

JAMAICA MONEY MARKET BROKERS LIMITED

Consolidated Profit and Loss Account

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-20 \$000	Unaudited Three Months Ended 30-Jun-19 \$000
Net Interest Income and Other Revenue		
Interest income	2,106,597	2,225,259
Interest expense	(1,337,099)	(1,384,535)
Net Interest Income	769,498	840,724
Fees and commissions income	459,028	503,321
Gain on securities trading, net	1,211,512	1,838,652
Foreign exchange margins from cambio trading	81,617	150,332
Dividends	11,861	4,998
Operating Revenue Net of Interest Expense	2,533,516	3,338,027
Operating expenses	(1,738,087)	(1,969,376)
Impairment loss on financial assets	(1,606)	(2,205)
Operating Profit	793,823	1,366,446
Other income	7,526	44,659
Profit before Taxation	801,349	1,411,105
Taxation	(300,383)	(557,126)
Profit for the Period	500,966	853,979
Earnings per stock unit	\$0.31	\$0.52

JAMAICA MONEY MARKET BROKERS LIMITED

Consolidated Statement of Comprehensive Income

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-20 \$000	Unaudited Three Months Ended 30-Jun-19 \$000
Profit for the Period	500,966	853,979
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Net gain on investment in debt instruments measured at FVOCI	520,233	56,685
Foreign exchange translation differences on translation of foreign subsidiaries	133,913	161,091
<i>Items that will not be reclassified to profit or loss:</i>		
Net gain on investment in equity instruments designated at FVOCI	29,968	486,642
Total other comprehensive income, net of tax	684,114	704,418
Total comprehensive income for period	1,185,080	1,558,397
Total comprehensive income attributable to:		
Owners of the parent	1,185,080	1,558,397

JAMAICA MONEY MARKET BROKERS LIMITED

Consolidated Statement of Financial Position

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 30-Jun-20 \$'000	Unaudited as at 30-Jun-19 \$'000	Audited as at 31-Mar-20 \$'000
ASSETS			
Cash and cash equivalents	19,958,755	20,197,900	11,446,716
Interest receivable	1,754,551	2,157,181	2,158,437
Income tax recoverable	374,101	73,663	350,373
Loans and notes receivable	14,996,648	9,907,407	14,092,564
Other receivables	4,779,243	127,519	5,640,043
Due from other related party	10,904,744	10,645,610	10,131,550
Investments and resale agreements	151,741,129	163,194,228	159,064,857
Investment properties	698,932	496,512	621,232
Property, plant and equipment and intangible assets	4,095,424	3,368,832	4,057,943
Deferred tax asset	2,743,048	158,606	4,534,839
Right-of-use asset	185,991	-	186,825
	212,232,566	210,327,458	212,285,379
STOCKHOLDERS' EQUITY			
Share capital	1,864,054	1,864,054	1,864,054
Retained earnings reserve	9,605,055	9,605,055	9,605,055
Investment revaluation reserve	(625,806)	1,319,246	(4,490,790)
Cumulative translation reserve	-	646,931	777,135
Retained earnings	9,730,597	10,894,016	11,633,366
	20,573,900	24,329,302	19,388,820
Liabilities			
Securities sold under agreements to repurchase	162,362,428	138,194,584	144,167,536
Notes payable	10,134,424	30,128,950	30,006,046
Lease liabilities	188,526	-	190,493
Redeemable preference shares	13,587,555	12,810,943	13,123,770
Interest payable	869,827	1,344,154	878,821
Income tax payable	1,548,024	1,532,287	1,363,402
Other payables	2,960,283	1,946,537	3,158,892
Deferred income tax liabilities	7,599	40,701	7,599
	191,658,666	185,998,156	192,896,559
	212,232,566	210,327,458	212,285,379

Archibald Campbell
Chairman

Keith P. Duncan
Group Chief Executive Officer

JAMAICA MONEY MARKET BROKERS LIMITED

Consolidated Statement of Changes in Stockholders' Equity

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Retained Earnings Reserve	Investment Revaluation Reserve	Cumulative Translation Reserve	Retained Earnings	Attributable to holders of the Parent	Non-Controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at March 31, 2019 (Audited)	1,864,054	9,605,055	775,919	485,840	10,594,837	23,325,705	-	23,325,705
Profit for the period	-	-	-	-	853,979	853,979	-	853,979
Other comprehensive income for period	-	-	543,327	161,091	-	704,418	-	704,418
Total comprehensive income for period	-	-	543,327	161,091	853,979	1,558,397	-	1,558,397
Dividends paid	-	-	-	-	(554,800)	(554,800)	-	(554,800)
Balances at 30 June 2019 (Unaudited)	1,864,054	9,605,055	1,319,246	646,931	10,894,016	24,329,302	-	24,329,302
Balances at March 31, 2020 (Audited)	1,864,054	9,605,055	(4,490,790)	777,135	11,633,366	19,388,820	-	19,388,820
Profit for the period	-	-	-	-	500,966	500,966	-	500,966
Other comprehensive income for period	-	-	550,201	133,913	-	684,114	-	684,114
Total comprehensive income for period	-	-	550,201	133,913	500,966	1,185,080	-	1,185,080
Effects of Group Reorganisation	-	-	3,314,783	(911,048)	(2,403,735)	-	-	-
Balances at 30 June 2020 (Unaudited)	1,864,054	9,605,055	(625,806)	-	9,730,597	20,573,900	-	20,573,900

