

**CHAIRMAN'S REPORT ON UNAUDITED RESULTS JUNE 30, 2015**

Commonwealth Bank's total profit for the six months ended June 30, 2015 was \$29.2 million, an increase of \$3.4 million or 13% over the same period of 2014.

Total assets at June 30, 2015 were \$1.52 billion, an increase of 2.9% above December 2014 total assets of \$1.48 billion.

While revenues increased by 9% or \$6 million, general and administrative expenses increased \$2.3 million. Value Added Tax accounted for approximately 15% of the increase in general and administrative expenses. Loan impairment expenses increased slightly over the same quarter last year by 3.5% or \$0.3 million. The Bank continues to exhibit strong Asset Quality Ratios.

The Bank continues to maintain strong capital and liquidity ratios with Capital Adequacy in excess of 28% and liquidity ratio above 34%. These ratios are well in excess of the

Central Bank's requirements of 17% and 20%, respectively making Commonwealth Bank both financially strong and stable.

The Bank is monitoring ongoing developments with the Baha Mar project and its potential impact on the economy for the remainder of 2015 and beyond.

I extend my sincerest gratitude to our 6,000 plus shareholders, our valued customers, and the Bahamian public for their ongoing support. I also thank our team of hardworking and committed employees for their invaluable contributions on a daily basis to making the Bank "the Leader in Personal Banking Services".

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

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

	June 30, 2015	December 31, 2014
<b>ASSETS</b>		
Cash and deposits with banks	\$ 33,014	\$ 26,985
Balances with Central Bank of The Bahamas	61,145	62,873
Investments	314,253	276,653
Loans Receivable	1,055,475	1,059,723
Premises and equipment	45,856	45,432
Other assets	6,615	2,387
<b>TOTAL</b>	<b>\$ 1,516,358</b>	<b>\$ 1,474,053</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Deposits	\$ 1,175,372	\$ 1,148,790
Life assurance fund	12,305	12,409
Other liabilities	21,436	18,457
Total liabilities	1,209,113	1,179,656
Equity:		
Share capital	83,448	83,561
Share premium	21,009	21,990
General Reserve	10,500	10,500
Retained earnings	192,288	178,346
Total equity	307,245	294,397
<b>TOTAL</b>	<b>\$ 1,516,358</b>	<b>\$ 1,474,053</b>

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

	6 months ending June 30, 2015	6 months ending June 30, 2014 <i>(restated)</i>
<b>INCOME</b>		
Interest income	\$ 81,057	\$ 77,311
Interest expense	(14,793)	(15,963)
Net interest income	66,264	61,348
Loan impairment expense	(9,887)	(9,554)
	56,377	51,794
Life assurance, net	3,382	2,543
Fees and other income	3,982	3,672
Total income	63,741	58,009
<b>NON-INTEREST EXPENSE</b>		
General and administrative	32,947	30,718
Depreciation and amortization	1,446	1,338
Directors' fees	105	95
Total non-interest expense	34,498	32,151
<b>TOTAL PROFIT</b>	<b>\$ 29,243</b>	<b>\$ 25,858</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of Defined Benefit Obligation	(1,046)	3
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>28,197</b>	<b>25,861</b>
<b>BASIC AND DILUTED EARNINGS PER COMMON SHARE</b> (expressed in dollars)		
	\$ 0.27	\$ 0.24

