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CAPITAL & CREDIT MERCHANT BANK LIMITED AND ITS SUBSIDIARIES
UNAUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER ENDED DECEMBER 31, 2007

The Directors of Capital & Credit Merchant Bank Limited (CCMB) are pleased to present the unaudited consolidated results of the Bank and its subsidiaries, Capital & Credit Securities Limited and Capital & Credit Fund Managers Limited for the quarter ended December 31, 2007. The Group recorded an improved performance in Net Profit attributable to stockholders of $136.77 million for the fourth quarter when compared to $112.94 million for the corresponding period of 2006. Year to date Net Profit attributable to stockholders totaled $475.27 million for the period ending December 31, 2007, $771.88 million for 2006.

The improved quarter performance resulted from a continued focus on the Group's core banking activities (NIM), with special emphasis on the credit portfolio. This strategy resulted in a 34.47% increase in Net Interest Income. Other factors contributing to the Group's performance includes Gains on securities trading which totaled $74.23 million ($291.75 million for 2006), as well as lower non interest expenses of $259.79 million versus $410.18 million for the similar quarter of 2006.

REVENUE

The Group's operating revenue for the quarter was generated mainly from Net Interest Income as a result of the increased emphasis placed on expansion of the Bank's loan portfolio. Loan income for the quarter grew by 52.99%, up from $143.68 million in the corresponding quarter of 2006 to $219.82 million for this quarter. Expansion in both the retail and corporate loan portfolios represents a clear example of the intense drive undertaken to increase the Bank's core income stream. For the quarter, this strategy has contributed $260.73 million or 71.17% of Total Income comprising Net Interest Income and Other Revenue in comparison to $193.89 million or 37.33% for 2006.

NON INTEREST EXPENSES

The group continued its stringent cost management into the final quarter of 2007. Non interest expenses totaled $259.79 million a reduction of 36.66% for the quarter, compared to $410.18 million which included one off impairment expense of $158.63 million for 2006. Staff costs represent the major contributor totaling $124.60 million, which includes Redundancy cost of $8.59 million. This reflects a reduction of approximately 0.53% below the corresponding period in 2006, resulting from the group's continued restructuring and reorganization exercise. Year to date non interest expenses total $879.81 million a reduction of 15.28% when compared to $1,038.54 million for 2006.

Earnings per Stock (EPS) Unit for the quarter amounted to 21 cents an increase of 16.67% compared to 18 cents for the comparable quarter of 2006. EPS Unit is based on the Net Profit after Tax and the weighted average number of the 641,159,682 stock units in issue for both the current and comparative quarter ended.

BALANCE SHEET

Total assets at December 31, 2007 amounted to $54.65 billion, up from prior year end holding of $52.80 billion. The Group continues to focus on expanding its retail and corporate line, while selectively acquiring higher-yielding assets and selling low-yielding assets in order to maintain an optimal risk profile. This strategy has led to a 61.05% increase in the credit portfolio to $6.40 billion compared to $3.98 billion for 2006. The treasury portfolio investment in securities is $44.22 billion as against $45.69 billion in the comparative period of 2006. These expansions have been facilitated by increases in the Bank's Deposits, Sale & Repurchase Agreement as well as reinvested earnings.

The Group also manages on a fiduciary basis, approximately $2.82 billion in Assets under Management primarily in respect of funds managed by the subsidiary, Capital & Credit Fund Managers Limited and pension funds managed by Capital & Credit Securities Limited.

LOAN PORTFOLIO

As part of the strategy to invest in higher yielding assets, the Bank has focused on growing both its retail and corporate loan portfolios. Loans at year end, after provision for Loan Losses, amounted to $6.40 billion, a significant increase when compared to prior year $3.98 billion. This also resulted in a 66.04% increase in loan income to $807.63 million up from $486.41 million in 2006. As required under International Financial Reporting Standards (IFRS), the Loan Loss Provision at December 31, 2007 is $46.55 million, representing 0.73% of gross loans, compared to Loan Loss Provision of $23.91 million, or 0.66% of Gross Loans for the comparable period. Non accrual loans as at December 31, 2007 amounted to $464.96 million. The Bank continues to review and monitor its credit quality and with the renewed focus injected into the Loan Recovery Unit, it is expect to make significant improvement within 2008.

