JAMAICA MONEY MARKET BROKERS LIMITED

Group Financial Statements

Unaudited Three Months Financial Results for period ended 30 June 2010

JAMAICA MONEY MARKET BROKERS LIMITED

Unaudited Three Months Financial Results for the period ended 30 June 2010

Directors' Statement

PERFORMANCE HIGHLIGHTS

Net Profit of J$176.9 million, grew by 12%

Earnings per Stock Unit of J$0.12, up $0.02

Net Interest Income up 115%

Operating Profit up 53%

Foreign Exchange Margins from Cambio Trading up 47%

The Directors are pleased to announce that the JMMB Group has posted a net profit of J$176.9 million and earnings per share of J$0.12 for the quarter ended June 30, 2010. The quarter results represent a J$19 million or 12% improvement over the prior period.

Net Interest Income showed a significant increase year-on-year moving from J$223.7 million to J$481.7 million, an increase of 115.3%. This growth was due to deliberate strategy of sharper and segmented management of the Group's investment portfolio and cost of funds. Fees and commissions and gains from cambio trading also reflected increases of 66.6% and 47.1% respectively, underpinning management commitment to building core revenues.

Securities Trading and Foreign Exchange Gains profit contribution was impacted as a result of the revaluation of the Jamaican currency against its United States counterpart. Notwithstanding this, operating revenue net of interest expense increased by J$120.4 million or 19%.

JMMB continues to tightly manage its operating expenses which increased by 8.44%, due mainly to inflationary increases granted to staff at the start of the financial year. The overall increase in operational costs is however below annual inflation of 13.17%.

The total asset base of the Group decreased by J$4.7 billion or 3.8% in the first three months of the financial year, moving from J$123.0 billion as at March 31, 2010 to J$118.3 billion. This decrease in assets was due mainly to realising gains from the investment portfolio in addition to utilising proceeds and other maturities to liquidate debts.

Regulatory Capital Requirements

The company continues to exceed its regulatory capital requirements. The Company's Capital to risk weighted assets ratio stood at 34.6% whereas the Financial Services Commission (FSC) benchmark stipulates a minimum of 14%. The Company's capital to total assets ratio was 8.9% whereas the FSC benchmark is 6%.

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 30 June 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30 June 10	Unaudited Three Months Ended 30 June 09
	$'000	**$'000**
Net Interest Income and Other Revenue		
Interest income	2,762,471	3,410,743
Interest expense	(2,280,725)	(3,187,023)
Net interest income	**481,746**	**223,720**
Fees and commission income	48,274	28,980
Gains on securities trading, net	183,419	350,932
Foreign exchange margins from cambio trading	34,528	23,476
Operating revenue net of interest expense	**747,967**	**627,108**
Other Income		
Dividends	3,985	4,419
	751,952	**631,527**
Operating Expenses	(522,192)	(481,543)
Operating Profit	**229,760**	**149,984**
Share of profits of associated company (net of tax)	1,788	10,718
Profit before Taxation	**231,548**	**160,702**
Taxation	(54,682)	(2,842)
Profit for the period	**176,866**	**157,860**
Attributable to:		
Equity holders of the parent	169,310	153,239
Non-controlling interest	7,556	4,621
	176,866	**157,860**
Earnings Per Stock Unit	**$0.12**	**$0.10**

Jamaica Money Market Brokers Limited

Consolidated Statement of Comprehensive Income

Period ended 30 June 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited 30 June 10	Unaudited 30 June 09
	$'000	**$'000**
Profit for the period	176,866	157,860
Other comprehensive income:		
Unrealised gains on available for sale investments	161,572	461,296
Foreign exchange translation differences	62,708	(13,525)
	224,280	447,771
Total comprehensive income for period, net of tax	**401,146**	**605,631**
Total comprehensive income attributable to:		
Equity holders of the parent	393,590	601,010
Non-controlling interest	7,556	4,621
	401,146	**605,631**

