

JAMAICA MONEY MARKET BROKERS LIMITED

Consolidated Profit and Loss Account

Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

| | Unaudited Three Months Ended 30-Sep-20 \$000 | Unaudited Three Months Ended 30-Sep-19 \$000 | Unaudited Six Months Ended 30-Sep-20 \$000 | Unaudited Six Months Ended 30-Sep-19 \$000 |
|--|--|--|--|--|
| Net Interest Income and Other Revenue | | | | |
| Interest income | 2,179,386 | 2,363,370 | 4,285,983 | 4,588,629 |
| Interest expense | (1,481,170) | (1,436,092) | (2,818,269) | (2,820,627) |
| Net Interest Income | 698,216 | 927,278 | 1,467,714 | 1,768,002 |
| Fees and commissions income | 460,011 | 539,305 | 919,039 | 1,042,626 |
| Gain on securities trading, net | 1,088,423 | 1,075,665 | 2,299,935 | 2,914,317 |
| Foreign exchange margins from cambio trading | 106,464 | 133,701 | 188,081 | 284,033 |
| Dividends | 4,950 | 19,693 | 16,811 | 24,691 |
| Operating Revenue Net of Interest Expense | 2,358,064 | 2,695,642 | 4,891,580 | 6,033,669 |
| Operating expenses | (1,432,190) | (1,711,415) | (3,170,277) | (3,680,791) |
| Impairment loss on financial assets | (686) | (2,209) | (2,292) | (4,414) |
| Operating Profit | 925,188 | 982,018 | 1,719,011 | 2,348,464 |
| Other income | 57,883 | 188,328 | 65,409 | 232,987 |
| Profit before Taxation | 983,071 | 1,170,346 | 1,784,420 | 2,581,451 |
| Taxation | (221,194) | (259,085) | (521,577) | (816,211) |
| Profit for the Period | 761,877 | 911,261 | 1,262,843 | 1,765,240 |
| Earnings per stock unit | \$0.47 | \$0.56 | \$0.77 | \$1.08 |

JAMAICA MONEY MARKET BROKERS LIMITED

Consolidated Statement of Comprehensive Income

Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

| | Unaudited Three Months Ended 30-Sep-20 \$000 | Unaudited Three Months Ended 30-Sep-19 \$000 | Unaudited Six Months Ended 30-Sep-20 \$000 | Unaudited Six Months Ended 30-Sep-19 \$000 |
|---|--|--|--|--|
| Profit for the Period | 761,877 | 911,261 | 1,262,843 | 1,765,240 |
| Other comprehensive income | | | | |
| <i>Items that may be reclassified to profit or loss:</i> | | | | |
| Net gain on investment in debt instruments measured at FVOCI | 1,220,180 | 3,468,580 | 1,740,413 | 3,525,265 |
| Foreign exchange translation differences on translation of foreign subsidiaries | - | 111,633 | 133,913 | 272,724 |
| <i>Items that will not be reclassified to profit or loss:</i> | | | | |
| Net gain/loss on investment in equity instruments designated at FVOCI | (7,920) | (56,229) | 22,048 | 430,413 |
| