



JAMAICA MONEY MARKET BROKERS LIMITED

Group Financial Statements
Unaudited Nine Months Financial Results for period ended 31
December 2008



Jamaica Money Market Brokers Limited

Content

	Page
Financial Statements	
Consolidated profit and loss account	1
Consolidated balance sheet	2
Consolidated statement of changes in stockholders' equity	3
Consolidated statement of cash flows	4
Notes to the financial statements	5 – 11
Top 10 Shareholders as at 31 December 2008 (Ordinary and Preference Shares)	
Directors and Senior Management Shareholding as at 31 December 2008	

JAMAICA MONEY MARKET BROKERS LIMITED

Unaudited Nine Months Financial Results for the Period ended 31 December 2008

Directors' Statement

PERFORMANCE HIGHLIGHTS

Nine Months Comparison

Net Profit of J\$1.8 billion, grew by 119%

Earnings per Stock Unit of J\$1.21, up J\$0.66

Operating Revenue net of interest expense up 27.4%

Net Interest Income up 1.5%

Efficiency ratio improved by 5.2% points

Investment securities grew by J\$7.6 billion or 8.9%

Total Assets grew by J\$8.1 billion or 8.3%

The directors are pleased to announce the Group's financial results for the nine months ended December 31, 2008. For the period, the Group produced a net profit of J\$1.8 billion (2007 – J\$808.5 million) representing an increase of 119% over prior period. Consequently, earnings per share rose to J\$1.21 (2007 – J\$0.55).

Operating revenue net of interest expense increased by 27.4% to J\$2.9 billion (2007 – J\$2.3 billion). This was driven largely by increase in gains on securities trading. Net interest income and gains from cambio trading also reflected increases of 4.7% and 75.9% respectively.

The efficiency ratio (administrative costs as a percentage of operating revenue) improved to 61.8% from 66.8% when compared to the corresponding period. We were able to manage the increase in administrative costs (17.9%) over the period to be in line with inflation (16.8%).

The overall impact of increase revenue and increase efficiencies from operations resulted in J\$355.6 million for 46.7% increase in operating profit.

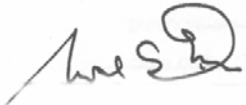
Our associated companies continues to contribute favourably to our operating results, with an overall return of J\$351.1 million (2007 – J\$141.9 million) to the Group profit for the 9-month period.

The year to date results includes two material events. The Group realised a gain of J\$2.3 billion from the sale of its 45% equity holding in the associated companies, Caribbean Money Market Brokers Limited, CMMB Barbados Limited and CMMB Securities Limited. In addition, there was a provision of J\$1.9 billion for the impairment of bond holdings in the Group's investment portfolio. Both transactions occurred at the end of the second quarter. Excluding these one-off events, the Group would have recorded a 62.9% growth in net profit for the 9-month period compared to the prior period.

The total asset base of the Group increased by J\$8.1 billion (8.3%) to J\$105.1 billion. The asset growth was funded mainly by increases in repurchase agreements.

While the Group's performance has improved significantly over the corresponding period, the ongoing turmoil in international financial markets and the concomitant deleterious effects on the local Domestic Economy will necessitate strategic realignment in order to maximise efficiency and preserve profitability through this difficult period.

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



Noel A. Lyon
Chairman



Keith P. Duncan
Group Chief Executive Officer

Jamaica Money Market Brokers Limited

Consolidated Profit and Loss Account

Period ended 31 December 2008

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 31 Dec 08	Unaudited Three Months Ended 31 Dec 07	Unaudited Nine Months Ended 31 Dec 08	Unaudited Nine Months Ended 31 Dec 07
	\$'000	\$'000	\$'000	\$'000
Net Interest Income and Other Revenue				
Interest income	3,485,230	2,407,491	9,127,008	6,822,900
Interest expense	(3,316,014)	(1,964,949)	(7,980,803)	(5,693,333)
Net interest income	169,216	442,542	1,146,205	1,129,567
Gains on securities trading, net	1,152,447	383,724	1,475,445	944,759
Fees and commission income	39,072	49,655	137,529	147,735
Foreign exchange margins from cambio trading	59,172	22,855	131,298	74,664
Dividends	21,622	-	38,251	1,310
Operating revenue net of interest expense	1,441,529	898,776	2,928,728	2,298,035
Administrative Expenses	(610,391)	(578,248)	(1,809,387)	(1,534,282)
Operating Profit	831,138	320,528	1,119,341	763,753
Gain on sale of associated companies	-	-	2,329,460	-
Impairment loss on financial assets	-	-	(1,876,037)	-
	831,138	320,528	1,572,764	763,753
Share of profits of associated companies	18,878	67,554	351,140	149,857
Profit before Taxation	850,016	388,082	1,923,904	913,610
Taxation	(214,372)	(53,262)	(153,273)	(105,094)
NET PROFIT	635,644	334,820	1,770,631	808,516
Attributable to:				
Equity holders of the group	634,816	336,212	1,766,908	809,426
Minority interest	828	(1,392)	3,723	(910)
	635,644	334,820	1,770,631	808,516
EARNINGS PER STOCK UNIT	\$0.43	\$0.23	\$1.21	\$0.55