IFRS Loan Loss Provision is determined on a different basis from Regulatory requirements. The difference between the methodologies is applied to a non-distributable Loan Loss Reserve in the equity component of the Balance Sheet. At December 31, 2007 the reserve amounted to $74.61 million, compared to $39.74 million for the same prior year period. This movement is shown in the equities statement. The provisions are considered adequate.

CAPITAL BASE

The Group continues to have a strong capital base. At December 31, 2007, total Stockholders' Equity amounted to $5.82 billion - an increase of 6.59% over the comparative period. The strengthening of the Capital Base has been facilitated primarily through the retention in earnings. The Fair Value Reserve which represents the market value adjustment of the investment portfolio continues to constrain the total value, as the market values of securities listed on the Jamaica Stock Exchange and other securities continue to fluctuate.

BUSINESS OUTLOOK

The Banking Group is confident that significant growth in its core banking business areas will be realized as a consequence of the following initiatives:

- The re-organization of the Capital & Credit Financial Group, which will allow the Bank to leverage its capital more effectively in direct banking business and other critical resource reallocations to improve productivity and service delivery.
- Restructuring of the Investment Portfolio which includes liquidating low yielding, Agency Securities by the end of 2008 first quarter.
- Significantly higher spreads to be realized on the portfolio of GOJ Global as a result of the declining interest rates in the United States market.
- Continued volume growth in our corporate and retail loan portfolios, with expected higher yields.
- Launch of electronic banking solutions that will include Automated and Internet Banking platforms by the third quarter of 2008.
- Enhanced Foreign Exchange trading along with increased trading of US Treasuries.
- Broadening of the investment options for customers to access the US markets through Capital & Credit International Inc., the US licensed Investment Broker/Dealer.

CAPITAL & CREDIT MERCHANT BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2007

HIGHLIGHTS

	Unaudited Dec-07 $'000	Audited Dec-06 $'000
ASSETS		
CASH RESOURCES	2,267,126	1,360,551
INVESTMENT IN SECURITIES	44,223,367	45,694,072
SECURITIES PURCHASED UNDER RESALE AGREEMENTS	-	177,756
INVESTMENT IN ASSOCIATE	3,282	3,282
LOANS (after provision for loan losses)	6,404,421	3,976,613
INTANGIBLE ASSETS	140,146	379,124
DEFERRED TAX ASSETS	55,098	14,359
OTHER ASSETS		
Accounts receivable	783,024	738,544
Customers' liabilities under acceptances, guarantees and letters of credit as per contra	354,989	340,042
Property, plant and equipment	408,355	101,864
Other asset	15,000	15,000
	1,561,368	1,195,450
TOTAL ASSETS	54,654,808	52,801,207
LIABILITIES AND STOCKHOLDERS' EQUITY		
DEPOSITS	7,539,565	5,683,937
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	37,314,015	37,466,800
LOAN PARTICIPATION	1,959,561	1,715,849
DUE TO OTHER FINANCIAL INSTITUTIONS	1,330,724	1,719,950
OTHER LIABILITIES		
Bank overdraft	-	7,484
Accounts payable	334,162	405,464
Customers' liabilities under acceptances, guarantees and letters of credit as per contra	354,989	340,042
	689,151	752,990
STOCKHOLDERS' EQUITY		
Capital - Authorised 800,000,000 ordinary shares		
Issued and fully paid 641,159,682 ordinary stock units	1,732,888	1,732,888
Statutory reserve fund	362,678	362,678
Retained earnings reserve	1,515,442	1,515,442
Fair value reserve	(203,766)	(88,381)
Loan loss reserve	74,611	39,741
Unappropriated profits	2,321,663	1,886,506
Attributable to stockholders of the Bank	5,803,516	5,448,874
Minority interest	18,276	12,807
	5,821,792	5,461,681
	54,654,808	52,801,207

Approved for issue by the Board of Directors on January 24, 2008 and signed on its behalf by:

Ryland T. Campbell
Chairman

Curtis A. Martin
President & CEO

CAPITAL & CREDIT MERCHANT BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED PROFIT & LOSS ACCOUNT AS AT DECEMBER 31, 2007

