

Capital Financial Global, Inc.
Consolidated Statement of Earnings
(Unaudited)

	Nine Months Ended September 30 2012	Twelve Months Ended December 31 2011	Nine Months Ended September 30 2011	Twelve Months Ended December 31 2010
Revenues				
Interest and fees on loans	\$ 100	7,953	\$ 7,953	12,799
Interest on securities	25,113	44,514	36,307	13,634
Interest expense	(12,363)	(15,386)	(11,368)	(1,808)
Net interest income	<u>12,850</u>	<u>37,081</u>	<u>32,892</u>	<u>24,625</u>
Net proprietary trading gains (loss)	\$ 8,031	(20,260)	\$ (21,998)	7,133
Net other investments gains (loss)	0	0	0	0
Net unrealized trading gains (loss)	\$ 25,288	58,142	50,666	(60,884)
Loan servicing fees	\$ 393	0	0	0
Total non-interest Income	<u>33,712</u>	<u>37,882</u>	<u>28,668</u>	<u>(53,751)</u>
Net Revenue	<u>46,561</u>	<u>74,963</u>	<u>61,560</u>	<u>(29,127)</u>
Operating expenses				
Compensation & benefits	\$ 97,669	118,132	\$ 40,730	36,500
Corporate development	3,368	55,603	54,296	2,360
Marketing	14,835	4,672	2,278	540
Communications & technology	10,000	3,936	1,491	430
Occupancy	7,975	2,345	920	480
Professional fees	105,221	104,663	104,113	26,115
Other General & administrative	14,119	20,290	14,446	6,512
Depreciation & amortization	8,852	9,661	0	5,689
Total operating expense	<u>262,039</u>	<u>319,303</u>	<u>218,274</u>	<u>78,626</u>
Non-operating interest gain (expense)	(9,008)	(12,170)	0	0
Pre-tax earnings	(224,486)	(256,510)	(156,715)	(107,753)
Provision for income tax (benefit)	(100)	0	0	0
Net earnings	<u>(224,586)</u>	<u>(256,510)</u>	<u>(156,715)</u>	<u>(107,753)</u>
Preferred stock dividends	(15,013.70)	(24,603)	(19,561.65)	0
Net earnings available to common shareholders	N/A	N/A	N/A	N/A
Earnings per common share				
Basic	N/A	N/A	N/A	N/A
Diluted	N/A	N/A	N/A	N/A
Dividends declared per common share	N/A	N/A	N/A	N/A
Weighted average shares outstanding:				
Basic	161,587,258	96,037,258	85,537,259	70,987,260
Diluted (see notes 4.3 & 4.7)	332,253,879	197,876,379	176,351,381	147,523,883

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

	As of September 30 2012	As of December 31 2011	As of March 31 2011	As of December 31 2010
Assets				
Current assets				
Cash and cash equivalents (see note 4.16)	716,049	816,767	878,714	972,653
Allowance to value at market	29,159	3,146	(62,192)	(60,884)
Accounts receivable, net of allowance for doubtful accounts	0	0	0	7,799
Loans held for sale	0	0	0	500,000
Accrued interest	7,783	11,648	8,349	6,731
Prepaid expenses	15,000	15,000	15,000	0
Total current assets	767,992	846,561	839,871	1,426,299
Derivative asset (see note 4.9 & 4.17)	10,000	10,000	10,000	10,000
Office equipment	35,403	21,755	8,000	8,000
Accumulated depreciation	(9,380)	(5,128)	(1,600)	(1,600)
Property (see Note 4.15)	1,000,000	1,000,000	0	0
Goodwill	92,000	92,000	92,000	92,000
Accumulated amortization	(14,822)	(10,222)	(4,089)	(4,089)
Total long-term assets	1,113,202	1,108,405	104,311	104,311
Total assets	1,881,194	1,954,967	944,182	1,530,610
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable	21,726	430	19,750	0
Accrued interest payable	11,178	2,170	0	0
Accrued compensation and payroll taxes	61,000	5,254	0	0
Dividends payable	43,507	28,493	13,425	16,986
Credit facilities (see note 4.16)	622,929	610,566	564,866	528,358
Current portion of long-term debt	0	0	0	0
Short-term debt	100,000	100,000	0	0
Current deferred income tax	0	0	0	0
Other current liabilities	599	0	0	0
Total current liabilities	860,939	746,913	598,041	545,344
Long-term liabilities				
Notes payable	2,044,105	2,114,605	2,253,480	2,256,280
Long term notes payable (see note 4.15)	980,000	980,000	0	0
Total long-term liabilities	3,024,105	3,094,605	2,253,480	2,256,280
Total liabilities	3,885,044	3,841,518	2,851,521	2,801,624
Stockholders' equity				
Preferred stock				
Series A, \$0.001 par value, 100 authorized, 100 issued and outstanding as of September 30, 2012	0	0	0	0
Series B, \$0.001 par value, 20,000,000 authorized, 500,000 issued and outstanding as of September 30, 2012	500	500	500	1,000
Common stock, \$0.001 par value, 500,000,000 shares authorized, 116,037,258 issued and outstanding, as of September 30, 2012	161,587	96,037	77,687	70,987
Additional paid-in capital (see note 4.9)	2,963,303	2,906,553	2,766,028	3,265,528
Retained Earnings	(4,889,642)	(4,608,530)	(4,608,530)	(4,500,777)
Net Income (Loss)	(224,586)	(256,510)	(133,491)	(107,753)
Dividends	(15,014)	(24,603)	(9,534)	0
Total stockholders' equity	(2,003,851)	(1,886,551)	(1,907,339)	(1,271,014)
Total liabilities and stockholders' equity	1,881,193	1,954,967	944,182	1,530,610

