

COMMONWEALTH

BANK

CHAIRMAN’S REPORT ON UNAUDITED RESULTS JUNE 30, 2025

For the six months ended June 30, 2025, the Bank recorded a consolidated net profit of \$35.6 million compared to a consolidated net profit of \$34.1 million for the same period in the prior year.

The net profit growth of 4.34% for the current period reflects a strong half-year financial performance by the Bank amid steady revenue growth. The Bank’s gross interest income increased by 3.16% in the first half of 2025 compared to the same period in 2024. This is primarily the result of the Bank’s strategic management of its investments and improvements in loan asset quality. The latter is driven by a cautious approach to credit underwriting, ensuring safe growth, effectively managing price risk, and controlling delinquency levels. Additionally, net interest income continues to benefit from controlled interest expenses and favourable adjustments in the mix of demand and term deposits, resulting in interest expense being 6.14% lower at mid-year than in the same period in 2024.

The Bank’s non-interest income increased by 17% during the reporting period. The Bank experienced substantial growth in credit life insurance premiums, linked to the expansion of the loan book. Additionally, various transaction-based fee income sources grew due to increased customer utilisation of digital services. However, the rise mainly stems from the fee income generated by the full onboarding of merchant-acquiring services at the end of 2024, which affected comparative performance through mid-2025.

Reversals of impairment expenses continue to modestly support the Bank’s operating results, amounting to \$2.1 million (2024: \$5.6 million), driven by improved credit quality and a better delinquency profile of the Bank’s loan book.

Non-interest expenses (excluding loss reversals) remained steady during the reporting period,

reflecting the Bank’s disciplined approach to cost control. The Bank’s aim is to manage operating costs without sacrificing service quality and to position itself for sustainable profitability through both revenue growth and expense management.

As an indication of the Bank’s risk management and commitment to the safety and soundness of our operations, the Bank maintains a fortified consolidated financial position with a strong level of liquidity (available cash and unencumbered high-quality liquid assets) and capital, which positions the Bank well to adapt to stresses posed by the current business environment. The Bank is required to maintain a minimum level of liquid assets to mitigate liquidity risk, and as of June 30, 2025, has a liquidity ratio of 65%, which is well above the regulatory requirement of 20%. The Bank’s capital adequacy ratio exceeds 30% and is significantly above the regulatory requirement of 17%.

The Board of Directors approved a regular quarterly dividend of \$0.03 per share or \$8.9 million paid to shareholders of record on June 19, 2025. Prior to this, the Board approved two extraordinary dividend payments, totalling \$17.7 million, in April and May 2025. The total dividends paid through June 30, 2025, are \$35 million.

I sincerely thank our team of professionals, who deliver exceptional service to our customers every day. Their commitment to excellence truly inspires me. I also thank our shareholders and customers for their continued, unwavering support.



William B. Sands, Jr., DM
Executive Chairman

COMMONWEALTH BANK LIMITED			
Consolidated Statement of Financial Position			
(Expressed in B\$ '000s) (Unaudited)			
	June 30, 2025	December 31, 2024	
Assets			
Cash and deposits with banks	\$ 236,666	\$	235,566
Investments, net	738,690		748,260
Loans and advances to customers, net	889,516		875,211
Other assets	21,041		15,511
Right of use assets	243		130
Premises and equipment	41,752		41,838
Total Assets	\$ 1,927,908	\$	1,916,516
Liabilities and Equity			
Liabilities:			
Deposits from customers	\$ 1,563,426	\$	1,543,866
Lease liabilities	271		165
Other liabilities	19,689		26,800
Total liabilities	\$ 1,583,387	\$	1,570,831
Equity:			
Share capital	1,938		1,940
Share premium	4,718		6,420
Retained earnings	337,865		337,325
Total equity	344,521		345,685
Total Liabilities and Equity	\$ 1,927,908	\$	1,916,516

COMMONWEALTH BANK LIMITED			
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY			
(Expressed in B\$ '000s) (Unaudited)			
	6 months ended June 30, 2025	6 months ended June 30, 2024	
Share Capital			
Balance at beginning of period	1,940	1,944	
Repurchase of common shares	(2)	(1)	
Balance at end of period	1,938	1,943	
Share Premium			
Balance at beginning of period	6,420	9,223	
Repurchase of common shares	(1,702)	(761)	
Balance at end of period	4,718	8,462	
Retained Earnings			
Balance at beginning of period	337,325	298,331	
Total comprehensive income	35,570	34,090	
Common share dividends	(35,030)	(23,431)	
Balance at end of period	337,865	308,990	
Equity at End of Period	\$ 344,521	\$	319,395

