

Comprehensive Net Income for Commonwealth Bank for the six months ended June 30, 2011 was \$28.8 million, exceeding the same period in 2010 by 11.4%. The Bank recorded Comprehensive Net Income of \$15.9 million in the second quarter, compared to \$13.9 million for the same quarter of 2010: an improvement of 14.6%. Total assets at June 30, 2011 were \$1.45 billion a 3% growth over June 30, 2010's total assets of \$1.41 billion.

The Bank continues to maintain strong capital and liquidity ratios with Capital Adequacy in excess of 23% and liquidity ratio of 31%. These ratios are well in excess of Central Bank's current requirements of 17% (target) and 20%, respectively and place the Bank in a strong position to meet the ongoing economic challenges of the slow recovery.

Improvements in earnings were primarily associated with better credit quality. Loan impairment expenses declined by \$1.7 million for the period. This was driven by a reduction in non-performing loans, which closed the quarter at 3.06% of the portfolio compared to 3.3% at the end of the first quarter of 2011. The Bank also significantly outperformed the industry average of 10.4% at June 2011 as reported by The Central Bank of The Bahamas.

Earnings per Share (EPS) and Return on Assets (ROA) showed healthy improvements over 2010. EPS increased by almost 13% to 26 cents per share compared to 23 cents per share for

the half-year ended June 2011. Strong growth was also recorded in ROA which increased from 3.3% in 2010 to 3.6% in 2011, an improvement of over 9%.

Total equity increased by \$20 million since June 2010 as a result of increases in retained profits to close at \$255 million. Despite the increase in equity, our Annualized Return on Shareholders' Equity ratio is almost unchanged from June 2010 at 30.6% at June 2011.

The Bank thanks its loyal customers and the public at large for their continued patronage. The Board also acknowledges and thanks the hard-working staff of Commonwealth Bank for their ongoing dedication and commitment to excellence. Our strong results would not be possible without the support from these stakeholders.



William B. Sands, Jr.
Executive Chairman

COMMONWEALTH BANK LIMITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

	June 30, 2011	December 31, 2010
ASSETS		
Cash and deposits with banks	\$ 19,886	\$ 21,537
Balances with Central Bank of The Bahamas	69,178	56,198
Investments	253,633	246,588
Loans Receivable	1,065,664	1,046,960
Premises and equipment	35,053	34,452
Other assets	6,071	3,039
TOTAL	\$ 1,449,485	\$ 1,408,774
LIABILITIES AND EQUITY		
Liabilities:		
Deposits	\$ 1,161,306	\$ 1,131,793
Life assurance fund	15,813	15,436
Other liabilities	17,171	14,582
Total liabilities	1,194,290	1,161,811
Equity:		
Share capital	86,950	86,950
Share premium	26,793	26,722
General Reserve	10,500	10,500
Retained earnings	130,952	122,791
Total equity	255,195	246,963
TOTAL	\$ 1,449,485	\$ 1,408,774

COMMONWEALTH BANK LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	3 months ending June 30, 2011	3 months ending June 30, 2010
INCOME:		
Interest income	\$ 41,230	\$ 39,702
Interest expense	(12,228)	(12,472)
Net interest income	29,002	27,230
Loan impairment expense	(2,210)	(3,058)
	26,792	24,172
Life assurance, net	1,502	1,208
Fees and other income	2,017	1,987
	30,311	27,367
NON-INTEREST EXPENSE:		
General and administrative	13,657	12,660
Depreciation and amortization	667	753
Directors' fees	48	51
	14,372	13,464
TOTAL COMPREHENSIVE INCOME	15,939	13,903
BASIC AND DILUTED EARNINGS PER COMMON SHARE (expressed in dollars)	\$ 0.15	\$ 0.13

COMMONWEALTH BANK LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	6 months ending June 30, 2011	6 months ending June 30, 2010
INCOME:		
Interest income	\$ 81,451	\$ 79,354
Interest expense	(24,332)	(25,045)
Net interest income	57,119	54,309
Loan impairment expense	(7,244)	(8,915)
	49,875	45,394
Life assurance, net	2,699	2,596
Fees and other income	3,771	3,876
	56,345	51,866
NON-INTEREST EXPENSE:		
General and administrative	26,066	24,393
Depreciation and amortization	1,341	1,495
Directors' fees	95	96
	27,502	25,984
TOTAL COMPREHENSIVE INCOME	\$ 28,843	\$ 25,882
Preference Share Dividends	(2,974)	(2,974)
NET INCOME AVAILABLE TO COMMON Shareholders	\$ 25,869	\$ 22,908
AVERAGE NUMBER OF COMMON SHARES (thousands)	98,393	98,420
BASIC AND DILUTED EARNINGS PER COMMON SHARE (expressed in dollars)	\$ 0.26	\$ 0.23

COMMONWEALTH BANK LIMITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	6 months ending June 30, 2011	6 months ending June 30, 2010
SHARE CAPITAL		
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
SHARE PREMIUM		
Balance at beginning of period	26,722	25,957
Issuance of common shares	60	1,176
Share based payments	11	60
Balance at end of period	26,793	27,193
GENERAL RESERVE		
Balance at beginning and end of period	10,500	10,500
RETAINED EARNINGS		
Balance at beginning of period	122,791	100,508
Total comprehensive income	28,843	25,882
Common share dividends	(17,708)	(12,777)
Preference share dividends	(2,974)	(2,974)
Balance at end of period	130,952	110,639
EQUITY AT END OF PERIOD	\$ 255,195	\$ 235,283

COMMONWEALTH BANK LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS

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

	6 months ending June 30, 2011	6 months ending June 30, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest Receipts	\$ 74,627	\$ 69,992
Interest Payments	(24,332)	(25,045)
Life assurance premiums received, net	4,050	2,437
Life assurance claims and expenses paid	(1,777)	(1,358)
Fees and commissions received	4,573	4,359
Recoveries	3,289	3,564
Cash payments to employees and suppliers	(26,603)	(21,006)
	33,827	32,943
Net (increase)/decrease in loans receivable	(29,237)	15,242
Increase in deposits	29,513	15,081
Net cash from operating activities	34,103	63,266
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(19,941)	(79,710)
Interest receipts and redemption of investments	19,720	45,312
Purchases of premises and equipment	(2,001)	(1,137)
Proceeds from sale of premises and equipment	59	44
Net cash from/(used in) investing activities	(2,163)	(35,491)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(20,682)	(15,751)
Issuance of common shares	60	1,181
Share based payments	11	60
NET INCREASE IN CASH AND CASH EQUIVALENTS	(20,611)	(14,510)
	11,329	13,265
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	77,735	92,314
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 89,064	\$ 105,579

COMMONWEALTH BANK LIMITED NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS SIX MONTHS ENDED JUNE, 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

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:

Revenue	June 30, 2010	June 30, 2011
Bank segment – External	\$ 56,329	\$ 51,785
Real Estate Holdings segment – External	\$ 22	\$ 24
Real Estate Holdings segment – Intersegment	\$ 1,237	\$ 1,257
Investment segment – External	\$ (6)	\$ 57
Investment segment – Intersegment	\$ 3	\$ (265)
Comprehensive Income		
Bank segment	\$ 25,568	\$ 25,876
Real Estate segment	\$ 267	\$ 247
Investment segment	\$ 8	\$ (241)
Consolidated	\$ 25,843	\$ 25,882

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 18 cents per share for common shares (2010: 13 cents). The dividends are declared on a quarterly calendar basis. The interim financial statements only reflect the dividends accrued for the interim period.