



Capital & Credit Financial Group Limited and its subsidiaries

UNAUDITED FINANCIAL RESULTS FOR

THE THIRD QUARTER

- Ended SEPTEMBER 30, 2008

Capital & Credit Financial Group Ltd.
Providing Total Financial Solutions

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

CCFG recorded a 118.22% increase in Net Profit After Tax of \$72.00 million when compared to \$33.00 million for the corresponding quarter in 2007. For the nine months, profit increased to \$341.39 million compared to \$291.25 million for the same period in 2007. The major factor which contributed to the improvement in the Group's bottom line is increased Net Interest Income (NII). Year to date Net Interest Income grew by 75.79% to \$997.47 million, up from \$567.41 million for the comparative nine months of 2007. This, as the Group continues to reap the benefits of the strategic shift in revenue generating activities.

For the third quarter, the Group's Net Interest Income grew by 66.33% to \$339.01 million contributing 79.07% of Total Revenue when compared to \$203.81 million or 72.01% earned in 2007. Overall, Net Interest Income and Other Revenue totaled \$428.73 million, an increase of 51.47% over the \$283.04 million for the comparative quarter of 2007.

Other Revenue totaled \$89.72 million to record a 13.24% increase when compared to the corresponding period in 2007. Foreign Exchange Trading, Commission and Fee Income were the main contributors representing 72.58% of Other Revenue against a contribution of 11.73% in 2007.

NON INTEREST EXPENSES

Non-Interest expenses totaled \$332.73 million up from the \$235.06 million reported in 2007, representing a 41.55% increase over that quarter. Year to date non-interest expenses reported \$914.82 million against \$728.91 million in 2007 with the major components being Staff Costs and Depreciation of the new T24 Core Banking system. Staff Costs totaled \$160.77 million for the quarter up from \$127.32 million in 2007 resulting in Year to date Staff cost of \$467.62 million when compared to \$403.17 million in 2007. Depreciation charges increased to \$74.87 million when compared to \$19.46 million reported in 2007. Cost management remains a key initiative of the Group, as we continue to streamline and consolidate work flows and processes.

The Earnings per Stock (EPS) Unit for the comparative periods were restated to reflect the issue of Bonus Shares which were capitalized from retained earnings during 2007. Year to date EPS stood at 42 cents per stock unit, an increase of 50.00% when

compared to 28 cents for the comparable period of 2007. EPS Unit is based on the Net Profit after Tax and the weighted average number of 812,000,000 stock units in issue.

The Group also manages on a fiduciary basis, approximately \$3.17 billion in Assets under Management primarily in respect of funds managed by the subsidiary, Capital & Credit Fund Managers Limited (CCFM) and Pension and Portfolio Funds managed by Capital & Credit Securities Limited (CCSL).

BALANCE SHEET

Total assets at September 30, 2008 stood at \$49.83 billion compared to \$57.83 billion in 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. Loans continue to be the main area of expansion for the Group. At September 30, 2008, Loans after provision for Loan Losses stood at \$7.34 billion, an increase of 7.12% over the \$6.85 billion for the comparative period of 2007.

The Group continues to sustain its strong capital base through earnings retention. At September 30, 2008, total Stockholders' Equity amounted to \$5.96 billion - an increase of 11.53% over the comparative period of \$5.34 billion for 2007.

The current global financial crisis will have an impact on the Jamaican economy. However, the proactive approach by the Central Bank in providing temporary lending facility to preserve stability is expected to mitigate any negative impact in the financial sector. Cognizant of these developments, the management team has been proactive in taking the necessary precautionary measures to reduce any significant impact the expected global recession might have and will continue to protect and provide guidance to its valued stakeholders.