* Reclassified see note 2k

Jamaica Money Market Brokers Limited

Consolidated Balance Sheet

31 December 2008

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 31 Dec 08	Unaudited as at 31 Dec 07	Audited as at 31 March 08
	\$'000	\$'000	\$'000
ASSETS			
Cash and cash equivalents	1,687,446	3,368,027	1,666,582
Interest receivable	2,350,386	1,511,165 *	1,687,506
Income tax recoverable	982,973	1,002,186 *	1,040,242
Loans and notes receivable	3,774,526	1,501,480	2,907,228
Other receivables	1,532,000	1,944,326 *	1,207,626
Investments and resale agreements	92,718,764	85,125,631	91,058,258
Interest in associated companies	529,598	1,624,499	1,754,093
Deferred tax asset	476,245	40,026	128,214
Property, plant and equipment and intangible assets	1,030,651	897,732	966,017
	105,082,589	97,015,072	102,415,766
EQUITY AND LIABILITIES			
Equity			
Share Capital	379,622	379,622	379,622
Investment revaluation reserves	(1,591,225)	(266,386)	(1,134,914)
Cumulative translation reserves	(49,336)	328,042 *	300,187
Retained profits	7,176,804	6,854,089 *	7,099,518
	5,915,865	7,295,367	6,644,413
Minority interest	19,814	1,444	16,091
Total equity	5,935,679	7,296,811	6,660,504
Liabilities			
Interest payable	1,469,805	1,044,004 *	1,106,930
Income tax payable	759,036	459,497	596,368
Accounts payable	487,765	348,370 *	367,178
Repurchase agreements	92,545,818	82,394,745	88,246,690
Notes payable	1,027,617	2,489,755	2,660,923
Loans payable	166,784	302,291	203,504
Redeemable preference stocks	2,690,085	2,524,437	2,572,562
Deferred tax liability	-	155,162	1,107
	99,146,910	89,718,261	95,755,262
	105,082,589	97,015,072	102,415,766

* Reclassified see note 2k

Jamaica Money Market Brokers Limited

Consolidated Statement of Changes in Stockholders' Equity

Period ended 31 December 2008

(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Investment Revaluation Reserve	Cumulative Translation Reserve	Retained Profits	Attributable to equity holders of the Parent	Minority Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at 31 March 2007 (Audited)	379,622	194,372	234,683	6,358,219	7,166,896	2,354	7,169,250
Unrealised loss on available-for-sale investments	-	(460,758)	-	-	(460,758)	-	(460,758)
Foreign exchange translation differences	-	-	93,359	-	93,359	-	93,359
Net profit for period	-	-	-	809,426	809,426	(910)	808,516
Total income recognised for period	-	(460,758)	93,359	809,426	(442,027)	(910)	(441,117)
Dividends paid	-	-	-	(313,556)	(313,556)	-	(313,556)
Balance at 31 December 2007 (Unaudited)	379,622	(266,386)	328,042	6,854,089	7,295,367	1,444	7,296,811
Balance at 31 March 2008 (Audited)	379,622	(1,134,914)	300,187	7,099,518	6,644,413	16,091	6,660,504
Unrealised loss on available-for-sale investments	-	(1,809,354)	-	-	(1,809,354)	-	(1,809,354)
Foreign exchange translation differences	-	-	(349,523)	-	(349,523)	-	(349,523)
Transfer to profit and loss	-	1,353,043	-	(1,353,043)	-	-	-
Net profit for period	-	-	-	1,766,908	1,766,908	3,723	1,770,631
Total income recognised for period	-	(456,311)	(349,253)	413,865	(391,969)	3,723	(388,246)
Dividends paid	-	-	-	(336,579)	(336,579)	-	(336,579)
Balance at 31 December 2008 (Unaudited)	379,622	(1,591,225)	(49,336)	7,176,804	5,915,865	19,814	5,935,679

