



JAMAICA MONEY MARKET BROKERS LIMITED

Group Financial Statements
Unaudited Nine Months Financial Results for period ended
31 December 2010



Jamaica Money Market Brokers Limited

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Financial Statements

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ended 31 December 2010**

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JAMAICA MONEY MARKET BROKERS LIMITED

Unaudited Nine Months Financial Results for the period ended 31 December 2010

Directors' Statement

PERFORMANCE HIGHLIGHTS YEAR TO DATE

Net Profit of J\$854.3 million, grew by 31.5%

Earnings per Stock Unit of J\$0.57, up \$0.13

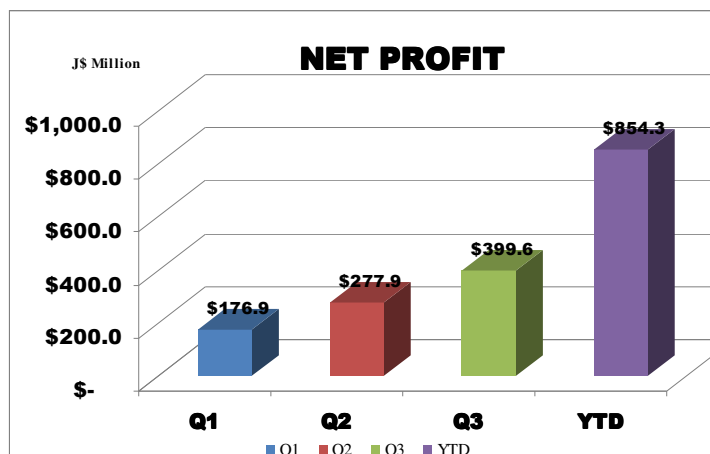
Net Interest Income up 33.8%

Other Operating Revenue up 27.6%

Operating Profit up 62.9%

Efficiency ratio improved to 65.0% from 71.8%

The Directors are pleased to announce that the JMMB Group has posted a net profit of J\$854.3 million and earnings per share of J\$0.57 for the nine months ended December 31, 2010. The Group profits continue to show strong quarter over quarter growth, with third quarter results representing a J\$121.7 million or 43.8% improvement over second quarter and 39.6% improvement over the prior period (Q3 2009-10).



For the nine month period, Net Interest Income (NII) increased by 33.8% to J\$1.76 billion from J\$1.31 billion. This was due mainly to JMMB's continued strategy of segmented management of the Group's investment portfolio and cost of funds. Other operating revenues namely, Gains from cambio trading, gains from securities trading and other income also reflected increases of 44.5%, 23.4% and 46.3% respectively, which was driven largely by increased volume activity. This continued growth underpins management's commitment to building core revenues.

Operating expenses increased by 18.9% to J\$1.86 billion compared to J\$1.57 billion for the prior year. This increase was mainly attributable to an incentive paid to staff in third quarter, for their continued commitment to excellence, of J\$40.2 million and one-off cost relating to professional fees of J\$25.6 million.

However, despite this increase in expenses, our efficiency ratio (administrative costs as a percentage of operating revenue) improved to 65% from 71.8% when compared to the corresponding period as we continue to tightly manage the company's efficiency.

The total asset base of the Group decreased by J\$6.9 billion or 5.7% for the nine months period, moving from J\$123.0 billion as at March 31, 2010 to J\$116.0 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 high yielding debts.

The overall impact of increased revenue and increased efficiencies from operations resulted in net profit for the quarter of J\$399.6 million and year to date of J\$854.3 million, an increase of 39.6% and 31.5% respectively.

Regulatory Capital Requirements

The company continues to exceed its regulatory capital requirements. The company's capital to risk weighted assets ratio stood at 30.7% whereas the Financial Services Commission (FSC) benchmark stipulates a minimum of 14%. The company's capital to total assets ratio was 10.1% whereas the FSC benchmark is 6%.

JMMB Preference Shares

On December 14, 2010 Tranches 1 and 2 of preference shares amounting to J\$2.52 billion matured and was paid out in full. The previous issue was used to fund JMMB's local business line diversification – specifically in the areas of Pensions and Credit – and expansion of our operations in the Dominican Republic over the 3 year period.

Given the significant demand and client interest in such investment opportunities, we officially launched a new Preference Share Offer in January 2011, which was designed with a special price and interest rate rewarding client loyalty, as well as providing the open market with attractive returns. The Offer, which closed on January 7, 2011 was oversubscribed by 33%, with total investments of J\$2.76B.

