Capital & Credit Financial Group Limited and Its Subsidiaries

UNAUDITED FINANCIAL STATEMENT
3rd QUARTER
- Ended at September 30, 2010

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The Directors of Capital & Credit Financial Group Limited (CCFG) are pleased to present the un-audited results of the CCFG Group for the 3rd quarter ended September 30, 2010.

HIGHLIGHTS

The CCFG Group recorded a thirty one percent (31%) increase in its Net Profit after Tax attributable to stockholders for quarter ending September 30, 2010, at $123.52 million, compared to the $94.47 million for the similar period in 2009. There is also a 14% increase in the Year-To-Date Profit, which now stands at $268.50 million, compared to $235.72 million reported for the similar period of 2009. A major contributor to this improved performance is the improvement in Non-Interest Expenses (NIE). For the Quarter there is a 39% reduction in NIE moving from $476.87 million to $288.82 million. The major reductions are in Loan Loss Provision and Other Operating Expenses that have seen an 88% and a 36% decline, respectively.

The Financial Group recorded a 194% growth in Securities Trading, moving from negative $90.13 million for 2009, to positive $84.83 million for the nine-month period in 2010.

REVENUES

The Financial Group continues to focus on its Core Income line, Net Interest Income (NII). There was a minor increase in the NII, to $970.51 million for the current nine-month period from $970.01 million for the similar period of 2009. The Third Quarter NII achieved $345.81 million, similar to the $346.86 million reported for the 2009 Third Quarter, this was due to the lowering of Interest rates and the accompanying reduction in Loan Interest Income from $335.49 million last year, to $242.65 million for the quarter just ended. Other Income also declined, moving from $547.93 million in 2009 to $296.77 million for this quarter, due mainly to reduction in Foreign Exchange Trading and Translation Gains. Although the Net Interest Income achieved stability, there was a 17% reduction in the combined Net Interest Income and Other Revenue, moving from $1,514.33 million in 2009 to $1,260.49 million in 2010, mainly as a result of the decline in Foreign Exchange Trading and Translation Gains currently at $45.23 million, compared to $398.38 million for the similar period last year.

Total Interest Income declined from $4.22 billion to $2.94 billion as a direct result of the lower yields and extended maturities of the Group's locally-issued Investments Securities stemming from the Jamaica Debt Exchange (JDX) programme concluded in February of this year.

The Capital & Credit Financial Group however, continues to manage its Interest Expenses in order to reap the benefits of its strategic decision to focus on and strengthen its Core Business Line. Interest Expense for the Nine-month period reduced to $1,969.49 million when compared to $3,253.27 million for the similar period of 2009.

NON-INTEREST EXPENSES

There is a 25% decline in Non-Interest Expenses, which stood at $901.20 million for the nine-month period, compared to $1,203.29 million for the same period in 2009. This, as the Group continues its Cost-Containment initiatives and the continued implementation of improved work flows and processes. There was a 70% decline in Loan Loss Provision, moving from $169.51million in 2009 to $50.59 million for this period. A decline of 25 % for Other Operating Expenses was also reported for the Quarter, moving to $354.19 from $474.76 million, as well as a 12% decline in Staff Costs to $419.67 million, compared to $478.94 million in 2009.

EARNINGS PER STOCK

There is a 30 % increase in Earnings per Stock (EPS) Unit for this Quarter moving from 10 cents to 13 cents for September 30, 2010. The nine-month period has also seen a 16 % increase to 29 cents, moving from 25 cents in the similar period of 2009. The EPS Unit is based on the Net Profit After Tax and the weighted average number of 926,796,047 stock units in issue.

BALANCE SHEET

Total Assets as at September 30, 2010, stood at $40.11 billion, compared to $43.84 billion in 2009. During the year, the CCFG Group continued to focus on expanding its Retail and Corporate Lines, while selectively acquiring higher-yielding assets and selling low-yielding ones, in order to maintain an optimal risk profile. Reflecting current trends in the local Banking Industry, Loans, after provision for Loan Losses, stood at $6.35 billion, an 11 % reduction from the $7.11 billion for the similar period in 2009.

