CAPITAL FINANCIAL GLOBAL, INC.
FINANCIAL STATEMENTS

March 31, 2020

(Unaudited)

Capital Financial Global, Inc.
Balance Sheets

	March 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)
Assets		
Current Assets		
Cash and cash equivalents	$ 10,136	$ 34,866
Notes Held for Investment, net of allowance (See Note 5)	247,835	230,729
Interest and fee income receivable, net of allowance	196,366	169,966
Total Current Assets	454,337	435,562
Property and equipment, net	2,900	2,900
Escrow Deposit	0	1,000,000
Intangible Assets (See Note 3)	271,000	271,000
Goodwill (See Note 3)	529,000	529,000
Total Assets	$ 1,257,237	$ 2,238,462
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts payable	$ 64,792	$ 46,437
Accrued interest payable	41,452	525,522
Accrued compensation and payroll taxes	374,838	342,543
Accrued reserves (See Note 5)	59,070	45,192
Notes payable - related party	11,100	15,200
Current notes payable (See Note 9)	584,576	1,566,400
Other current liabilities	569,810	569,810
Total Current Liabilities	1,705,638	3,111,104
Other long term liabilities	434,400	434,400
Total Liabilities	2,140,038	3,545,504
Stockholders' Equity (Deficit)		
Preferred stock		
Series A, $0.001 par value, 100 shares authorized, 100 shares issued and outstanding;	2,644,097	2,644,097
Series B, $0.001 par value, 50,000,000 shares authorized, 3,296,300 shares and 3,057,550 shares issued and outstanding, respectively	3,057,550	3,057,550
Common stock, $0.001 par value, 3,850,000,000 shares authorized, 3,159,275,316 shares and 3,159,275,316 shares issued and outstanding, respectively	3,159,275	3,159,275
Additional paid-in capital	(832,884)	(832,884)
Accumulated deficit	(8,910,839)	(9,335,081)
Total Stockholders’ Equity (Deficit)	(882,801)	(1,307,043)
Total Liabilities and Stockholders’ Equity	$ 1,257,237	$ 2,238,462
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The accompanying notes are an integral part of these financial statements.

Capital Financial Global, Inc.
Statements of Operations

	For the Three Months Ended March 31, 2020 (Unaudited)	For the Three Months Ended March 31, 2019 (Unaudited)
Revenues		
Interest Income		
Interest and fees on loans	$ 96,321	$ -
Total Interest Income	96,321	-
Interest Expense		
Interest on credit lines	(17,241)	-
Total Interest Expense	(17,241)	-
Net Interest Income	79,080	-
Noninterest Income		
Loan origination commissions	-	-
Total non-interest income	-	-
Net Revenue	**79,080**	**-**
Operating Expenses		
Compensation and benefits	93,657	129,683
Marketing	10,000	77
Communications & technology	1,654	2,329
Occupancy	-	-
Professional fees	19,667	21,137
Other general and administrative	10,123	142,216
Total operating expense	135,101	295,443
Operating Income (Loss)	**(56,021)**	**(295,443)**
Other Expenses		
Loss on extinguishment of debt	-	(263,305)
Non-operating interest expense	478,558	(158,312)
Provision for loan losses	-	-
Loss before income taxes	422,537	(717,059)
Provision for income tax	-	-
Net Profit / (Loss)	**422,537**	**(717,059)**
Series A preferred dividends	-	-
Series B preferred dividends accumulated and unpaid	-	-
Net profit / (loss) applicable to common shareholders	$ 422,537	$ (717,059)

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

Capital Financial Global, Inc.
Statements of Changes in Stockholders' Equity (Deficit)
As of March 31, 2020
(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, 2018	100	$ 2,644,097	2,557,550	$ 2,557,550	2,416,275,318	$ 2,416,275	$ (325,085)	$ (8,905,983)	$ (1,613,146)
Common Stock issued for conversion of debt					743,000,000	743,000	(507,800)		235,200
Series A preferred dividends									-
Series B Shares issued for cash									-
Series B Shares issued for acquisition			500,000	500,000					500,000
Cancellation of Series B Shares issued for 2014 settlement agreement									-
Net loss								(429,096)	(429,096)
Balance, December 31, 2019	100	$ 2,644,097	3,057,550	$ 3,057,550	3,159,275,318	$ 3,159,275	$ (832,885)	$ (9,335,080)	$ (1,307,043)
Net loss								422,537	422,537
Balance, March 31, 2020	100	$ 2,644,097	3,057,550	$ 3,057,550	3,159,275,318	$ 3,159,275	$ (832,885)	$ (8,910,839)	$ (882,801)