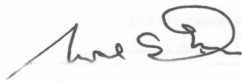
Community Relations

Year-to-date, the JMMB Group continued to live its commitment to Corporate Social Responsibility by supporting a range of national and local initiatives aimed at community development, sports, health, education and social transformation. This included supporting activities of the National Parent Teachers Association's Maintaining Family Values initiative, the St. Elizabeth Care Committee's Street People Programme, the Kingston YMCA, the Spanish Town Hospital and the Mandeville Regional Hospital. We also partnered with several sports institutions to foster the development of our athletes – the Jamaica Football Federation (JFF) Coaching School, football clubs in troubled communities, basketball in Montego Bay, as well as the Amateur Swimming Association of Jamaica. The two programmes that we've supported in a significant way year-to-date through financial contribution and through time contribution of our team members are: the Committee for the Upliftment of the Mentally Ill (CUMI) based in Montego Bay and the private sector-led coalition programme called Youth Upliftment Through Employment (YUTE). JMMB's contribution to date towards these national and local initiatives has amounted to J\$14.9M.

General

Despite the challenging economic environment, the JMMB Group continues to consolidate its position in Jamaica and extending into the English and Spanish-speaking Caribbean. With its strong base, the Group will continue its business lines diversification strategies across its three territories – Jamaica, Dominican Republic and Trinidad & Tobago – as well as expand into new markets such as CAFTA and explore acquisition targets, locally and regionally.

The Directors extend heartfelt thanks to our valued clients, team members and shareholders 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 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 31 Dec 10	Unaudited Three Months Ended 31 Dec 09	Unaudited Nine Months Ended 31 Dec 10	Unaudited Nine Months Ended 31 Dec 09
	\$'000	\$'000	\$'000	\$'000
Net Interest Income and Other Revenue				
Interest income	2,554,831	3,445,927	7,797,483	10,377,774
Interest expense	(1,854,048)	(2,900,599)	(6,037,871)	(9,062,778)
Net interest income	700,783	545,328	1,759,612	1,314,996
Fees and commission income	48,003	27,844	133,500	91,244
Gains on securities trading, net	307,095	208,180	843,047	683,422
Foreign exchange margins from cambio trading	37,137	27,795	115,873	80,213
Dividends	2,944	3,983	13,422	12,025
Operating revenue net of interest expense	1,095,962	813,130	2,865,454	2,181,900
Operating Expenses	(687,013)	(540,902)	(1,862,175)	(1,565,812)
Operating Profit	408,949	272,228	1,003,279	616,088
Share of profits of associated company	16,198	15,260	24,641	37,510
Profit before Taxation	425,147	287,488	1,027,920	653,598
Taxation	(25,587)	(1,171)	(173,637)	(4,159)
Profit for the period	399,560	286,317	854,283	649,439
Attributable to:				
Equity holders of the parent	381,177	292,165	833,166	646,218
Non-controlling interest	18,383	(5,848)	21,117	3,221
	399,560	286,317	854,283	649,439
Earnings per stock unit	\$0.26	\$0.20	\$0.57	\$0.44

Jamaica Money Market Brokers Limited

Consolidated Statement of Comprehensive Income

Period ended 31 December 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Nine Months Ended 31 Dec 10	Unaudited Nine Months Ended 31 Dec 09
	\$'000	\$'000
Profit for the period	854,283	649,439
Other comprehensive income:		
Unrealised gains on available for sale investments	704,619	804,227
Foreign exchange translation differences	48,588	2,431
	<u>753,207</u>	<u>806,658</u>
Total comprehensive income for period, net of tax	<u>1,607,490</u>	<u>1,456,097</u>
Total comprehensive income attributable to:		
Equity holders of the parent	1,586,373	1,452,876
Non-controlling interest	21,117	3,221
	<u>1,607,490</u>	<u>1,456,097</u>

Jamaica Money Market Brokers Limited

Consolidated Statement of Financial Position

31 December 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 31 Dec 10	Unaudited as at 31 Dec 09	Audited as at 31 March 10
	\$'000	\$'000	\$'000
ASSETS			
Cash and cash equivalents	3,615,191	2,648,421	3,643,532
Interest receivable	2,015,791	3,180,152	2,656,184
Income tax recoverable	1,383,924	950,716	1,277,889
Loans and notes receivable	3,440,431	3,272,312	3,639,894
Other receivables	2,248,955	2,633,825	2,647,397
Investments and resale agreements	101,108,415	109,085,940	107,361,075
Interest in associated company	649,723	631,220	631,932
Deferred tax asset	23,738	16,290	26,150
Property, plant and equipment and intangible assets	1,521,415	1,076,706	1,091,317
	116,007,583	123,495,582	122,975,370
EQUITY AND LIABILITIES			
Equity			
Share Capital	379,622	379,622	379,622
Investment revaluation reserves	(120,601)	(748,573)	(825,220)
Cumulative translation reserves	39,886	(25,467)	(8,702)
Other reserve	13,672	-	13,672
Retained earnings	7,929,149	6,980,581	7,300,857
	8,241,728	6,586,163	6,860,229
Non-controlling interest	51,624	24,133	30,507
Total equity	8,293,352	6,610,296	6,890,736
Liabilities			
Interest payable	965,163	1,869,377	1,473,460
Income tax payable	418,546	595,623	593,576
Accounts payable	341,274	375,750	511,044
Repurchase agreements	104,600,829	102,710,583	102,844,985
Notes payable	278,457	762,077	648,650
Loans payable	-	7,595,924	7,043,932
Redeemable preference shares	165,648	2,690,085	2,690,085
Deferred tax liability	944,314	285,867	278,902
	107,714,231	116,885,286	116,084,634
	116,007,583	123,495,582	122,975,370