The Financial Group continues to sustain its strong Capital Base, which as at September 30, 2010, stood at $6.50 billion, an increase of 15 % in total Stockholders' Equity over the $5.66 billion achieved in the comparative period 2009.

OUTLOOK 2010

The CCFG Group maintains cautious optimism for the rest of 2010. As the global and local economies begin their measured steps on the path to recovery, Jamaica's Country ratings has been successively upgraded by the International Rating Agencies, following the Government's successful completion of Jamaica's Debt Exchange (JDX) programme. Jamaica has passed its second test from the International Monetary Fund and its Net International Reserves remain above projections.

With these developments, as well as anticipated fiscal prudence, the management team has been pro-active in taking the necessary precautionary measures by reassessing and re-aligning the CCFG business models. These actions will allow us to capitalize on other opportunities offered by the JDX, particularly in providing additional credit facilities to the productive industries. In addition, other priorities are the development of new products and services, as well as ensuring that our Customer Service Delivery Systems, Back Office Operations and Technology are all customer centric and efficient.

Despite the challenges, the Group has already made the paradigm shift to the new economic realities and with its strong Capital Base of over $6.50 billion Capital & Credit expects to continue on its growth path.

The Capital & Credit Financial Group takes this opportunity to thank all our valued customers, for their continued support. We would also like to thank our fellow Directors and our team of Management and dedicated staff for their commitment, professionalism and support over the years.

On behalf of the Board of Directors

Ryland T. Campbell
Chairman

Andrew B. Cocking
Director

CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2010

	Unaudited Sep-10 $'000	Unaudited Sep-09 $'000	Audited Dec-09 $'000
ASSETS			
CASH RESOURCES	2,525,120	1,486,130	2,238,294
INVESTMENT IN SECURITIES	29,645,457	32,836,837	32,523,437
INVESTMENT IN ASSOCIATE	26,964	8,278	23,811
LOANS (after provision for loan losses)	6,353,027	7,108,968	6,833,886
INTANGIBLE ASSETS	340,715	406,696	390,828
DEFERRED TAX ASSETS	200,965	432,262	469,499
Accounts receivable	598,911	851,042	680,970
Income Tax Recoverable	67,762	46,053	62,051
Customers' liabilities under acceptances, guarantees and letters of credit as per contra	233,559	534,035	405,970
Property and equipment	104,544	113,530	111,476
Other investment	15,000	15,000	15,000
TOTAL ASSETS	**40,112,024**	**43,838,831**	**43,755,222**
LIABILITIES AND STOCKHOLDERS' EQUITY			
DEPOSITS	7,493,960	8,395,437	8,335,744
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	24,271,603	26,908,538	27,431,458
LOAN PARTICIPATION	726,431	548,716	737,098
DUE TO OTHER FINANCIAL INSTITUTIONS	723,290	1,355,241	920,435
Preference shares	23,420	24,562	24,122
Accounts payable	136,193	170,348	169,479
Bank overdraft	-	240,899	-
Customers' liabilities under acceptances, guarantees and letters of credit as per contra	233,559	534,035	405,970
	33,608,456	38,177,776	38,024,306
STOCKHOLDERS' EQUITY			
Share capital	1,995,844	1,995,844	1,995,844
Capital reserve	742,861	742,861	742,861
Statutory reserve fund	493,110	458,911	493,110
Retained earnings reserve	1,515,442	1,515,442	1,515,442
Fair value reserve	(325,820)	(880,494)	(835,438)
Loan loss reserve	335,019	256,061	336,854
Foreign currency translation reserve	11,308	14,413	16,777
Unappropriated profits	1,735,507	1,558,017	1,465,217
Attributable to stockholders of the company	6,503,271	5,661,055	5,730,667
Minority interest	297	-	249
	6,503,568	5,661,055	5,730,916
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**40,112,024**	**43,838,831**	**43,755,222**

Approved for issue by the Board of Directors on October 29, 2010 and signed on its behalf by:

