>	-	3,769
Operating expenses	-	(1,392)
Loan impairment expense	-	(280)
<b>Net profit before tax</b>	-	2,097
Corporate tax expense	-	(623)
<b>Cash net profit after tax</b>	-	1,474
<b>Income analysis:</b>		
<b>Net interest income</b>		
Corporate Financial Services	-	895
Regional & Agribusiness	-	614
Local Business Banking	-	1,053
Private Bank	-	242
Equities and Margin Lending	-	148
<b>Total net interest income</b>	-	2,952
<b>Other banking income</b>		
Corporate Financial Services	-	285
Regional & Agribusiness	-	103
Local Business Banking	-	211
Private Bank	-	47
Equities and Margin Lending	-	171
<b>Total other banking income</b>	-	817
<b>Total banking income</b>	-	3,769
<b>Income by product:</b>		
Business products	-	2,141
Retail products	-	1,157
CommSec	-	283
Markets	-	131
Other	-	57
<b>Total banking income</b>	-	3,769

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## Business and Private Banking (continued)

	<b>As at</b>	
	<b>30 Jun 14</b>	<b>30 Jun 13</b>
<b>Balance Sheet</b>	<b>\$M</b>	<b>\$M</b>
Home loans	-	39,594
Consumer finance	-	1,070
Business loans	-	58,500
Margin loans	-	2,813
<b>Total interest earning assets</b>	<b>-</b>	<b>101,977</b>
Non-lending interest earning assets	-	247
Other assets	-	208
<b>Total assets</b>	<b>-</b>	<b>102,432</b>
Transaction deposits	-	21,394
Savings deposits	-	11,303
Investments deposits and other	-	26,861
<b>Total interest bearing deposits</b>	<b>-</b>	<b>59,558</b>
Non-interest bearing liabilities	-	5,282
<b>Total liabilities</b>	<b>-</b>	<b>64,840</b>
	<b>Full Year Ended</b>	
	<b>30 Jun 14</b>	<b>30 Jun 13</b>
<b>Key Financial Metrics</b>		
<b>Performance indicators</b>		
Return on assets (%)	-	1.4
Impairment expense annualised as a % of average GLAA's (%)	-	0.28
Operating expenses to total banking income (%)	-	36.9
<b>Other Asset/Liability Information</b>		
Average interest earning assets (\$M)	-	99,893
Average interest bearing liabilities (\$M)	-	58,850



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## Institutional Banking and Markets

	Full Year Ended	
	30 Jun 14	30 Jun 13
<b>Divisional result</b>	<b>\$M</b>	
Net interest income	-	1,341
Other banking income	-	1,238
<b>Total banking income</b>	-	2,579
Operating expenses	-	(871)
Loan impairment expense	-	(154)
<b>Net profit before tax</b>	-	1,554
Corporate tax expense	-	(359)
<b>Cash net profit after tax</b>	-	1,195

### Income analysis:

<b>Net interest income</b>		
Institutional Banking	-	1,138
Markets	-	203
<b>Total net interest income</b>	-	1,341
<b>Other banking income</b>		
Institutional Banking	-	791
Markets	-	447
<b>Total other banking income</b>	-	1,238
<b>Total banking income</b>	-	2,579

### Income by product:

Institutional products	-	1,684
Asset leasing	-	183
Markets	-	650
Other	-	62
<b>Total banking income</b>	-	2,579

	As at	
	30 Jun 14	30 Jun 13
<b>Balance Sheet</b>	<b>\$M</b>	
Interest earning lending assets	-	78,009
Non-lending interest earning assets	-	34,872
Other assets	-	33,526
<b>Total assets</b>	-	146,407
Transaction deposits	-	38,494
Investments deposits	-	39,335
Certificates of deposit and other	-	11,379
<b>Total interest bearing deposits</b>	-	89,208
Due to other financial institutions	-	17,272
Debt issues and other	-	10,495
Non-interest bearing liabilities	-	32,564
<b>Total liabilities</b>	-	149,539

	Full Year Ended	
	30 Jun 14	30 Jun 13
<b>Key Financial Metrics</b>		
<b>Performance indicators</b>		
Return on assets (%)	-	0.8
Impairment expense annualised as a % of average GLAA's (%)	-	0.20
Operating expenses to total banking income (%)	-	33.8
<b>Other Asset/Liability Information</b>		
Average interest earning assets (\$M)	-	108,876
Average interest bearing deposits (\$M)	-	115,997

