

## **JAMAICA MONEY MARKET BROKERS LIMITED**

### **Unaudited Three-Month Financial Results, period ended June 30, 2007**

#### **Directors' Statement**

The directors are pleased to announce the Group financial results for the three months ended June 30, 2007. For the period, the Group produced a net profit of J\$231.18 million and earnings per share of J\$0.16.

During this quarter the Group achieved the significant milestone of J\$102.9 billion (2006: J\$93.4 billion) in total assets under management.

Net interest income, fees and commissions and gains from cambio trading all reflected increase ranging from 12% to 29%, however less robust trading activities resulted in operating revenue remaining flat when compared to the previous year. The increase in fees and commissions reflect the group's strategy of diversifying the income stream.

Our Associated Companies, recovering from a challenging fourth quarter, contributed J\$25 million to the group profit for this quarter.

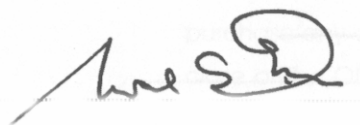
Administrative expenses increased by 13.5% due mainly to higher salary cost as a result of additional staff to cope with future expansion coupled with general salary and inflationary related increases granted at the start of the financial year.

The results are in line with our expectation.

The directors extend thanks to our clients and team members who continue to support and contribute to the results of Group.



Keith P. Duncan  
Group Chief Executive Officer



Noel A. Lyon  
Chairman

**JAMAICA MONEY MARKET BROKERS LIMITED**  
**GROUP INCOME STATEMENT**

	Unaudited 3 months ended 30-Jun-07 J\$'000	Unaudited 3 months ended 30-Jun-06 J\$'000
<b>Net interest income and other operating revenue</b>		
Interest income	2,152,528	1,985,761 *
Interest expense	(1,795,016)	(1,665,191)
<b>Net interest income</b>	<b>357,512</b>	<b>320,570</b>
Gains on securities trading, net	256,090	311,248 *
Fees and commissions	35,961	29,040
Foreign exchange margins from cambio trading	21,667	16,762
Operating revenue net of interest expense	<b>671,230</b>	<b>677,620</b>
<b>Other Income/(expenses)</b>		
Share of profits of associated companies	26,504	64,374
Others	1,143	2,195
	<u>698,877</u>	<u>744,189</u>
<b>Administrative expenses</b>	<u>(434,230)</u>	<u>(382,557)</u>
<b>Profit before income tax</b>	<b>264,647</b>	<b>361,632</b>
<b>Income tax</b>	<u>(33,466)</u>	<u>(38,227)</u>
<b>Profit for the period</b>	<u><b>231,181</b></u>	<u><b>323,405</b></u>
<b>Attributable to:</b>		
Equity holders of the parent	231,813	324,448
Minority interest	(632)	(1,043)
<b>Profit for the period</b>	<u><b>231,181</b></u>	<u><b>323,405</b></u>
<b>Earnings per stock unit</b>	<u><b>\$0.16</b></u>	<u><b>\$0.22</b></u>

