

Commonwealth Bank's total profit for the six month period ended June 30, 2019 was \$24.3 million and represents a decrease of \$3.3 million compared to the same period in 2018. The reduction in profit was mainly due to the decrease in net interest income offset by increase in non-interest income.

Total assets at June 30, 2019 were \$1.7 billion, virtually unchanged from total assets as at December 2018.

Non-interest expense increased slightly from prior year due mainly to an increase in taxes in general and administration expenses. However, the Bank has prudently managed controllable expenses to ensure that the Bank improves its efficiency and generates the best returns for its shareholders.

The Bank continues to maintain strong capital and liquidity ratios with capital adequacy in excess of 31% and liquidity ratio above 51%. 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.

In keeping with its philosophy of sharing its success with its shareholders, the Bank paid quarterly dividends 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.

As always, we extend our gratitude to our shareholders, loyal customers and the general public for their continued support and patronage. I also thank our team of hardworking and devoted employees for their invaluable contributions and excellent customer service which they continue to provide every day.



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

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

	June 30, 2019	December 31, 2018
<b>ASSETS</b>		
Cash and deposits with banks	\$ 27,237	\$ 34,010
Balances with Central Bank of The Bahamas	177,040	147,772
Investments	432,006	457,572
Loans Receivable	949,355	992,418
Other assets	19,501	15,961
Premises and equipment	46,280	47,494
<b>TOTAL</b>	<b>\$ 1,651,419</b>	<b>\$ 1,695,227</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities:</b>		
Deposits	\$ 1,317,995	\$ 1,311,244
Life assurance fund liability	2,362	2,951
Other liabilities	13,295	15,513
Total liabilities	1,333,652	1,329,708
<b>Equity:</b>		
Share capital	34,541	83,441
Share premium	13,299	17,198
General Reserve	10,500	10,500
Retained earnings	259,427	254,380
Total equity	317,767	365,519
<b>TOTAL</b>	<b>\$ 1,651,419</b>	<b>\$ 1,695,227</b>

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

	3 months ending June 30, 2019	3 months ending June 30, 2018 (Restated)
<b>INCOME:</b>		
Interest income	\$ 35,368	\$ 38,809
Interest expense	(3,843)	(5,010)
Net interest income	31,525	33,799
Life assurance, net	1,442	600
Fees and other income	4,750	3,915
Unrealised gains on equity investment	639	470
Total income	38,356	38,784
<b>NON-INTEREST EXPENSE:</b>		
General and administrative	17,550	16,900
Depreciation and amortization	1,017	779
Loan impairment expense	7,821	7,603
Directors' fees	68	68
Total non-interest expense	26,456	25,350
<b>TOTAL PROFIT</b>	<b>\$ 11,900</b>	<b>\$ 13,434</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of Defined Benefit Obligation	-	755
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 11,900</b>	<b>\$ 14,189</b>
<b>BASIC AND DILUTED EARNINGS</b>		
<b>PER COMMON SHARE</b>		
(expressed in dollars)	\$ 0.04	\$ 0.04

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

	6 months ending June 30, 2019	6 months ending June 30, 2018 (Restated)
<b>INCOME:</b>		
Interest income	\$ 71,352	\$ 78,389
Interest expense	(7,770)	(10,263)
Net interest income	63,582	68,126
Life assurance, net	1,907	1,492
Fees and other income	8,467	7,338
Unrealised gains on equity investment	1,668	993
Total income	75,624	77,949
<b>NON-INTEREST EXPENSE:</b>		
General and administrative	35,090	34,453
Loan impairment expense	14,256	14,141
Depreciation and amortization	1,809	1,582
Directors' fees	137	137
Total non-interest expense	51,292	50,313
<b>TOTAL PROFIT</b>	<b>\$ 24,332</b>	<b>\$ 27,636</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of Defined Benefit Obligation	58	(2,418)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 24,390</b>	<b>\$ 25,218</b>
<b>BASIC AND DILUTED EARNINGS</b>		
<b>PER COMMON SHARE</b>		
(expressed in dollars)	\$ 0.08	\$ 0.09

**COMMONWEALTH BANK LIMITED**  
**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**QUARTER ENDED JUNE 30, 2019**  
**(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.

