Commonwealth Bank's total profit for the six month period ended June 30, 2018 was \$26.6 million compared to \$29.4 million for the same period of 2017. The reduction in profit was mainly due to the decrease in interest income and the increase in provision for credit losses which reflect the ongoing challenges faced by the Bahamian economy.

Total assets at June 30, 2018 were \$1.69 billion, which represents a 2.6% increase from December 2017 total assets of \$1.65 billion.

At the beginning of the year the Bank adopted International Financial Reporting Standards 9: Financial Instruments. The Bank's provision methodology was amended to ensure compliance with the new standard. As a result of the adoption of this standard, the Bank's opening retained earnings was adjusted upward by \$0.87 million.

The Bank maintains strong capital and liquidity ratios with capital adequacy in excess of 33% and liquidity ratio above 45%. These ratios are well in excess of Central Bank's requirements of 17% and 20%, respectively and are indicative of the Bank's overall safety and soundness.

As has been the case since going public in 2000, the Bank paid quarterly dividends to shareholders bringing total dividends paid for the year to 6 cents per share. Included in this amount is an extraordinary dividend of 2 cents per common share paid in February.

My thanks go to our team of dedicated and hardworking professionals who continue to offer distinguished service to our stakeholders, particularly our valued customers and loyal shareholders.



William B. Sands, Jr. **Executive Chairman**

COMMONWEALTH BANK LIMITED									
CONSOLIDATED STATEMENT OF FINANCIAL POSITION									
(Expressed in B\$ '000s) (Unaudited)									

	June 30, 2018	December 31, 2017
Assets	30, 2010	01, 2017
Cash and deposits with banks	\$ 35,682	\$ 30,611
Balances with Central Bank		
of The Bahamas	194,508	98,288
Investments	389,173	401,588
Loans Receivable	1,007,403	1,053,969
Premises and equipment	19,757	18,011
Other assets	44,126	44,818
Total	\$ 1,690,649	\$ 1,647,285
LIABILITIES AND EQUITY		
Liabilities:		
Deposits	\$ 1,312,862	\$ 1,274,262
Life assurance fund liability	4,084	5,599
Other liabilities	16,038	14,991
Total liabilities	1,332,984	1,294,852
Equity:		
Share capital	83,445	83,445
Share premium	19,197	19,195
General Reserve	10,500	10,500
Retained earnings	244,523	239,294
Total equity	357,665	352,433
TOTAL	\$ 1,690,649	\$ 1,647,285

COMMONWEALTH BANK LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Expressed in B\$ '000s) (Unaudited)

(Expressed in by 1000s) (Orialdated)								
	3 months ending June 30, 2018	3 months ending June 30, 2017						
l	Julie 30, 2016	Julie 30, 2017						
INCOME:								
Interest income	\$ 39,830	\$ 42,784						
Interest expense	(5,010)	(6,252)						
Net interest income	34,820	36,532						
Life assurance, net	600	567						
Fees and other income	2,894	2,363						
Total income	3,494	2,930						
Non-Interest Expense:								
General and administrative	16,900	17,565						
Provision for credit losses	7,603	9,296						
Depreciation and amortization	779	840						
Directors' fees	68	64						
Total non-interest expense	25,350	27,765						
TOTAL PROFIT	\$ 12,964	\$ 11,697						

OTHER COMPREHENSIVE INCOME Items that will not be reclassified subsequently to pro	fit or los	s:	
Remeasurement of Defined Benefit Obligation		755	-
TOTAL COMPREHENSIVE INCOME	\$	13,719	\$ 11,697
Basic and Diluted Earnings			
PER COMMON SHARE			

COMMONWEALTH BANK LIMITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(expressed in dollars)

(Expressed in B\$ '000s) (Unaudited)

	6 months ending June 30, 2018	6 months ending June 30, 2017				
INCOME:						
Interest income	\$ 80,416	\$ 85,906				
Interest expense	(10,263)	(12,729)				
Net interest income	70,153	73,177				
Life assurance, net	1,492	980				
Fees and other income	5,311	4,607				
Total income	76,956	78,764				
Non-Interest Expense:						
General and administrative	34,453	34,634				
Provision for credit losses	14,141	12,945				
Depreciation and amortization	1,582	1,667				
Directors' fees	137	121				
Total non-interest expense	50,313	49,367				
Total Profit	\$ 26,643	\$ 29,397				

Items that will not be reclassified subsequently to profit or loss Remeasurement of Defined Benefit Obligation (2,418)(25)TOTAL COMPREHENSIVE INCOME 24,225 29,372

BASIC AND DILUTED EARNINGS PER COMMON SHARE 0.08 0.09 (expressed in dollars)

COMMONWEALTH BANK LIMITED

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS **QUARTER ENDED JUNE 30, 2018** (Expressed In B\$ '000s) (Unaudited)

1. ACCOUNTING POLICIES

These consolidated interim condensed financial statements have been prepared in accordance with International Accounting Standards 34 Interim Financial Reporting.

The consolidated financial statements include the accounts of Commonwealth Bank Limited ("the Bank") and its wholly owned subsidiary companies. The subsidiaries are Laurentide Insurance and Mortgage Company Limited, Laurentide Insurance Agency Limited, C.B. Securities Ltd., and C.B.

Holding Co. Ltd.

