

Capital Financial Global, Inc. and Subsidiaries
Consolidated Statements of Financial Condition
(Unaudited)

	March 31, 2013	December 31, 2012
	<u> </u>	<u> </u>
Assets		
Current assets		
Cash and cash equivalents (see note 4.16)	\$ 287,061	\$ 495,534
Investment in trading securities		
Allowance to value at market	7,770	21,163
Accounts receivable, net of allowance for doubtful accounts	-	-
Loans held for sale	770,000	770,000
Accrued interest	49,610	18,335
Prepaid expenses	-	-
Total current assets	<u>1,114,441</u>	<u>1,305,032</u>
Derivative asset (see note 4.9 & 4.17)	-	-
Office equipment, net of \$13,825 and \$11,809 of accumulated depreciation, respectively	13,923	15,939
Property (see Note 4.15)	548,835	548,835
Total long-term assets	<u>562,758</u>	<u>564,774</u>
Total assets	<u><u>\$ 1,677,199</u></u>	<u><u>\$ 1,869,806</u></u>
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	\$ 45,653	\$ 40,848
Accrued interest payable	106,656	83,641
Accrued compensation and payroll taxes	214,064	205,628
Dividends payable	66,385	53,859
Credit facilities (see note 4.16)	239,076	431,694
Short-term debt	200,000	200,000
Other current liabilities	638	683
Total current liabilities	<u>872,472</u>	<u>1,016,353</u>
Long-term liabilities		
Notes payable	-	-
Long term notes payable (see note 4.15)	661,157	630,007
Total long-term liabilities	<u>661,157</u>	<u>630,007</u>
Stockholders' equity		
Preferred stock		
Series A, \$0.001 par value, 100 shares authorized, 100 shares issued and outstanding; liquidation preference is \$315,251	2,261,337	2,261,337
Series B, \$0.001 par value, 20,000,000 shares authorized, 1,270,000 shares issued and outstanding	1,270,000	1,270,000
Common stock, \$0.001 par value, 500,000,000 shares authorized, 175,187,258 shares issued and outstanding	175,187	175,187
Additional paid-in capital	868,670	868,670
Accumulated deficit	(4,431,623)	(4,351,747)
Total stockholders' equity	<u>143,571</u>	<u>223,447</u>
Total liabilities and stockholders' equity	<u><u>\$ 1,677,199</u></u>	<u><u>\$ 1,869,806</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Capital Financial Global, Inc. and Subsidiaries
Consolidated Statement of Operations
(Unaudited)

	For the Quarter Ended March 31,	
	2013	2012
Revenues		
Interest and fees on loans	\$ 4,303	\$ 8,617
Interest on securities	36,544	-
Interest expense	(2,824)	(4,097)
Net interest income	<u>38,023</u>	<u>4,520</u>
Net proprietary trading gains (loss)	9,618	1,586
Net unrealized trading gains (loss)	(13,484)	13,322
Loan servicing fees	296	98
Total non-interest Income	<u>(3,570)</u>	<u>15,005</u>
Net Revenue	<u>34,453</u>	<u>19,525</u>
Operating expenses		
Compensation & benefits	32,445	33,525
Bad Debt		
Corporate development	15	365
Marketing	1,308	11,940
Communications & technology	3,357	2,748
Occupancy	1,800	2,475
Professional fees	5,018	33,983
Other General and administrative	1,677	3,207
Depreciation and amortization	2,016	2,086
Total operating expense	<u>47,637</u>	<u>90,329</u>
Net non-operating interest gain (expense)	(54,166)	(23,511)
Loss on extinguishment of debt	-	(110,000)
Loss before income taxes	(67,350)	(204,315)
Provision for income tax	-	-
Net Loss	<u>(67,350)</u>	<u>(204,315)</u>
Preferred stock dividends	-	-
Series B Preferred Stock Dividends	(12,526)	(4,987)
Net loss applicable to common shareholders	<u>\$ (54,824)</u>	<u>\$ (199,328)</u>
Net loss per common share		
Basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding:		
Basic	145,612,260	96,862,260
Basic and diluted (see notes 4.3 & 4.7)	301,045,133	199,567,633

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Capital Financial Global, Inc. and Subsidiaries
Consolidated Statement of Cash Flows
(Unaudited)

