

**CHAIRMAN'S REPORT ON UNAUDITED RESULTS MARCH 31, 2015**

I am happy to report that Commonwealth Bank's Total Profit for the three months ended March 31, 2015 was \$15.6 million and exceeded the same period in 2014 by 21.1%.

Total assets at March 31, 2015 were \$1.49 billion which was slightly above December 2014 total assets of \$1.47 billion. The Bank's first quarter performance is underscored by improvements in our Return on Assets and Earnings per Share ratios of 3.87% and \$0.59 which exceeded 2014 by 20.6% and 22.9%, respectively.

Total profit improved primarily due to an increase in net interest income of \$2.55 million and other non interest income of \$0.8 million. Offsetting these increases was an increase of \$1 million in general and administrative expenses.

Loan impairment expenses showed improvement over the same quarter last year declining 9.7% or \$400,000. This improvement was fueled by an increase in recoveries of \$600,000 over 2014. Commonwealth Bank's nonperforming loan ratio of 3.98% continues to significantly outperform the industry average nonperforming loans of 15.70% at March 2015, as reported by The Central Bank of The Bahamas.

The Bank also continues to maintain strong capital and liquidity ratios with Capital Adequacy in excess of 28% and liquidity ratio of 32%. These ratios are well in excess of Central Bank's requirements of 17% and 20%, respectively.

Commonwealth Bank is pleased to have concluded its listing of all Preference Shares on BISX on April 24th 2015, thus offering the public an opportunity to purchase any of the Bank's capital instruments.

The Bank continues to monitor the timing of the opening of the mega Baha Mar project and remains prepared to take advantage of the opportunities that will arise when it opens.

I wish to thank our over 6,000 shareholders, our customers, and the general public for their ongoing support. I also thank our complement of hardworking and devoted employees who continue to provide excellent customer service along with outstanding results.

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

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

	March 31, 2015	December 31, 2014
<b>ASSETS</b>		
Cash and deposits with banks	\$ 24,497	\$ 26,985
Balances with Central Bank of The Bahamas	58,238	62,873
Investments	297,927	276,653
Loans Receivable	1,057,574	1,059,723
Premises and equipment	46,308	45,432
Other assets	7,990	2,387
<b>TOTAL</b>	<b>\$ 1,492,534</b>	<b>\$ 1,474,053</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Deposits	\$ 1,160,052	\$ 1,148,790
Life assurance fund	12,095	12,409
Other liabilities	18,449	18,457
Total liabilities	1,190,596	1,179,656
Equity:		
Share capital	83,450	83,561
Share premium	21,666	21,990
General Reserve	10,500	10,500
Retained earnings	186,322	178,346
Total equity	301,938	294,397
<b>TOTAL</b>	<b>\$ 1,492,534</b>	<b>\$ 1,474,053</b>

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

	3 months ending March 31, 2015	3 months ending March 31, 2014
<b>INCOME</b>		
Interest income	\$ 40,423	\$ 38,517
Interest expense	(7,382)	(8,030)
Net interest income	33,041	30,487
Loan impairment expense	(3,873)	(4,290)
	29,168	26,197
Life assurance, net	1,780	1,186
Fees and other income	1,955	1,702
Total income	32,903	29,085
<b>NON-INTEREST EXPENSE</b>		
General and administrative	16,493	15,488
Depreciation and amortization	729	642
Directors' fees	52	48
Total non-interest expense	17,274	16,178
<b>TOTAL PROFIT</b>	<b>\$ 15,629</b>	<b>\$ 12,907</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of Defined Benefit Obligation	(523)	(956)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>15,106</b>	<b>11,951</b>
<b>BASIC AND DILUTED EARNINGS PER COMMON SHARE</b> (expressed in dollars)		
	\$ 0.15	\$ 0.12

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

	3 months ending March 31, 2015	3 months ending March 31, 2014
<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	(1)	-
Balance at end of period	1,952	1,958
<b>TOTAL SHARE CAPITAL</b>	<b>83,450</b>	<b>85,837</b>
<b>SHARE PREMIUM</b>		
Balance at beginning of period	21,990	23,703
Repurchase of common shares	(324)	-
Balance at end of period	21,666	23,703
<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	15,106	11,951
Common share dividends	(5,856)	(5,874)
Preference share dividends	(1,274)	(1,311)
Balance at end of period	186,322	163,667
<b>EQUITY AT END OF PERIOD</b>	<b>\$ 301,938</b>	<b>\$ 283,707</b>

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

	3 months ending March 31, 2015	3 months ending March 31, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest Receipts	\$ 36,537	\$ 34,358
Interest Payments	(7,382)	(8,030)
Life assurance premiums received, net	1,516	1,620
Life assurance claims and expenses paid	677	(733)
Fees and other income received	1,228	2,000
Recoveries	2,406	1,739
Cash payments to employees and suppliers	(22,155)	(19,364)
	12,827	11,590
Net increase in loans receivable	(4,130)	(3,643)
Increase (decrease) in deposits	11,262	10,535
Net cash from operating activities	19,959	18,482
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(28,278)	(4,994)
Redemption of investments	4,993	4,995
Interest receipts from investments	5,353	4,503
Purchases of premises and equipment	(2,365)	(4,408)
Net proceeds from sale of premises and equipment	780	-
Net cash used in investing activities	(19,517)	96
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(7,130)	(7,185)
Repurchase of common shares	(325)	-
Redemption of preference shares	(110)	-
Net cash used in financing activities	(7,565)	(7,185)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(7,123)</b>	<b>11,393</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>82,735</b>	<b>88,620</b>
<b>MINIMUM RESERVE REQUIREMENT</b>	<b>44,959</b>	<b>43,677</b>
<b>CASH AND CASH EQUIVALENTS IN EXCESS OF THE MINIMUM RESERVE REQUIREMENT</b>	<b>\$ 37,776</b>	<b>\$ 44,943</b>

**COMMONWEALTH BANK LIMITED**  
**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**QUARTER ENDED MARCH 31, 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						Consolidated
	Bank	Insurance Company	Real Estate Holdings	Investment Company	Insurance Agency	Eliminations	
<b>Revenue</b>							
External	\$ 30,566	\$ 2,513	\$ 7	\$ (26)	\$ -	\$ (157)	\$ 32,903
Internal	573	(287)	910	50	383	(1,629)	-
Total Revenue	31,139	2,226	917	24	383	(1,786)	32,903
<b>Profit or loss</b>							
Internal							
& External	\$ 13,487	\$ 1,867	\$ 252	\$ (38)	\$ 187	\$ (126)	\$ 15,629
	2014						Consolidated
	Bank	Insurance Company	Real Estate Holdings	Investment Company	Insurance Agency	Eliminations	
<b>Revenue</b>							
External	\$ 27,657	\$ 2,008	\$ 6	\$ (332)	\$ -	\$ (254)	\$ 29,085
Internal	512	(251)	813	31	317	(1,422)	-
Total Revenue	28,169	1,757	819	(301)	317	(1,676)	29,085
<b>Profit or loss</b>							
Internal							
& External	\$ 11,532	\$ 1,324	\$ 266	\$ (340)	\$ 155	\$ (30)	\$ 12,907

**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 6 cents per share for common shares (2014: 6 cents). The dividends are declared on a quarterly calendar basis. The interim financial statements only reflect the dividends accrued for the interim period.