

Commonwealth Bank continued to grow despite the prevailing unfavourable economic environment. Total assets at September 30, 2011 were \$1.47 billion exceeding September 2010's \$1.4 billion by 4.2%.

Comprehensive Net Income for the nine months ended September 30, 2011 was \$38.7 million, compared to \$40.1 million for the same period in 2010, a decrease of 3.5%. Results for the third quarter were affected by seasonal increases in non-performing loans which were further exacerbated by the effects of Hurricane Irene.

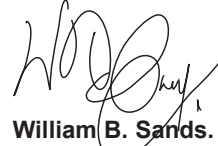
The Bank's nonperforming loans closed the quarter at 3.74% up from 3.06% at June 2011. This increase significantly contributed to the Bank's increase in loan impairment expense for the quarter. Nevertheless, the Bank's Asset Quality ratios continue to significantly outperform the industry average of 11.2% nonperforming loans at September 2011 up from 10.4% at June 2011, as reported by The Central Bank of The Bahamas.

Commonwealth Bank continues to be well positioned to weather the ongoing economic climate as it continues to maintain a strong capital base with regulatory ratios in excess of 23%, well in excess of the 17% Regulatory Capital requirements. Total Capital and Reserves at September

2011 was \$257.8 million, an increase of \$11 million since December 2010. The Bank continues to consistently pay preference and common share dividends. Indeed, dividend payments to common shareholders in 2011 were \$23.6 million compared to \$17.7 million in the same period of 2010, an increase of \$6 million or over 33%.

Earnings per Share (EPS) and Return on Assets (ROA) continued to be strong at 46 cents per share and 3.2% respectively. Dividends paid in the 9 months ended September 30, 2011 were 24 cents per common share up 33%, (2010: 18 cents per share), from the same period last year.

Commonwealth Bank thanks its loyal customers and the general public for their continued support and patronage. The Board acknowledges and thanks the hard-working staff of Commonwealth Bank for their dedication and commitment to excellence which is the primary element of our ongoing success.



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

### COMMONWEALTH BANK LIMITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in B\$ '000s) (Unaudited)

	September 30, 2011	December 31, 2010
<b>ASSETS</b>		
Cash and deposits with banks	\$ 17,919	\$ 21,537
Balances with Central Bank of The Bahamas	95,608	56,198
Investments	247,115	246,588
Loans Receivable	1,064,505	1,046,960
Premises and equipment	38,647	34,452
Other assets	3,578	3,039
<b>TOTAL</b>	<b>\$ 1,467,372</b>	<b>\$ 1,408,774</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Deposits	\$ 1,175,476	\$ 1,131,793
Life assurance fund	16,213	15,436
Other liabilities	17,899	14,582
Total liabilities	1,209,588	1,161,811
Equity:		
Share capital	86,950	86,950
Share premium	26,755	26,722
General Reserve	10,500	10,500
Retained earnings	133,579	122,791
Total equity	257,784	246,963
<b>TOTAL</b>	<b>\$ 1,467,372</b>	<b>\$ 1,408,774</b>

### COMMONWEALTH BANK LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in B\$ '000s) (Unaudited)

	3 months ending September 30, 2011	3 months ending September 30, 2010
<b>INCOME</b>		
Interest income	\$ 40,966	\$ 40,432
Interest expense	(11,862)	(12,423)
Net interest income	29,104	28,009
Loan impairment expense	(9,061)	(3,739)
	20,043	24,270
Life assurance, net	1,269	1,406
Fees and other income	1,893	1,996
	23,205	27,672
<b>NON-INTEREST EXPENSE</b>		
General and administrative	12,623	12,668
Depreciation and amortization	676	728
Directors' fees	48	48
	13,347	13,444
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>9,858</b>	<b>14,228</b>
<b>BASIC AND DILUTED EARNINGS PER COMMON SHARE</b> (expressed in dollars)	<b>\$ 0.09</b>	<b>\$ 0.13</b>

