



CAPITAL & CREDIT FINANCIAL GROUP LTD.
Providing Total Financial Solutions

FOR IMMEDIATE RELEASE

KINGSTON: August 11, 2011

Mixed 2nd Quarter for Capital & Credit

The **Capital & Credit Financial Group Limited (CCFG)** and **Capital & Credit Merchant Bank Group (CCMB)** have recorded mixed results for the Second Quarter ended June 30, 2011.

CCMB, and its subsidiaries, have seen an 18% growth in Total Other Operating Income, moving to approximately \$87 million for this Quarter, from approximately \$74 million for the Second Quarter 2010. The major contributors to the increase in Other Operating Income for the Merchant Banking Group were Commission and Fee Income, which grew by 61% up from just under \$20 million in 2010, to approximately \$32 million for 2011; as well as Foreign Exchange Trading and Translation Gains, up from negative \$1.97 million, to gains of just over \$15 million, for the Second Quarter this year.

The Banking Group also recorded Profit after Tax Attributable to Stockholders of approximately \$56 million, a marginal decrease, when compared to the approximately \$62 million for the comparative period in 2010.

For its part, the parent company, CCFG, recorded a marginal decline in Total Operating Income of approximately 5%, moving from just over \$400 million for the Second Quarter last year, to approximately \$381 million for the Quarter under review. Profit Attributable to Shareholders however, fell from approximately \$58 million in the comparative Quarter 2010, as a result of the write-off of Investment Annuity amounting to approximately \$47.5 million in its Associate Company **Express Remittance Services (ERS)** in the Cayman Islands, to approximately \$6.3 million in the Quarter under review.

In May this year, CCFG, as part of its continuous review of the operations of all its subsidiaries to achieve greater efficiency and profitability, made the strategic decision to close ERS, a 40% owned subsidiary company of the Capital & Credit Financial Group, due to the increasingly unfavourable Market conditions in that territory, which has seen significantly declining remittance numbers and increasingly higher Operational Costs.

There were positives recorded for the Quarter for CCFG: Other Operating Income, including Fees, Commission & Trading Income, grew by over 5%, moving from approximately \$98 million, to just under \$103 million, as strong growth in FX Trading and Translation Gains, which was approximately \$2.7 million in 2010, increased to just over \$24 million for the comparative Quarter this year and more than offset reduced Income in Securities Trading.

The Capital & Credit Financial Group also continues to sustain its strong Capital Base, which as at June 30, 2011, stood at \$7.16 billion, an increase of 13% in Total Stockholders' Equity over the \$6.36 billion achieved for the comparative period of 2010. The CCMB Banking Group comprising **Capital & Credit Securities Limited** and **Capital & Credit Fund Managers Limited** remains the principal driver of profitability and is expected to maintain this thrust.

More.....2/



CAPITAL & CREDIT FINANCIAL GROUP LTD.
Providing Total Financial Solutions

The Bank's Second Quarter review reflects a small reduction in the Loan Portfolio, after Provision for Loan Losses, which is now at \$6.39 billion when compared to the \$6.48 billion for the similar period ending June 30, 2010. Although the adverse economic conditions continue to impact the Loan Portfolio, the majority of the Loans impacted are not considered impaired and the Group, along with a recently-employed Credit Specialist, continues to work with its customers to take necessary actions in order to rehabilitate, expedite and restore collections.

Despite the continued social and economic challenges of 2011, the CCFG Group is confident that it will maintain its profitability and growth as the Group's Management Team continues to be pro-active in taking the necessary precautionary measures by re-assessing and re-aligning its business models. CCFG expects to recover its position by the end of the year, having eliminated the cost factor related to the associated Cayman remittance operations, as well as projected significant recoveries from loan loss provisions made against well secured facilities which have previously under performed.

In keeping to its long-held commitment to actively seek strategic alliances to add Shareholder Value and deliver superior customer experience, **Capital & Credit Financial Group** and **Jamaica Money Market Brokers Limited (JMMB)** yesterday announced that they had begun dialogue in connection with JMMB's interest in making an offer to acquire up to 100% of the issued share capital of CCFG. While a formal offer has not been made by JMMB to the Board of CCFG to acquire all its shares, JMMB has indicated its intention to make a formal take-over bid to the Board of CCFG for all the shares of the Company, subject to prior approval.

If all requisite approvals are obtained from the appropriate regulatory bodies in Jamaica and Trinidad & Tobago, including Bank of Jamaica and the Financial Services Commission, this proposal could harness the strengths of both entities and result in an even more formidable integrated financial services entity, offering a wider range of financial products and services through an island-wide network, to a combined base of over 180,000 clients and \$180 billion in Total Assets Under Management.

The Group has given its undertaking to keep its staff, shareholders, customers and the general public apprised of developments in a timely manner.

-30-

For further Information Contact:

Michelle Wilson-Reynolds
SVP, Group Marketing & Corporate Affairs
Capital & Credit Financial Group Limited
6-8 Grenada Way
Kingston 5
Tel: 960-5320 Ext. 2050
E-mail: mareynolds@capital-credit.com

OR ***Shelley-Ann Wilson-Henry***
Public Relations & Advertising Manager
Capital & Credit Financial Group Ltd.
6-8 Grenada Way
Kingston 5
Tel: 960-5320 Ext. 2103
E-mail: sdhenry@capital-credit.com