

**CAPITAL & CREDIT MERCHANT BANK LIMITED
AND ITS SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
QUARTER ENDED JUNE 30, 2007**

HIGHLIGHTS

	Unaudited 3 months Jun-07 \$'000	Unaudited 3 months Jun-06 \$'000	Unaudited 6 months Jun-07 \$'000	Unaudited 6 months Jun-06 \$'000	Audited 12 months Dec-06 \$'000
Gross Operating Revenue	1,412,626	1,418,217	2,776,663	3,048,064	6,069,800
Interest on investments	1,020,003	1,210,766	1,990,141	2,342,967	4,539,628
Interest on loans	208,580	104,995	370,846	210,731	486,411
	1,228,583	1,315,761	2,360,987	2,553,698	5,026,039
Interest expense	1,039,927	1,062,988	2,001,688	2,031,509	4,109,324
Net interest income	188,656	252,773	359,299	522,189	916,715
Commission and fee income	23,944	22,619	49,724	52,173	101,361
Net gains on securities trading	120,279	79,849	316,037	405,418	880,707
Foreign exchange trading and translation	17,812	(9,671)	21,050	22,168	24,490
Dividend income	20,618	5,899	24,695	6,974	22,464
Other income	1,390	3,760	4,170	7,633	14,739
	184,043	102,456	415,676	494,366	1,043,761
Net interest income and other revenue	372,699	355,229	774,975	1,016,555	1,960,476
NON INTEREST EXPENSES					
Staff costs	124,356	83,173	244,919	226,695	448,503
Impairment losses	-	-	-	-	158,633
Loan loss expense	11,514	2,613	11,514	2,613	13,647
Depreciation	5,933	5,883	11,680	12,803	23,758
Other operating expenses	84,381	100,581	162,670	180,293	393,997
	226,184	192,250	430,783	422,404	1,038,538
Profit Before Taxation	146,515	162,979	344,192	594,151	921,938
Taxation	21,070	31,108	64,752	115,963	150,056
Profit After Taxation	125,445	131,871	279,440	478,188	771,882
Attributable to:					
Stockholders of the Bank	124,036	132,734	277,111	478,332	767,418
Minority interest	1,409	(863)	2,329	(144)	4,464
	125,445	131,871	279,440	478,188	771,882
Earnings per stock unit (cents)	20	21	44	75	120
Return on average equity (annualised)	9.05%	5.60%	10.24%	20.32%	15.24%
Return on assets (annualised)	0.89%	0.48%	1.03%	1.75%	1.46%
Efficiency ratio	60.69%	54.12%	55.59%	41.55%	52.97%
Number of issued ordinary shares	641,159,682	641,159,682	641,159,682	641,159,682	641,159,682

**CAPITAL & CREDIT MERCHANT BANK LIMITED
AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2007**

HIGHLIGHTS

	Unaudited Jun-07 \$'000	Unaudited Jun-06 \$'000	Audited Dec-06 \$'000
ASSETS			
CASH RESOURCES	1,352,625	1,055,552	1,360,551
INVESTMENT IN SECURITIES	46,029,421	49,689,237	45,694,072
SECURITIES PURCHASED UNDER RESALE AGREEMENTS	-	222,398	177,756
INVESTMENT IN ASSOCIATE	3,282	-	3,282
LOANS (after provision for loan losses)	6,409,477	3,418,049	3,976,613
INTANGIBLE ASSETS	444,418	396,189	379,124
DEFERRED TAX ASSETS	118,467	226,999	14,359
OTHER ASSETS			
Accounts receivable	727,816	775,277	738,544
Customers' liabilities under acceptances, guarantees and letters of credit as per contra	447,060	249,036	340,042
Property, plant and equipment	104,307	231,131	101,864
Other asset	15,000	15,000	15,000
	<u>1,294,183</u>	<u>1,270,444</u>	<u>1,195,450</u>
TOTAL ASSETS	<u>55,651,873</u>	<u>56,278,868</u>	<u>52,801,207</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
DEPOSITS	7,468,585	5,581,806	5,683,937
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	39,354,886	40,957,900	37,466,800
LOAN PARTICIPATION	1,653,035	2,083,570	1,715,849
DUE TO OTHER FINANCIAL INSTITUTIONS	1,106,254	1,958,207	1,719,950
OTHER LIABILITIES			
Bank overdraft	-	-	7,484
Accounts payable	171,389	703,681	405,464
Customers' liabilities under acceptances, guarantees and letters of credit as per contra	447,060	249,036	340,042
	<u>618,449</u>	<u>952,717</u>	<u>752,990</u>
STOCKHOLDERS' EQUITY			
Capital - Authorised 800,000,000 ordinary shares			
Issued and fully paid 641,159,682 ordinary stock units	1,732,888	320,580	1,732,888
Share premium	-	1,412,308	-
Statutory reserve fund	362,678	301,670	362,678
Retained earnings reserve	1,515,442	1,515,442	1,515,442
Fair value reserve	(381,312)	(511,069)	(88,381)
Loan loss reserve	67,532	27,465	39,741
Unappropriated profits	2,135,826	1,670,706	1,886,506
Attributable to stockholders of the Bank	<u>5,433,054</u>	<u>4,737,102</u>	<u>5,448,874</u>
Minority interest	17,610	7,566	12,807
	<u>5,450,664</u>	<u>4,744,668</u>	<u>5,461,681</u>
	<u>55,651,873</u>	<u>56,278,868</u>	<u>52,801,207</u>

