



# 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

**ENDS** 

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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							
	Retail	Retall Business Institutional							
	Banking	and Private	<b>Banking and</b>	Wealth	New		IFS and		
	Services	Banking	Markets	Management	Zealand	Bankwest	Other	Group	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
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	-	
Cash NPAT - as restated	3,089	1,474	1,195	679	621	561	141	7,760	

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

	Full Year Ended 30 June 2013							
	Retail	Retail Business Institutional						
	Banking	and Private	<b>Banking and</b>	Wealth	New		IFS and	
	Services	Banking	Markets	Management	Zealand	Bankwest	Other	Group
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
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
Cash NPAT - as restated	3,089	1,474	1,195	679	621	561	141	7,760





# Financial Comparative Tables for the 2014 Full Year Profit Announcement

	Full Yea	Ended	
	30 Jun 14	30 Jun 13	
Group Performance Summary	\$M	\$M	
Net interest income	-	13,944	
Other banking income	-	4,156	
Total banking income	-	18,100	
Funds management income	-	1,828	
Insurance income	-	739	
Total operating income	-	20,667	
Investment experience	-	154	
Total income	-	20,821	
Operating expenses	-	(9,010)	
Loan impairment expense	-	(1,082)	
Net profit before tax	-	10,729	
Corporate tax expense	-	(2,953)	
Non controlling interests	-	(16)	
Net profit after tax ("cash basis")	-	7,760	
Hedging and IFRS volatility	-	27	
Other non-cash items	-	(169)	
Net profit after tax ("statutory basis")	-	7,618	
Represented by:			
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)	
Net profit after tax ("underlying basis")	-	7,655	





Full	Year	<b>Ended</b>
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Key Performance Indicators	30 Jun 14	30 Jun 13
Group		
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
Retail Banking Services		
Cash net profit after tax (\$M)	-	3,089
Operating expenses to total banking income (%)	-	37. 7
Business and Private Banking		
Cash net profit after tax (\$M)	-	1,474
Operating expenses to total banking income (%)	-	36. 9
Institutional Banking and Markets		
Cash net profit after tax (\$M)	-	1,195
Operating expenses to total banking income (%)	-	33. 8
Wealth Management		
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
New Zealand		
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
Bankwest		
Cash net profit after tax (\$M)	-	561
Operating expenses to total banking income (%)	-	47. 2
Capital (Basel III)		
Common Equity Tier 1 (Internationally Harmonised %)	-	11.0
Common Equity Tier 1 (APRA %)	-	8. 2





	Full Yea	r Ended
Shareholder Summary	30 Jun 14	30 Jun 13
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

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





#### **Retail Banking Services**

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

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

	Full Yea	Full Year Ended		
Key Financial Metrics	30 Jun 14	30 Jun 13		
Performance indicators				
Return on assets (%)	-	1. 2		
Impairment expense annualised as a % of average GLAA's (%)	-	0.21		
Operating expenses to total banking income (%)	-	37.7		
Other Asset/Liability Information				
Average interest earning assets (\$M)	-	254,630		
Average interest bearing liabilities (\$M)	-	170,045		





#### **Business and Private Banking**

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





#### **Business and Private Banking (continued)**

	As	at
	30 Jun 14	30 Jun 13
Balance Sheet	\$M	\$M
Home loans	-	39,594
Consumer finance	-	1,070
Business loans	-	58,500
Margin loans	-	2,813
Total interest earning assets	-	101,977
Non-lending interest earning assets	-	247
Other assets	-	208
Total assets	-	102,432
Transaction deposits	-	21,394
Savings deposits	-	11,303
Investments deposits and other	-	26,861
Total interest bearing deposits	-	59,558
Non-interest bearing liabilities	-	5,282
Total liabilities	-	64,840

		Full Year Ended		
Key Financial Metrics	30 Jun 14	30 Jun 13		
Performance indicators				
Return on assets (%)	-	1.4		
Impairment expense annualised as a % of average GLAA's (%)	-	0.28		
Operating expenses to total banking income (%)	-	36. 9		
Other Asset/Liability Information				
Average interest earning assets (\$M)	-	99,893		
Average interest bearing liabilities (\$M)	_	58.850		