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

Capital Financial Global, Inc.
Statements of Cash Flows

	For the Three Months Ended March 31, 2020 (Unaudited)	For the Three Months Ended March 31, 2019 (Unaudited)
Cash flows from operating activities		
Net loss	$ 422,537	$ (127,095)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Escrow deposit	1,000,000	-
Amortization of debt discount	-	-
Prior Year accounting adjustments	-	-
Changes in operating assets and liabilities:		
Investment in fixed assets	-	-
Notes held for investment	(17,106)	-
Interest income receivable	(26,399)	(6,154)
Current notes payable	(984,220)	300,000
Accounts payable and accrued liabilities	32,233	(82,500)
Accrued interest payable	(484,070)	90,701
Accrued compensation and payroll liabilities	32,295	32,312
Net cash provided (used) by operation activities	(24,730)	207,264
Cash flows from investing activities		
Goodwill	-	(529,000)
Intangible Assets (AFC Merger)	-	(271,000)
Net cash provided (used) by investing activities	-	(800,000)
Cash flows from financing activities		
Common stock issued, net of paid-in capital	-	173,200
Series A Preferres Stock dividends	-	-
Series B Preferred Stock	-	500,000
Net proceeds (payments/cancellation) on debt	-	-
Net proceeds from notes payable	-	(86,600)
Net proceeds from related party note payable	-	-
Net cash provided (used) by financing activities	-	586,600
Net increase (decrease) in cash and cash equivalents	(24,730)	(6,136)
Cash and cash equivalents, beginning of period	34,866	6,219
Cash and cash equivalents, end of period	$ 10,136	$ 83
	(0)	
Supplemental Disclosures of Cash Flow Information		
Cash paid for:		
Interest	$ -	$ -
Income taxes	$ -	$ -
Non-cash financing activities:		
Series A preferred dividends	$ -	$ -
Series B preferred shares issued per merger agreement	-	-
Series B preferred shares issued for cash	-	
Series B preferred shares issued for conversion of debt	-	
Common stock issued for conversion of debt	-	-
Common stock issued for services	-	-

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

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NOTE 1- BASIS OF PRESENTATION

The accompanying interim financial statements were prepared by the Company without audit. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. In management's opinion all necessary adjustments, which consist primarily of normal recurring adjustments, to the financial statements have been made to present fairly the financial position and results of operations and cash flows. The results of operations for the respective periods presented are not necessarily indicative of the results for the respective complete years. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's annual financial statements as of and for the year ended December 31, 2019.

Recent Accounting Pronouncements
Management has considered all recent accounting pronouncements issued during the periods presented in the accompanying financial statements. The Company's management believes that these recent pronouncements will not have a material effect on the Company's financial statements.

NOTE 2 – BUSINESS CONDITION

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has had recurring losses along with an accumulated deficit totaling $8,910,839 as of March 31, 2020. These matters raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Management's plans concerning these matters are to obtain additional debt and equity financing and expand lending to produce future revenues.

NOTE 3 – MERGER WITH AFFILIATED FUNDING CORPORATION

On March 21, 2019, the Company acquired the assets and liabilities of Affiliated Funding Corporation, a Utah corporation, for a combination of cash and 500,000 shares of Preferred Stock. The merger was executed to facilitate potential synergies between the organizations. Affiliated Funding's financial results are included as part of the Company's financial statements presented herewith as of the above effective date. As a result of the transaction, the Company acquired intangible assets valued at $271,000, and recorded goodwill for $529,000. All significant intercompany accounts and transactions have been eliminated in consolidation.

NOTE 4 – NOTES HELD FOR SALE

As of March 31, 2020, the Company does not have any notes held for sale. The Company is actively pursuing the acquisition of additional notes held for sale as part of its core business model.

