CAPITAL & CREDIT FINANCIAL GROUP LIMITED AND ITS SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENT
THE FIRST QUARTER ENDED MARCH 31, 2011

CAPITAL & CREDIT
Providing Total Financial Solutions

The Directors of Capital & Credit Financial Group Limited (CCFG) are pleased to present the Un-audited results for the Financial Group for the 1st Quarter ended March 31, 2011.

HIGHLIGHTS

The Group recorded Profit before Tax of $133.91 million, an 18% growth for the quarter ending March 31, 2011 when compared to $113.66 million for the similar period of 2010. Profit After Tax Attributable to Stockholders however, decreased minimally, moving from $87.14 million for 2010, to $85.60 million for the Quarter under review.

A major contributor to the increase in Profit for the Financial Group was Securities Trading, which recorded a significant growth for the Quarter, moving to $117.96 million from $6.91 million in 2010.

REVENUES

The CCFG Group continues to focus on maintaining its profitability. Total Other Operating Income has increased considerably, moving to $185.56 million for this quarter from $88.95 million for the similar period last year. The main contributors are increases in Foreign Exchange Trading and Translation Gains, which grew by 34%, up from $13.27 million in 2010, to $17.76 million for 2011 and as previously mentioned, Securities Trading Gains. This resulted in a 10% increase in Net Interest Income and Other Revenue, moving from $406.24 million in 2010, to $444.26 million for the First Quarter of 2011.

The downward trend in Interest Rates resulted in a decline in Total Interest Income, which stood at $729.91 million for this quarter, moving from $1.08 billion for the similar period of 2010. There was also a similar decline in Interest Expense, reducing to $469.05 million, when compared to $757.03 million for the similar period of 2010. As a result of the decrease in Interest Rates and reduction in the Investment Portfolio, Net Interest Income (NII) decreased over the period, moving from $319.72 million in 2010, to $260.86 million for this quarter.

NON-INTEREST EXPENSES

Cost Containment continues to be a key initiative for the Capital & Credit Financial Group. Non-Interest Expenses is at $310.35 million for this quarter, up from the $292.58 million for the similar period last year. The major contributor was the annual salary adjustments to staff, resulting in the increase in Staff costs, from $148.93 million in 2010 to $163.69 million for this period. Loan Loss Expense also increased, moving to $1.28 million from $0.07 million for the similar period of 2010.

EARNINGS PER STOCK

Earnings per Stock (EPS) Unit Attributable to Stockholders remain relatively flat at 9 cents for the quarter ended March 31, 2011. The EPS Unit is based on the Net Profit after Tax and the weighted average number of 926,796,047 stock units in issue.

STATEMENT OF FINANCIAL POSITION

There was a decline in Total Assets by approximately 5% moving from $43.24 billion in 2010 to $41.08 billion for March 31, 2011. This decrease resulted from a reduction in Investments in Securities with simultaneous decreases in Deposits and Sale and Repurchase Agreements.

Loan Portfolio, net of Provision, now stands $6.38 billion, marginally down from the $6.62 billion for the similar period ending March 31, 2010. The Financial Group continues to be successful in rehabilitating/restructuring a number of large loans thereby allowing customers to pay down/reduce their facilities in an orderly/structured manner. Most of these are secured at more than twice their loan balances by real estate and other marketable assets. Although the International Financial Reporting Standards (IFRS) do not require it, the Financial Group increased its Loan Loss Reserves for the First Quarter by $333.38 million, as per Regulatory requirements, when compared to the December 31st year end.

The Financial Group continues to sustain its strong Capital Base, which as at March 31, 2011 stood at $6.71 billion, an increase of 6% in Total Stockholders' Equity over the $6.31 billion achieved for the comparative period of 2010.

OUTLOOK 2011

Despite the continued social and economic challenges of 2011, the CCFG Group is confident that it will maintain its profitability and growth.

In keeping with the Industry, the Financial Group continues to reduce Interest Rates on Loans to the benefit of its customers. It is anticipated that with the lowering of Interest Rates locally, confidence will return to the Market and ultimately have a positive impact on the prospect for future growth in the economy.

The CCFG Group's Management Team continues to be pro-active in taking the necessary precautionary measures by re-assessing and re-aligning its business models and will continue to implement improved work flows and processes. The Financial Group will continue its growth by capitalizing on other opportunities to grow Loans and other Fee-Income activities, as well as develop new value-added products and services.

