



JAMAICA MONEY MARKET BROKERS LIMITED

Group Financial Statements
Unaudited Nine Months Financial Results for period ended
31 December 2009



Jamaica Money Market Brokers Limited

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JAMAICA MONEY MARKET BROKERS LIMITED

Unaudited Nine Months Financial Results for the period ended 31 December 2009

Directors' Statement

The Directors are pleased to announce that the JMMB Group has posted a net profit of J\$649.4 million and earnings per share of J\$0.44 for the nine months ended December 31, 2009. The third quarter results represent a J\$81 million or 39.5% improvement over the second quarter.

The total asset base of the Group increased by J\$12.3 billion or 11% for the nine months, moving from J\$111.2 billion as at March 31, 2009 to J\$123.5 billion. This significant increase in assets was funded mainly by growth in retail and corporate client investments. The Directors are proud of the continued growth in the client base.

The continued reduction in interest rates by the Central Bank coupled with the strategic re-alignment of the Group's portfolio, resulted in a favourable impact on the net interest income. NII showed a significant increase year-on-year moving from \$169.2 million to \$545.3 million an increase of 222.3%.

Operating profit increased by J\$78.35 million or 40.4% to J\$272.2 million over the second quarter. This improved performance for the quarter was driven mainly by an increase in securities trading and foreign exchange gains, coupled with a continued focus on expense management. This deliberate focus yielded a reduction of J\$69.5 million or 11.4% in administrative expenses over the corresponding 2008 prior period thereby improving our efficiency ratio. It is important to note, that the difference in operating profit year-on-year is primarily due to foreign exchange gains that resulted from the significant devaluation in the Jamaican dollar against its US counterpart in the wake of the global economic crisis that ensued in late 2008.

The reduction in net profit year-on-year is primarily due to the net effect of two one-off events, where the Group realised a gain from the sale of its equity holding in the associated companies of Caribbean Money Market Brokers Limited and made a provision for impairment on its investment portfolio.

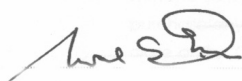
As noted above, consequent on the successful sale of the associated companies of CMMB, the share of profits from associate companies, while impacted, continues to contribute favourably to our results. The Group continues to maintain its presence in the region with the steady results of the Intercommercial Banking Group in Trinidad and the encouraging performance by its operations in the Dominican Republic.

Regulatory Capital Requirements

The company continues to exceed its regulatory capital requirements. The Company's Capital to risk weighted assets ratio stood at 39.5% whereas the Financial Services Commission (FSC) benchmark stipulates a minimum of 14%. The Company's capital to total assets ratio was 8.1% whereas the FSC benchmark is 6%.

On January 26, 2010, JMMB Group completed its submission for the Jamaica Debt Exchange (JDX) Offer which comprised 5% of the \$701 Billion debt exchange programme. The projected impact on JMMB's equity and profitability is minimal, with capital adequacy at 38.7%, still far exceeding the Financial Services Commission's (FSC) 14% requirement.

The Directors extend thanks to our clients and team members who continue to support and contribute to the 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 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 31 Dec 09	Unaudited Three Months Ended 31 Dec 08	Unaudited Nine Months Ended 31 Dec 09	Unaudited Nine Months Ended 31 Dec 08
	\$'000	\$'000	\$'000	\$'000
Net Interest Income and Other Revenue				
Interest income	3,445,927	3,485,230	10,377,774	9,127,008 *
Interest expense	(2,900,599)	(3,316,014)	(9,062,778)	(7,980,803)
Net interest income	545,328	169,216	1,314,996	1,146,205
Securities trading and foreign exchange gains, net	208,180	1,152,447	683,422	1,475,445 *
Fees and commission income	27,844	39,072	91,244	137,529
Foreign exchange margins from cambio trading	27,795	59,172	80,213	131,298 *
Dividends	3,983	21,622	12,025	38,251
Operating revenue net of interest expense	813,130	1,441,529	2,181,900	2,928,728
Operating Expenses	(540,902)	(610,391)	(1,565,812)	(1,809,387)
Operating Profit	272,228	831,138	616,088	1,119,341
Gain on sale of associated companies	-	-	-	2,329,460
Impairment loss on financial assets	-	-	-	(1,876,037)
	272,228	831,138	616,088	1,572,764
Share of profits of associated companies	15,260	18,878	37,510	351,140
Profit before Taxation	287,488	850,016	653,598	1,923,904
Taxation	(1,171)	(214,372)	(4,159)	(153,273)
NET PROFIT	286,317	635,644	649,439	1,770,631
Attributable to:				
Equity holders of the group	292,165	634,816	646,218	1,766,908
Minority interest	(5,848)	828	3,221	3,723
	286,317	635,644	649,439	1,770,631
EARNINGS PER STOCK UNIT	\$0.20	\$0.43	\$0.44	\$1.21