Ryland T. Campbell
Chairman

Andrew B. Cocking
Director

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

	Unaudited 3 months Sep-10 $'000	Unaudited 3 months Sep-09 $'000	Unaudited 9 months Sep-10 $'000	Unaudited 9 months Sep-09 $'000	Audited 12 months Dec-09 $'000
Gross Operating Revenue	**1,025,079**	**1,605,806**	**3,229,983**	**4,767,599**	**6,163,530**
Interest on investments	674,087	1,006,817	2,169,544	3,184,921	4,161,653
Interest on loans	242,647	335,485	770,459	1,038,365	1,326,513
	916,734	1,342,302	2,940,003	4,223,286	5,488,166
Interest expense	570,928	995,442	1,969,492	3,253,274	4,214,058
Net interest income	**345,806**	**346,860**	**970,511**	**970,012**	**1,274,108**
Commission and fee income	27,304	41,017	109,390	131,293	177,410
Net gains/(losses) on securities trading	34,960	(22,261)	84,832	(90,126)	(91,818)
Foreign exchange trading and translation	29,300	217,370	45,225	398,383	463,743
Dividend income	14,858	24,024	41,091	54,893	65,199
Gain on sale of property and equipment	-	-	792	-	8
Other income	3,761	4,103	15,436	53,483	70,440
	110,183	264,253	296,766	547,926	684,982
Share of loss of associated company	(1,838)	(749)	(6,786)	(3,613)	(9,618)
Net interest income and other revenue	**454,151**	**610,364**	**1,260,491**	**1,514,325**	**1,949,472**
NON INTEREST EXPENSES					
Staff costs	134,424	152,644	419,672	478,938	643,730
Loan loss expense	13,524	116,868	50,588	169,511	313,524
Depreciation and amortization	26,241	27,839	76,749	80,080	110,061
Other operating expenses	114,630	179,515	354,195	474,763	594,406
	288,819	**476,866**	**901,204**	**1,203,292**	**1,661,721**
Profit Before Taxation	165,332	133,498	359,287	311,033	287,751
Taxation	41,807	39,023	90,787	75,318	(2,888)
Profit After Taxation	**123,525**	**94,475**	**268,500**	**235,715**	**290,639**
Attributable to:					
Stockholders of the Company	123,510	94,475	268,455	235,715	290,579
Non-controlling interest	15	-	45	-	60
	123,525	**94,475**	**268,500**	**235,715**	**290,639**
Earnings per stock unit (cents)					
EPS	13	10	29	25	31
Diluted EPS	13	10	29	25	31

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

	Unaudited 3 months Sep-10 $'000	Unaudited 3 months Sep-09 $'000	Unaudited 9 months Sep-10 $'000	Unaudited 9 months Sep-09 $'000	Audited 12 months Dec-09 $'000
Profit for the period	123,525	94,475	268,500	235,715	290,639
Other comprehensive income					
Exchange difference arising on translation of foreign operations	(603)	(121)	(5,469)	6,339	8,703
Available-for-sale financial assets					
Net gains/(losses) arising on revaluation of available-for-sale financial assets during the year	(9,149)	323,466	679,599	382,211	259,537
Reclassification adjustments relating to available-for-sale financial assets disposed of in the year	34,960	(22,261)	84,832	(90,126)	89,360
	25,811	301,205	764,431	292,085	348,897
Income tax relating to components of other comprehensive income	(8,604)	(100,401)	(254,810)	(97,362)	(109,100)
Other comprehensive income for the period (net of tax)	16,604	200,683	504,152	201,062	248,500
Total comprehensive income for the period	**140,129**	**295,158**	**772,652**	**436,777**	**539,139**
Total comprehensive income attributable to:					
Owners of the Company	140,117	295,158	772,604	436,777	539,061
Non-controlling interest	12	-	48	-	78
	140,129	295,158	772,652	436,777	539,139