The Capital & Credit Financial Group takes this opportunity to thank its valued customers for their continued support as well as our Shareholders, Directors, Management and staff for their dedication and commitment.

Ryland T. Campbell Chairman On behalf of the Board of Directors	Curtis A. Martin President & CEO

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2011

	Unaudited Mar-11 $'000	Unaudited Mar-10 $'000	Audited Dec-10 $'000
ASSETS			
Cash Resources	2,139,252	1,603,678	1,526,083
Investment In Securities	30,857,490	33,232,771	29,819,648
Securities Purchased Under Resale Agreement	89,365	-	-
Investment In Associate	35,618	21,389	37,775
Loans (after provision for loan losses)	6,380,796	6,618,773	6,347,105
Intangible Assets	307,307	374,123	324,012
Deferred Tax Assets	57,778	297,151	29,662
Accounts receivable	834,852	738,654	1,054,009
Income Tax Recoverable	35,548	91,786	66,821
Customers' liabilities under acceptances, guarantees and letters of credit as per contra	240,333	145,448	196,140
Property and equipment	90,967	103,787	96,485
Other investment	15,000	15,000	15,000
TOTAL ASSETS	**41,084,306**	**43,242,559**	**39,512,740**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits	7,470,632	8,367,238	7,338,487
Securities Sold Under Repurchase Agreements	24,740,931	26,864,183	23,627,408
Loan Participation	625,271	661,659	681,621
Due To Other Financial Institutions	1,006,477	665,367	714,998
Preference shares	23,842	23,976	22,941
Accounts payable	270,079	196,569	232,282
Bank overdraft	-	12,513	1,120
Customers' liabilities under acceptances, guarantees and letters of credit as per contra	240,333	145,448	196,140
	34,377,564	36,936,953	32,814,997
STOCKHOLDERS' EQUITY			
Share capital	1,995,844	1,995,844	1,995,844
Capital reserve	742,861	742,861	742,861
Statutory reserve fund	516,541	493,110	516,541
Retained earnings reserve	1,215,442	1,515,442	1,215,442
Fair value reserve	(224,940)	(343,030)	(148,945)
Loan loss reserve	1,338,286	336,854	1,004,907
Foreign currency translation reserve	8,833	11,912	9,437
Unappropriated profits	1,113,556	1,552,345	1,361,349
Attributable to stockholders of the company	6,706,424	6,305,337	6,697,436
Non-controlling interest	318	270	307
	6,706,742	6,305,607	6,697,743
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**41,084,306**	**43,242,559**	**39,512,740**

Approved for issue by the Board of Directors on April 29, 2011 and signed on its behalf by:

Ryland T. Campbell
Chairman
On behalf of the Board of Directors

Curtis A. Martin
President & CEO

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTHS ENDED MARCH 31, 2011

	Unaudited 3 months Mar-11 $'000	Unaudited 3 months Mar-10 $'000	Audited 12 months Dec-10 $'000
Gross Operating Revenue	**913,314**	**1,165,688**	**4,281,287**
Interest on investments	616,905	793,888	2,826,333
Interest on loans	113,008	282,854	957,065
	729,913	1,076,742	3,783,398
Interest expense	469,054	757,027	2,492,992
Net interest income	**260,859**	**319,715**	**1,290,406**
Commission and fee income	30,871	47,083	148,835
Net gains on securities trading	117,960	6,911	195,672
Foreign exchange trading and translation	17,762	13,266	89,606
Dividend income	13,575	17,992	54,871
Gain on sale of property and equipment	-	792	954
Other income	5,389	2,902	17,041
	185,557	88,946	506,979
Share of loss of associated company	(2,156)	(2,422)	(9,090)
Net interest income and other revenue	**444,260**	**406,239**	**1,788,295**
NON INTEREST EXPENSES			
Staff costs	163,686	148,925	600,794
Loan loss expense	1,282	71	113,089
Depreciation and amortization	25,741	25,216	103,152
Other operating expenses	119,640	118,367	487,388
	310,349	**292,579**	**1,304,423**
Profit Before Taxation	133,911	113,660	483,872
Taxation	48,314	26,517	196,198
Profit After Taxation	**85,597**	**87,143**	**287,674**
Attributable to:			
Stockholders of the Company	**85,586**	**87,128**	**287,616**
Non-controlling interest	**11**	**15**	**58**
	85,597	**87,143**	**287,674**
Earnings per stock unit (cents)			
EPS	9	9	31
Diluted EPS	9	9	31

