

Commonwealth Bank's total profit for the nine months ended September 30, 2017 was \$39.7 million compared to \$47.3 million for the same period in 2016. Total assets at September were \$1.7 billion, representing an increase of 3.7% from December 2016.

The reduction in profitability is mainly the result of the challenged economy which is driving higher levels of delinquency and associated increase in loan impairment expense which totaled \$25.6 million compared to \$18.3 million for the same period in 2016.

Despite the increase in delinquency, the Bank's non-performing loan ratio at 5.06% continues to significantly outperform the industry average of 15.8% at September 30, 2017, as reported by The Central Bank of the Bahamas.

Commonwealth Bank remains a very strong institution built on sound principles and prudent management. The Bank's total capital grew to \$346 million at the end of September from \$333 million at the end of December 2016. This represents a capital ratio of 31%, significantly above The Central Bank's requirement of 17%.

The Bank maintains a strong liquidity ratio of 39% and which is well in excess of Central Bank's requirements of 20%.

We are pleased to report that the Bank continued to share its success with shareholders through the payment of dividends of 6 cents per common share for the quarter bringing total dividend payments for the year to 24 cents per share. This includes an extraordinary dividend of 6 cents per common share paid in February.

As always, we extend our gratitude to our loyal customers and the general public for their continued support and patronage. The Board acknowledges and thanks the Commonwealth Bank team who remains committed to the highest level of excellence in serving our valued customers.



William B. Sands, Jr.
Executive Chairman

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

	September 30, 2017	December 31, 2016
ASSETS		
Cash and deposits with banks	\$ 26,248	\$ 31,764
Balances with Central Bank of The Bahamas	128,490	93,558
Investments	384,093	322,507
Loans Receivable	1,075,712	1,107,589
Premises and equipment	45,470	46,014
Other assets	8,722	7,316
TOTAL	\$ 1,668,735	\$ 1,608,748
LIABILITIES AND EQUITY		
Liabilities:		
Deposits	\$ 1,299,268	\$ 1,240,505
Life assurance fund liability	6,808	13,268
Other liabilities	17,132	22,118
Total liabilities	1,323,208	1,275,891
Equity:		
Share capital	83,444	83,445
Share premium	19,195	19,516
General Reserve	10,500	10,500
Retained earnings	232,388	219,396
Total equity	345,527	332,857
TOTAL	\$ 1,668,735	\$ 1,608,748

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

	3 months ending September 30, 2017	3 months ending September 30, 2016
INCOME:		
Interest income	\$ 43,221	\$ 43,211
Interest expense	(6,162)	(6,682)
Net interest income	37,059	36,529
Loan impairment expense	(12,630)	(8,203)
	24,429	28,326
Life assurance, net	969	1,732
Fees and other income	2,620	2,587
Total income	28,018	32,645
NON-INTEREST EXPENSE:		
General and administrative	16,783	17,217
Depreciation and amortization	846	775
Directors' fees	68	57
Total non-interest expense	17,697	18,049
TOTAL PROFIT	\$ 10,321	\$ 14,596
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of Defined Benefit Obligation	175	(192)
TOTAL COMPREHENSIVE INCOME	\$ 10,496	\$ 14,404
BASIC AND DILUTED EARNINGS PER COMMON SHARE		
(expressed in dollars)	\$ 0.09	\$ 0.14

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

	9 months ending September 30, 2017	9 months ending September 30, 2016
INCOME:		
Interest income	\$ 129,126	\$ 127,934
Interest expense	(18,891)	(20,421)
Net interest income	110,235	107,513
Loan impairment expense	(25,575)	(18,314)
	84,660	89,199
Life assurance, net	1,950	4,540
Fees and other income	7,227	7,059
Total income	93,837	100,798
NON-INTEREST EXPENSE:		
General and administrative	51,417	51,045
Depreciation and amortization	2,513	2,225
Directors' fees	189	228
Total non-interest expense	54,119	53,498
TOTAL PROFIT	\$ 39,718	\$ 47,300
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of Defined Benefit Obligation	150	3,318
TOTAL COMPREHENSIVE INCOME	\$ 39,868	\$ 50,618
BASIC AND DILUTED EARNINGS PER COMMON SHARE		
(expressed in dollars)	\$ 0.37	\$ 0.45