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

	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	Attributable to equity holders of the parent $'000	Minority Interest $'000	Total $'000
Balance at December 31, 2008	**1,995,844**	**458,911**	**742,861**	**1,515,442**	**(1,075,217)**	**207,538**	**1,370,825**	**8,074**	**5,224,278**	**-**	**5,224,278**
Other comprehensive income for the period	-	-	-	-	194,723	-	-	6,339	201,062	-	201,062
Net profit for the period	-	-	-	-	-	-	235,715	-	235,715	-	235,715
Total comprehensive income for the period	-	-	-	-	194,723	-	235,715	6,339	436,777	-	436,777
Transfer to loan loss reserve	-	-	-	-	-	48,523	(48,523)	-	-	-	-
Balance at September 30, 2009	**1,995,844**	**458,911**	**742,861**	**1,515,442**	**(880,494)**	**256,061**	**1,558,017**	**14,413**	**5,661,055**	**-**	**5,661,055**
Balance at December 31, 2009	**1,995,844**	**493,110**	**742,861**	**1,515,442**	**(835,438)**	**336,854**	**1,465,217**	**16,777**	**5,730,667**	**249**	**5,730,916**
Other comprehensive income for the period	-	-	-	-	509,618	-	-	(5,469)	504,149	3	504,152
Net profit for the period	-	-	-	-	-	-	268,455	-	268,455	45	268,500
Total comprehensive income for the period	-	-	-	-	509,618	-	268,455	(5,469)	772,604	48	772,652
Transfer to loan loss reserve	-	-	-	-	-	(1,835)	1,835	-	-	-	-
Balance at September 30, 2010	**1,995,844**	**493,110**	**742,861**	**1,515,442**	**(325,820)**	**335,019**	**1,735,507**	**11,308**	**6,503,271**	**297**	**6,503,568**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

	Unaudited Sep-10 $'000	Unaudited Sep-09 $'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit	268,500	235,715
Interest Income	(2,940,003)	(4,223,286)
Interest expenses	1,969,492	3,253,274
Loan Loss expense /(recovery)	50,588	169,511
Depreciation	76,749	80,080
Gain on sale of Propertyand equipment	792	-
Taxation charge	90,787	75,318
	(483,095)	(409,388)
Movement in working capital		
Accounts receivable	82,432	(202,880)
Loans receivable	464,443	405,552
Accounts payable	(33,286)	(227,548)
Cash provided by/(used in) operations	30,494	(434,264)
Interest paid	(2,267,807)	(3,335,403)
Income tax paid	(84,361)	-
Net cash used in operating activities	(2,321,674)	(3,769,667)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceed on sale of property and equipment	2,538	-
Acquisition of property and equipment	(21,991)	(13,251)
Interest received	3,247,846	4,333,196
Decrease in investments	3,663,318	3,042,196
Cash provided by investing activities	6,891,711	7,362,141
CASH FLOW FROM FINANCING ATIVITIES		
Deposits	(789,479)	(994,442)
Securities sold under repurchse agreement	(2,927,603)	(2,812,134)
Loan participation	(6,202)	(256,438)
Loan Payable	-	(74,946)
Due to other financial institutions	(188,553)	570,066
Cash used in finacing activities	(3,911,837)	(3,567,894)
INCREASE IN CASH AND CASH EQUIVALENTS	658,200	24,580
OPENING CASH AND CASH EQUIVALENTS	762,906	423,467
Effects of foreign exchange rate changes	(29,979)	23,882
CLOSING CASH AND CASH EQUIVALENTS	1,391,127	471,929
Cash and bank balances	2,525,120	1,486,130
Less: Statutory cash reserves	703,893	773,302
Bank overdraft	-	240,899
Cash deposit – Investment Broker	430,100	-
	1,391,127	471,929

CONDENSED SEGMENT RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

2010

	Banking & Related Services	Financial & Related Services	Remittance & Related Services	Holding Investments	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000
External Revenue	1,701,321	1,489,515	31,076	8,071	-	3,229,983
Inter-segments revenue	134,381	110,873	166	30,634	(276,054)	-
Total revenue	1,835,702	1,600,388	31,242	38,705	(276,054)	3,229,983
Net interest income	588,760	403,730	(6,818)	(15,162)	-	970,511
Operating expenses	1,685,154	1,378,102	52,212	31,282	(276,054)	2,870,696
Profit before tax	150,548	222,286	(20,970)	7,423	-	359,287
Taxation	14,758	78,283	(4,728)	2,474	-	90,787
Net profit after tax	135,790	144,003	(16,242)	4,949	-	268,500
Segment assets	23,258,037	18,518,808	73,123	2,740,090	(4,478,034)	40,112,024
Segment liabilities	18,885,464	16,299,416	75,696	114,805	(1,766,925)	33,608,456

