

We are pleased to report that Commonwealth Bank's Comprehensive Net Income for the first quarter of 2013 was \$12.6 million, a 1% increase over 2012 when we reported \$12.5 million. Total assets also showed modest growth, increasing by \$5.5 million or 0.4% from December 31, 2012 to \$1.44 billion at the end of March 2013.

Key performance ratios including Return on Assets (ROA), Earnings per Share (EPS) and Return on Common Shareholders' Equity (ROE) showed improvements over 2012. ROA increased by 5.2% in 2013 growing from 3.0% in 2012 to 3.2% in 2013. EPS increased 1.6% to 12 cents per share. Similarly, ROE increased 1.3% over 2012 to close at 24.8%.

Despite the persistently high arrears and nonperforming loans that pervades the industry, Commonwealth Bank has been able to effectively manage its credit risk with a 21.7% reduction in loan impairment expenses this quarter vis-à-vis 2012. Commonwealth Bank's ratio of nonperforming loans to total loans ended the quarter at 5.3% compared to the industry average of 14.2% as reported by The Central Bank.

Another key performance measure of a bank's effective management is its efficiency ratio. Commonwealth Bank's efficiency was 42.3% and compares favourably with the industry.

Total Share Capital was \$269 million at the end of March, up from \$264 million at the end of December 2012. This represents a Capital Ratio in excess of 23%, significantly above the Central Bank's 17% target ratio highlighting the soundness and safety of the Bank.

Commonwealth Bank believes strongly in sharing our success with our shareholders. The Bank maintained its uninterrupted payment of quarterly dividends, in March, paying 6 cents per common share.

Our thanks go to our team of dedicated and hardworking employees who continue, with distinction, to serve our valued stakeholders, particularly our loyal customers and esteemed shareholders.



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

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

	March 31, 2013	December 31, 2012
<b>ASSETS</b>		
Cash and deposits with banks	\$ 17,065	\$ 21,224
Balances with Central Bank of The Bahamas	80,847	47,913
Investments	263,928	268,196
Loans Receivable	1,029,514	1,050,045
Premises and equipment	41,387	41,285
Other assets	5,177	3,746
<b>TOTAL</b>	<b>\$ 1,437,918</b>	<b>\$ 1,432,409</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities:</b>		
Deposits	\$ 1,137,668	\$ 1,136,609
Life assurance fund	14,440	15,070
Other liabilities	17,234	17,122
Total liabilities	1,169,342	1,168,801
<b>Equity:</b>		
Share capital	86,942	86,943
Share premium	24,121	24,551
General Reserve	10,500	10,500
Retained earnings	147,013	141,614
Total equity	268,576	263,608
<b>TOTAL</b>	<b>\$ 1,437,918</b>	<b>\$ 1,432,409</b>

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

	3 months ending March 31, 2013	3 months ending March 31, 2012
<b>INCOME:</b>		
Interest income	\$ 38,989	\$ 41,511
Interest expense	(9,210)	(11,023)
Net interest income	29,779	30,488
Loan impairment expense	(6,362)	(8,127)
	23,417	22,361
Life assurance, net	1,301	1,305
Fees and other income	1,784	2,038
	26,502	25,704
<b>NON-INTEREST EXPENSE:</b>		
General and administrative	13,208	12,478
Depreciation and amortization	641	709
Directors' fees	48	48
	13,897	13,235
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 12,605</b>	<b>\$ 12,469</b>
Preference Share Dividends	(1,328)	(1,328)
<b>NET INCOME AVAILABLE TO COMMON Shareholders</b>	<b>\$ 11,277</b>	<b>\$ 11,141</b>
<b>AVERAGE NUMBER OF COMMON SHARES</b> (thousands)	<b>97,968</b>	<b>98,367</b>
<b>BASIC AND DILUTED EARNINGS PER COMMON SHARE</b> (expressed in dollars)	<b>\$ 0.12</b>	<b>\$ 0.11</b>

