

Commonwealth Bank's total profit for the nine months ended September 30, 2016 was \$47.3 million, an increase of 7.6% over the \$43.9 million reported for the same period in 2015. The improvement in net interest margin continues to be a key contributing factor along with the effective management of our credit portfolio and our focused attention on expense mitigation practices.

Total revenues increased by 6.1% to \$119.1 million compared to \$112.3 million in 2015, while net interest income increased to \$107.5 million, 6.6% over the same period for 2015.

Total assets at September 30, 2016 were \$1.5 billion, representing a slight increase of 0.5% from December 2015.

As a result of the prudent management of our credit portfolio, the Bank's nonperforming loan ratio was 4.58% which outperformed the industry average of 14.3% at September 2016, as reported by The Central Bank of The Bahamas.

The Bank continues to significantly exceed the minimum regulatory capital requirements with a capital ratio of 30.6% compared to the Central Bank's requirement of 17%. Additionally, the Bank's liquidity ratio was 35.7%, against Central Bank's requirement of 20%.

Commonwealth Bank sustained its positive track record of paying quarterly dividends as it paid out a total of 24 cents per share for the nine month period ended September 30, 2016 including extraordinary dividends of 6 cents per share paid in March.

The Bank's operations were quickly restored after Hurricane Matthew and the Bank offered significant assistance to its staff, customers and the community through various assistance programs and donations.

Without the loyal support of these groups, we would not be able to report the ongoing success that we have achieved. I must commend and thank our hard-working team who was able to offer Saturday banking service to our customers one day after the storm. This was just another example of dedication and commitment to excellence in service that underlies our success.



William B. Sands, Jr.
Executive Chairman

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

	September 30, 2016	December 31, 2015
ASSETS		
Cash and deposits with banks	\$ 18,963	\$ 22,962
Balances with Central Bank of The Bahamas	65,991	62,581
Investments	313,717	322,743
Loans Receivable	1,089,071	1,077,730
Premises and equipment	44,577	45,032
Other assets	10,820	4,126
TOTAL	\$ 1,543,139	\$ 1,535,174
LIABILITIES AND EQUITY		
Liabilities:		
Deposits	\$ 1,172,246	\$ 1,181,646
Life assurance fund liability	13,026	12,814
Other liabilities	20,987	26,719
Total liabilities	1,206,259	1,221,179
Equity:		
Share capital	83,446	83,447
Share premium	19,819	20,352
General Reserve	10,500	10,500
Retained earnings	223,115	199,696
Total equity	336,880	313,995
TOTAL	\$ 1,543,139	\$ 1,535,174

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

	3 months ending September 30, 2016	3 months ending September 30, 2015
INCOME:		
Interest income	\$ 43,211	\$ 41,957
Interest expense	(6,682)	(7,393)
Net interest income	36,529	34,564
Loan impairment expense	(8,203)	(6,813)
	28,326	27,751
Life assurance, net	1,732	1,825
Fees and other income	2,587	2,255
Total income	32,645	31,831
NON-INTEREST EXPENSE:		
General and administrative	17,217	16,331
Depreciation and amortization	775	735
Directors' fees	57	52
Total non-interest expense	18,049	17,118
TOTAL PROFIT	\$ 14,596	\$ 14,713
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of Defined Benefit Obligation	(192)	(523)
TOTAL COMPREHENSIVE INCOME	\$ 14,404	\$ 14,190
BASIC AND DILUTED EARNINGS PER COMMON SHARE (expressed in dollars)		
	\$ 0.14	\$ 0.13

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

	9 months ending September 30, 2016	9 months ending September 30, 2015
INCOME:		
Interest income	\$ 127,934	\$ 123,014
Interest expense	(20,421)	(22,186)
Net interest income	107,513	100,828
Loan impairment expense	(18,314)	(16,700)
	89,199	84,128
Life assurance, net	4,540	5,207
Fees and other income	7,059	6,237
Total income	100,798	95,572
NON-INTEREST EXPENSE:		
General and administrative	51,045	49,278
Depreciation and amortization	2,225	2,181
Directors' fees	228	157
Total non-interest expense	53,498	51,616
TOTAL PROFIT	\$ 47,300	\$ 43,956
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of Defined Benefit Obligation	3,318	(1,569)
TOTAL COMPREHENSIVE INCOME	\$ 50,618	\$ 42,387
BASIC AND DILUTED EARNINGS PER COMMON SHARE (expressed in dollars)		
	\$ 0.45	\$ 0.41

COMMONWEALTH BANK LIMITED
NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
QUARTER ENDED SEPTEMBER 30, 2016
(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.