	For the Quarter Ended	
	March 31,	
	2013	2012
Cash flows from operating activities		
Net loss	\$ (67,350)	\$ (204,315)
Adjustments to reconcile net loss to cash:		
Depreciation, depletion, amortization and accretion	2,016	2,086
Allowance to Value to Market	13,393	(13,796)
Loss on extinguishment of debt	-	110,000
Amortization of debt discount	31,150	20,519
Changes in operating assets and liabilities:		
Accounts receivable	-	-
Accounts payable	4,760	4,154
Loans and securities held for sale (see note 4.12)	-	-
Allowance to value at market	-	-
Credit facilities	(192,618)	4,097
Accrued interest income	(31,275)	1,456
Prepaid expenses and other current assets	-	-
Accrued interest payable	23,015	2,992
Accrued payroll liability	8,436	10,073
Accrued expenses payable	-	-
Deferred tax assets and liabilities	-	-
Net cash provided (used) by operation activities	<u>(208,473)</u>	<u>(62,734)</u>
Cash flows from investing activities		
Equipment	-	-
Property (see note 4.15)	-	(13,648)
Notes Receivable	-	-
Derivative securities (see note 4.9 & 4.17)	-	-
Net cash provided (used) for investing activities	<u>-</u>	<u>(13,648)</u>
Cash flows from financing activities		
Preferred stock issued for cash	-	-
Common stock issued for cash	-	-
Redemption of Preferred stock for cash	-	-
Proceeds from notes payable	-	-
Repayments of notes payable	-	-
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(208,473)</u>	<u>(76,382)</u>
Cash and cash equivalents, beginning of period	495,534	817,511
Cash and cash equivalents, end of period	<u>287,061</u>	<u>741,129</u>

Supplemental Disclosures of Cash Flow Information

CASH PAID FOR:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
NON CASH FINANCING ACTIVITIES:		
Common stock issued for settlement of debt	\$ -	\$ 180,000
Preferred dividend accrual	\$ 12,526	\$ 4,986

The accompanying notes are an integral part of these consolidated financial statements.

Capital Financial Global, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity (Deficit)
For the Years Ended December 31, 2012 and for the Period Ended March 31, 2013
(Unaudited)

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 2011	100	1,888,125	500,000	500,000	96,037,260	96,037	622,380	(3,312,151)	(205,609)
Issuance for extinguishment of debt; \$0.01 per share; February 2012	-	-	-	-	20,000,000	20,000	160,000	-	180,000
Issuance for cash; \$0.00 per share; July 2012	-	-	-	-	13,750,000	13,750	11,250	-	25,000
Issuance for services; \$0.00 per share; July 2012	-	-	-	-	14,000,000	14,000	35,000	-	49,000
Issuance for extinguishment of debt; \$0.00 per share; August 2012	-	-	-	-	5,000,000	5,000	5,000	-	10,000
Issuance for services; \$0.00 per share; September 2012	-	-	-	-	12,800,000	12,800	5,120	-	17,920
Issuance for services; \$0.00 per share; October 2012	-	-	-	-	13,600,000	13,600	29,920	-	43,520
Issuance for cash; \$1.00 per Series B preferred share; October 2012	-	-	770,000	770,000	-	-	-	-	770,000
Series A preferred dividends accrued; convertible at \$0.00 per share	-	373,212	-	-	-	-	-	(373,212)	-
Series B preferred dividends accrued	-	-	-	-	-	-	-	(26,900)	(26,900)
Net income	-	-	-	-	-	-	-	(639,484)	(639,484)
Balance, December 31, 2012	<u>100</u>	<u>\$ 2,261,337</u>	<u>1,270,000</u>	<u>\$ 1,270,000</u>	<u>175,187,260</u>	<u>\$ 175,187</u>	<u>\$ 868,670</u>	<u>\$ (4,351,747)</u>	<u>\$ 223,447</u>
Series B preferred dividends accrued	-	-	-	-	-	-	-	(12,526)	(12,526)
Net income	-	-	-	-	-	-	-	(67,350)	(67,350)
Balance, March 31, 2013 (Unaudited)	<u>100</u>	<u>\$ 2,261,337</u>	<u>1,270,000</u>	<u>\$ 1,270,000</u>	<u>175,187,260</u>	<u>\$ 175,187</u>	<u>\$ 868,670</u>	<u>\$ (4,431,623)</u>	<u>\$ 143,571</u>