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

	6 months ending June 30, 2015	6 months ending June 30, 2014 <i>(restated)</i>
<b>SHARE CAPITAL</b>		
Preference Shares		
Balance at beginning and end of period	\$ 81,608	\$ 83,879
REDEMPTION OF SHARES	(110)	-
BALANCE AT END OF PERIOD	81,498	83,879
<b>COMMON SHARES</b>		
Balance at beginning of period	1,953	1,958
Repurchase of common shares	(3)	(2)
Balance at end of period	1,950	1,956
<b>TOTAL SHARE CAPITAL</b>	<b>83,448</b>	<b>85,835</b>
<b>SHARE PREMIUM</b>		
Balance at beginning of period	21,990	23,703
Repurchase of common shares	(981)	(570)
Balance at end of period	21,009	23,133
<b>GENERAL RESERVE</b>		
Balance at beginning and end of period	10,500	10,500
<b>RETAINED EARNINGS</b>		
Balance at beginning of period	178,346	156,008
Adjustment for life assurance liability	-	2,893
Balance at beginning of period, as restated	178,346	158,901
Total comprehensive income	28,197	25,861
Common share dividends	(11,706)	(11,743)
Preference share dividends	(2,549)	(2,621)
Balance at end of period	192,288	170,398
<b>EQUITY AT END OF PERIOD</b>	<b>\$ 307,245</b>	<b>\$ 289,866</b>

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

	6 months ending June 30, 2015	6 months ending June 30, 2014 <i>(restated)</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest Receipts	\$ 73,230	\$ 70,859
Interest Payments	(14,793)	(15,963)
Life assurance premiums received, net	3,995	3,414
Life assurance claims and expenses paid	(1,187)	(1,505)
Fees and other income received	4,452	4,307
Recoveries	5,307	3,747
Cash payments to employees and suppliers	(34,300)	(33,418)
	36,704	31,441
Net increase in loans receivable	(10,946)	(13,552)
Increase (decrease) in deposits	26,582	30,166
Net cash from operating activities	52,340	48,055
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(52,405)	(31,916)
Redemption of investments	15,010	20,642
Interest receipts from investments	6,581	6,419
Purchases of premises and equipment	(1,906)	(4,761)
Net proceeds from sale of premises and equipment	30	13
Net cash used in investing activities	(32,690)	(9,603)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(14,255)	(14,364)
Repurchase of common shares	(984)	(572)
Redemption of preference shares	(110)	-
Net cash used in financing activities	(15,349)	(14,936)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>4,301</b>	<b>23,516</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>89,858</b>	<b>77,227</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>94,159</b>	<b>100,743</b>
<b>MINIMUM RESERVE REQUIREMENT</b>	<b>44,959</b>	<b>44,278</b>
<b>CASH AND CASH EQUIVALENTS IN EXCESS OF THE MINIMUM RESERVE REQUIREMENT</b>	<b>\$ 49,200</b>	<b>\$ 56,465</b>

**COMMONWEALTH BANK LIMITED**  
**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**QUARTER ENDED JUNE 30, 2015**  
*(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. 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:

	2015						
	Bank	Insurance Company	Real Estate Holdings	Investment Company	Insurance Agency	Eliminations	Consolidated
<b>Revenue</b>							
External	\$ 59,073	\$ 4,816	\$ 13	\$ 92	\$ -	\$ (253)	\$ 63,741
Internal	1,211	(641)	1,897	105	860	(3,432)	-
Total Revenue	60,284	4,175	1,910	197	860	(3,685)	63,741
<b>Profit or loss</b>							
Internal							
& External	\$ 24,879	\$ 3,501	\$ 483	\$ 64	\$ 420	\$ (104)	\$ 29,243
	2014						
	Bank	Insurance Company	Real Estate Holdings	Investment Company	Insurance Agency	Eliminations	Consolidated
<b>Revenue</b>							
External	\$ 54,331	\$ 4,184	\$ 13	\$ 68	\$ -	\$ (587)	\$ 58,009
Internal	1,058	(521)	1,714	8	672	(2,931)	-
Total Revenue	55,389	3,663	1,727	76	672	(3,518)	58,009
<b>Profit or loss</b>							
Internal							
& External	\$ 22,280	\$ 2,801	\$ 519	\$ (6)	\$ 330	\$ (66)	\$ 25,858

**3. DIVIDENDS**

The Directors have approved interim quarterly dividends in the amount of 6 cents per common share (2014: 6 cents). The total dividends paid as of the interim date is 12 cents per share for common shares (2014: 12 cents). The dividends are declared on a quarterly calendar basis. The interim financial statements only reflect the dividends accrued for the interim period.