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

	9 months ending September 30, 2016	9 months ending September 30, 2015
SHARE CAPITAL		
Preference Shares		
Balance at beginning and end of period	\$ 81,498	\$ 81,608
Redemption of shares	-	(110)
Balance at end of period	81,498	81,498
COMMON SHARES		
Balance at beginning of period	1,949	1,953
Repurchase of common shares	(1)	(4)
Balance at end of period	1,948	1,949
TOTAL SHARE CAPITAL	83,446	83,447
SHARE PREMIUM		
Balance at beginning of period	20,352	21,990
Repurchase of common shares	(533)	(1,482)
Balance at end of period	19,819	20,508
GENERAL RESERVE		
Balance at beginning and end of period	10,500	10,500
RETAINED EARNINGS		
Balance at beginning of period	199,696	178,346
Total comprehensive income	50,618	42,387
Common share dividends	(23,374)	(17,552)
Preference share dividends	(3,825)	(3,825)
Balance at end of period	223,115	199,356
EQUITY AT END OF PERIOD	\$ 336,880	\$ 313,811

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

	9 months ending September 30, 2016	9 months ending September 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest Receipts	\$ 116,915	\$ 111,040
Interest Payments	(20,421)	(22,186)
Life assurance premiums received, net	6,266	7,131
Life assurance claims and expenses paid	(3,528)	(5,648)
Fees and other income received	9,073	9,465
Recoveries	10,090	9,127
Cash payments to employees and suppliers	(60,381)	(45,411)
	58,014	64,552
Net increase in loans receivable	(39,745)	(40,636)
(Decrease) Increase in deposits	(9,400)	40,993
Net cash from operating activities	8,869	64,909
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(44,584)	(88,212)
Interest receipts from investments	12,400	11,360
Redemption of investments	52,231	40,890
Purchases of premises and equipment	(1,885)	(2,241)
Net proceeds from sale of premises and equipment	113	30
Net cash from / (used in) investing activities	18,275	(38,173)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(27,199)	(21,377)
Repurchase of common shares	(534)	(1,486)
Redemption of preference shares	-	(110)
Net cash used in financing activities	(27,733)	(22,973)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(589)	3,763
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	85,543	89,858
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 84,954	\$ 93,621
MINIMUM RESERVE REQUIREMENT	46,326	44,959
CASH AND CASH EQUIVALENTS IN EXCESS OF THE MINIMUM RESERVE REQUIREMENT	\$ 38,628	\$ 48,662

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:

	2016						
	Bank	Insurance Company	Real Estate Holdings	Investment Company	Insurance Agency	Eliminations Consolidated	
Revenue							
External	\$ 92,016	\$ 7,133	\$ 19	\$ 2,612	\$ -	\$ (982)	\$ 100,798
Internal	1,416	(865)	3,431	247	1,321	(5,550)	-
Total Revenue	93,432	\$ 6,268	\$ 3,450	\$ 2,859	\$ 1,321	\$ (6,532)	\$ 100,798
Profit or loss							
Internal							
& External	\$ 37,816	\$ 4,873	\$ 1,546	\$ 2,599	\$ 641	\$ (175)	\$ 47,300
2015							
	Bank	Insurance Company	Real Estate Holdings	Investment Company	Insurance Agency	Eliminations Consolidated	
Revenue							
External	\$ 88,860	\$ 8,131	\$ 19	\$ 177	\$ -	\$ (1,615)	\$ 95,572
Internal	1,936	(1,136)	2,890	164	1,504	(5,358)	-
Total Revenue	90,796	\$ 6,995	\$ 2,909	\$ 341	\$ 1,504	\$ (6,973)	\$ 95,572
Profit or loss							
Internal							
& External	\$ 37,871	\$ 5,238	\$ 716	\$ 132	\$ 741	\$ (742)	\$ 43,956

3. DIVIDENDS

The Directors approved interim quarterly dividends in the amount of 6 cents per common share (2015: 6 cents). The total dividends paid as of the interim date are 24 cents per share for common shares (2015: 18 cents). The dividends are declared on a quarterly calendar basis. The interim financial statements only reflect the dividends accrued for the interim period.