NOTE 5 – NOTES HELD FOR INVESTMENT

As of March 31, 2020, the Company holds a balance of $285,205 in Notes Held for Investment, less an Allowance for Doubtful Accounts of $37,370, for a net balance of $247,835, plus $196,366 in interest and fee income receivable on said notes. The Company has also recorded an accrued reserves balance of

$59,070 as a liability related to its invoice factoring activities. The Company is actively pursuing the acquisition of additional notes held for investment as part of its core business model.

NOTE 6 – ESCROW DEPOSIT

As of December 31, 2019, the company was holding an escrow deposit of $1,000,000 for the purpose of collateralizing an application for an operating credit facility. On March 4, 2020, after a dispute arose with the credit line provider, a settlement was reached, under which the $1,000,000 was returned out of escrow and repaid to the private investor, less attorney's fees of $18,355. Additionally, the Company and the private investor negotiated a reduced payoff amount with waiver of the $553,000 accrued interest payable.

NOTE 7 – ACCRUED COMPENSATION AND PAYROLL TAXES

As of March 31, 2020, the company owed its President and Chief Executive Officer Paul Edward Norat $374,838 in accrued compensation.

NOTE 8– RELATED PARTY NOTES PAYABLE

As of March 31, 2020, the amount owed its President and Chief Executive Officer Paul Edward Norat for various cash amounts loaned to the Company during the period was $11,100.

NOTE 9 – CURRENT NOTES PAYABLE

Alisa Wright
On August 26, 2016, the Company executed a promissory note payable to Alisa Wright in the amount of $20,000. The note bears interest at 12% per annum and matures on August 25, 2017. As of March 31, 2020, the balance of the note, including principal and interest, was $30,095.

Private Investor Note
On August 28, 2018, the Company executed a promissory note payable to an unrelated private investor for $1,000,000 for the purpose of collateralizing an application for an operating credit facility. The $1,000,000 was being held in escrow (see Note 6) pending completion of the company's application for a credit facility to fund operations. The note bears interest at 36% per annum and matured on November 28, 2018.

On March 4, 2020, after a dispute arose with the credit line provider, a settlement was reached under which the $1,000,000 was returned out of escrow and repaid to the private investor, less attorney's fees of $18,355. Additionally, the Company and the private investor negotiated a reduced payoff amount with waiver of the $553,000 accrued interest payable. As of March 31, 2020, the balance of the note, including principal and interest, was $0.

Line of Credit
On January 16, 2018, the Company executed a Line of Credit for $1,000,000. The note bears interest at a rate of prime plus 8 points and automatically renews annually. As of March 31, 2020, the balance of the note, including principal and interest, was $114,064. The of Line of Credit is being used by the Company exclusively for funding its lending operations.

Ron Hyatt
As part of the merger described in Note 3, the Company executed three promissory notes payable to Ron Hyatt for the following amounts and maturity dates: $75,000 due April 30, 2019; $25,000 due May 31, 2019; and $200,000 due December 31, 2019. The first two notes bear interest at 9% per annum, and the third bears interest at 6%.

On January 9, 2020, a payment of $35,000 was made to Mr. Hyatt, with $25,000 going toward full and complete settlement of the May 31, 2019 note in exchange for Mr. Hyatt waiving the accrued interest on this note. The remaining $10,000 was applied to the April 30, 2019 note, with $5,512 being applied to accrued interest and $4,488 to principal. As of March 31, 2020, the balance of the two remaining notes, including principal and interest, was $288,979.

Gravity Capital
On July 3, 2019, the Company executed a revolving line of credit for $60,000 with Gravity Capital LLC. The note bears interest at 16%. During the current quarter, an additional draw of $40,000 was taken. As of March 31, 2020, the balance of the note including principal and interest was $102,301.

Casfil Company SA
On August 15, 2019, the Company executed a short term note payable for $80,000 with Casfil Company SA. The note bears interest at 24%. As of March 31, 2020, the balance of the note including principal and interest was $90,613.

Other Current Liabilities
As part of the settlement transaction from September 2018 described in Note 10, the Company recognized a Settlement Obligation of $730,000. As a result of the stock transactions also described in Note 10, the balance of this obligation has been reduced to $569,810 as of the current period-end.

NOTE 10 – LONG-TERM NOTES PAYABLE

On September 29, 2011, the Company executed a promissory note payable to Red Castle Enterprises in the amount of $730,000, bearing interest at 6% per annum. As amended, the note had a maturity date of December 31, 2018. As of September 18, 2018, the balance of the note, including principal and interest, was $978,894.

