CAPITAL & CREDIT FINANCIAL GROUP LIMITED AND ITS SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENT
THE SECOND QUARTER ENDED JUNE 30, 2011

CAPITAL & CREDIT
Providing Total Financial Solutions

The Directors of Capital & Credit Financial Group Limited (CCFG) hereby present the Unaudited Results for the Financial Group for the 2nd quarter ended June 30, 2011.

OPERATING RESULTS

Total Operating Income recorded a marginal decline of approximately 5%, moving from $400.1million for the Second Quarter 2010, to $380.66 million for this Quarter. Other Operating Income, including Fees, Commission & Trading Income, grew by 5.1%, moving from $97.64 million to $102.62 million, as strong growth in FX Trading and Translation Gains, which was $2.66 million in 2010, increased to $24.26 million for this Quarter, more than offset reduced Securities Trading Income. However, Net Interest Income showed a downward trend, moving from $304.99 million to $279.48 million, as lower net interest spread negatively impacted the portfolio.

The Merchant Banking Group recorded Profit After Tax of $55.56 million, compared to the $62.49 million for the comparative period in 2010. However, the write-off of investment annuity amounting to $47.46 million in its Associate Company, Express Remittance Services in the Cayman Islands, negatively impacted Capital & Credit Financial Group's Profit for the Quarter, as Profit Attributable to Shareholders fell from $57.83 million in 2010, to $6.29 million for the Quarter under review.

STATEMENT OF FINANCIAL POSITION

The Financial Group 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.

The CCMB Banking Group continues to work with its clients in rehabilitating and restructuring a number of large loans, thereby allowing customers to reduce their facilities in an orderly manner. Most of these are secured at 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 significantly, moving from $335.02 million to $1.96 billion.

There was a decline in Total Assets by approximately 9%, moving from $41.36 billion in 2010 to $37.80 billion for June 30, 2011. This decrease resulted from a reduction in Investments in Securities, with simultaneous decreases in Deposits and Sale and Repurchase Agreements.

EARNINGS PER STOCK

Earnings per Stock (EPS) Unit attributable to stockholders saw a reduction, moving from six cents for the Second Quarter 2010, to one cent for this Quarter ending June 30, 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.

OUTLOOK 2011

Despite the continued social and economic challenges of 2011, the CCFG Group is confident that it will maintain its profitability and growth as it pursues strategic alliances to add shareholder value and deliver superior customer experience.

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. Notwithstanding the significant write-off taken during this Quarter, consequent upon the closure of the associate remittance operations in Cayman, CCFG expects to recover its position by the end of the year, having eliminated this cost factor, as well as projected significant recoveries from loan loss provisions made against well secured facilities which have under performed in the areas of Real Estate and Tourism Development projects.

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 unconditional dedication and commitment.

RYLAND T. CAMPBELL	**ANDREW B. COCKING**
CHAIRMAN	**DEPUTY GROUP PRESIDENT**
On behalf of the Board of Directors	

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2011

	Unaudited Jun-11 $'000	Unaudited Jun-10 $'000	Audited Dec-10 $'000
ASSETS			
Cash Resources	1,332,997	2,680,592	1,526,083
Investment In Securities	28,615,330	30,550,362	29,819,648
Investment In Associate	-	26,453	37,775
Loans (after provision for loan losses)	6,273,780	6,369,468	6,347,105
Intangible Assets	290,797	373,973	324,012
Deferred Tax Assets	-	213,477	29,662
Accounts receivable	767,188	746,775	1,054,009
Income Tax Recoverable	66,641	92,424	66,821
Customers' liabilities under acceptances, guarantees and letters of credit as per contra	356,871	201,979	196,140
Property and equipment	84,913	84,977	96,485
Other investment	15,000	15,000	15,000
TOTAL ASSETS	**37,803,517**	**41,355,479**	**39,512,740**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits	6,163,182	7,705,287	7,338,487
Securities Sold Under Repurchase Agreements	22,022,436	25,431,211	23,627,408
Loan Participation	718,630	819,005	681,621
Due To Other Financial Institutions	716,894	684,814	714,998
Preference shares	-	23,798	22,941
Deferred tax liabilities	152,110	-	-
Accounts payable	354,221	133,259	232,282
Bank overdraft	157,641	-	1,120
Customers' liabilities under acceptances, guarantees and letters of credit as per contra	356,871	201,979	196,140
	30,641,985	34,999,353	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	608,393	1,515,442	1,215,442
Fair value reserve	223,554	(349,574)	(148,945)
Loan loss reserve	1,963,046	335,019	1,004,907
Foreign currency translation reserve	8,835	11,146	9,437
Unappropriated profits	1,102,124	1,611,996	1,361,349
Attributable to stockholders of the company	7,161,198	6,355,844	6,697,436
Non-controlling interest	334	282	307
	7,161,532	6,356,126	6,697,743
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**37,803,517**	**41,355,479**	**39,512,740**