Jamaica Money Market Brokers Limited

Consolidated Statement of Cash Flows

Period ended 31 December 2008

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Nine Months Ended 31 Dec 08	Unaudited Nine Months Ended 31 Dec 07
	\$'000	\$'000
Cash Flows from Operating Activities		
Net profit	1,770,631	808,516
Adjustments for:		
Share of profit of associated companies	(351,140)	(149,857)
Depreciation	87,256	84,249
Impairment loss on financial assets	1,876,037	-
Gain on sale of associated companies	(2,329,460)	-
	<u>1,053,324</u>	<u>742,908</u>
Changes in operating assets and liabilities	4,478,372	4,429,436
Net cash provided by operating activities	<u>5,531,696</u>	<u>5,172,344</u>
 Cash Flows from Investing Activities		
Purchase of investment securities, net	(3,469,860)	(5,107,996)
Purchase of property, plant and equipment	(151,890)	(234,041)
Net cash used in investing activities	<u>(3,621,750)</u>	<u>(5,342,037)</u>
 Cash Flows from Financing Activities		
Notes payable	(1,633,306)	(18,996)
Loans payable	(36,720)	(23,043)
Redeemable preference stock	117,523	2,524,437
Dividends paid	(336,579)	(313,556)
Net cash (used in)/provided by financing activities	<u>(1,889,082)</u>	<u>2,168,842</u>
Net increase in cash and cash equivalents	20,864	1,999,149
Cash and cash equivalents at beginning of year	<u>1,666,582</u>	<u>1,368,878</u>
Cash and cash equivalents at end of period	<u><u>1,687,446</u></u>	<u><u>3,368,027</u></u>

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

Period ended 31 December 2008

(expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

	The Group				
	Nine months ended 31 December 2008				
	Jamaica \$'000	St. Lucia \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Gross external revenues	9,389,165	1,516,376	3,990	-	10,909,531
Intersegment revenue	559,584	-	-	(559,584)	-
Total gross revenues	9,948,749	1,516,376	3,990	(559,584)	10,909,531
Segment results	3,238,850	216,463	(6,512)	-	3,448,801
Impairment loss on financial asset					(1,876,037)
Share of profits of associated companies					351,140
Profit before tax					1,923,904
Taxation					(153,273)
Net profit					1,770,631
Segment assets	100,576,684	21,702,184	529,598	(17,725,877)	105,082,589
Segment liabilities	92,454,722	23,243,878	485,405	(17,037,095)	99,146,910
Other segment items -					
Capital expenditure	149,674	2,216	-	-	151,890
Depreciation	86,319	937	-	-	87,256

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

Period ended 31 December 2008

(expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

	The Group				
	Nine months ended 31 December 2007				
	Jamaica \$'000	St. Lucia \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Gross external revenues	7,420,701	555,476	15,191	-	7,991,368
Intersegment revenue	103,510	-	-	(103,510)	-
Total gross revenues	7,524,211	555,476	6,486	(15,134)	7,991,368
Segment results	662,586	94,761	6,406	-	763,753
Share of profits of associated companies					149,857
Profit before tax					913,610
Taxation					(105,094)
Net profit					808,516
Segment assets	85,879,874	14,333,966	430,958	(3,629,726)	97,015,072
Segment liabilities	78,767,633	13,607,663	405,710	(3,062,745)	89,718,261
Other segment items -					
Capital expenditure	98,034	-	-	-	98,034
Depreciation	84,229	20	-	-	84,249

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

31 December 2008

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Jamaica Money Market Brokers Limited (the “company”) is incorporated and domiciled in Jamaica. The registered office of the company is located at 6 Haughton Terrace, Kingston 10, Jamaica. It has two subsidiaries incorporated in Jamaica, and there are other subsidiaries incorporated outside of Jamaica. The operating subsidiaries are listed below. The company and its subsidiaries are collectively referred to as “Group”; the Group has interests in various associated companies, as detailed below.

The company is exempt from the provisions of the Money Lending Act.