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2011

	Unaudited 3 months Mar-11 $'000	Unaudited 3 months Mar-10 $'000	Audited 12 months Dec-10 $'000
Profit for the period	85,597	87,143	287,674
Other comprehensive income			
Exchange difference arising on translation of foreign operations	(604)	(4,865)	(7,340)
Available-for-sale financial assets			
Net gains arising on revaluation of available-for-sale financial assets during the year	4,056	745,532	1,217,120
Reclassification adjustments relating to available-for-sale financial assets disposed of in the year	(117,960)	(6,911)	(188,097)
	(113,904)	738,621	1,029,023
Income tax relating to components of other comprehensive income	(37,968)	246,207	342,530
Other comprehensive income for the period (net of tax)	(76,540)	487,548	679,153
Total comprehensive income for the period	**9,057**	**574,691**	**966,827**
Total comprehensive income attributable to:			
Owners of the Company	8,988	574,670	966,769
Non-controlling interest	69	21	58
	9,057	574,691	966,827

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2011

	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	Non-controlling Interest $'000	Total $'000
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	-	-	-	-	492,408	-	-	(4,865)	487,542	6	487,548
Net profit for the period	-	-	-	-	-	-	87,128	-	87,128	15	87,143
Total comprehensive income for the period	-	-	-	-	492,408	-	87,128	(4,865)	574,670	21	574,691
Transfer to loan loss reserve	-	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2010	**1,995,844**	**493,110**	**742,861**	**1,515,442**	**(343,030)**	**336,854**	**1,552,345**	**11,912**	**6,305,337**	**270**	**6,305,607**
Balance at December 31, 2010	1,995,844	516,541	742,861	1,215,442	(148,945)	1,004,907	1,361,349	9,437	6,697,436	249	6,697,685
Other comprehensive income for the period	-	-	-	-	(75,995)	-	-	(604)	(76,599)	58	(76,541)
Net profit for the period	-	-	-	-	-	-	85,586	-	85,586	11	85,597
Total comprehensive income for the period	-	-	-	-	(75,995)	-	85,586	(604)	8,987	69	9,056
Transfer to loan loss reserve	-	-	-	-	-	333,379	(333,379)	-	-	-	-
Balance at March 31, 2011	**1,995,844**	**516,541**	**742,861**	**1,215,442**	**(224,940)**	**1,338,286**	**1,113,556**	**8,833**	**6,706,423**	**318**	**6,706,741**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

	Unaudited Mar-11 $'000	Unaudited Mar-10 $'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit	85,597	87,143
Interest Income	(729,913)	(1,076,742)
Interest expenses	469,054	757,027
Loan Loss expense less recovery	1,282	71
Depreciation	25,741	25,216
Gain on sale of Propertyand equipment	-	792
Taxation	48,314	26,517
	(99,925)	(179,976)
Movement in working capital		
Accounts receivable	256,549	(57,684)
Loans receivable	(76,143)	212,861
Accounts payable	37,797	27,090
Cash generated by operations	118,277	2,290
Interest paid	(567,625)	(896,250)
Income tax paid	(41,461)	(45,048)
Net cash used in operating activities	(490,809)	(939,008)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceed on sale of property and equipment	-	2,538
Acquisition of property and equipment	(4,059)	(3,174)
Interest received	891,626	1,319,479
Decrease in investments	(1,222,013)	(32,944)
Cash provided by investing activities	(334,447)	1,285,899
CASH FLOW FROM FINANCING ATIVITIES		
Deposits	126,693	63,071
Securities sold under repurchse agreement	1,218,328	(467,002)
Loan participation	(56,104)	(76,626)
Due to other financial institutions	291,067	(246,508)
Cash provided by/(used in) finacing activities	1,579,983	(727,065)
INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	754,727	(380,173)
OPENING CASH AND CASH EQUIVALENTS	834,729	762,906
Effects of foreign exchange rate changes	(56,286)	27,806
CLOSING CASH AND CASH EQUIVALENTS	1,533,170	410,539
Cash and bank balances	2,139,252	1,603,678
Securities purchased under resale agreements	89,319	-
Less: Statutory cash reserves	695,400	734,464
Bank overdraft	-	12,513
Cash deposit – Investment Broker	-	446,162
	1,533,170	410,539