\* Reclassified to conform with current period presentation

**JAMAICA MONEY MARKET BROKERS LIMITED**  
**GROUP BALANCE SHEET**

	Unaudited as at 30-Jun-07 J\$'000	Unaudited as at 30-Jun-06 J\$'000	Audited as at 31-Mar-07 J\$'000
<b>ASSETS</b>			
Cash and cash equivalents	1,017,899	990,797	1,368,878
Interest and other receivables	3,136,636	4,249,143	2,901,118
Resale agreements and investments	85,408,224	76,164,124	83,072,016
Membership share	15,000	15,000	15,000
Interest in associated companies	1,170,834	2,552,332 *	1,488,962
Deferred tax asset	39,803	25,585	25,043
Computer software	82,115	83,345	87,486
Property, plant and equipment	719,673	636,490	660,454
	<b>91,590,184</b>	<b>84,716,816</b>	<b>89,618,957</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	365,847	<b>365,847</b>	365,847
Share premium	13,775	<b>13,775</b>	13,775
Investment revaluation reserve	(466,274)	<b>923,995 *</b>	194,372
Cumulative translation reserve	278,331	<b>279,579</b>	234,683
Retained profits	6,429,060	5,713,443 *	6,358,219
	6,620,739	7,296,639	7,166,896
Minority interest	1,722	3,637	2,354
Total equity	<b>6,622,461</b>	<b>7,300,276</b>	<b>7,169,250</b>
<b>Liabilities</b>			
Interest payable and other liabilities	1,387,081	1,235,911	1,415,328
Income tax payable	325,930	-	377,774
Repurchase agreements	79,852,367	73,530,461	77,353,059
Notes payable	2,404,010	1,977,000	2,508,751
Loans payable	846,433	201,050	325,334
Deferred tax liability	151,902	472,118	469,461
	<b>84,967,723</b>	<b>77,416,540</b>	<b>82,449,707</b>
	<b>91,590,184</b>	<b>84,716,816</b>	<b>89,618,957</b>

\* Restated see note 2e

**JAMAICA MONEY MARKET BROKERS LIMITED**  
**STATEMENT OF GROUP CASH FLOWS**

	Unaudited 3 months ended 30-Jun-07 J\$'000	Unaudited 3 months ended 30-Jun-06 J\$'000
<b>Cash flows from operating activities</b>		
Profit for the period	231,181	323,405
Items not involving cash	135,693	231,179
	<hr/> 366,874	<hr/> 554,584
Cash flows from operating assets and liabilities	315,609	(184,858)
<b>Net cash generated from operating activities</b>	<hr/> <b>682,483</b>	<hr/> <b>369,726</b>
<b>Net cash used in investing activities</b>	<b>(3,428,029)</b>	<b>(2,850,853)</b>
<b>Net cash generated from financing activities</b>	<hr/> <b>2,394,567</b>	<hr/> <b>2,595,250</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(350,979)</b>	<b>114,123</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<hr/> <b>1,368,878</b>	<hr/> <b>876,674</b>
<b>Cash and cash equivalents at end of period</b>	<hr/> <b>1,017,899</b>	<hr/> <b>990,797</b>

**JAMAICA MONEY MARKET BROKERS LIMITED**  
**GROUP STATEMENT OF CHANGES IN EQUITY**

	Share Capital J\$'000	Share Premium J\$'000	Investment revaluation reserve J\$'000	Cumulative translation reserve J\$'000	Retained Profits J\$'000	Total attributable to equity holders of the parent J\$'000	Minority interest J\$'000	Total J\$'000
<b>Restated balances at March 31, 2006 (audited)</b>	<b>365,847</b>	<b>13,775</b>	<b>970,109</b>	<b>279,437</b>	<b>5,564,601</b>	<b>7,193,769</b>	<b>4,680</b>	<b>7,198,449</b>
Change in fair value of available -for-sale portfolio, net of taxes	-	-	(46,114)	-	-	(46,114)	-	(46,114)
Profit for the period ended June 30, 2006	-	-	-	-	324,448	324,448	(1,043)	323,405
Foreign exchange translation differences	-	-	-	142	-	142	-	142
Dividends paid	-	-	-	-	(175,606)	(175,606)	-	(175,606)
<b>Restated balances at June 30, 2006</b>	<b>365,847</b>	<b>13,775</b>	<b>923,995</b>	<b>279,579</b>	<b>5,713,443</b>	<b>7,296,639</b>	<b>3,637</b>	<b>7,300,276</b>
<b>Balances at March 31, 2007 (audited)</b>	<b>365,847</b>	<b>13,775</b>	<b>194,372</b>	<b>234,683</b>	<b>6,358,219</b>	<b>7,166,896</b>	<b>2,354</b>	<b>7,169,250</b>
Change in fair value of available -for-sale portfolio, net of taxes	-	-	(660,646)	-	-	(660,646)	-	(660,646)
Profit for the period ended June 30, 2007	-	-	-	-	231,813	231,813	(632)	231,181
Foreign exchange translation differences	-	-	-	43,648	-	43,648	-	43,648
Dividends paid	-	-	-	-	(160,972)	(160,972)	-	(160,972)
<b>Balances at June 30, 2007</b>	<b>365,847</b>	<b>13,775</b>	<b>(466,274)</b>	<b>278,331</b>	<b>6,429,060</b>	<b>6,620,739</b>	<b>1,722</b>	<b>6,622,461</b>