* Restated see note 2k

Jamaica Money Market Brokers Limited

Consolidated Balance Sheet

31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 31 Dec 09	Unaudited as at 31 Dec 08	Audited as at 31 March 09
	\$'000	\$'000	\$'000
ASSETS			
Cash and cash equivalents	2,648,421	1,687,446	2,430,257
Interest receivable	3,180,152	2,350,386	2,863,851
Income tax recoverable	950,716	982,973	885,294
Loans and notes receivable	3,272,312	3,774,526	3,449,130
Other receivables	2,633,825	1,532,000	2,150,926
Investments and resale agreements	109,085,940	92,718,764	97,716,017
Interest in associated companies	631,220	529,598	584,718
Deferred tax asset	16,290	476,245	20,787
Property, plant and equipment and intangible assets	1,076,706	1,030,651	1,092,485
	123,495,582	105,082,589	111,193,465
EQUITY AND LIABILITIES			
Equity			
Share Capital	379,622	379,622	379,622
Investment revaluation reserves	(748,573)	(1,591,225)	(1,552,800)
Cumulative translation reserves	(25,467)	(49,336)	(27,898)
Retained profits	6,980,581	7,176,804	6,506,978
	6,586,163	5,915,865	5,305,902
Non-controlling interest	24,133	19,814	20,912
Total equity	6,610,296	5,935,679	5,326,814
Liabilities			
Interest payable	1,869,377	1,469,805	1,502,523
Income tax payable	595,623	759,036	595,823
Accounts payable	375,750	487,765	515,801
Repurchase agreements	102,710,583	84,065,870 *	90,110,998
Notes payable	762,077	1,027,617	1,081,404
Loans payable	7,595,924	8,646,732 *	9,249,311
Redeemable preference stocks	2,690,085	2,690,085	2,690,085
Deferred tax liability	285,867	-	120,706
	116,885,286	99,146,910	105,866,651
	123,495,582	105,082,589	111,193,465

Jamaica Money Market Brokers Limited

Consolidated Statement of Comprehensive Income

31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Nine Months Ended 31 Dec 09	Unaudited Nine Months Ended 30 Dec 08
	\$'000	\$'000
Net profit for the period	649,439	1,770,631
Other comprehensive income:		
Unrealised gains/(loss) on available for sale investments	804,227	(1,809,354)
Foreign exchange translation differences	2,431	(349,523)
	<u>806,658</u>	<u>(2,158,877)</u>
Total comprehensive income for period, net of tax	<u>1,456,097</u>	<u>(388,246)</u>
Total comprehensive income attributable to:		
Equity holders of the parent	1,452,876	(391,969)
Non-controlling interest	3,221	3,723
	<u>1,456,097</u>	<u>(388,246)</u>