The principal activities of the company are securities brokering, dealing in money market instruments, operating a foreign exchange cambio and managing funds on behalf of clients. Information on the subsidiaries and the associated companies is set out below:

Name of Subsidiary	% Shareholding Held by Parent/Subsidiary		Country of Incorporation	Principal Activities
	Parent	Subsidiary		
JMMB Securities Limited	100		Jamaica	Stock brokering
JMMB Insurance Brokers Limited	100		Jamaica	Insurance brokering
Jamaica Money Market Brokers (Trinidad & Tobago) Limited and its associated company, Intercommercial Bank Limited* and its subsidiary, Intercommercial Trust and Merchant Bank Limited	100	50	Trinidad and Tobago	Investment holding company
JMMB International Limited and its subsidiaries	100		Trinidad and Tobago	Commercial & Merchant Banking
JMMB Dominicana, SA		100	St. Lucia	Investment holding and management
JMMB BDI AMERICA		80	Dominican Republic	Investment holding and management
			Dominican Republic	Stock brokering

Subsidiary

At November 18, 2008, the Group acquired the remaining 5% equity holding in JMMB Securities Limited.

Associated companies

At September 30, 2008, the Group disposed of its equity holding in Caribbean Money Market Brokers Limited, CMMB Securities Limited and CMMB Money Market Brokers (Barbados) Limited.

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

31 December 2008

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and financial assets at fair value through profit or loss.

There have been no changes in accounting policies since the most recent audited accounts as at 31 March 2008.

All amounts are stated in Jamaican dollars unless otherwise indicated.

(b) Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit and loss account.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit and loss account; its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

31 December 2008

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's format for segment reporting is based on geographical segments.

(d) Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Current and deferred taxes are recognised as income tax expense or benefit in the profit and loss account except, where they relate to items recorded in stockholders' equity, they are also charged or credited to stockholders' equity.

(i) Current taxation

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

(ii) Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, demand and call deposits with banks and very short-term balances with other brokers/dealers. Cash and cash equivalents are highly liquid financial assets that are readily convertible to known amounts of cash (that is, with original maturities of less than three months), which are subject to insignificant risk of changes in value, and are for the purpose of meeting short-term commitments. Cash and cash equivalents are carried at costs.

(f) Sale and repurchase agreements

Transactions involving purchases of securities under resale agreements ('resale agreements' or 'reverse repos') or sales of securities under repurchase agreements ('repurchase agreements' or 'repos') are accounted for as short-term collateralised lending and borrowing, respectively. Accordingly, securities sold under repurchase agreements remain on the balance sheet and are measured in accordance with their original measurement principles. The proceeds of sale are reported as liabilities and are carried at amortised cost. Securities purchased under resale agreements are reported not as purchases of the securities, but as receivables and are carried in the balance sheet at amortised cost. It is the policy of the group to obtain possession of collateral with a market value in excess of the principal amount loaned under resale agreements.

Interest earned on resale agreements and interest incurred on repurchase agreements is recognised as interest income and interest expense, respectively, over the life of each agreement using the effective interest method.

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

31 December 2008

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(g) Financial assets

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition.

(i) Financial asset at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated as hedging instruments.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. In accordance with IAS 39, 'Financial Instruments: Recognition and Measurement', and IFRS 7, 'Financial Instruments: Disclosures'. The Group has reclassified part of its investment portfolio from available for sale to loans and receivables. These assets are carried at the fair value at the date of reclassification.

(iii) Available-for-sale

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Purchases and sales of available-for-sale financial assets are recognised at the settlement date – the date on which the Group commits the purchase or sell the asset. Loans and receivables are recognised when cash is advanced to the borrowers.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, that is, when the obligation is discharged, cancelled or expires.

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in stockholders' equity, until the financial asset is derecognised or impaired. At this time, the cumulative gain or loss previously recognised in stockholders' equity is recognised in profit or loss. However, interest calculated using the effective interest method and foreign currency gains and losses on monetary assets classified as available for sale are recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Group's right to receive payment is established.

The fair values of quoted investments in active markets are based on current bid prices. Unquoted securities are recorded initially at cost. They are subsequently measured at fair value. Where fair value cannot be measured reliably they are measured at cost less impairment.

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

31 December 2008

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(h) Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

(i) Earnings per stock unit

Earnings per stock unit ("EPS") is computed by dividing profit attributable to the equity holders of the parent of J\$1,766,908,000 (2007 – J\$809,426,000) by the number of stock units in issue during the period, numbering 1,463,386,752.

(j) Managed funds

The company acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. At December 31, 2008, funds managed in this way amounted to J\$8,608,812,000 (2007 – J\$9,360,976,000).

(k) Comparative information

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current period.