2009

	Banking & Related Services	Financial & Related Services	Remittance & Related Services	Holding Investments	Consolidation adjustments	Group
	$'000	$'000	$'000	$'000	$'000	$'000
External revenue	2,386,048	2,270,379	39,337	71,835	-	4,767,599
Net revenue from other segments	174,524	165,139	218	33,429	(373,310)	-
Total Revenue	2,560,572	2,435,518	39,555	105,264	(373,310)	4,767,599
Operating expenses	2,274,258	2,361,248	58,855	135,515	(373,310)	4,456,566
Profit before tax	286,314	74,270	(19,300)	(30,251)	-	311,033
Taxation	54,400	29,675	(5,239)	(3,518)	-	75,318
Net profit after tax	231,914	44,595	(14,061)	(26,733)	-	235,715
Segment assets	26,766,031	20,709,253	57,944	2,805,978	(6,500,375)	43,838,831
Segment liabilities	22,780,615	18,978,257	47,898	173,732	(3,802,726)	38,177,776

1 **GROUP IDENTIFICATION**

(a) Capital & Credit Financial Group Limited ("the Company") is incorporated in Jamaica. Its registered office is 6 – 8 Grenada Way, Kingston 5.

The company's main business is that of holding investments in business enterprises. On May 15, 2008 the company was listed on the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange simultaneously.

The company and its subsidiaries are collectively referred to as the "Group".

These 'Condensed' Interim Financial Reports do not include a full set of explanatory notes which are included in the most recent audited financial statements.

2 **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

The following revised Standards have been adopted in the current period.

		Effective for annual periods beginning on or after
IAS 1, 7, 17, 36, 39,) IFRS 5 and 8 (Revised))	Amendments arising from April 2009 Annual Improvements to IFRS	January 1, 2010
IFRS 2 (Revised)	Share-based Payment: - Amendments relating to Group cash-settled share-based payment transactions	January 1, 2010

The adoption of these standards does not have any significant impact on the Group's financial statements.

3 **SIGNIFICANT ACCOUNTING POLICIES**

Statement of compliance

The Group's financial statements have been prepared in accordance, and comply, with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis of preparation

Basis of measurement

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates ("its functional currency"). For the purpose of the consolidated financial statements the results and financial position of each group entity are expressed in Jamaican dollars which is the Group's functional currency and the presentation currency for the consolidated financial statements.

Comparatives
Where necessary, the comparative figures have been reclassified to conform to changes in presentation in the current year.

3 **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.
Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.
All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination. Losses applicable to the non-controlling interests in excess of the non-controlling interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

Investment in subsidiaries

Subsidiary companies are those companies in which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities.

Investments in subsidiaries are carried at cost less any recognised impairment losses in the financial statements of the company.

Investment in associates

An associate is an entity over which the Group has significant influence and is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not provide control or joint control over those policies.

Investment in associate is stated at cost adjusted for changes in the Group's share of the net assets of the associate, if any, less any impairment in the value of the investment.

Financial assets

Financial assets are recognised and derecognised using trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the asset within the timeframe established by the market and are initially measured at fair value plus transaction cost, except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value.

The financial assets of the Group include cash resources, investment in securities, securities purchased under resale agreements, loans and accounts receivable.

Financial assets are classified into the following categories:

- Financial assets at fair value through profit or loss
- Held to maturity investments
- Available-for-sale financial assets, and
- Loans and receivables

The classification depends on the nature and purpose of the financial assets and is determined at the time of acquisition.

3 **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Financial liabilities

Financial liabilities are classified at fair value through profit or loss or other liabilities. The Group currently has no financial liabilities classified at fair value through profit or loss. Other financial liabilities of the Group are securities sold under repurchase agreements, customer deposits, due to financial institutions, loan participation, loan payable and accounts payable.

Other financial liabilities are initially measured at fair value, net of transaction cost and subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

All other accounting policies remain in effect as per our 2009 audited financial statements. For further information on these policies, please refer to our Website.