Jamaica Money Market Brokers Limited

Consolidated Statement of Changes in Stockholders' Equity

Period ended 31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Investment Revaluation Reserve	Cumulative Translation Reserve	Retained Profits	Attributable to equity holders of the Parent	Non- Controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at 31 March 2008 (Audited)	379,622	(1,134,914)	300,187	7,099,518	6,644,413	16,091	6,660,504
Total comprehensive income for period	-	(1,809,354)	(349,523)	1,766,908	(391,969)	3,723	(388,246)
Transfer to retained profit	-	1,353,043	-	(1,353,043)	-	-	-
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
Balance at 31 March 2009 (Audited)	379,622	(1,552,800)	(27,898)	6,506,978	5,305,902	20,912	5,326,814
Total comprehensive income for period	-	804,227	2,431	646,218	1,452,876	3,221	1,456,097
Dividends paid	-	-	-	(172,615)	(172,615)	-	(172,615)
Balance at 31 December 2009 (Unaudited)	379,622	(748,573)	(25,467)	6,980,581	6,586,163	24,133	6,610,296

Jamaica Money Market Brokers Limited

Statement of Cash Flows

Period ended 31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Nine Months Ended 31 Dec 09 \$'000	Unaudited Nine Months Ended 31 Dec 08 \$'000
Cash Flows from Operating Activities		
Net profit	649,439	1,770,631
Adjustments for:		
Share of profit of associated companies	(37,510)	(351,140)
Depreciation	82,590	87,256
Impairment loss on financial assets	-	1,876,037
Gain on sale of associated companies	-	(2,329,460)
	<u>694,519</u>	<u>1,053,324</u>
Changes in operating assets and liabilities	13,204,382	(4,001,576) *
Net cash provided by/(used in) operating activities	<u>13,898,901</u>	<u>(2,948,252)</u>
Cash Flows from Investing Activities		
Purchase of investment securities, net	(11,468,597)	(3,469,860)
Purchase of property, plant and equipment	(66,811)	(151,890)
Net cash used in investing activities	<u>(11,535,408)</u>	<u>(3,621,750)</u>
Cash Flows from Financing Activities		
Notes payable	(319,327)	(1,633,306)
Loans payable	(1,653,387)	8,443,228 *
*Redeemable preference stock	-	117,523
Dividends paid	(172,615)	(336,579)
Net cash (used in)/provided by financing activities	<u>(2,145,329)</u>	<u>6,590,866</u>
Net increase in cash and cash equivalents	218,164	20,864
Cash and cash equivalents at beginning of year	2,430,257	1,666,582
Cash and cash equivalents at end of period	<u>2,648,421</u>	<u>1,687,446</u>

* Restated see note 2k

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

	The Group				
	Nine months ended 31 December 2009				
	Jamaica \$'000	St. Lucia \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Gross external revenues	9,938,425	1,306,253	-	-	11,244,678
Intersegment revenue	-	683,650	-	(683,650)	-
Total gross revenues	9,938,425	1,989,903	-	(683,650)	11,244,678
Segment results	847,455	(227,103)	(4,264)	-	616,088
Share of profits of associated companies					37,510
Profit before tax					653,598
Taxation					(4,159)
Net profit					649,439
Segment assets	114,365,808	25,670,328	631,220	(17,171,774)	123,495,582
Segment liabilities	104,958,219	27,855,968	553,680	(16,482,581)	116,885,286
Other segment items -					
Capital expenditure	66,811	-	-	-	66,811
Depreciation	80,902	1,688	-	-	82,590

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

31 December 2009

(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

31 December 2009

(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 three 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 and Tobago) Limited and its associated company, Intercommercial Bank Limited* and its subsidiary, Intercommercial Trust and Merchant Bank Limited	100		Trinidad and Tobago	Investment holding company
		50	Trinidad and Tobago	Commercial and Merchant Banking
JMMB International Limited and its subsidiaries	100		St. Lucia	Investment holding and management
JMMB Dominicana, SA		100	Dominican Republic	Investment holding and management
JMMB BDI AMERICA		80	Dominican Republic	Stock brokering
JMMB Real Estate Holdings Limited	100		Jamaica	Property rental and development

* Associated company

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

31 December 2009

(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 2009.

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 2009

(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 2009

(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.

(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 to 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 expired.

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 2009

(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 are 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\$646,218,000 (2008 – J\$1,766,908,000) 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, 2009, funds managed in this way amounted to J\$14,631,771,000 (2008 – J\$15,581,405,000).

(k) Comparative information

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