

ASX Announcement



CommonwealthBank

COMMONWEALTH BANK OF AUSTRALIA PROFIT ANNOUNCEMENT FOR YEAR ENDED 30 JUNE 2010

Sydney 5 August 2010: The Commonwealth Bank of Australia (the Group) is scheduled to release its results for the year ended 30 June 2010 on Wednesday 11 August 2010.

As part of its ongoing commitment to improved disclosure and increased transparency the Group will be providing additional information in the 30 June 2010 Profit Announcement.

Subsequent to the sale of the Fiji businesses, the South Pacific segment has been renamed New Zealand, with the results of Fiji being incorporated into the "Other" segment disclosure. New Zealand results have been presented in NZD domestic currency in order to facilitate more meaningful discussion and analysis. Segmental reporting in the Profit Announcement (and in supporting materials) has been restated to conform to the presentation in the current period.

Full year pro forma information for Bankwest and St Andrews for the year ended 30 June 2009 has again been provided to facilitate a like-for-like comparison of the Group's financial performance for the years ended 30 June 2010 and 30 June 2009.

Information relating to the Group's funding sources, including customer deposits, short term and long term wholesale funding has also been provided.

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

ENDS

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New Zealand

Full Year Ended 30 June 2009

	ASB NZ\$M	Sovereign NZ\$M	Other NZ\$M	Total NZ\$M	Total A\$M
Net interest income	905	-	24	929	756
Other banking income	509	-	(16)	493	404
Total banking income	1,414	-	8	1,422	1,160
Funds management income	65	-	(5)	60	49
Insurance income	-	269	(15)	254	207
Total operating income	1,479	269	(12)	1,736	1,416
Operating expenses	(634)	(200)	41	(793)	(649)
Impairment expense	(238)	-	-	(238)	(194)
Net profit before tax	607	69	29	705	573
Corporate tax expense	(200)	27	4	(169)	(135)
Underlying profit after tax	407	96	33	536	438
Investment experience after tax	-	22	(22)	-	-
Cash net profit after tax	407	118	11	536	438

Major Balance Sheet Items	As at				
	30/06/10 NZ\$M	31/12/09 NZ\$M	30/06/09 NZ\$M	Jun 10 vs Dec 09 %	Jun 10 vs Jun 09 %
Home lending		37,593	36,991		
Assets at fair value through Income Statement		5,600	7,429		
Other lending assets		16,188	16,327		
Non-lending interest earning assets		2,855	1,522		
Other assets		4,712	5,198		
Total assets		66,948	67,467		
Deposits		30,449	29,892		
Liabilities at fair value through Income Statement		15,222	16,535		
Debt issues		3,670	3,564		
Due to other financial institutions		6,500	5,048		
Other liabilities		6,660	8,066		
Total liabilities		62,501	63,105		
Assets					
ASB Bank		64,648	65,230		
Other		2,300	2,237		
Total assets		66,948	67,467		
Liabilities					
ASB Bank		61,327	62,072		
Other		1,174	1,033		
Total liabilities		62,501	63,105		

New Zealand continued

Sources of Profit from Insurance Activities	Full Year Ended			Half Year Ended		
	30/06/10	30/06/09	Jun 10 vs	30/06/10	31/12/09	Jun 10 vs
	NZ\$M	NZ\$M	Jun 09 %	NZ\$M	NZ\$M	Dec 09 %
The Margin on Services profit from ordinary activities after income tax is represented by:						
Planned profit margins		84			33	
Experience variations		12			(9)	
Operating margins		96			24	
Investment experience after tax		22			3	
Cash net profit after tax		118			27	

New Zealand - Funds Under Administration	Full Year Ended			Half Year Ended		
	30/06/10	30/06/09	Jun 10 vs	30/06/10	31/12/09	Jun 10 vs
	NZ\$M	NZ\$M	Jun 09 %	NZ\$M	NZ\$M	Dec 09 %
Opening balance		8,001			7,611	
Inflows		2,173			1,562	
Outflows		(1,925)			(1,124)	
Net Flows		248			438	
Investment income & other		(638)			668	
Closing balance		7,611			8,717	

New Zealand - Annual Inforce Premiums	Full Year Ended			Half Year Ended		
	30/06/10	30/06/09	Jun 10 vs	30/06/10	31/12/09	Jun 10 vs
	NZ\$M	NZ\$M	Jun 09 %	NZ\$M	NZ\$M	Dec 09 %
Opening balance		468			516	
Sales/New business		100			49	
Lapses		(52)			(31)	
Other movements		-			1	
Closing balance		516			535	