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## Wealth Management

	Full Year Ended	
	30 Jun 14	30 Jun 13
	\$M	\$M
Funds management income	-	1,543
Insurance income	-	542
<b>Total operating income</b>	-	2,085
Operating expenses	-	(1,393)
<b>Net profit before tax</b>	-	692
Corporate tax expense	-	(180)
<b>Underlying profit after tax</b>	-	512
Investment experience after tax	-	77
<b>Cash net profit after tax (excluding Property)</b>	-	589
Property net profit after tax	-	90
<b>Cash net profit after tax (including Property)</b>	-	679
<b>Represented by:</b>		
CFS Global Asset Management	-	221
Colonial First State	-	144
CommInsure	-	320
Property	-	90
Other	-	(96)
<b>Cash net profit after tax</b>	-	679

	Full Year Ended	
	30 Jun 14	30 Jun 13
<b>Key Financial Metrics</b>		
<b>Performance indicators</b>		
Funds management income to average FUA (%)	-	0.76
Insurance income to average inforce premiums (%)	-	26.2
Operating expenses to total operating income (%)	-	66.8
Funds under administration - average (\$M)	-	202,259
Funds under administration - spot (\$M)	-	223,507
Assets under management - average (\$M)	-	147,661
Assets under management - spot (\$M)	-	162,331
Retail net funds flows (Australian Retail) (\$M)	-	4,244
Annual Inforce Premiums - average (\$M)	-	2,068
Annual Inforce Premiums - spot (\$M)	-	2,165

	Full Year Ended							
	CFS		Colonial		CommInsure		Other	
	Global Asset Management		First State					
	30 Jun 14	30 Jun 13	30 Jun 14	30 Jun 13	30 Jun 14	30 Jun 13	30 Jun 14	30 Jun 13
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Gross Funds management income	-	817	-	913	-	152	-	-
Volume expenses	-	(170)	-	(134)	-	(35)	-	-
<b>Funds management income</b>	-	647	-	779	-	117	-	-
Gross Insurance income	-	-	-	-	-	716	-	-
Volume expenses	-	-	-	-	-	(174)	-	-
<b>Insurance income</b>	-	-	-	-	-	542	-	-
<b>Total operating income</b>	-	647	-	779	-	659	-	-
Operating expenses	-	(375)	-	(576)	-	(318)	-	(124)
<b>Net profit before tax</b>	-	272	-	203	-	341	-	(124)
Corporate tax expense	-	(55)	-	(60)	-	(101)	-	36
<b>Underlying profit after tax</b>	-	217	-	143	-	240	-	(88)
Investment experience after tax	-	4	-	1	-	80	-	(8)
<b>Cash net profit after tax</b>	-	221	-	144	-	320	-	(96)

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## New Zealand

	Full Year Ended	
	30 Jun 14	30 Jun 13
	A\$M	A\$M
Net interest income	-	1,093
Other banking income	-	237
<b>Total banking income</b>	-	1,330
Funds management income	-	49
Insurance income	-	171
<b>Total operating income</b>	-	1,550
Operating expenses	-	(686)
Loan impairment expense	-	(45)
<b>Net profit before tax</b>	-	819
Corporate tax expense	-	(203)
<b>Underlying profit after tax</b>	-	616
Investment experience after tax	-	5
<b>Cash net profit after tax</b>	-	621

Key Financial Metrics	Full Year Ended	
	30 Jun 14	30 Jun 13
Funds management income to average FUA (%)	-	0.58
Insurance income to average inforce premiums (%)	-	33.2
Operating expenses to total operating income (%)	-	43.9

## Bankwest

	Full Year Ended	
	30 Jun 14	30 Jun 13
	\$M	\$M
Net interest income	-	1,537
Other banking income	-	210
<b>Total banking income</b>	-	1,747
Operating expenses	-	(825)
Loan impairment expense	-	(118)
<b>Net profit before tax</b>	-	804
Corporate tax expense	-	(243)
<b>Cash net profit after tax</b>	-	561