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

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

Curtis A. Martin
President & CEO

CAPITAL & CREDIT
Providing Total Financial Solutions

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS ENDED JUNE 30, 2011

	Unaudited 3 months Jun-11 $'000	Unaudited 3 months Jun-10 $'000	Unaudited 6 months Jun-11 $'000	Unaudited 6 months Jun-10 $'000	Audited 12 months Dec-10 $'000
Gross Operating Revenue	**796,216**	**1,041,638**	**1,709,529**	**2,204,902**	**4,281,287**
Interest on investments	548,376	701,569	1,165,281	1,495,456	2,826,333
Interest on loans	146,652	244,957	259,660	527,811	957,065
	695,028	946,526	1,424,941	2,023,267	3,783,398
Interest expense	415,552	641,538	884,606	1,398,565	2,492,992
Net interest income	**279,476**	**304,988**	**540,335**	**624,702**	**1,290,406**
Commission and fee income	38,556	35,003	69,427	82,085	148,835
Net gains on securities trading	29,013	42,961	146,973	49,872	195,672
Foreign exchange trading and translation	24,263	2,659	42,025	15,925	89,606
Dividend income	8,489	8,241	22,064	26,233	54,871
Gain on sale of property and equipment	-	-	-	-	954
Other income	2,303	8,774	7,692	12,468	17,041
Total other operating income	102,624	97,638	288,181	186,583	506,979
Share of loss of associated company	(1,436)	(2,526)	(3,593)	(4,948)	(9,090)
Net interest income and other revenue	**380,664**	**400,100**	**824,923**	**806,337**	**1,788,295**
NON INTEREST EXPENSES					
Staff costs	156,360	138,569	320,046	285,248	600,794
Loan loss expense	18,403	36,993	19,684	37,064	113,089
Depreciation and amortization	26,040	25,292	51,781	50,508	103,152
Other operating expenses	109,482	118,951	222,991	239,564	487,388
Total operating expenses	**310,285**	**319,805**	**614,502**	**612,384**	**1,304,423**
Impairment of Investment in associated company	47,464	-	53,596	-	-
Total non interest expenses	**357,749**	**319,805**	**668,098**	**612,384**	**1,304,423**
Profit Before Taxation	**22,915**	**80,295**	**156,825**	**193,953**	**483,872**
Taxation	16,622	22,464	64,937	48,980	196,198
Profit After Taxation	**6,293**	**57,831**	**91,888**	**144,973**	**287,674**
Attributable to:					
Stockholders of the Company	**6,280**	**57,817**	**91,865**	**144,944**	**287,616**
Non-controlling interest	**12**	14	**23**	**29**	**58**
	6,293	**57,831**	**91,888**	**144,973**	**287,674**
Earnings per stock unit (cents)					
EPS	1	6	10	16	31
Diluted EPS	1	6	10	16	31

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2011

	Unaudited 3 months Jun-11	Unaudited 3 months Jun-10	Unaudited 6 months Jun-11	Unaudited 6 months Jun-10	Audited 12 months Dec-10
	$'000	$'000	$'000	$'000	$'000
Profit for the period	6,293	57,831	91,888	144,973	287,674
Other comprehensive income					
Exchange difference arising on translation of foreign operations	1	(765)	(602)	(5,631)	(7,340)
Available-for-sale financial assets					
Net gains arising on revaluation of available-for-sale financial assets during the year	697,615	33,142	701,671	778,674	1,217,120
Reclassification adjustments relating to available-for-sale financial assets disposed of in the year	(24,869)	(42,961)	(142,829)	(49,872)	(188,097)
	672,746	(9,819)	558,842	728,802	1,029,023
Income tax relating to components of other comprehensive income	224,249	(3,273)	186,281	242,934	342,530
Other comprehensive income for the period (net of tax)	448,499	(7,311)	371,959	480,237	679,153
Total comprehensive income for the period	**454,791**	**50,520**	**463,847**	**625,210**	**966,827**
Total comprehensive income attributable to:					
Owners of the Company	454,776	50,508	463,762	625,177	966,769
Non-controlling interest	16	12	85	33	58
	454,791	**50,520**	**463,847**	**625,210**	**966,827**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 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	-	-	-	-	485,864	-	-	(5,631)	480,233	4	480,237
Net profit for the period	-	-	-	-	-	-	144,944	-	144,944	29	144,973
Total comprehensive income for the period	-	-	-	-	485,864	-	144,944	(5,631)	625,177	33	625,210
Transfer to loan loss reserve	-	-	-	-	-	(1,835)	1,835	-	-	-	-
Balance at June 30, 2010	**1,995,844**	**493,110**	**742,861**	**1,515,442**	**(349,574)**	**335,019**	**1,611,996**	**11,146**	**6,355,844**	**282**	**6,356,126**
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	-	-	-	-	372,499	-	-	(602)	371,897	62	371,959
Net profit for the period	-	-	-	-	-	-	91,865	-	91,865	23	91,888
Total comprehensive income for the period	-	-	-	-	372,499	-	91,865	(602)	463,762	85	463,847
Transfer to loan loss reserve	-	-	-	(607,049)	-	958,139	(351,090)	-	-	-	-
Balance at June 30, 2011	**1,995,844**	**516,541**	**742,861**	**608,393**	**223,554**	**1,963,046**	**1,102,124**	**8,835**	**7,161,198**	**334**	**7,161,532**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2011