Appendices

2. Net Interest Margin

	Full Year Ended		Half Year Ended		Full Year Ended
	Pro forma		30/06/10	31/12/09	As reported
	30/06/10	30/06/09			30/06/09
	%	%	%	%	%
Australia					
Interest spread		1.89		2.08	1.93
Benefit of interest-free liabilities, provisions and equity		0.21		0.21	0.21
Net interest margin		2.10		2.29	2.14
Overseas					
Interest spread		1.32		1.13	1.32
Benefit of interest-free liabilities, provisions and equity		0.40		0.22	0.40
Net interest margin		1.72		1.35	1.72
Total Group					
Interest spread		1.81		1.96	1.84
Benefit of interest-free liabilities, provisions and equity		0.27		0.22	0.26
Net interest margin		2.08		2.18	2.10

Appendices

3. Average Balances and Related Interest – pro forma

Average Balances

	Full Year Ended 30/06/10			Full Year Ended 30/06/09		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
	\$M	\$M	%	\$M	\$M	%
Interest Earning Assets						
Home loans excluding securitisation				251,811	17,065	6.78
Personal loans				20,196	2,436	12.06
Business and corporate				160,275	10,297	6.42
Loans, bills discounted and other receivables				432,282	29,798	6.89
Cash and other liquid assets				32,171	982	3.05
Assets at fair value through Income Statement (excluding life insurance)				28,573	1,418	4.96
Available-for-sale investments				18,384	901	4.90
Non-lending interest earning assets				79,128	3,301	4.17
Total interest earning assets (excluding securitisation)				511,410	33,099	6.47
Securitisation home loan assets				14,884	934	6.28
Non-interest earning assets				94,504		
Total average assets				620,798		

	Full Year Ended 30/06/10			Full Year Ended 30/06/09		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
	\$M	\$M	%	\$M	\$M	%
Interest Bearing Liabilities						
Transaction deposits				64,801	1,316	2.03
Saving deposits				69,128	2,588	3.74
Investment deposits				139,350	8,051	5.78
Certificates of deposit and other				64,438	3,568	5.54
Total interest bearing deposits				337,717	15,523	4.60
Payables due to other financial institutions				27,111	1,070	3.95
Liabilities at fair value through Income Statement				17,426	1,021	5.86
Debt issues				86,729	4,103	4.73
Loan capital				13,807	766	5.55
Total interest bearing liabilities				482,790	22,483	4.66
Securitisation debt issues				14,585	834	5.72
Non-interest bearing liabilities				92,256		
Total average liabilities				589,631		

Appendices

3. Average Balances and Related Interest – pro forma (continued)

	Full Year Ended 30/06/10			Full Year Ended 30/06/09		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
	\$M	\$M	%	\$M	\$M	%
Net Interest Margin						
Total interest earning assets excluding securitisation				511,410	33,099	6.47
Total interest bearing liabilities excluding securitisation				482,790	22,483	4.66
Net interest income and interest spread (excluding securitisation)					10,616	1.81
Benefit of free funds						0.27
Net interest margin						2.08

Geographical analysis of key categories

	Full Year Ended 30/06/10			Full Year Ended 30/06/09		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
	\$M	\$M	%	\$M	\$M	%
Loans, Bills Discounted and Other Receivables						
Australia				370,729	25,214	6.80
Overseas				61,553	4,584	7.45
Total				432,282	29,798	6.89
Non-Lending Interest Earning Assets						
Australia				50,491	2,324	4.60
Overseas				28,637	977	3.41
Total				79,128	3,301	4.17
Total Interest Bearing Deposits						
Australia				296,989	13,396	4.51
Overseas				40,728	2,127	5.22
Total				337,717	15,523	4.60
Other Interest Bearing Liabilities						
Australia				93,202	5,130	5.50
Overseas				51,871	1,830	3.53
Total				145,073	6,960	4.80

Appendices

13. Integrated Risk Management

	As at				
	30/06/10	31/12/09	30/06/09	Jun 10 vs Dec 09 %	Jun 10 vs Jun 09 %
	\$M	\$M	\$M		
Customer deposits		305,141	297,482		
Wholesale funding					
Short term					
Certificates of deposit		48,738	54,551		
Bank acceptances		9,780	13,548		
ECP commercial paper program		8,224	4,324		
US commercial paper program		26,871	24,308		
Securities sold under agreements to repurchase		3,978	8,574		
Other		19,088	21,089		
Total short term funding		116,679	126,394		
Total long term funding - less than one year residual maturity		24,325	26,313		
Long term - greater than one year residual maturity					
Transferable certificates of deposit		16,187	12,634		
Euro medium term note program		33,976	31,291		
US medium term note program		27,214	13,226		
Other debt issues		5,370	6,199		
Securitisation		7,721	9,186		
Loan capital		11,417	8,824		
Other		(2,899)	(1,598)		
Total long term funding - greater than one year residual maturity		98,986	79,762		
Total wholesale funding		239,990	232,469		
Total funding		545,131	529,951		
Reported as					
Deposits and other public borrowings		370,167	368,721		
Payables due to other financial institutions		13,675	15,109		
Liabilities at fair value through Income Statement		15,735	16,596		
Bank acceptances		10,960	14,728		
Debt issues		119,207	101,819		
Loan capital		14,448	12,039		
Share capital - other equity interests		939	939		
Total funding		545,131	529,951		