COMMONWEALTH BANK LIMITED
NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
QUARTER ENDED SEPTEMBER 30, 2017
(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)

	9 months ending September 30, 2017	9 months ending September 30, 2016
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	1,947	1,949
Repurchase of common shares	(1)	(1)
Balance at end of period	1,946	1,948
TOTAL SHARE CAPITAL	83,444	83,446
SHARE PREMIUM		
Balance at beginning of period	19,516	20,352
Repurchase of common shares	(321)	(533)
Balance at end of period	19,195	19,819
GENERAL RESERVE		
Balance at beginning and end of period	10,500	10,500
RETAINED EARNINGS		
Balance at beginning of period	219,396	199,696
Total comprehensive income	39,868	50,618
Common share dividends	(23,357)	(23,374)
Preference share dividends	(3,519)	(3,825)
Balance at end of period	232,388	223,115
EQUITY AT END OF PERIOD	\$ 345,527	\$ 336,880

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

	9 months ending September 30, 2017	9 months ending September 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest Receipts	\$ 118,764	\$ 116,915
Interest Payments	(18,891)	(20,421)
Life assurance (refunds)/premiums received, net	(3,279)	6,266
Life assurance claims and expenses paid	(1,378)	(3,528)
Fees and other income received	7,374	9,073
Recoveries	10,323	10,090
Cash payments to employees and suppliers	(57,998)	(60,381)
	54,915	58,014
Net (increase)/decrease in loans receivable	(4,021)	(39,745)
Increase in deposits	58,763	(9,400)
Net cash from operating activities	109,657	8,869
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(95,850)	(44,584)
Interest receipts from investments	11,261	12,400
Redemption of investments	33,516	52,231
Purchases of premises and equipment	(2,009)	(1,885)
Net proceeds from sale of premises and equipment	39	113
Net cash (used in) investing activities	53,043	18,275
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(26,876)	(27,199)
Repurchase of common shares	(322)	(534)
Net cash used in financing activities	(27,198)	(27,733)
NET INCREASE IN CASH AND CASH EQUIVALENTS	29,416	(589)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	125,322	85,543
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 154,738	\$ 84,954
MINIMUM RESERVE REQUIREMENT	49,481	46,326
CASH AND CASH EQUIVALENTS IN EXCESS OF THE MINIMUM RESERVE REQUIREMENT	\$ 105,257	\$ 38,628

2. BUSINESS SEGMENT

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

	2017					
	Bank	Insurance Company	Real Estate Holdings	Investment Company	Insurance Agency	Eliminations Consolidated
Revenue						
External	\$ 90,431	\$ 4,448	\$ -	\$ 17	\$ -	\$ (1,059)
Internal	825	138	2,880	264	217	(4,324)
Total Revenue	\$ 91,256	\$ 4,586	\$ 2,880	\$ 281	\$ 217	\$ (5,383)
Profit or loss						
Internal						
& External	\$ 35,289	\$ 3,088	\$ 1,042	\$ 12	\$ 97	\$ 190
	\$ 39,718	\$ 3,318	\$ 1,042	\$ 12	\$ 97	\$ 190
2016						
Revenue						
External	\$ 92,016	\$ 7,133	\$ 19	\$ 2,612	\$ -	\$ (982)
Internal	1,416	(865)	2,853	247	1,321	(4,972)
Total Revenue	\$ 93,432	\$ 6,268	\$ 2,872	\$ 2,859	\$ 1,321	\$ (5,954)
Profit or loss						
Internal						
& External	\$ 38,412	\$ 4,873	\$ 950	\$ 2,599	\$ 641	\$ (175)
	\$ 47,300	\$ 3,318	\$ 950	\$ 2,599	\$ 641	\$ (175)

3. DIVIDENDS

The Directors approved interim quarterly dividends in the amount of 6 cents per common share (2016: 6 cents). The total dividends paid as of the interim date is 24 cents per share for common shares (2016: 24 cents) inclusive of extraordinary dividends in the amount of 6 cents per common share (2016: 6 cents). The dividends are declared on a quarterly calendar basis. The interim financial statements only reflect the dividends accrued for the interim period.

4. SUBSEQUENT EVENT - STOCK SPLIT

On October 12, 2017, the Bank's common shares split three-for-one as approved by a majority vote of shareholders on May 31, 2017.