CAPITAL & CREDIT FINANCIAL GROUP LIMITED
UNAUDITED FINANCIAL RESULTS FOR THE SECOND QUARTER ENDED JUNE 30, 2008

The Directors of Capital & Credit Financial Group (CCFG) are pleased to present the unaudited results of the Group for the second quarter ended June 30, 2008.

For the three months ended June 30, 2008, CCFG recorded a Net Profit After Tax of $127.28 million a 12% increase when compared to $113.60 million for the corresponding quarter in 2007. For the six months, profit increased to $269.30 million compared to $254.53 million for the same period in 2007. The Group's core business line, Net Interest Income (NII) grew by 81% to $658.46 million, (2007: $363.60 million), this as a result of the strategic shift in the Bank's focus; now bearing fruits.

For the quarter, the Group benefited from improved margins to report Net Interest Income of $329.34 million or 74.05% of Total Income. This compared to $190.63 million or 48.58% earned in 2007. Overall, Net Interest Income and Other Revenue totaled $444.73 million, an increase of 13.34% over the $392.37 million for the comparative quarter of 2007.

NON INTEREST EXPENSES

Non-Interest expenses totaled $278.82 million up from $260.56 million in 2007, representing a 7.01% increase over the corresponding period. The major component of Non Interest expense is Staff costs. This totaled $151.86 million up from $140.36 million in 2007 primarily due to salary increases for 2008. We continue to focus on cost management by streamlining and consolidating work flows and processes as well as increased awareness that are being achieved from our new core banking system across the Group in order to improve operational efficiency.

EARNINGS PER SHARE

The Earnings per Stock (EPS) for the comparative periods were restated to reflect the issue of Bonus Shares which were capitalized from retained earnings during 2007. For this quarter, EPS amounted to 17 cents an increase of 54.45% when compared to 11 cents for the comparable quarter of 2007. EPS Unit is based on the Net Profit after Tax and the weighted average number of 755,000,000 stock units in issue for both the current and comparative quarter end.

The Group also manages on a fiduciary basis, approximately $3.10 billion in Assets under Management primarily in respect of funds managed by the subsidiary, Capital & Credit Fund Managers Limited (CCFM) and Pension Funds managed by Capital & Credit Securities Limited (CCSL).

BALANCE SHEET

Total assets at June 30, 2008 amounted to $49.97 billion compared to $56.33 billion for 2007. The Group continues to focus on expanding its retail and corporate line, while selectively acquiring higher-yielding assets and selling low-yielding ones in order to maintain an optimal risk profile.

As part of the strategy to invest in higher yielding assets, the Group is focused on growing both its retail and corporate loan portfolios. This has led to an 11.12% increase in the credit portfolio to $7.25 billion up from $6.53 billion for the comparative period in 2007. This also resulted in a 35.04% increase in loan income to $504.39 million up from $373.26 million in 2007. The continued improvements in Net Interest Income are expected to mitigate challenges in other business lines.

The Group continues to have a strong Capital Base. At June 30, 2008, total Stockholders' Equity amounted to $6.19 billion - an increase of 13.57% over the comparative period of $5.45 billion for 2007. The strengthening of the Capital Base has been facilitated primarily through earnings retention. 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.

In May of this year, the Capital & Credit Financial Group's restructuring exercise was finalized effectively giving the Group a 100% ownership of Capital & Credit Merchant Bank (CCMB), Capital & Credit Securities Limited (CCSL) and Capital & Credit Fund Managers Limited (CCFM). This has resulted in the de-listing of the Bank's ordinary shares, and the simultaneous listing of CCFG's Ordinary Shares and CCMB's Preference Shares.

PERFORMANCE OF SUBSIDIARIES

The Merchant Banking arm of the Group contributed approximately 65.69% of the Group's profit. CCMB continues to experience significant improvement in its Credit Portfolio. Loan Income for the quarter grew by 20.33%, moving up to $250.99 million from $208.58 million for the corresponding quarter of 2007, and 34.22% for the half year, moving to $497.74 million from $370.85 million in 2007. The continued growth in Net Interest Income (NII) is expected to assist in offsetting challenges on the other income portfolios.

The Net Interest Income for CCSL is in line with expectations; the Company contributed approximately 40.37% of the Groups Net Profit. Strategies have been employed to aggressively grow the company's Portfolio Management Services to mitigate expected decline in securities trading income.

CCFM's Net Profit contribution of approximately 3% of the Group's profit coincides with the expected performance for this quarter. Improved management of the Funds, along with the launch of a number of bundled products is expected to drive unit sales and improve the performance of the Company going forward.

The Remittance business segment performance was not in line with expectations with an adverse contribution of approximately 2.49% to the Group's results. The new focus on expanding into the Caribbean Region and recent strategic alliances to increase the supply side from Canada, the US and the Caribbean are currently being finalized and should show positive results before year end.

Capital & Credit International Inc. (CCII) our Florida based Broker/Dealer had a slow start and a few hiccups in personnel competences in the roll out of products and services. These matters have been resolved and the company is projected to become profitable by the end of 2008.

FORWARD LOOKING

CCFG continues to focus on superior customer service delivery, expansion of products and channels offered, improvements in our productivity through human resource development and the technology platform to provide our customers with a wide range of options.

There are several challenges in the financial sector consequent upon local experiences as well as the impact of the international markets especially the United States of America. However, based on the strategies being pursued by the member companies in the Group, the performance going forward is expected to be in line with the projections, thereby building the foundation for solid growth and development.

The Directors of Capital & Credit Financial Group would like to take this opportunity to express sincere gratitude and appreciation to all our valued customers, shareholders and business associates for their continued confidence and support. We would also like to thank our dedicated and committed management and staff for the continued professionalism and integrity in their business conduct under their fiduciary responsibilities.

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RYLAND T. CAMPBELL

CHAIRMAN

On behalf of the Board of Directors

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

This report is made in Jamaican dollars.

2. Financial Assets

Financial assets 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 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 $749,514,000 (2007 - $539,839,000).

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 four 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.

c) Remittance and related services which include facilitating the electronic transfer of funds from overseas to Jamaica.

d) Holding investments.

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.