

Commonwealth Bank's Consolidated Comprehensive Net Income for the first quarter of 2012 was \$12.5 million, slipping slightly below the \$12.9 million posted in March 2011. Total assets stood at \$1.48 billion at the end of March 2012 compared to \$1.50 billion at December 2011 and \$1.43 billion at the end of March 2011.

Net interest income surpassed 2011 by \$2.4 million or 8.4% while total expenses were marginally above 2011 by \$0.1 million or 0.8%. The result of the foregoing was a 7.4% improvement in efficiency. This underscores management's commitment to prudently manage the assets of our shareholders and depositors.


Commonwealth Bank's total capital was unchanged from December 2011 at \$264 million. However, due to the reduction in our total assets, our Capital Ratio grew to 24%, significantly above the Central Bank's 17% target ratio and indicative of Commonwealth Bank's strength and safety as a well-managed bank.

We continued our core philosophy: to share our success with our shareholders through dividend payments, which totaled eleven (11) cents per share for the first quarter of 2012. This included a February 2012 extra-ordinary dividend of five (5) cents per common share and our regular quarterly dividend of six (6) cents per share.

The Banking industry continues to be challenged by the slow pace of economic recovery with persistent high unemployment rates. Private sector personal credit is down across the economy as a whole, and the Bank reflects this decrease in its lending figures. However, we are cautiously optimistic about the level of lending activity over the next two quarters. The biggest challenge to the banking sector continues to be loan impairment. Although the industry average for non-performing loans in February was 13.1%, as reported by Central Bank, our nonperforming loans at the end of March 2012 were 3.9% of the total portfolio, significantly below industry average.

Results for Return on Assets (ROA), Return on Equity (ROE) and Earnings per Share (EPS) were robust at 3.00%, 24.44% and \$.011 respectively.

Despite the challenges, our team of dedicated and hardworking employees continues to perform admirably. They remain committed to serving our valued customers and loyal shareholders with the superior service that each has become accustomed.



William B. Sands, Jr.
Executive Chairman

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

	March 31, 2012	December 31, 2011
ASSETS		
Cash and deposits with banks	\$ 15,399	\$ 19,926
Balances with The Central Bank of The Bahamas	77,812	84,202
Investments	265,298	261,179
Loans Receivable	1,075,339	1,091,033
Premises and equipment	41,331	41,505
Other assets	4,114	3,144
TOTAL	\$ 1,479,293	\$ 1,500,989
LIABILITIES AND EQUITY		
Liabilities:		
Deposits	\$ 1,182,557	\$ 1,203,067
Life assurance fund	15,886	16,472
Other liabilities	16,981	17,910
Total liabilities	1,215,424	1,237,449
Equity:		
Share capital	86,950	86,950
Share premium	26,649	26,641
General Reserve	10,500	10,500
Retained earnings	139,770	139,449
Total equity	263,869	263,540
TOTAL	\$ 1,479,293	\$ 1,500,989

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

	3 months ending March 31, 2012	3 months ending March 31, 2011
INCOME		
Interest income	\$ 41,511	\$ 40,221
Interest expense	(11,023)	(12,104)
Net interest income	30,488	28,117
Loan impairment expense	(8,127)	(5,034)
	22,361	23,083
Life assurance, net	1,305	1,197
Fees and other income	2,038	1,754
	25,704	26,034
NON-INTEREST EXPENSE		
General and administrative	12,478	12,407
Depreciation and amortization	709	674
Directors' fees	48	48
	13,235	13,129
TOTAL COMPREHENSIVE INCOME	\$ 12,469	\$ 12,905
BASIC AND DILUTED EARNINGS PER COMMON SHARE	\$ 0.11	\$ 0.12
(expressed in dollars)		

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

	3 months ending March 31, 2012	3 months ending March 31, 2011
SHARE CAPITAL		
PREFERENCE SHARES		
Balance at the beginning and end of period	84,983	84,983
COMMON SHARES		
Balance at the beginning and end of period	1,967	1,967
TOTAL SHARE CAPITAL	86,950	86,950
SHARE PREMIUM		
Balance at beginning of period	26,641	26,722
Issuance/(repurchase) of common shares	2	55
Share based payments	6	5
Balance at end of period	26,649	26,782
GENERAL RESERVE		
Balance at beginning and end of period	10,500	10,500
RETAINED EARNINGS		
Balance at beginning of period	139,449	122,791
Total comprehensive income	12,469	12,905
Common share dividends	(10,820)	(11,806)
Preference share dividends	(1,328)	(1,487)
Balance at end of period	139,770	122,403
EQUITY AT END OF PERIOD	\$ 263,869	\$ 246,635

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

	3 months ending March 31, 2012	3 months ending March 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest Receipts	\$ 38,374	\$ 36,766
Interest Payments	(11,023)	(12,104)
Life assurance premiums received, net	1,283	1,812
Life assurance claims and expenses paid	(848)	(937)
Fees and commissions received	2,322	2,140
Recoveries	2,296	1,341
Cash payments to employees and suppliers	(14,425)	(12,261)
	17,979	16,757
Net decrease/(increase) in loans receivable	5,271	(8,185)
(Decrease)/Increase in deposits	(20,510)	20,088
Net cash from operating activities	2,740	28,660
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(10,616)	(4,983)
Interest receipts and redemption of investments	9,634	9,420
Purchases of premises and equipment	(535)	(641)
Proceeds from sale of premises and equipment	-	59
Net cash (used in)/from investing activities	(1,517)	3,855
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(12,148)	(13,293)
Issuance of Common Shares	2	55
Share based payments	6	5
Net cash used in financing activities	(12,140)	(13,233)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(10,917)	19,282
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	104,128	77,735
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 93,211	\$ 97,017

COMMONWEALTH BANK LIMITED
NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2012
(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, 2011.

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 five operating units - Bank, Insurance Company, Real Estate Holdings, Investment Company and Insurance Agency. The following table shows financial information by business segment:

	2012						
	Bank	Insurance Company	Real Estate Holdings	Investment Company	Insurance Agency	Eliminations	Consolidated
Revenue							
External	\$ 23,360	\$ 2,338	\$ 6	\$ (41)	\$ -	\$ 41	\$ 25,704
Internal	530	25	750	6	292	(1,603)	-
Total revenue	\$ 23,890	\$ 2,363	\$ 756	(35)	292	(1,562)	\$ 25,704
Net profit							
Segment net profit	\$ 10,853	\$ 1,434	\$ 120	\$ (41)	144	(41)	\$ 12,469
	2011						
	Bank	Insurance Company	Real Estate Holdings	Investment Company	Insurance Agency	Eliminations	Consolidated
Revenue							
External	\$ 23,783	\$ 2,239	\$ 12	\$ (9)	\$ -	\$ 9	\$ 26,034
Internal	502	31	604	7	396	(1,540)	-
Total revenue	\$ 24,285	\$ 2,270	\$ 616	(2)	396	(1,531)	\$ 26,034
Net profit							
Segment net profit	\$ 11,308	\$ 1,253	\$ 133	\$ 20	\$ 200	(9)	\$ 12,905

3. DIVIDENDS

The Directors have approved interim quarterly dividends in the amount of 6 cents per common share (2011: 6 cents) and an extraordinary dividend of 5 cents per share (2011: 6 cents). The total dividends paid as of the interim date is 11 cents per share for common shares (2011: 12 cents). The dividends are declared on a quarterly calendar basis. The interim financial statements only reflect the dividends accrued for the interim period.