HIGHLIGHTS

	Unaudited 3 months Dec-07 $'000	Unaudited 3 months Dec-06 $'000	Unaudited 12 months Dec-07 $'000	Audited 12 months Dec-06 $'000
Gross Operating Revenue	**1,388,575**	**1,526,721**	**5,462,375**	**6,069,800**
Interest on investments	1,063,128	1,057,502	4,072,122	4,539,628
Interest on loans	219,822	143,680	807,633	486,411
	1,282,950	1,201,182	4,879,755	5,026,039
Interest expense	1,022,218	1,007,291	4,058,030	4,109,324
Net interest income	**260,732**	**193,891**	**821,725**	**916,715**
Commission and fee income	28,724	24,289	97,788	101,361
Net gains on securities trading	74,228	291,750	437,733	880,707
Foreign exchange trading and translation	(14,165)	(9,931)	(10,158)	24,490
Dividend income	14,878	14,482	45,912	22,464
Other income	1,960	4,949	11,345	14,739
	105,625	325,539	582,620	1,043,761
Net interest income and other revenue	**366,357**	**519,430**	**1,404,345**	**1,960,476**
NON INTEREST EXPENSES				
Staff costs	116,006	123,938	466,825	448,503
Redundancy costs	8,594	-	8,594	-
Impairment losses	-	158,633	-	158,633
Loan loss expense	(355)	11,034	11,159	13,647
Bank charges	8,921	5,134	25,765	30,683
Property expense	19,939	20,386	66,491	70,873
Depreciation	24,857	5,529	43,269	23,758
Information technology costs	5,882	5,038	27,290	30,601
Marketing and corporate affairs	24,975	25,734	70,025	100,408
Professional fees	7,889	31,920	32,903	48,358
Regulatory Cost	8,486	15,605	21,068	26,445
Irrecoverable General Consumption Tax	9,376	9,869	30,446	32,528
Other operating expenses	25,226	(2,639)	75,972	54,101
	259,796	**410,181**	**879,807**	**1,038,538**
Profit Before Taxation	106,561	109,249	524,538	921,938
Taxation	(30,209)	(3,695)	49,266	150,056
Profit After Taxation	**136,770**	**112,944**	**475,272**	**771,882**
Attributable to:				
Stockholders of the Bank	**131,525**	**109,085**	**470,027**	**767,418**
Minority interest	**5,245**	**3,859**	**5,245**	**4,464**
	136,770	**112,944**	**475,272**	**771,882**
Earnings per stock unit (cents)	21	18	74	120
Return on average equity (annualised)	9.70%	8.09%	40.30%	15.24%
Return on assets (annualised)	1.04%	0.85%	3.54%	1.46%
Efficiency ratio	70.91%	78.97%	62.65%	52.97%
Number of issued ordinary shares	641,159,682	641,159,682	641,159,682	641,159,682

Capital & Credit Merchant Bank Limited and Its Subsidiaries
UNAUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER - Ended DECEMBER 31, 2007

A Member of the Capital & Credit Financial Group

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CAPITAL & CREDIT MERCHANT BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT CHANGES OF EQUITY QUARTER ENDED DECEMBER 31, 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	-	-	-	-	-	-	767,418	767,418	4,464	771,882
Unrealised gains on available for sale investments net of deferred taxes	-	-	-	-	602,486	-	-	602,486	(2,576)	599,910
Unrealised gains on available for sale investments net of taxes not recognise in profit and loss account					(589,714)			(589,714)		(589,714)
Impairment losses net of deferred tax transferred to profit and loss account					105,755			105,755		105,755
Net income recognised directly in equity	-	-	-	-	118,527	-	767,418	885,945	(2,576)	883,369
Transfer to loan loss reserve	-	-	-	-	-	21,501	(21,501)	-		-
Transfer to retained earnings reserve	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve fund	-	-	61,008	-	-	-	(61,008)	-		-
Transfer to retained earnings reserve	-	-	-	430,422	-		(430,422)			-
Transfer to share capital	1,412,308	(1,412,308)	-	-	-	-	-	-		
Dividend paid	-	-		-	-	-	-	-		-
Dividend declared	-	-	-	-	-	-	(96,174)	(96,174)	-	(96,174)
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**
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	-	-	-	-	-	-	470,027	470,027	5,469	475,496
Transfer to loan loss reserve	-	-	-	-	-	34,870	(34,870)	-	-	-
Unrealised gain on available for sale investments net of taxes not recognised in profit and loss account	-	-	-	-	(115,385)	-	-	(115,385)		(115,385)
Dividend paid	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2007	**1,732,888**	**-**	**362,678**	**1,515,442**	**(203,766)**	**74,611**	**2,321,663**	**5,803,516**	**18,276**	**5,821,792**