Approved for issue by the Board of Directors on July 20, 2007 and signed on its behalf by:

Andrew B Cocking
Director

Curtis A. Martin
President & CEO

**CAPITAL & CREDIT MERCHANT BANK LIMITED
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
QUARTER ENDED JUNE 30, 2007**

	Unaudited Jun-07 \$'000	Unaudited Jun-06 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit	279,440	478,188
Adjusted for operating assets and liabilities	<u>(347,044)</u>	<u>(327,952)</u>
Net cash (used in) / provided by operating activities	(67,604)	150,236
CASH FLOWS USED IN INVESTING ACTIVITIES	(2,935,014)	(3,308,464)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	<u>2,996,596</u>	<u>3,268,782</u>
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(6,022)	110,554
OPENING CASH AND CASH EQUIVALENTS	818,808	529,762
CLOSING CASH AND CASH EQUIVALENTS	<u><u>812,786</u></u>	<u><u>640,316</u></u>

**CAPITAL & CREDIT MERCHANT BANK LIMITED
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
QUARTER ENDED JUNE 30, 2007**

	Share Capital \$'000	Share Premium \$'000	Statutory Reserve Fund \$'000	Retained Earnings Reserve \$'000	Fair value Reserve \$'000	Loan loss Reserve \$'000	Unappropriated Profits \$'000	Attributable to equity holders of the Parent \$'000	Minority Interest \$'000	Total \$'000
Balance at December 31, 2005	320,580	1,412,308	301,670	1,085,020	(206,908)	18,240	1,728,193	4,659,103	10,919	4,670,022
Net profit for the period	-	-	-	-	-	-	478,332	478,332	(144)	478,188
Transfer to retained earnings reserve	-	-	-	430,422	-	-	(430,422)	-	-	-
Transfer to loan loss reserve	-	-	-	-	-	9,225	(9,225)	-	-	-
Unrealised losses on available for sale investments net of taxes not recognised in profit and loss account	-	-	-	-	(304,161)	-	-	(304,161)	(3,209)	(307,370)
Dividend paid	-	-	-	-	-	-	(96,172)	(96,172)	-	(96,172)
Balance at June 30, 2006	320,580	1,412,308	301,670	1,515,442	(511,069)	27,465	1,670,706	4,737,102	7,566	4,744,668
Balance at December 31, 2006	1,732,888	-	362,678	1,515,442	(88,381)	39,741	1,886,506	5,448,874	12,807	5,461,681
Net profit for the period	-	-	-	-	-	-	277,111	277,111	2,329	279,440
Transfer to loan loss reserve	-	-	-	-	-	27,791	(27,791)	-	-	-
Unrealised losses on available for sale investments net of taxes not recognised in profit and loss account	-	-	-	-	(292,931)	-	-	(292,931)	2,474	(290,457)
Balance at June 30, 2007	1,732,888	-	362,678	1,515,442	(381,312)	67,532	2,135,826	5,433,054	17,610	5,450,664

**CAPITAL & CREDIT MERCHANT BANK LIMITED
AND ITS SUBSIDIARIES
SEGMENT RESULTS
QUARTER ENDED JUNE 30, 2007**

	2007			
	Banking & Related Services \$'000	Financial & Related Services \$'000	Consolidation adjustments \$'000	Group \$'000
External revenue	1,509,141	1,371,830	(104,308)	2,776,663
Net revenue from other segments	5,698		(5,698)	-
	<u>1,514,839</u>	<u>1,371,830</u>	<u>(110,006)</u>	<u>2,776,663</u>
Operating expenses	1,278,991	1,263,486	(110,006)	2,432,471
Profit before tax	<u>235,848</u>	<u>108,344</u>	<u>-</u>	344,192
Taxation				64,752
Net profit after tax				<u><u>279,440</u></u>
Segment assets	<u>32,282,110</u>	<u>24,017,058</u>	<u>(647,295)</u>	<u>55,651,873</u>
Segment liabilities	<u>28,441,159</u>	<u>22,250,172</u>	<u>(490,122)</u>	<u>50,201,209</u>
	2006			
	Banking & Related Services \$'000	Financial & Related Services \$'000	Consolidation adjustments \$'000	Group \$'000
External revenue	1,636,088	1,417,187	(5,211)	3,048,064
Net revenue from other segments	6,224	-	(6,224)	-
	<u>1,642,312</u>	<u>1,417,187</u>	<u>(11,435)</u>	<u>3,048,064</u>
Operating expenses	1,298,227	1,167,121	(11,435)	2,453,913
Profit before tax	<u>344,085</u>	<u>250,066</u>	<u>-</u>	594,151
Taxation				115,963
Net profit after tax				<u><u>478,188</u></u>
Segment assets	<u>35,663,700</u>	<u>20,955,898</u>	<u>(340,730)</u>	<u>56,278,868</u>
Segment liabilities	<u>32,173,012</u>	<u>19,536,909</u>	<u>(175,721)</u>	<u>51,534,200</u>