On August 28, 2018, SDN Investments, LLC., acquired all of the claims of Red Castle Enterprises via an unrelated claims purchase agreement.

On September 18, 2018, the Company entered into a settlement agreement with SDN Investments LLC to settle the promissory note formerly payable to Red Castle in exchange for common stock having an estimated fair market value of $1.2 million, to be issued in tranches upon request. This transaction is recognized by recording $730,000 (See Note 9, Other Current Liabilities) as a liability against the market value of settlement stock that will be issued at a discount to market, and $600,000 as a contingent settlement obligation recorded in Other Long-Term Liabilities.

As of September 2018, the Company recognized a related loss on extinguishment of debt of $265,604.

On November 21, 2018, the Company issued the first tranche of common stock under the above agreement, with 240,000,000 shares issued at a market price of $.0004, for a total transaction value of $96,000, plus associated issuance costs.
On January 1, 2019, the Company issued the second tranche of common stock under the above agreement, with 193,000,000 shares issued at a market price of $.0004, for a total transaction value of $77,200, plus associated issuance costs.

On January 25, 2019, the Company issued the third tranche of common stock under the above agreement, with 240,000,000 shares issued at a market price of $.0004, for a total transaction value of $96,000, plus associated issuance costs.

On May 28, 2019, the Company issued the fourth tranche of common stock under the above agreement, with 310,000,000 shares issued at a market price of $.0002, for a total transaction value of $62,000, plus associated issuance costs.

The above stock transactions have reduced the balance of the contingent settlement obligation to $434,400 as of March 31, 2020.

NOTE 11 – PREFERRED STOCK

At period end, the Company had a total of 150,000,000 shares of Preferred Stock authorized, 100 shares of which have been designated as Series A Preferred Stock and 50,000,000 as Series B Preferred Stock. The remaining 99,999,900 shares of Preferred Stock had not yet been designated.

Series A Preferred Stock
The 100 shares of Series A preferred stock, with par value $0.001 per share, are convertible into 105% of the common shares outstanding immediately prior to conversion. Subsequent to initial issuance, as additional shares of common stock have been issued, the holders of the Series A Preferred Shares have the right to obtain additional shares of common stock upon conversion as a result of the 105% conversion provision. The value of the right to obtain those additional shares of common stock has been recognized as additional value of the Series A Preferred Shares and consideration to the holder of the Series A Preferred Shares in the form of a preferred stock dividend. Accordingly, the value of the Series A preferred stock amounted to $2,644,097, as of the current period end.

Series B Preferred Stock
The Company's Series B Preferred Stock includes terms that provide for a 4% cumulative dividend, payable quarterly from the date of issuance starting in July 2010, when, as, and if declared by the Company's Board of Directors. As of March 31, 2020, no such dividends had been declared. All shares of Series B Preferred Stock have been issued, since inception, at $1.00 per share.

As described in Note 3, as part of the acquisition of Affiliated Funding Corporation, 500,000 shares of Series B Preferred Stock were issued to Ron Hyatt.

At period end, there were 3,057,550 shares of Series B preferred stock outstanding.

NOTE 12– COMMON STOCK

There are 3,850,000,000 shares of Common Stock authorized, of which 3,159,275,316 shares are outstanding at period end.

NOTE 13 – MATERIAL RELATED-PARTY EVENTS

None

NOTE 14 –LITIGATION AND SETTLEMENT

Prior to year-end 2019, a dispute involving the return of the Escrow Deposit referenced in Notes 6 and 9 had arisen. The funds were moved out of the escrow account at Suntrust Bank and into the court registry in Florida for a potential interpleader action. All parties were attempting to resolve the matter amicably before an interpleader action or other litigation was necessary.

Subsequently, on March 4, 2020, a settlement was reached with the credit line provider, under which the $1,000,000 was returned out of escrow and repaid to the private investor, less attorney's fees of $18,355. Additionally, the Company and the private investor negotiated a reduced payoff amount with waiver of the $553,000 accrued interest payable. The matter is now fully resolved.

There is no other litigation pending involving the Company or its officers.

NOTE 15 – SUBSEQUENT EVENTS

No material subsequent events have occurred as of the issuance of this report.