2. Change in Accounting Policy - IFRS 9 Effective January 1, 2018 the Bank adopted International Financial Reporting Standards 9: Financial

Instruments (IFRS 9) which replaces International Accounting Standards 39: Financial Instruments - Recognition and Measurement (IAS 39). The Bank adopted IFRS 9 to comply with International

COMMONWEALTH BANK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Expressed in B\$ '000s) (Unaudited)

		ths ending ne 30, 2018	nths ending ine 30, 2017
SHARE CAPITAL			
Preference Shares			
Balance at beginning and end of period	\$	81,498	\$ 81,498
Redemption of shares		-	_
Balance at end of period		81,498	81,498
COMMON SHARES			
Balance at beginning of period		1,946	1,947
Repurchase of common shares		-	
Balance at end of period		1,946	1,947
TOTAL SHARE CAPITAL	_	83,444	83,445
SHARE PREMIUM			
Balance at beginning of period		19,195	19,516
Repurchase of common shares		2	(75)
Balance at end of period		19,197	19,441
GENERAL RESERVE			
Balance at beginning and end of period		10,500	10,500
RETAINED EARNINGS			
Balance at beginning of period		239,294	219,396
IFRS transition adjustment		865	_
Balance at beginning of period, as restated		240,159	219,396
Total comprehensive income		24,225	29,372
Common share dividends		(17,515)	(17,520)
Preference share dividends		(2,346)	(2,346)
Balance at end of period		244,523	228,902
EQUITY AT END OF PERIOD	\$	357,664	\$ 342,288

COMMONWEALTH BANK LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in B\$ '000s) (Unaudited)

	ths ending ne 30, 2018	6 months ending June 30, 2017			
CASH FLOWS FROM OPERATING ACTIVITIES:					
Interest receipts	\$ 72,416	\$	79,091		
Interest payments	(10,263)		(12,729)		
Life assurance premiums received (refunded), net	1,102		(2,704)		
Life assurance claims and expenses paid	(1,306)		(996)		
Fees and other income received	5,492		4,661		
Recoveries	5,868		7,047		
Cash payments to employees and suppliers	(37,707)		(40,880)		
	35,602		33,490		
Increase in minimum reserve requirement	(1,026)		(1,185)		
Increase in restricted deposit	(370)		-		
Net decrease/(increase) in loans receivable	27,422		(8,645)		
Increase in deposits	38,600		54,204		
Net cash from operating activities	 100,228		77,864		

CASH FLOWS FROM INVESTING ACTIVITIES: Purchase of investments (83,815) (15,217)Interest receipts from investments 7.083 8.134 Redemption of investments 96,096 19,989 Purchases of premises and equipment (943)(1,477)Net proceeds from sale of premises and equipment 53 19,525 (10,401)Net cash from (used in) investing activities

CASH FLOWS FROM FINANCING ACTIVITIES: Dividends paid

(19,866)(19,861)Repurchase of common shares (75)(19,941) Net cash used in financing activities (19,859)NET INCREASE IN CASH AND CASH EQUIVALENTS 99,895 68,324 CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD 77,209 76,189 CASH AND CASH EQUIVALENTS, END OF PERIOD 177,104

144,513

Financial Reporting Standards which require that financial statements with financial periods beginning on or after 1 January 2018 account for financial instruments under IFRS 9. As permitted, the prior period comparative consolidated financial statements, which are reported under IAS 39, were not restated and are therefore not comparable to the information presented for 2018. However, the opening retained earnings for 2018 has been amended to reflect the impact of the change in accounting policy relative to

prior periods. 3. Corresponding Figures

Certain corresponding figures have been adjusted to conform with changes in presentation adopted in the current year.

0.04

The Directors approved interim quarterly dividends in the amount of 2 cents per common share (2017: 4 cents). The total dividends paid as of the interim date is 6 cents per share for common shares (2017: 6 cents). The dividends are declared on a quarterly calendar basis. The interim financial statements only reflect the dividends accrued for the interim period.

5. Business Segments

For management purposes, the Bank including its subsidiaries is organized into five operating units -Retail Bank, Credit Life Company, Real Estate Holdings, Investment Holdings and Insurance Agency Operations. The following table shows financial information by business segment:

							2018						
		Retail Bank	_	redit Life Company	F	Real Estate Holding	Investment Holdings		rance Agend Operations	су	Eliminations	Со	nsolidated
Income													
External	\$	75,074	\$	2,361	\$	10	\$ -	\$	-	\$	(489)	\$	76,956
Internal		343	\$	(62)		1,892	\$ (2,278)		234	\$	(129)		-
Total Income	-	75,417	\$	2,299	\$	1,902	\$ (2,278)	\$	234	\$	(618)	\$	76,956
Total profit Internal	-												
& External	\$	23,868	\$	2,097	\$	718	\$ (2,465)	\$	106	\$	2,319	\$	26,643
							2017						
		Retail Bank		redit Life company	F	Real Estate Holding	Investment Holdings	Insu	ırance Agend Agency	су	Eliminations	Co	nsolidated

								2017						
	_	Retail Bank		redit Life Company	F	Real Estate Holding		Investment Holdings	Insu	rance Agen Agency	су	Eliminations	Со	onsolidated
Income														
External	\$	76,838	\$	1,891	\$	-	\$	-	\$	-	\$	35	\$	78,764
Internal		372	\$	139		1,933	\$	185		98	\$	(2,727)		-
Total Income	_	77,210	\$	2,030	\$	1,933	\$	185	\$	98	\$	(2,692)	\$	78,764
Total profit Internal														
9 External	Φ	27.045	Φ	1 016	Φ	605	Φ	0	•	20	Φ	(106)	Φ	20 207