Jamaica Money Market Brokers Limited

Consolidated Balance Sheet

30 June 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 30 June 10	Unaudited as at 30 June 09	Audited as at 31 March 10
	$'000	$'000	$'000
ASSETS			
Cash and cash equivalents	2,913,505	2,263,481	3,643,532
Interest receivable	1,988,390	2,826,219	2,656,184
Income tax recoverable	1,301,028	876,877	1,277,889
Loans and notes receivable	3,830,676	3,417,525	3,639,894
Other receivables	2,592,277	2,493,103	2,647,397
Investments and resale agreements	103,966,480	105,167,569	107,361,075
Interest in associated companies	609,358	600,312	631,932
Deferred tax asset	26,810	17,626	26,150
Property, plant and equipment and intangible assets	1,094,004	1,084,847	1,091,317
	118,322,528	**118,747,559**	**122,975,370**
EQUITY AND LIABILITIES			
Equity			
Share Capital	379,622	379,622	379,622
Investment revaluation reserve	(663,648)	(1,091,504)	(825,220)
Cumulative translation reserve	54,006	(41,423)	(8,702)
Other reserve	13,672	-	13,672
Retained earnings	7,470,167	6,572,414	7,300,857
	7,253,819	5,819,109	6,860,229
Non-controlling interest	38,063	25,533	30,507
Total equity	**7,291,882**	**5,844,642**	**6,890,736**
Liabilities			
Interest payable	1,157,980	1,633,772	1,473,460
Income tax payable	554,158	593,665	593,576
Accounts payable	315,156	301,554	511,044
Repurchase agreements	101,770,711	97,621,336	102,844,985
Notes payable	508,193	1,088,503	648,650
Loans payable	3,664,536	8,842,406	7,043,932
Redeemable preference shares	2,690,085	2,690,085	2,690,085
Deferred tax liability	369,827	131,596	278,902
	111,030,646	**112,902,917**	**116,084,634**
	118,322,528	**118,747,559**	**122,975,370**

Jamaica Money Market Brokers Limited

Consolidated Statement of Changes in Stockholders' Equity

Period ended 30 June 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Investment Revaluation Reserve	Cumulative Translation Reserve	Other Reserve	Retained Earnings	Attributable to equity holders of the Parent	Non-Controlling Interest	Total
	$'000	$'000	$'000		$'000	$'000	$'000	$'000
Balances 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	-	461,296	(13,525)	-	153,239	601,010	4,621	605,631
Dividends paid	-	-	-	-	(87,803)	(87,803)	-	(87,803)
Balances at 30 June 2009 (Unaudited)	**379,622**	**(1,091,504)**	**(41,423)**	**-**	**6,572,414**	**5,819,109**	**25,533**	**5,844,642**
Balances at 31 March 2010 (Audited)	**379,622**	**(825,220)**	**(8,702)**	**13,672**	**7,300,857**	**6,860,229**	**30,507**	**6,890,736**
Total comprehensive income for period	-	161,572	62,708	-	169,310	393,590	7,556	401,146
Balances at 30 June 2010 (Unaudited)	**379,622**	**(663,648)**	**54,006**	**13,672**	**7,470,167**	**7,253,819**	**38,063**	**7,291,882**