RYLAND T. CAMPBELL
CHAIRMAN
On behalf of the Board of Directors

CAPITAL & CREDIT FINANCIAL GROUP LIMITED AND ITS SUBSIDIARIES CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2008

	Unaudited Sep-08 \$'000	Unaudited Sep-07 \$'000	Audited Dec-07 \$'000
ASSETS			
Cash resources	1,406,153	2,182,036	2,287,442
Investment in securities	38,651,588	47,282,122	44,289,572
Investment in associates	6,605	19,651	9,411
Loans (after provision for loan losses)	7,340,992	6,852,912	6,523,850
Intangible assets	427,235	473,808	477,898
Deferred tax assets	266,470	74,788	-
Accounts receivable	810,913	438,838	767,058
Customers' liabilities under acceptances, guarantees and letters of credit as per contra	776,097	376,904	354,989
Property, plant and equipment	131,880	112,687	116,008
Other investment	15,000	15,000	15,000
TOTAL ASSETS	49,832,933	57,828,746	54,841,228
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits	9,371,031	6,904,469	7,667,834
Securities sold under repurchase agreements	31,560,841	41,295,981	37,198,556
Loan participation	1,029,944	1,549,042	1,959,561
Due to other financial institutions	832,959	1,484,599	1,194,851
Deferred tax liabilities	-	-	47,885
Accounts payable	237,697	562,004	203,597
Loan Payable	67,715	314,865	257,236
Customers' liabilities under acceptances, guarantees and letters of credit as per contra	776,097	376,904	354,989
	43,876,284	52,487,864	48,884,509
STOCKHOLDERS' EQUITY			
Share capital	1,995,845	34,655	514,654
Capital reserve	742,861	742,861	742,861
Statutory reserve fund	408,601	362,678	408,601
Retained earnings reserve	1,515,442	1,515,442	1,515,442
Fair Value reserve	(839,691)	(427,685)	31,579
Loan loss reserve	102,076	63,341	74,611
Foreign currency translation reserve	1,197	-	(1,409)
Unappropriated profits	2,030,318	1,683,724	1,189,267
	5,956,649	3,975,016	4,475,606
Minority interest	-	1,365,866	1,481,113
	5,956,649	5,340,882	5,956,719
TOTAL ASSETS	49,832,933	57,828,746	54,841,228

Approved for issue by the Board of Directors on October 17, 2008 and signed on its behalf by:

Ryland T. Campbell
Chairman

Andrew B. Cocking
Director

Kelvin St. C. Roberts
Director

CAPITAL & CREDIT FINANCIAL GROUP LIMITED AND ITS SUBSIDIARIES CONSOLIDATED PROFIT & LOSS ACCOUNT FOR NINE MONTHS ENDED SEPTEMBER 30, 2008

	Unaudited 3 months Sep-08 \$'000	Unaudited 3 months Sep-07 \$'000	Unaudited 9 months Sep-08 \$'000	Unaudited 9 months Sep-07 \$'000	Audited 12 months Dec-07 \$'000
Gross Operating Revenue	1,449,055	1,212,652	4,252,338	4,132,051	5,535,826
Interest on investments	1,095,370	915,146	3,118,230	3,009,150	4,077,034
Interest on loans	263,967	218,275	768,352	591,534	814,010
Interest expense	1,359,337	1,133,421	3,886,582	3,600,684	4,891,044
Net interest income	339,008	203,812	997,469	567,411	836,333
Commission and fee income	40,141	28,113	100,844	89,241	127,703
Net gains on securities trading	(1,962)	41,456	110,727	368,806	433,421
Foreign exchange trading and translation	24,979	(18,819)	69,863	6,604	906
Dividend income	15,415	12,498	58,378	50,661	68,721
Other income	11,145	15,983	25,944	16,055	14,031
	89,718	79,231	365,756	531,367	644,782
Net interest income and other revenue	428,726	283,043	1,363,225	1,098,778	1,481,115
NON INTEREST EXPENSES					
Staff costs	160,769	127,315	467,617	403,165	541,581
Loan loss expense	5,729	-	24,347	11,514	12,022
Depreciation and amortization	28,606	7,100	74,867	19,458	45,299
Other operating expenses	137,626	100,641	347,986	294,777	457,760
	332,730	235,055	914,817	728,914	1,056,662
Operating Profit	95,996	47,988	448,408	369,864	424,453
Share of results of associate	(1,881)	(1,696)	(5,644)	(5,087)	(6,783)
Profit Before Taxation	94,115	46,292	442,764	364,777	417,670
Taxation	22,124	13,302	101,379	73,532	69,486
Profit After Taxation	71,991	32,990	341,385	291,245	348,184
Attributable to:					
Stockholders of the Bank	71,991	17,024	341,385	199,727	233,590
Minority interest	-	15,966	-	91,518	114,594
	71,991	32,990	341,385	291,245	348,184
Restated earnings per stock unit (cents)	9	2	42	28	32

CAPITAL & CREDIT FINANCIAL GROUP LIMITED AND ITS SUBSIDIARIES CONSOLIDATED CASH FLOW FOR NINE MONTHS ENDED SEPTEMBER 30, 2008

	Unaudited Sep-08 \$'000	Unaudited Sep-07 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit	341,385	291,245
Adjusted for operating assets and liabilities	368,952	(8,943)
Net cash (used in) / provided by operating activities	710,337	282,302
CASH FLOWS USED IN INVESTING ACTIVITIES		
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	3,487,630	(4,118,358)
INCREASE IN CASH AND CASH EQUIVALENTS	(5,226,027)	4,676,465
OPENING CASH AND CASH EQUIVALENTS	1,667,391	840,409
CLOSING CASH AND CASH EQUIVALENTS	639,331	1,667,391



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- Ended SEPTEMBER 30, 2008



CAPITAL & CREDIT FINANCIAL GROUP LIMITED AND ITS SUBSIDIARIES CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED SEPTEMBER 30, 2008

	Share Capital \$'000	Statutory Reserve Fund \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Fair value Reserve \$'000	Loan loss Reserve \$'000	Unappropriated Profits \$'000	Foreign currency Translation Reserve \$'000	Minority Interest \$'000	Total \$'000
Balance at December 31, 2006	34,654	362,678	742,861	1,515,442	177,438	39,741	1,516,470	-	1,407,528	5,796,812
Unrealised gains on available for sale investments net of taxes not recognised in profit and loss account	-	-	-	-	291,565	-	-	-	-	291,565
Net profit for the period	-	-	-	-	-	-	200,800	-	(62,825)	137,975
Transfer to loan loss reserve	-	-	-	-	-	20,868	(20,868)	-	-	-
Balance at September 30, 2007	34,654	362,678	742,861	1,515,442	469,003	60,609	1,696,402	-	1,344,703	6,226,352
Balance at December 31, 2007	514,654	408,601	742,861	1,515,442	31,579	74,611	1,189,267	(1,409)	1,481,113	5,956,719
Unrealised loss on available for sale investments net of taxes not recognised in profit and loss account	-	-	-	-	(871,270)	-	-	-	-	(871,270)
Net profit for the period	-	-	-	-	-	-	341,385	-	(50,383)	291,002
Transfer to loan loss reserve	-	-	-	-	-	27,465	(27,465)	-	-	-
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	2,606	-	2,606
Purchase of minority holding in the bank	1,481,191	-	-	-	-	-	550,196	-	(1,430,730)	600,657
Issue of Preference shares by the bank	-	-	-	-	-	-	(23,065)	-	-	(23,065)
Balance at September 30, 2008	1,995,845	408,601	742,861	1,515,442	(839,691)	102,076	2,030,318	1,197	-	5,956,649



CAPITAL & CREDIT FINANCIAL GROUP LIMITED AND ITS SUBSIDIARIES SEGMENTS RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008

	2008					
	Banking & Related Services \$'000	Financial & Related Services \$'000	Remittance & Related Services \$'000	Holding Investments \$'000	Eliminations \$'000	Group \$'000
External revenue	1,906,627	2,399,065	36,476	57,391	(147,221)	4,252,338
Net revenue from other segments	9,984	-	-	-	(9,984)	-
Total Revenue	1,916,611	2,399,065	36,476	57,391	(157,205)	4,252,338
Operating expenses	1,598,515	2,214,341	53,893	82,234	(145,053)	3,803,930
Profit before tax	318,096	184,724	(17,417)	(24,843)	(12,152)	448,408
Share of Associate results	-	-	-	-	-	(5,644)
Taxation	-	-	-	-	-	101,379
Net profit after tax	-	-	-	-	-	341,385
Segment assets	25,650,338	24,878,249	75,589	3,185,138	(3,956,381)	49,832,933
Segment liabilities	21,751,344	23,182,166	41,600	481,067	(1,579,893)	43,876,284
	2007					
	Banking & Related Services \$'000	Financial & Related Services \$'000	Remittance & Related Services \$'000	Holding Investments \$'000	Consolidation Adjustments \$'000	Group \$'000
External revenue	2,123,124	2,069,150	42,383	32,710	(135,316)	4,132,051
Net revenue from other segments	8,601	-	-	-	(8,601)	-
Total Revenue	2,131,725	2,069,150	42,383	32,710	(143,917)	4,132,051
Operating expenses	1,865,615	1,908,685	51,074	75,827	(139,014)	3,762,187
Profit before tax	266,110	160,465	(8,691)	(43,117)	(4,903)	369,864
Share of Associate results	-	-	-	-	-	(5,087)
Taxation	-	-	-	-	-	73,532
Net profit after tax	-	-	-	-	-	291,245
Segment assets	34,281,978	23,800,329	71,732	1,394,477	(1,719,770)	57,828,746
Segment liabilities	30,322,650	22,265,503	22,463	341,735	(464,487)	52,487,864



CAPITAL & CREDIT FINANCIAL GROUP LIMITED AND ITS SUBSIDIARIES NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2008

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.

This report is made in Jamaican dollars.

All other accounting policies remain in effect as per our 2007 audited report. For further information on these accounting policies, please refer to our website: www.capital-credit.com



Welcome

to a profitable relationship that works in your interest

CAPITAL & CREDIT FINANCIAL GROUP

With our combined expertise in local and international banking and investment services, and a proven track record in building wealth for Caribbean people, CCFG will have you earning more:

- Savings & Deposits
- Loans & Leases
- FX Trading
- Investments & Stock Broking
- Remittances
- Unit Trust Funds
- International Brokerage



Together we can do Great Things!



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