	Unaudited Jun-11 $'000	Unaudited Jun-10 $'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit	91,888	144,973
Interest Income	(1,424,941)	(2,023,267)
Interest expenses	884,606	1,398,565
Impairment losses	53,596	-
Loan Loss expense less recovery	19,684	37,064
Depreciation	51,781	50,508
Gain on sale of Propertyand equipment	-	792
Loss from Associated company	3,593	4,948
Taxation	64,937	48,980
	(254,856)	(337,437)
Movement in working capital		
Accounts receivable	267,473	(65,409)
Loans receivable	10,521	439,202
Accounts payable	121,937	(36,220)
Cash generated by operations	145,075	136
Interest paid	(937,752)	(1,616,764)
Income tax paid	(65,479)	(64,704)
Net cash used in operating activities	(858,156)	(1,681,332)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceed on sale of property and equipment	-	2,538
Acquisition of property and equipment	(7,535)	(9,445)
Interest received	1,538,107	2,227,397
Decrease in investments	1,819,550	2,763,964
Cash provided by investing activities	3,350,122	4,984,455
CASH FLOW FROM FINANCING ATIVITIES		
Deposits	(1,164,301)	(584,692)
Securities sold under repurchse agreement	(1,562,635)	(1,819,964)
Loan participation	36,536	81,858
Preference shares redeemed	(22,684)	-
Due to other financial institutions	1,915	(243,422)
Cash used in financing activities	(2,711,169)	(2,566,220)
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(219,203)	736,902
OPENING CASH AND CASH EQUIVALENTS	834,729	762,906
Effects of foreign exchange rate changes	(56,164)	(432)
CLOSING CASH AND CASH EQUIVALENTS	559,362	1,499,376
Cash and bank balances	1,332,997	2,680,592
Less: Statutory cash reserves	615,994	752,566
Bank overdraft	157,641	-
Cash deposit – Investment Broker	-	428,650
	559,362	1,499,376

CONDENSED SEGMENT RESULTS
FOR THE SIX MONTHS ENDED JUNE 30, 2011

2011

	Banking & Related Services	Financial & Related Services	Remittance & Related Services	Holding Investments	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000
External Revenue	831,346	851,105	27,766	(688)	-	1,709,529
Inter-segments revenue	64,321	21,871	173	18,904	(105,269)	-
Total revenue	895,667	872,976	27,939	18,216	(105,269)	1,709,529
Net interest income	273,234	281,045	(4,193)	(9,751)	-	540,335
Operating expenses	872,901	680,644	27,442	76,986	(105,269)	1,552,704
Profit before tax	22,766	192,332	497	(58,770)	-	156,825
Taxation	(1,630)	65,244	1,360	(37)	-	64,937
Net profit after tax	24,396	127,088	(863)	(58,733)	-	91,888
Segment assets	21,696,356	17,292,780	83,317	2,619,957	(3,888,894)	37,803,517
Segment liabilities	16,769,412	14,881,546	74,825	105,051	(1,188,850)	30,641,985

2010

	Banking & Related Services $'000	Financial & Related Services $'000	Remittance & Related Services $'000	Holding Investments $'000	Consolidation adjustments $'000	Group $'000
External Revenue	1,159,154	1,020,769	24,086	5,841	-	2,209,850
Inter-segments revenue	102,148	96,862	115	20,056	(219,181)	-
Total Revenue	1,261,302	1,117,631	24,202	25,897	(219,181)	2,209,850
Net interest income	390,154	250,893	(4,248)	(12,095)	-	624,704
Operating expenses	1,179,863	991,715	35,438	23,114	(219,181)	2,010,949
Profit before tax	81,439	125,916	(11,237)	2,783	-	198,901
Share of Associate results	-	-	(4,948)	-	-	(4,948)
Taxation	7,983	43,814	(3,746)	929	-	48,980
Net profit after tax	73,456	82,102	(12,439)	1,854	-	144,973
Segment assets	23,334,586	19,325,966	66,184	2,738,594	(4,109,852)	41,355,479
Segment liabilities	22,315,809	17,187,118	66,626	116,022	(4,686,224)	34,999,352

NOTES TO THE FINANCIALS

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

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

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.

4 IMPAIRMENT OF INVESTMENT IN ASSOCIATE

The Group's Associated Company Express Remittance Services (Cayman) Limited (ERS) which is incorporated in the Cayman Islands, and whose main business activity is that of facilitating the electronic transfer of funds from the Cayman Islands to other countries predominantly Jamaica, closed its operations to the public at end of day on May 21, 2011, further to an ERS Board Resolution being passed to effect the closure. This decision was taken due to the increasingly challenging market conditions in that territory, increasingly higher operational cost and against the background of Capital & Credit's commitment to the continuous review of the operations of all its subsidiaries in order to ensure greater efficiency and profitability. Consequently, the Group has recognized an Impairment Loss of $53.6 million, in respect of its investment in the associate company (ERS), which is reported in the Profit and Loss Account.