CONDENSED SEGMENT RESULTS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

2011

	Banking & Related Services	Financial & Related Services	Remittance & Related Services	Holding Investments	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000
External Revenue	447,449	453,485	13,915	(1,536)	-	913,313
Inter-segments revenue	31,850	11,321	83	9,795	(53,049)	-
Total revenue	479,299	464,806	13,998	8,259	(53,049)	913,313
Net interest income	123,999	144,249	(2,088	(5,301)	-	260,859
Operating expenses	445,970	351,625	15,237	19,619	(53,049)	779,402
Profit before tax	33,330	113,180	(1,240	(11,360)	-	133,911
Taxation	12,267	38,314	306	(2,573)	-	48,314
Net profit after tax	21,063	74,866	(1,545	(8,787)	-	85,597
Segment assets	24,525,444	17,839,837	88,005	2,752,256	(4,121,236)	41,084,306
Segment liabilities	19,868,553	15,661,353	82,955	154,994	(1,390,291)	34,377,564

2010

	Banking & Related Services $'000	Financial & Related Services $'000	Remittance & Related Services $'000	Holding Investments $'000	Consolidation adjustments $'000	Group $'000
External Revenue	592,159	558,393	13,467	1,669	-	1,165,688
Inter-segments revenue	53,798	56,220	54	9,455	(119,527)	-
Total Revenue	645,957	614,613	13,521	11,124	(119,527)	1,165,688
Net interest income	199,489	129,049	(1,759)	(7,063)	-	319,716
Operating expenses	591,712	546,029	17,442	13,950	(119,527)	1,049,606
Profit before tax	54,245	68,584	(3,921)	(2,825)	-	116,082
Share of Associate results	-	-	(2,422)	-	-	(2,422)
Taxation	5,317	23,448	(1,307)	(941)	-	26,517
Net profit after tax	48,928	45,136	(5,036)	(1,885)	-	87,143
Segment assets	26,590,627	19,813,692	86,124	2,785,034	(6,032,917)	43,242,559
Segment liabilities	22,315,809	17,673,169	82,353	166,243	(3,300,621)	36,936,953

NOTES TO THE FINANCIALS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

1 GROUP IDENTIFICATION

Capital & Credit Financial Group Limited ("the Company") is incorporated in Jamaica. The company's main business activity is that of holding investments in business enterprises. Its registered office is 6 – 8 Grenada Way, Kingston 5.

The company is listed on the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange.

The Group comprises the company and its subsidiaries, Capital & Credit Merchant Bank Limited, Capital and Credit Remittance Limited, Capital and Credit Payment Systems Limited and Capital and Credit Holdings Inc.

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, 34, IFRS 1, 3 and 7) (Revised)	Amendments arising from May 2010 Annual Improvements to IFRS	January 1, 2011
IAS 24 (Revised)	Related Party Disclosures – Revised definition of related parties	January 1, 2011
IAS 27 (Revised)	Consolidated and Separate Financial Statements - Amendments resulting from May 2010 Annual Improvements to IFRS	July 1, 2010
IAS 32 (Revised)	Financial Instruments: Presentation - Amendments relating to classification of rights issues	February 1, 2010
IFRS 1(Revised)	First-time Adoption of International Financial Reporting Standards - Limited exemptions from comparative IFRS 7 disclosure for first-time adopters	July 1, 2010
IFRS 3 (Revised)	Business Combinations - Amendments resulting from May 2010 Annual Improvements to IFRS	July 1, 2010
IFRIC 14: IAS 19 (Revised)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction - November 2009 Amendments with respect to voluntary prepaid contributions	January 1, 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010

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

NOTES TO THE FINANCIALS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

3 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Group's financial statements have been prepared in accordance, and comply with, the requirements of International Financial Reporting Standards (IFRS) and the Companies Act, 2004 of Jamaica.

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.

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 and statement of other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

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.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIALS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

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

Basis of consolidation (Cont'd)

Changes in the Group's ownership interests in existing subsidiaries (Cont'd)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

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, with any transaction cost recognised immediately in profit or loss.

The financial assets of the Group include cash resources, investment in securities, securities purchased under resale agreements, pledged assets, investments in subsidiaries, investment in associates, loans and accounts receivable, except prepayments.

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, preference shares, loan payable and accounts payable, expect accruals.

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.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period to the net carrying amount of the financial liability on initial recognition. Interest expense is recognised in the profit and loss account for the period.

All other accounting policies remain in effect as per our 2010 audited financial statements. For further information on these policies, please refer to our Website.