COMMONWEALTH BANK LIMITED			
Consolidated Statement of Cash Flows			
(Expressed in B\$ '000s) (Unaudited)			
	For period ended June 30, 2025	For period ended June 30, 2024	
Cash Flows from Operating Activities			
Profit	\$ 35,570	\$	34,090
Adjustments for:			
Depreciation on right of use assets	282		255
Other depreciation	1,609		1,823
Finance cost on lease liabilities	18		15
Reversals of impairment on financial assets	(2,132)		(5,606)
Interest income	(71,907)		(69,706)
Interest expense	7,846		8,359
Gain on disposal of premises and equipment	-		(9)
Net change in unrealised gain on equity investments	(4)		(9)
	(28,717)		(30,788)
Change in loans and advances to customers	(13,062)		(9,459)
Change in minimum reserve requirement	(3,464)		(1,316)
Change in right of use assets and other assets	(5,925)		(6,376)
Change in lease liabilities and other liabilities	(6,716)		1,034
Change in deposits from customers	15,498		13,244
Interest received	72,520		67,912
Interest paid	(3,785)		(3,064)
Net cash from operating activities	26,347		31,187
Cash Flows from Investing Activities			
Change in term deposits with contract maturities greater than 3 months	-		
Purchase of investments	(466,412)		(507,866)
Redemption of investments	476,263		385,436
Proceeds from sale of equity investment at FVTPL	-		-
Purchases of premises and equipment	(1,528)		(370)
Net proceeds from sale of premises and equipment	5		47
Net cash (used in)/provided by investing activities	8,328		(122,753)

COMMONWEALTH BANK LIMITED			
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
(Expressed in B\$ '000s) (Unaudited)			
	3 months ended June 30, 2025		3 months ended June 30, 2024
Income			
Interest income, effective interest method	\$ 35,962	\$	35,445
Interest expense	(3,902)		(3,935)
Net interest income	32,060		31,510
Fees and other income	9,473		8,903
Net change in unrealised gain on equity investments at FVTPL	-		7
Total income	41,533		40,420
Non-Interest Expense			
General and administrative	24,210		23,602
Reversals of losses on financial assets	(837)		(1,181)
Depreciation on right of use assets	142		131
Other depreciation	826		857
Finance cost on lease liabilities	15		8
Gain on disposal of premises and equipment	-		(12)
Directors' costs	82		82
Total non-interest expense	24,438		23,487
Total Profit	17,094		16,933
Other Comprehensive Income			
Remeasurement of Defined Benefit Obligation	-		-
Total Comprehensive Income	\$ 17,094	\$	16,933
Earnings Per Common Share			
(expressed in dollars)	\$ 0.06	\$	0.06



COMMONWEALTH BANK LIMITED

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2025, WITH CORRESPONDING FIGURES FOR 2024

(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. Dividends
The Bank has declared a quarterly dividend for common shares, to all shareholders of record as of June 19, 2025, and paid the dividend in the amount of \$0.03 per share, totaling \$8.9 million on June 30, 2025.

During the quarter, the Bank has declared two extraordinary dividends for common shares to all shareholders of record as of April 16, 2025 and May 15, 2025 of \$0.03 per share and \$0.04 per share respectively, that was paid on April 30, 2025 and May 30, 2025 respectively totalling \$17.7 million.

3. 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:

	2025						
	Retail Bank	Credit Life Company	Real Estate Holdings	Investment Holdings	Insurance Agency Operations	Eliminations	Consolidated
Total Income (loss)							
External	\$ 78,753	\$ 3,967	\$ -	\$ -	\$ -	\$ -	\$ 82,720
Internal	332	2	2,051	(553)	318	(2,150)	-
Total Income (loss)	\$ 79,085	\$ 3,969	\$ 2,051	\$ (553)	\$ 318	\$ (2,150)	\$ 82,720
Total profit (loss)							
Internal & External	\$ 33,463	\$ 1,965	\$ 766	\$ (570)	\$ 147	\$ (201)	\$ 35,570
	2024						
	Retail Bank	Credit Life Company	Real Estate Holdings	Investment Holdings	Insurance Agency Operations	Eliminations	Consolidated
Total Income (loss)							
External	\$ 74,532	\$ 2,747	\$ -	\$ -	\$ -	\$ -	\$ 77,279
Internal	6,413	(283)	1,627	(609)	284	(7,432)	-
Total Income (loss)	\$ 80,945	\$ 2,464	\$ 1,627	\$ (609)	\$ 284	\$ (7,432)	\$ 77,279
Total profit (loss)							
Internal & External	\$ 33,348	\$ 1,488	\$ 617	\$ (620)	\$ 131	\$ (874)	\$ 34,090