Jamaica Money Market Brokers Limited

Consolidated Statement of Changes in Stockholders' Equity

Period ended 31 December 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	\$'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	-	804,227	2,431	-	646,218	1,452,876	3,221	1,456,097
Dividends paid	-	-	-	-	(172,615)	(172,615)	-	(172,615)
Balances at 31 December 2009 (Unaudited)	379,622	(748,573)	(25,467)	-	6,980,581	6,586,163	24,133	6,610,296
Balance 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	-	704,619	48,588	-	833,166	1,586,373	21,117	1,607,490
Dividends paid	-	-	-	-	(204,874)	(204,874)	-	(204,874)
Balances at 31 December 2010 (Unaudited)	379,622	(120,601)	39,886	13,672	7,929,149	8,241,728	51,624	8,293,352

Jamaica Money Market Brokers Limited

Consolidated Statement of Cash Flows

Period ended 31 December 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 31 Dec 10 \$'000	Unaudited as at 30 Dec 09 \$'000
Cash Flows from Operating Activities		
Profit for period	854,283	649,439
Adjustments for:		
Share of profits of associated company	(24,641)	(37,510)
Depreciation and amortisation	75,089	82,590
	<u>904,731</u>	<u>694,519</u>
Changes in operating assets and liabilities	2,709,684	13,204,382
Net cash provided by operating activities	<u>3,614,415</u>	<u>13,898,901</u>
 Cash Flows from Investing Activities		
Purchase of investment securities, net	7,005,867	(11,468,597)
Purchase of property, plant and equipment and computer software	(505,187)	(66,811)
Net cash provided by/(used in) investing activities	<u>6,500,680</u>	<u>(11,535,408)</u>
 Cash Flows from Financing Activities		
Notes payable	(370,193)	(319,327)
Loans payable	(7,043,932)	(1,653,387)
Redeemable preference shares	(2,524,437)	-
Dividends paid	(204,874)	(172,615)
Net cash used in financing activities	<u>(10,143,436)</u>	<u>(2,145,329)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(28,341)</u>	<u>218,164</u>
Cash and cash equivalents at beginning of year	<u>3,643,532</u>	<u>2,430,257</u>
Cash and cash equivalents at end of period	<u>3,615,191</u>	<u>2,648,421</u>

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

31 December 2010

(Expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

	The Group				
	Period ended 31 December 2010				
	Jamaica \$'000	St. Lucia \$'000	Others \$'000	Eliminations \$'000	Total \$'000
External revenues	7,606,540	1,296,784	-	-	8,903,324
Intersegment revenue	794,479		-	(794,479)	-
Total segment revenue	8,401,019	1,296,784	-	(794,479)	8,903,324
Segment results	1,264,190	(260,911)	-	-	1,003,279
Share of profits of associated company					24,641
Profit before tax					1,027,920
Taxation					(173,637)
Profit for the period					854,283
Total segment assets	109,164,984	24,357,530	653,720	(18,168,651)	116,007,583
Total segment liabilities	97,579,618	27,140,189	533,511	(17,539,087)	107,714,231
Interest income	6,552,271	1,245,212	-	-	7,797,483
Operating expenses	1,732,476	129,699	-	-	1,862,175
Depreciation and amortisation	71,376	3,713	-	-	75,089
Capital expenditure	505,187	-	-	-	505,187

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

31 December 2010

(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
Interest income	9,157,164	1,220,610	-	-	10,377,774
Operating expenses	1,445,002	116,546	4,264	-	1,565,812
Depreciation and amortisation	80,902	1,688	-	-	82,590
Capital expenditure	66,811	-	-	-	66,811

Jamaica Money Market Brokers Limited

Notes to the Financial Statements

31 December 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

31 December 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

31 December 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

31 December 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\$833,166,000 (2009 – J\$646,218,000) 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, 2010, funds managed in this way amounted to J\$18,408,683,000 (2009 – J\$14,631,771,000).