CAPITAL & CREDIT MERCHANT BANK LIMITED AND ITS SUBSIDIARIES
SEGEMENTS RESULTS AS AT DECEMBER 31, 2007

2007

	Banking & Related Services $'000	Financial & Related Services $'000	Consolidation adjustments $'000	Group $'000
External revenue	2,825,839	2,772,647	(136,111)	5,462,375
Net revenue from other segments	11,705		(11,705)	-
	2,837,544	2,772,647	(147,816)	5,462,375
Operating expenses	2,503,538	2,582,115	(147,816)	4,937,837
Profit before tax	334,006	190,532	-	524,538
Taxation				49,266
Net profit after tax				475,272
Segment assets	31,870,805	24,034,129	(1,250,126)	54,654,808
Segment liabilities	27,609,385	22,318,512	(1,094,881)	48,833,016

2006

	Banking & Related Services $'000	Financial & Related Services $'000	Consolidation adjustments $'000	Group $'000
External revenue	3,199,582	2,870,218	-	6,069,800
Net revenue from other segments	80,877	(68,551)	(12,326)	-
	3,280,459	2,801,667	(12,326)	6,069,800
Operating expenses	2,865,555	2,282,307	-	5,147,862
Profit before tax	414,904	519,360	(12,326)	921,938
Taxation				150,056
Net profit after tax				771,882
Segment assets	32,056,273	22,641,242	(1,896,308)	52,801,207
Segment liabilities	28,111,381	21,044,147	(1,816,002)	47,339,526

CAPITAL & CREDIT MERCHANT BANK LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW AS AT DECEMBER 31, 2007

	Unaudited Dec-07 $'000	Audited Dec-06 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit	475,272	771,882
Adjusted for operating assets and liabilities	(198,820)	(460,160)
Net cash (used in) / provided by operating activities	**276,452**	**(311,722)**
CASH FLOWS USED IN INVESTING ACTIVITIES	(1,005,514)	1,978,737
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	1,557,329	(1,377,969)
INCREASE IN CASH AND CASH EQUIVALENTS	828,267	289,046
OPENING CASH AND CASH EQUIVALENTS	818,808	529,762
CLOSING CASH AND CASH EQUIVALENTS	**1,647,075**	**818,808**

CAPITAL & CREDIT MERCHANT BANK LIMITED AND ITS SUBSIDIARIES
NOTES TO REPORT AS AT DECEMBER 31, 2007

1. **Basis of Preparation**
These consolidated financial statements have been prepared in accordance with and comply with standards issued by the International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of available for sale investment securities, investment securities held for trading and all derivative contracts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates.

IFRS 7 – Financial Instruments: Disclosures
The Group has adopted – IFRS 7 effective January 1, 2007, which introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosure about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. These disclosure requirements will be detailed in the audited 2007 report.

This report is made in Jamaican dollars.

2. **Investments**
Investments are classified as trading securities available for sale; held-to-maturity securities and Loans and receivables and are initially recorded at cost. Management determines an appropriate classification based on intent and ability to hold at the time of purchase.

Trading securities are measured at market value. Gains or losses arising from changes in fair value are recorded in the profit and loss account.

Securities available for sale are subsequently re-measured at fair value. Gains or losses that arise from changes in fair value of these investments are recorded in the Fair Value Reserve

Loans and receivables and held to maturity investments are subsequently re-measured at amortised cost.

3. **Employee Benefits**
Provision is made for the cost of vacation leave in respect of the services rendered by employees up to the Balance Sheet date.

4. **Cash and Cash Equivalents**
For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days to maturity from the date of acquisition including cash and bank balances at Bank of Jamaica, excluding statutory reserves of $620,051,000 (2006 - $534,259,000).

5. **Deferred Taxation**
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profits, and is accounted for using the balance sheet liability method.

6. **Segment Reporting**
The Group is organised into two main business segments:
a) Banking and related services, which include taking deposits, granting loans and other credit facilities and foreign currency trading.
b) Financial and related services, which include securities trading, stock broking, portfolio planning, pension fund management, investment advisory services and unit trust management.

Transactions between the business segments are on normal commercial terms and conditions.

7. **Comparative Information**
Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.