### COMMONWEALTH BANK LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in B\$ '000s) (Unaudited)

	9 months ending September 30, 2011	9 months ending September 30, 2010
<b>INCOME</b>		
Interest income	\$ 122,415	\$ 119,785
Interest expense	(36,193)	(37,467)
Net interest income	86,222	82,318
Loan impairment expense	(16,305)	(12,654)
	69,917	69,664
Life assurance, net	3,968	4,002
Fees and other income	5,664	5,872
	79,549	79,538
<b>NON-INTEREST EXPENSE</b>		
General and administrative	38,687	37,061
Depreciation and amortization	2,017	2,223
Directors' fees	143	144
	40,847	39,428
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>38,702</b>	<b>40,110</b>
<b>BASIC AND DILUTED EARNINGS PER COMMON SHARE</b> (expressed in dollars)	<b>\$ 0.35</b>	<b>\$ 0.36</b>

### COMMONWEALTH BANK LIMITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in B\$ '000s) (Unaudited)

	9 months ending September 30, 2011	9 months ending September 30, 2010
<b>SHARE CAPITAL</b>		
Preference Shares		
Balance at beginning and end of period	\$ 84,982	\$ 84,983
Common Shares		
Balance at beginning of period	1,968	1,963
Issuance of common shares	-	5
Balance at end of period	1,968	1,968
Total Share Capital	86,950	86,951
<b>SHARE PREMIUM</b>		
Balance at beginning of period	26,722	25,957
Issuance of common shares	16	1,158
Share based payments	17	90
Balance at end of period	26,755	27,205
<b>GENERAL RESERVE</b>		
Balance at beginning and end of period	10,500	10,500
<b>RETAINED EARNINGS</b>		
Balance at beginning of period	122,791	100,508
Total comprehensive income	38,702	40,110
Common share dividends	(23,612)	(17,698)
Preference share dividends	(4,302)	(4,462)
Balance at end of period	133,579	118,458
<b>EQUITY AT END OF PERIOD</b>	<b>\$ 257,784</b>	<b>\$ 243,114</b>

### COMMONWEALTH BANK LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in B\$ '000s) (Unaudited)

	9 months ending September 30, 2011	9 months ending September 30, 2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest Receipts	\$ 112,519	\$ 104,997
Interest Payments	(36,193)	(37,467)
Life assurance premiums received, net	6,352	5,063
Life assurance claims and expenses paid	(2,885)	(2,198)
Fees and commissions received	6,942	6,837
Recoveries	5,078	5,657
Cash payments to employees and suppliers	(36,052)	(33,605)
	55,761	49,284
Net increase in loans receivable	(38,928)	(3,272)
Increase in deposits	43,683	7,199
Net cash from operating activities	60,516	53,211
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(29,597)	(116,008)
Interest receipts and redemption of investments	38,966	79,135
Purchases of premises and equipment	(6,275)	(1,470)
Proceeds from sale of premises and equipment	63	68
Net cash from/(used) in investing activities	3,157	(38,275)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(27,914)	(22,160)
Issuance of common shares	16	1,163
Share based payments	17	90
Net cash used in financing activities	(27,881)	(20,907)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>35,792</b>	<b>(5,971)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>77,735</b>	<b>92,314</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 113,527</b>	<b>\$ 86,343</b>

### COMMONWEALTH BANK LIMITED NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED SEPTEMBER 30, 2011 (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 accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statement for the year ended December 31, 2010.

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 SEGMENTS

For management purposes, the Bank including its subsidiaries is organized into three major operating units – Bank, Real Estate Holdings, and Investment. Credit Life Insurance activities are reported as part of the Bank and therefore are not treated as a separate business segment. The following table shows financial information by business segment:

	September 30, 2011	September 30, 2010
<b>Revenue</b>		
Bank segment – External	\$ 79,529	\$ 79,436
Real Estate Holdings segment – External	28	35
Real Estate Holdings segment – Intersegment	1,814	1,905
Investment segment – External	(8)	67
Investment segment – Intersegment	1	(264)
<b>Comprehensive Income</b>		
Bank segment	\$ 38,388	\$ 39,979
Real Estate segment	312	372
Investment segment	2	(241)
Consolidated	\$ 38,702	\$ 40,110

#### 3. DIVIDENDS

The Directors have approved interim quarterly dividends in the amount of 6 cents per common share (2010: 5 cents) and an extraordinary dividend of 6 cents per share (2010: 3 cents). The total dividends paid as of the interim date is 24 cents per share for common shares (2010: 18 cents). The dividends are declared on a quarterly calendar basis. The interim financial statements only reflect the dividends accrued for the interim period.