## Medta Release

## COMMONWEALTH BANK OF AUSTRALIA PROFIT ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

Sydney 7 February 2012: The Commonwealth Bank of Australia (the Group) is scheduled to release its results for the half year ended 31 December 2011, on Wednesday 15 February 2012.

As part of our commitment to improved disclosure and increased transparency, the Group will be making the following changes to comparative information, largely reflective of changes in business segmentation, including:

- Reallocation of income between the different customer segments of Business and Private Banking, reflecting the transfer of clients between those customer segments;
- The transfer of certain client revenues between Retail Banking Services and Business and Private Banking; and
- The classification of expenses between line items has been changed to be consistent with the presentation of current period information.

Copies of the parts of the Profit Announcement for the half years ended 30 June 2011 and 31 December 2010 that are affected by these changes, with the changes highlighted in yellow, are attached in this release.

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Retail Banking Services
Half Year Ended 30 June 2011

|  | ar |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Consumer |  | Retail |  | Total |
|  | Home Loans | Finance | Deposits | Distribution |  |
|  | \$M | \$M | \$M | \$M | \$M |
| Net interest income | 1,441 | 660 | 1,115 | - | 3,216 |
| Other banking income | 92 | 206 | 187 | 156 | 641 |
| Total banking income | 1,533 | 866 | 1,302 | 156 | 3,857 |
| Operating expenses |  |  |  |  | $(1,486)$ |
| Loan impairment expense |  |  |  |  | (305) |
| Net profit before tax |  |  |  |  | 2,066 |
| Corporate tax expense |  |  |  |  | (609) |
| Cash net profit after tax |  |  |  |  | 1,457 |


|  | Half Year Ended 31 December 2010 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Consumer |  | Retail |  | Total |
|  | Home Loans | Finance | Deposits | Distribution |  |
|  | \$M | \$M | \$M | \$M | \$M |
| Net interest income | 1,265 | 621 | 1,107 | - | 2,993 |
| Other banking income | 106 | 216 | 200 | 149 | 671 |
| Total banking income | 1,371 | 837 | 1,307 | 149 | 3,664 |
| Operating expenses |  |  |  |  | $(1,417)$ |
| Loan impairment expense |  |  |  |  | (253) |
| Net profit before tax |  |  |  |  | 1,994 |
| Corporate tax expense |  |  |  |  | (597) |
| Cash net profit after tax |  |  |  |  | 1,397 |

## Business \& Private Banking

|  | Half Year Ended 30 June 2011 |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Corporate <br> Financial <br> Services \$M |  <br> Agri- <br> business <br> \$M | Local Business Banking \$M | Private Bank \$M |  <br> Margin <br> Lending <br> \$M | Other \$M | $\begin{array}{r} \text { Total } \\ \$ \mathrm{M} \end{array}$ |
| Net interest income | 231 | 139 | 269 | 94 | 87 | 16 | 836 |
| Other banking income | 276 | 89 | 133 | 35 | 120 | 44 | 697 |
| Total banking income | 507 | 228 | 402 | 129 | 207 | 60 | 1,533 |
| Operating expenses |  |  |  |  |  |  | (682) |
| Loan impairment expense |  |  |  |  |  |  | (126) |
| Net profit before tax |  |  |  |  |  |  | 725 |
| Corporate tax expense |  |  |  |  |  |  | (197) |
| Cash net profit after tax |  |  |  |  |  |  | 528 |


|  | Half Year Ended 31 December 2010 |  |  |  |  |  |  |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: |

## Notes to the Financial Statements

## Note 3 Operating Expenses

|  | Half Year Ended |  |  |
| :---: | :---: | :---: | :---: |
|  | 31/12/11 | 30/06/11 | 31/12/10 |
|  | \$M | \$M | \$M |
| Staff Expenses |  |  |  |
| Salaries and wages |  | 1,991 | 2,024 |
| Share-based compensation |  | 75 | 81 |
| Superannuation - defined contribution plans |  | 30 | 18 |
| Superannuation - defined benefit plan |  | 53 | 84 |
| Provisions for employee entitlements |  | 63 | 57 |
| Payroll tax |  | 105 | 108 |
| Fringe benefits tax |  | 19 | 19 |
| Other staff expenses |  | 34 | 26 |
| Total staff expenses |  | 2,370 | 2,417 |
| Occupancy and Equipment Expenses |  |  |  |
| Operating lease rentals |  | 273 | 259 |
| Depreciation: |  |  |  |
| Buildings |  | 17 | 18 |
| Leasehold improvements |  | 53 | 50 |
| Equipment |  | 40 | 42 |
| Operating lease assets |  | 22 | 20 |
| Repairs and maintenance |  | 45 | 42 |
| Other |  | 61 | 51 |
| Total occupancy and equipment expenses |  | 511 | 482 |
| Information Technology Services |  |  |  |
| Application maintenance and development |  | 172 | 152 |
| Data processing |  | 138 | 129 |
| Desktop |  | 55 | 65 |
| Communications |  | 124 | 97 |
| Amortisation of software assets |  | 102 | 81 |
| IT equipment depreciation |  | 39 | 39 |
| Total information technology services |  | 630 | 563 |
| Other Expenses |  |  |  |
| Postage |  | 55 | 57 |
| Stationery |  | 45 | 39 |
| Fees and commissions: |  |  |  |
| Fees payable on trust and other fiduciary activities |  | 277 | 260 |
| Other |  | 170 | 148 |
| Advertising, marketing and loyalty |  | 275 | 182 |
| Amortisation of intangible assets (excluding software and merger related amortisation) |  | 8 | 8 |
| Non-lending losses |  | 51 | 32 |
| Other |  | 91 | 220 |
| Total other expenses |  | 972 | 946 |
| Investment and Restructuring |  |  |  |
| Integration expenses |  | 76 | 18 |
| Merger related amortisation |  | 39 | 36 |
| Total investment and restructuring |  | 115 | 54 |
| Total operating expenses |  | 4,598 | 4,462 |