Jamaica Money Market Brokers Limited

Consolidated Statement of Cash Flows

Period ended 30 June 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 30 June 10	Unaudited as at 30 June 09
	$'000	$'000
Cash Flows from Operating Activities		
Profit for the period	176,866	157,860
Adjustments for:		
Unrealised losses/(gains) on trading securities	11,397	(96,042)
Share of profits of associated company	(1,788)	(10,718)
Depreciation and amortisation	21,288	29,608
Foreign currency translation losses/(gains)	297,955	(75,470)
	505,718	5,238
Changes in operating assets and liabilities	(1,248,084)	7,243,754
Net cash (used in)/provided by operating activities	**(742,366)**	**7,248,992**
Cash Flows from Investing Activities		
Net proceeds/(purchase) of investment securities	3,556,167	(6,899,090)
Purchase of property, plant and equipment and computer software	(23,975)	(21,970)
Net cash provided by/(used in) investing activities	**3,532,192**	**(6,921,060)**
Cash Flows from Financing Activities		
Loans payable	(3,379,396)	(406,905)
Notes payable	(140,457)	-
Dividends paid	-	(87,803)
Net cash used in financing activities	**(3,519,853)**	**(494,708)**
Net decrease in cash and cash equivalents	**(730,027)**	**(166,776)**
Cash and cash equivalents at beginning of year	**3,643,532**	**2,430,257**
Cash and cash equivalents at end of period	**2,913,505**	**2,263,481**

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

30 June 2010

(Expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

	The Group				
	Period ended 30 June 2010				
	Jamaica	**St. Lucia**	**Others**	**Eliminations**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
External revenues	2,604,721	427,956	-	-	3,032,677
Intersegment revenue	237,765	-	-	(237,765)	-
Total segment revenue	2,842,486	427,956	-	(237,765)	3,032,677
Segment results	319,418	(89,658)	-	-	229,760
Share of associated company profit					1,788
Profit before tax					231,548
Taxation					(54,682)
Profit for the period					176,866
Total segment assets	111,942,759	23,666,779	613,379	(17,900,389)	118,322,528
Total segment liabilities	101,836,495	25,952,833	537,496	(17,296,178)	111,030,646
Interest income	2,357,444	405,027	-	-	2,762,471
Operating expenses	482,444	39,748	-	-	522,192
Depreciation and amortisation	20,587	701	-	-	21,288
Capital expenditure	23,975	-	-	-	23,975

Jamaica Money Market Brokers Limited

Notes to the Financial Statements
30 June 2010
(Expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

	The Group				
	Period ended 30 June 2009				
	Jamaica	**St. Lucia**	**Others**	**Eliminations**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
External revenue	3,348,570	469,980	-	-	3,818,550
Intersegment revenue	-	254,532	-	(254,532)	-
Total segment revenue	3,348,570	724,512		(254,532)	3,818,550
Segment results	189,695	(39,711)	-	-	149,984
Share of associated company profit					10,718
Profit before tax					160,702
Taxation					(2,842)
Profit for the period					157,860
Total segment assets	111,777,516	24,471,080	600,312	(18,101,349)	118,747,559
Total segment liabilities	103,358,858	26,510,467	553,760	(17,520,168)	112,902,917
Interest income	3,023,402	387,341	-	-	3,410,743
Operating expenses	439,522	42,021	-	-	481,543
Depreciation and amortisation	28,541	1,067	-	-	29,608
Capital expenditure	21,970	-	-	-	21,970

Jamaica Money Market Brokers Limited
Notes to the Financial Statements
30 June 2010
(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 an associated company, 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 company 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,	100		Trinidad and Tobago	Investment holding company
Intercommercial Bank Limited * and its subsidiary, Intercommercial Trust and Merchant Bank Limited		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
JMMB Holdings Limited	100		St. Lucia	Investment holding

* Associated company

Jamaica Money Market Brokers Limited

Notes to the Financial Statements
30 June 2010
(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 2010.

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
30 June 2010
(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 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
30 June 2010
(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.

Investments

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale and are carried at fair value except for unquoted equity securities whose fair value cannot be reliably measured, which are carried at cost. Changes therein, other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit and loss account.

Investments at fair value through profit or loss

The Group carries some investment securities at fair value through profit or loss if they are held for trading or designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

Loans and receivables

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 using the effective interest method, except when the Group chooses to designate the loans and receivables at fair value through profit or loss.

(h) Borrowings

Borrowings (other than repos) are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost with any difference between cost and redemption value being 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$169,310,000 (2009 – J$153,239,000) 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 June 30, 2010, funds managed in this way amounted to J$15,522,275,000 (2009 – J$14,301,584,000).