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

	6 months ending June 30, 2019	6 months ending June 30, 2018 (Restated)
<b>SHARE CAPITAL</b>		
Preference Shares		
Balance at beginning and end of period	\$ 81,498	\$ 81,498
Redemption of shares	(48,894)	-
Balance at end of period	32,604	81,498
<b>COMMON SHARES</b>		
Balance at beginning of period	1,943	1,946
Repurchase of common shares	(6)	-
Balance at end of period	1,937	1,946
<b>TOTAL SHARE CAPITAL</b>	<b>34,541</b>	<b>83,444</b>
<b>SHARE PREMIUM</b>		
Balance at beginning of period	17,198	19,195
Repurchase of common shares	(3,899)	2
Balance at end of period	13,299	19,197
<b>GENERAL RESERVE</b>		
Balance at beginning and end of period	10,500	10,500
<b>RETAINED EARNINGS</b>		
Balance at beginning of period-restated	254,380	242,547
IFRS transition adjustment	-	(115)
Balance at beginning of period, as restated	254,380	242,432
Total comprehensive income	24,390	25,218
Common share dividends	(17,465)	(17,515)
Preference share dividends	(1,878)	(2,346)
Balance at end of period	259,427	247,789
<b>EQUITY AT END OF PERIOD</b>	<b>\$ 317,767</b>	<b>\$ 360,930</b>

**COMMONWEALTH BANK LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(Expressed in B\$ '000s) (Unaudited)**

	6 months ending June 30, 2019	6 months ending June 30, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Interest receipts	\$ 64,572	\$ 70,389
Interest payments	(7,770)	(10,263)
Life assurance premiums received, net	2,302	1,102
Life assurance claims and expenses paid	(1,239)	(1,306)
Fees and other income received	8,601	7,519
Recoveries	8,316	5,868
Cash payments to employees and suppliers	(40,927)	(37,707)
Increase in minimum reserve requirement	33,855	35,602
Increase in restricted deposit	2,901	(1,026)
Net decrease in loans receivable	-	(370)
Net increase in deposits	20,491	27,422
Net increase in deposits	6,751	38,600
Net cash from operating activities	63,998	100,228
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(154,389)	(83,815)
Interest receipts from investments	7,353	8,134
Redemption of investments	181,170	96,096
Purchases of premises and equipment	(598)	(943)
Net proceeds from sale of premises and equipment	4	53
Net cash from investing activities	33,540	19,525
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Dividends paid	(19,343)	(19,861)
Repurchase of common shares	(3,905)	2
Redemption of preference shares	(48,894)	-
Net cash used in financing activities	(72,142)	(19,859)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>25,396</b>	<b>99,895</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>125,212</b>	<b>77,209</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 150,608</b>	<b>\$ 177,104</b>

**2. DIVIDENDS**

The Directors approved interim quarterly dividends in the amount of 2 cents per common share (2018: 2 cents). The total dividends paid as of the interim date is 6 cents per share for common shares (2018: 6 cents) including extraordinary dividends in the amount of 2 cents per common share (2018: 2 cents). The dividends are declared on a quarterly calendar basis.

**3. CORRESPONDING FIGURES**

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

**4. 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:

	2019						Eliminations	Consolidated
	Retail Bank	Credit Life Company	Real Estate Holding	Investment Holdings	Insurance Agency Operations			
<b>Income</b>								
External	\$ 72,960	\$ 2,775	\$ 10	\$ -	\$ -	\$ (120)	\$ 75,624	
Internal	617	(200)	1,995	226	311	(2,949)	-	
Total Income	\$ 73,577	\$ 2,575	\$ 2,005	\$ 226	\$ 311	\$ (3,069)	\$ 75,624	
<b>Total profit</b>								
Internal								
& External	\$ 21,363	\$ 2,375	\$ 759	\$ (14)	\$ 169	\$ (320)	\$ 24,332	

	2018						Eliminations	Consolidated
	Retail Bank	Credit Life Company	Real Estate Holding	Investment Holdings	Insurance Agency Operations			
<b>Income</b>								
External	\$ 76,067	\$ 2,361	\$ 10	\$ -	\$ -	\$ (489)	\$ 77,949	
Internal	343	(62)	1,892	(2,278)	234	(129)	-	
Total Income	\$ 76,410	\$ 2,299	\$ 1,902	\$ (2,278)	\$ 234	\$ (618)	\$ 77,949	
<b>Total profit</b>								
Internal								
& External	\$ 24,860	\$ 2,097	\$ 718	\$ (2,465)	\$ 106	\$ 2,319	\$ 27,636	