22. Analysis Template

Profit Summary - Input Schedule	Full Year Ended		Half Year Ended		Full Year Ended	Page References
	Pro forma				As reported	
	30/06/10	30/06/09	30/06/10	31/12/09	30/06/09	
	\$M	\$M	\$M	\$M	\$M	
Other Data						
Net interest income (excluding securitisation)		10,616		6,018	10,128	
Average interest earning assets (excluding securitisation)		511,410		547,379	481,248	
Average net assets		30,038		32,513	29,189	
Average non-controlling interests		519		521	519	
Average other equity instruments		939		939	939	
Average treasury shares		(276)		(270)	(276)	
Average defined benefit superannuation plan net surplus		439		319	439	
Distributions - other equity instruments		57		24	57	
Interest expense (after tax) - Perls II		19		-	19	
Interest expense (after tax) - Perls III		55		19	55	
Interest expense (after tax) - Perls IV		49		18	49	
Interest expense (after tax) - Perls V		-		16	-	
Interest expense (after tax) - TPS		29		12	29	
Interest expense (after tax) - Convertible notes		35		13	35	
Weighted average number of shares - statutory basis		n/a		1,518	1,420	
Weighted average number of shares - fully diluted - statutory		n/a		1,615	1,548	
Weighted average number of shares - cash and underlying		1,442		1,523	1,426	
Weighted average number of shares - fully diluted - cash and underlying		1,570		1,619	1,554	
Weighted average number of shares - Perls II		14		-	14	
Weighted average number of shares - Perls III		32		22	32	
Weighted average number of shares - Perls IV		39		28	39	
Weighted average number of shares - Perls V		-		17	-	
Weighted average number of shares - TPS		19		12	19	
Weighted average number of shares - Convertible notes		24		17	24	
Weighted average number of shares - Executive options (full year ended)		-		-	-	
Dividends per share (cents)		n/a		120	228	
No. of shares at end of period excluding treasury shares		1,519		1,534	1,519	
Average funds under administration		174,266		185,392	173,872	
Average inforce premiums		1,825		1,953	1,798	
Net assets		31,442		33,583	31,442	
Total intangible assets		9,245		9,322	9,245	
Non-controlling interests		520		521	520	
Other equity instruments		939		939	939	
Total Fundamental Tier One Capital		30,314		32,271	30,314	

Note: Information not previously provided has been shaded in yellow.

Appendices

22. Analysis Template (continued)

Ratios - Output Summary	Full Year Ended		Half Year Ended		Full Year Ended
	Pro forma				As reported
	30/06/10	30/06/09	30/06/10	31/12/09	30/06/09
	\$M	\$M	\$M	\$M	\$M
EPS					
Net profit after tax - cash basis		4,308		2,943	4,415
Less distribution - other equity instruments		(57)		(24)	(57)
Adjusted profit for EPS calculation		4,251		2,919	4,358
Average number of shares (M)		1,442		1,523	1,426
Earnings per share - cash basis (cents)		294.9		191.7	305.6
Earnings per share - dilutions					
Interest expense (after tax) - Perls II		19		-	19
Interest expense (after tax) - Perls III		55		19	55
Interest expense (after tax) - Perls IV		49		18	49
Interest expense (after tax) - Perls V		-		16	-
Interest expense (after tax) - TPS		29		12	29
Interest expense (after tax) - Convertible notes		35		13	35
Profit impact of assumed conversions (after tax)		187		78	187
Weighted average number of shares - Perls II (M)		14		-	14
Weighted average number of shares - Perls III (M)		32		22	32
Weighted average number of shares - Perls IV (M)		39		28	39
Weighted average number of shares - Perls V (M)		-		17	-
Weighted average number of shares - TPS (M)		19		12	19
Weighted average number of shares - Convertible Notes (M)		24		17	24
Weighted average number of shares - Executive Options (M)		-		-	-
Weighted average number of shares - dilutive securities (M)		128		96	128
Adjusted cash profit for EPS calculation		4,251		2,919	4,358
Add back profit impact of assumed conversions (after tax)		187		78	187
Adjusted diluted profit for EPS calculation		4,438		2,997	4,545
Average number of shares (M)		1,442		1,523	1,426
Add back weighted average number of shares (M)		128		96	128
Diluted average number of shares (M)		1,570		1,619	1,554
Earnings per share diluted - cash basis (cents)		282.8		185.1	292.4
Net profit after tax - underlying		4,501		2,834	4,611
Less distribution - other equity instruments		(57)		(24)	(57)
Adjusted profit for EPS calculation		4,444		2,810	4,554
Average number of shares (M)		1,442		1,523	1,426
Earnings per share - underlying basis (cents)		308.3		184.5	319.3

Note: Information not previously provided has been shaded in yellow.