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

	Nine Months Ended September 30 2012	Twelve Months Ended December 31 2011	Nine Months Ended September 30 2011	Twelve Months December 31 2010
Cash flows from operating activities				
Net Income (loss) in period	(224,586)	(256,510)	(156,715)	(107,753)
Adjustments to reconcile net loss to cash used by operating activities:				
Depreciation, depletion, amortization and accretion	8,852	9,661	0	5,689
Changes in operating assets and liabilities:				
Accounts receivable	0	7,799	7,799	(7,799)
Accounts payable	21,296	430	1,989	0
Loans and securities held for sale (see note 4.12)	0	500,000	500,000	(500,000)
Allowance to value at market	(26,013)	(64,030)	(57,278)	60,884
Credit facilities	12,363	82,208	78,190	528,358
Accrued interest income	3,865	(4,917)	(3,120)	(6,731)
Prepaid expenses and other current assets	599	(15,000)	(15,000)	0
Accrued expenses payable	15,014	11,507	6,466	16,986
Accrued interest payable	9,008	2,170	0	0
Accrued payroll liability	55,745	5,254	1,397	0
Deferred tax assets and liabilities	0	0	0	0
Net cash provided (used) by operation activities	(123,857)	278,572	363,728	(10,366)
Cash flows from investing activities				
Equipment	(13,648)	(13,755)	(2,265)	(8,000)
Property (see note 4.15)	0	(1,000,000)	(1,000,000)	0
Goodwill	0	0	0	(92,000)
Derivative securities (see note 4.9 & 4.17)	0	0	0	(10,000)
Net cash provided (used) for investing activities	(13,648)	(1,013,755)	(1,002,265)	(110,000)
Cash flows from financing activities				
Proceeds from new debt (see note 4.15)	0	1,080,000	980,000	0
Repayment of debt	(70,500)	(141,675)	(61,675)	(210,000)
Common stock	65,550	25,050	14,550	62,656
Additional paid-in capital, common	56,750	140,525	51,025	277,000
Preferred stock	0	(500)	(500)	1,000
Additional paid-in capital, preferred (see note 4.13)	0	(499,500)	(499,500)	999,000
Opening balance equity adjustment	0	0	0	(36,637)
Changes in retained earnings				
Dividends paid, preferred	(15,014)	(24,603)	(19,562)	0
Dividends paid, common	0	0	0	0
Gain on settlement of debt at a discount	0	0	0	0
Net cash provided by financing activities	36,786	579,297	464,338	1,093,019
Net increase (decrease) in cash and cash equivalents	(100,718)	(155,886)	(174,199)	972,653
Cash and cash equivalents, beginning of period	816,768	972,653	972,653	0
Cash and cash equivalents, end of period	716,049	816,768	798,455	972,653

Capital Financial Global, Inc.
Consolidated Statement of Changes in Shareholders' Equity
(Unaudited)

	Nine Months Ended September 30 2012	Twelve Months Ended December 31 2011	Nine Months Ended September 30 2011	Twelve Months Ended December 2010
Preferred stock Series A				
Balance, beginning of quarter	\$ 0.10	\$ 0.10	\$ 0.10	\$ -
Issued (100 shares, par value .001)	-	-	-	0.10
Repurchased	-	-	-	-
Balance, end of quarter	0.10	0.10	0.10	0.10
Preferred stock Series B				
Balance, beginning of quarter	\$ 500	\$ 500	\$ 500	\$ -
Issued	-	-	-	1,000
Repurchased (500,000 in Q1 2012 at .001 par and subsequently cancelled)	-	-	-	-
Balance, end of quarter	500	500	500	1,000
Common stock				
Balance, beginning of quarter	116,037	85,537	77,687	25,771
Issued in this period (# shares at par value of \$0.001)	45,550	10,500	7,850	45,216
Repurchased	-	-	-	-
Balance, end of quarter	161,587	96,037	85,537	70,987
Additional pain-in capital				
Series A preferred:				
Balance, beginning of quarter	-	-	-	-
Issuance of stock	-	-	-	-
Repurchased	-	-	-	-
Balance, end of quarter	-	-	-	-
Series B preferred:				
Balance, beginning of quarter	499,500	499,500	499,500	-
Issuance of stock	-	-	-	999,000
Repurchased	-	-	-	-
Balance, end of quarter	499,500	499,500	499,500	999,000
Common stock:				
Balance, beginning of quarter	2,457,053	2,317,553	2,266,528	1,989,528
Issuance of stock	6,750	89,500	51,025	277,000
Repurchased	-	-	-	-
Balance, end of quarter	2,463,803	2,407,053	2,317,553	2,266,528
Total additional pain-in capital	2,963,303	2,906,553	2,817,053	3,265,528
Retained earnings				
Balance, beginning of year	(4,889,642)	(4,608,530)	(4,608,530)	(4,500,777)
Net earnings YTD	(224,585.66)	(256,509.62)	(156,714.80)	(107,752.91)
Dividends on preferred stock YTD	(15,014)	(24,603)	(19,562)	-
Dividends on common stock YTD	-	-	-	-
Balance, end of period	(5,129,242)	(4,889,642)	(4,784,806)	(4,608,530)
Stock held in treasury				
Balance, beginning of year	-	-	-	-
Repurchased	-	-	-	-
Reissued	-	-	-	-
Balance, end of period	-	-	-	-
Total shareholders' equity	(2,003,851)	(1,886,551)	(1,881,716)	(1,271,014)