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

	3 months ending March 31, 2013	3 months ending March 31, 2012
<b>SHARE CAPITAL</b>		
Preference Shares		
Balance at beginning and end of period	\$ 84,983	\$ 84,983
Common Shares		
Balance at beginning of period	1,960	1,967
Repurchase of common shares	(1)	-
Balance at end of period	1,959	1,967
Total Share Capital	86,942	86,950
<b>SHARE PREMIUM</b>		
Balance at beginning of period	24,551	26,641
(Repurchase)/Issuance of common shares	(430)	2
Share based payments	-	6
Balance at end of period	24,121	26,649
<b>GENERAL RESERVE</b>		
Balance at beginning and end of period	10,500	10,500
<b>RETAINED EARNINGS</b>		
Balance at beginning of period	141,614	139,449
Total comprehensive income	12,605	12,469
Common share dividends	(5,878)	(10,820)
Preference share dividends	(1,328)	(1,328)
Balance at end of period	147,013	139,770
<b>EQUITY AT END OF PERIOD</b>	<b>\$ 268,576</b>	<b>\$ 263,869</b>

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

	3 months ending March 31, 2013	3 months ending March 31, 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Interest Receipts	\$ 35,797	\$ 38,374
Interest Payments	(9,210)	(11,023)
Life assurance premiums received, net	1,136	1,283
Life assurance claims and expenses paid	(698)	(848)
Fees and commissions received	2,017	2,322
Recoveries	1,593	2,296
Cash payments to employees and suppliers	(14,575)	(14,425)
	16,060	17,979
Net increase in loans receivable	12,576	5,271
Increase/(Decrease) in deposits	1,059	(20,510)
<b>Net cash from operating activities</b>	<b>29,695</b>	<b>2,740</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Investments	-	(10,616)
Redemption of investments	3,000	4,995
Interest receipts from investments	4,460	4,639
Purchases of premises and equipment	(743)	(535)
<b>Net cash from/(used in) investing activities</b>	<b>6,717</b>	<b>(1,517)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Dividends paid	(7,206)	(12,148)
(Repurchase)/Issuance of common shares	(431)	2
Share based payments	-	6
<b>Net cash used in financing activities</b>	<b>(7,637)</b>	<b>(12,140)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>28,775</b>	<b>(10,917)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>69,137</b>	<b>104,128</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 97,912</b>	<b>\$ 93,211</b>
<b>MINIMUM RESERVE REQUIREMENT</b>	<b>44,176</b>	<b>46,342</b>
<b>CASH AND CASH EQUIVALENTS IN EXCESS OF THE MINIMUM RESERVE REQUIREMENT</b>		
	<b>\$ 53,736</b>	<b>\$ 46,869</b>

**COMMONWEALTH BANK LIMITED  
NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2013  
(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, 2012.

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:

	2013						Consolidated
	Bank	Insurance Company	Real Estate Holdings	Investment Company	Insurance Agency	Eliminations	
<b>Revenue</b>							
External	\$ 24,255	\$ 2,244	\$ 3	\$ 24	\$ -	\$ (24)	\$ 26,502
Internal	501	28	821	27	248	(1,625)	-
<b>Total revenue</b>	<b>\$ 24,756</b>	<b>\$ 2,272</b>	<b>\$ 824</b>	<b>51</b>	<b>248</b>	<b>(1,649)</b>	<b>\$ 26,502</b>
<b>Net profit</b>							
Internal & External	\$ 10,767	\$ 1,491	\$ 228	\$ 19	\$ 127	\$ (27)	\$ 12,605
<b>2012</b>							
<b>Revenue</b>							
External	\$ 23,360	\$ 2,338	\$ 6	\$ (41)	\$ -	\$ 41	\$ 25,704
Internal	530	25	750	6	292	(1,603)	-
<b>Total revenue</b>	<b>\$ 23,890</b>	<b>\$ 2,363</b>	<b>\$ 756</b>	<b>\$ (35)</b>	<b>\$ 292</b>	<b>\$ (1,562)</b>	<b>\$ 25,704</b>
<b>Net profit</b>							
Internal & External	\$ 10,818	\$ 1,434	\$ 120	\$ (41)	\$ 144	\$ (6)	\$ 12,469

**3. DIVIDENDS**

The Directors have approved interim quarterly dividends in the amount of 6 cents per common share (2012: 6 cents). The total dividends paid as of the interim date is 6 cents per share for common shares (2012: 11 cents). The dividends are declared on a quarterly calendar basis. The interim financial statements only reflect the dividends accrued for the interim period.