Balance Sheet	As at	
	30 Jun 14	30 Jun 13
	\$M	\$M
Home loans	-	52,738
Other interest earning lending assets	-	20,308
Non-lending interest earning assets	-	25
<b>Total interest earning assets</b>	-	73,071
Other assets	-	710
<b>Total assets</b>	-	73,781
Transaction deposits	-	7,627
Savings deposits	-	9,300
Investment deposits	-	23,568
Certificates of deposit and other	-	36
<b>Total interest bearing deposits</b>	-	40,531
Other interest bearing liabilities	-	155
Non-interest bearing liabilities	-	1,239
<b>Total liabilities</b>	-	41,925

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## Bankwest (continued)

Key Financial Metrics	Full Year Ended	
	30 Jun 14	30 Jun 13
<b>Performance indicators</b>		
Return on assets (%)	-	0.8
Impairment expense annualised as a % of average GLAA's (%)	-	0.16
Operating expenses to total banking income (%)	-	47.2
<b>Other asset/liability information</b>		
Average interest earning assets (\$M)	-	73,188
Average interest bearing liabilities (\$M)	-	42,821

## IFS and Other

	Full Year Ended	
	30 Jun 14	30 Jun 13
	\$M	\$M
IFS Asia	-	104
Corporate Centre	-	(1)
Eliminations/ Unallocated	-	38
<b>Total Cash profit</b>	-	141

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## Financial Reporting by Segments

	Full Year Ended 30 June 2013							
	Retail Banking Services \$M	Business and Private Banking \$M	Institutional Banking and Markets \$M	Wealth Management \$M	New Zealand \$M	Bankwest \$M	Other \$M	Total \$M
Net interest income	6,425	2,952	1,341	-	1,093	1,537	596	13,944
Other banking income	1,504	817	1,238	-	237	210	150	4,156
<b>Total banking income</b>	<b>7,929</b>	<b>3,769</b>	<b>2,579</b>	<b>-</b>	<b>1,330</b>	<b>1,747</b>	<b>746</b>	<b>18,100</b>
Funds management income	-	-	-	1,735	49	-	44	1,828
Insurance income	-	-	-	542	171	-	26	739
<b>Total operating income</b>	<b>7,929</b>	<b>3,769</b>	<b>2,579</b>	<b>2,277</b>	<b>1,550</b>	<b>1,747</b>	<b>816</b>	<b>20,667</b>
Investment experience	-	-	-	145	6	-	3	154
<b>Total income</b>	<b>7,929</b>	<b>3,769</b>	<b>2,579</b>	<b>2,422</b>	<b>1,556</b>	<b>1,747</b>	<b>819</b>	<b>20,821</b>
Operating expenses	(2,992)	(1,392)	(871)	(1,494)	(686)	(825)	(750)	(9,010)
Loan impairment expense	(533)	(280)	(154)	-	(45)	(118)	48	(1,082)
<b>Net profit before tax</b>	<b>4,404</b>	<b>2,097</b>	<b>1,554</b>	<b>928</b>	<b>825</b>	<b>804</b>	<b>117</b>	<b>10,729</b>
Corporate tax expense	(1,315)	(623)	(359)	(249)	(204)	(243)	40	(2,953)
Non-controlling interests	-	-	-	-	-	-	(16)	(16)
<b>Net profit after tax ("cash basis")</b>	<b>3,089</b>	<b>1,474</b>	<b>1,195</b>	<b>679</b>	<b>621</b>	<b>561</b>	<b>141</b>	<b>7,760</b>
Hedging and IFRS volatility	-	-	(45)	(53)	-	(71)	-	(169)
Other non-cash items	-	-	(45)	(53)	-	(71)	-	(169)
<b>Net profit after tax ("statutory basis")</b>	<b>3,089</b>	<b>1,474</b>	<b>1,150</b>	<b>626</b>	<b>597</b>	<b>490</b>	<b>192</b>	<b>7,618</b>
<b>Additional information</b>								
Intangible asset amortisation	(27)	(31)	(37)	(14)	(27)	(75)	(129)	(340)
Depreciation expense	(7)	(1)	(15)	(3)	(29)	(36)	(220)	(311)
<b>Balance Sheet</b>								
Total assets	264,332	102,432	146,407	20,508	58,187	73,781	88,210	753,857
Total liabilities	182,286	64,840	149,539	22,882	51,541	41,925	195,307	708,320