#### **Institutional Banking and Markets**

	Full Yea	r Ended
	30 Jun 14	30 Jun 13
Divisional result	\$M	
Net interest income	-	1,341
Other banking income	-	1,238
Total banking income	-	2,579
Operating expenses	-	(871)
Loan impairment expense	-	(154
Net profit before tax	-	1,554
Corporate tax expense	-	(359)
Cash net profit after tax	-	1,195
Income analysis:		
Net interest income		
Institutional Banking	-	1,138
Markets	-	203
Total net interest income	-	1,341
Other banking income		
Institutional Banking	-	791
Markets	-	447
Total other banking income	-	1,238
Total banking income	-	2,579
Income by product:		
Institutional products	-	1,684
Asset leasing	-	183
Markets	-	650
Other	-	62
Total banking income	-	2,579

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

		Full Year Ended		
Key Financial Metrics	30 Jun 14	30 Jun 13		
Performance indicators				
Return on assets (%)	-	0.8		
Impairment expense annualised as a % of average GLAA's (%)	-	0.20		
Operating expenses to total banking income (%)	-	33. 8		
Other Asset/Liability Information				
Average interest earning assets (\$M)	-	108,876		
Average interest bearing deposits (\$M)	-	115,997		





#### **Wealth Management**

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

	Full Yea	r Ended
Key Financial Metrics	30 Jun 14	30 Jun 13
Performance indicators		
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							
	CF	8	Colo	niai				
	Global Asset	Management	First	State	Comm	insure	Oti	ner
	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)	-	-
Funds management income	-	647	-	779	-	117	-	-
Gross Insurance income	-	-	-	-	-	716	-	-
Volume expenses	-	-	-	-	-	(174)	-	-
Insurance income	-	-	-	-	-	542	-	-
Total operating income	-	647	-	779	-	659	-	- -
Operating expenses	-	(375)	-	(576)	-	(318)	-	(124)
Net profit before tax	-	272	-	203	-	341	-	(124)
Corporate tax expense	-	(55)	-	(60)	-	(101)	-	36
Underlying profit after tax	-	217	-	143	-	240	-	(88)
Investment experience after tax	-	4	-	1	-	80	-	(8)
Cash net profit after tax	-	221	-	144	-	320	-	(96)





#### **New Zealand**

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

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

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





# Bankwest (continued)

	Full Yea	Full Year Ended		
Key Financial Metrics	30 Jun 14	30 Jun 13		
Performance indicators				
Return on assets (%)	-	0.8		
Impairment expense annualised as a % of average GLAA's (%)	-	0. 16		
Operating expenses to total banking income (%)	-	47. 2		
Other asset/liability information				
Average interest earning assets (\$M)	-	73,188		
Average interest bearing liabilities (\$M)	-	42,821		

#### **IFS and Other**

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





## **Financial Reporting by Segments**

	Full Year Ended 30 June 2013									
	Retali	Business and Private Banking	institutional Banking and Markets	Wealth Management	New Zealand	Bankwest	Other	Total		
	Banking									
	Services									
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$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		
Total banking income	7,929	3,769	2,579	-	1,330	1,747	746	18,100		
Funds management income	-	-	-	1,735	49	-	44	1,828		
Insurance income	-	-	-	542	171	-	26	739		
Total operating income	7,929	3,769	2,579	2,277	1,550	1,747	816	20,667		
Investment experience	-	-	-	145	6	-	3	154		
Total income	7,929	3,769	2,579	2,422	1,556	1,747	819	20,821		
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)		
Net profit before tax	4,404	2,097	1,554	928	825	804	117	10,729		
Corporate tax expense	(1,315)	(623)	(359)	(249)	(204)	(243)	40	(2,953)		
Non-controlling interests	-	-	-	-	-	-	(16)	(16)		
Net profit after tax ("cash basis")	3,089	1,474	1,195	679	621	561	141	7,760		
Hedging and IFRS volatility					(24)		51	27		
Other non-cash items	-	-	(45)	(53)	-	(71)	-	(169)		
Net profit after tax ("statutory basis")	3,089	1,474	1,150	626	597	490	192	7,618		
Additional information										
Intangible asset amortisation	(27)	(31)	(37)	(14)	(27)	(75)	(129)	(340)		
Depreciation expense	(7)	(1)	(15)	(3)	(29)	(36)	(220)	(311)		
Balance Sheet										
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		