JAMAICA MONEY MARKET BROKERS LIMITED

Consolidated Statement of Cash Flows

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-20 \$'000	Unaudited Three Months Ended 30-Jun-19 \$'000
Cash Flows from Operating Activities		
Profit for the period	500,966	853,979
Adjustments for:		
Unrealised loss on trading securities	(6,903)	(185,853)
Depreciation and amortisation	94,012	82,836
	588,075	750,962
Changes in operating assets and liabilities	17,499,375	18,378,571
Net cash provided by operating activities	18,087,450	19,129,533
Cash Flows from Investing Activities		
Investment securities, net	10,411,576	(9,945,653)
Purchase of property, plant and equipment and computer software	(115,365)	(170,568)
Net cash provided by/(used in) investing activities	10,296,211	(10,116,221)
Cash Flows from Financing Activities		
Notes payable	(19,871,622)	682,522
Dividends paid	-	(554,800)
Net cash (used in)/provided by financing activities	(19,871,622)	127,722
Net increase in cash and cash equivalents	8,512,039	9,141,034
Cash and cash equivalents at beginning of year	11,446,716	11,056,866
Cash and cash equivalents at end of period	19,958,755	20,197,900

JAMAICA MONEY MARKET BROKERS LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

	Three-month period ended 30 June 2020			
	Financial & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000
External revenues	3,750,674	127,467	-	3,878,141
Intersegment revenue	775,592	-	(775,592)	-
Total segment revenue	4,526,266	127,467	(775,592)	3,878,141
Profit before tax	712,440	88,909	-	801,349
Taxation				(300,383)
Profit for the period				500,966
Total segment assets	214,037,035	2,107,348	(3,911,817)	212,232,566
Total segment liabilities	193,315,759	1,845,279	(3,502,372)	191,658,666
Interest Income	2,105,365	1,232	-	2,106,597
Operating expenses	1,700,518	37,569	-	1,738,087
Depreciation & amortisation	90,512	3,500	-	94,012
Capital expenditure	115,365	-	-	115,365

JAMAICA MONEY MARKET BROKERS LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

	Three-month period ended 30 June 2019			
	Financial & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000
External revenues	4,714,741	52,480	-	4,767,221
Intersegment revenue	664,801	-	(664,801)	-
Total segment revenue	5,379,542	52,480	(664,801)	4,767,221
Profit before tax	1,399,180	11,925	-	1,411,105
Taxation				(557,126)
Profit for the period				853,979
Total segment assets	220,316,683	1,677,950	(11,667,175)	210,327,458
Total segment liabilities	195,099,017	1,609,323	(10,710,184)	185,998,156
Interest Income	2,223,357	1,902	-	2,225,259
Operating expenses	1,929,133	40,243	-	1,969,376
Depreciation & amortisation	80,217	2,619	-	82,836
Capital expenditure	158,363	12,205	-	170,568

JAMAICA MONEY MARKET BROKERS LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2020

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 Houghton Terrace, Kingston 10, Jamaica. The Company is a wholly owned subsidiary of JMMB Group Limited (“parent”), a company incorporated in Jamaica. The principal activities of the Company are securities brokering, securities trading, dealing in money market instruments, and managing funds on behalf of clients.

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

Certain of the Company’s preference shares are listed on the Jamaica Stock Exchange.

Jamaica Money Market Brokers Limited has interest in the operating subsidiaries listed below. The Company and its subsidiaries are collectively referred to as the “Group”.

Name of Subsidiary	% Shareholding Held by the Company	Country of Incorporation	Principal Activities
JMMB Securities Limited	100	Jamaica	Stock brokering
JMMB Insurance Brokers Limited	100	Jamaica	Insurance brokering
JMMB Real Estate Holdings Limited	100	Jamaica	Real estate holding
Capital & Credit Securities Limited	100	Jamaica	Investment holding
JMMB Fund Managers Limited	100	Jamaica	Fund management

During the period, the Company transferred ownership of JMMB International Limited to its ultimate parent company, JMMB Group Limited.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The Group’s condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The condensed consolidated financial statements should be read in conjunction with the accounting policies as set out in Note 2 and 31 of the audited financial statements for the year ended 31 March 2020.

All amounts are stated in Jamaican dollars unless otherwise indicated.

JAMAICA MONEY MARKET BROKERS LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2020

2. Summary of Significant Accounting Policies (continued)

(b) Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of the company and its subsidiaries presented as a single economic entity.

Subsidiaries are all entities over which the company 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 or convertible are considered when assessing whether the company controls another entity. Subsidiaries are consolidated from the date on which control is attained by the Group. They are no longer consolidated from the date that control ceases.

Intra-group 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. Accounting policies of subsidiaries are consistent with those of the Group.

The Group uses the acquisition method of accounting for business combinations. The cost of acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling 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 recognized directly in the consolidated statement of revenue and expenses.

(c) Earnings per stock unit

Earnings per stock unit ("EPS") is computed by dividing profit attributable to the equity holders of the parent of J\$500,965,785 (2019 – J\$853,978,843) by the number of stock units in issue during the period, numbering 1,630,552,530 (2019 – 1,630,552,530).

(d) Comparative Information

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