	2007 J\$'000	2006 J\$'000
Profits retained in the financial statements of:		
The company	6,409,186	5,734,414
The subsidiaries	19,874	(20,971)
	<u>6,429,060</u>	<u>5,713,443</u>

## **JAMAICA MONEY MARKET BROKERS LIMITED**

### **Notes to the Financial Statements**

#### **Period ended June 30, 2007**

##### 1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and their interpretations issued by the International Accounting Standards Board (“IASB”), and the relevant provisions of the Companies Act.

The financial statements are presented on the historical cost basis except for investments classified as fair value through profit or loss and available-for-sale, which are carried at fair value.

Accounting policies applied in these financial statements are consistent with those used in the audited financial statements for the year ended March 31, 2007.

These financial statements are presented in Jamaica dollars.

##### 2. Significant accounting policies

###### (a) Investments

Investments are classified as fair value through profit and loss, loans and receivables, held-to-maturity or available-for-sale.

Investments classified as fair value through profit or loss, including those held for trading, are carried at fair value, with changes in fair value being recognised in the group income statement. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and that the group does not intend to sell immediately or in the near term. Loans and receivables are measured at amortised cost less impairment losses. Where the group has the positive intent and ability to hold investments to maturity, they are classified as held-to-maturity investments and measured at amortised cost less impairment losses. Other investments are classified as available-for-sale and are stated at fair value with gains or losses arising from changes in fair value being included in investment revaluation reserve.

## **JAMAICA MONEY MARKET BROKERS LIMITED**

### **Notes to the Financial Statements**

#### **Period ended June 30, 2007**

##### **(a) Investments (cont'd.)**

The fair value of investments is based on their quoted market bid price, if available, at the balance sheet date without any deduction for transaction costs. Where a quoted market price is not available, fair value is estimated using a generally accepted alternative method such as discounted cash flow.

Investments are recognised or derecognised by the company on the date of settlement.

During the year ended March 31, 2007, certain investments previously classified as held-to-maturity were sold. The held-to-maturity classification may not be used for the next two financial years – i.e., years ending March 31, 2008 and 2009.

##### **(b) Taxation**

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

###### **(i) Current income tax:**

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the balance sheet date, and any adjustment to income tax payable in respect of previous periods.

###### **(ii) Deferred income tax:**

Deferred income tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

## **JAMAICA MONEY MARKET BROKERS LIMITED**

### **Notes to the Financial Statements**

#### **Period ended June 30, 2007**

##### **(b) Taxation cont'd.**

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

##### **(c) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, demand and call deposits with banks and very short-term balances with other broker/dealers.

##### **(d) Earnings per stock unit**

Earnings per stock unit ("EPS") is computed by dividing profit attributable to the equity holders of the parent of J\$231,813,000 (2006: J\$324,448,000) by the number of stock units in issue during the period, numbering 1,463,386,752.

##### **(e) Prior year adjustments**

These represent corrections to previously issued financial statements of certain associated companies to (i) reverse a portion of a previously reported deferred tax asset in order to restrict it to the estimated recoverable amount and (ii) recognize in the income statement the accretion of discount and amortization of premium that had not been originally recognized.

##### **(f) Segment Reporting**

A segment is a distinguishable component of the Group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. At this time there are no material segments into which the Group's business may be broken down.



## **JAMAICA MONEY MARKET BROKERS LIMITED**

### **Notes to the Financial Statements**

#### **Period ended June 30, 2007**

##### **(g) Managed funds**

The company acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. At June 30, 2007, funds managed in this way amounted to J\$15,786,172,369 (2006: J\$11,383,399,689).

##### **(h) Seasonality of Revenue**

Gains on securities trading are dependent on market conditions and may result in fluctuations in reported results from period to period.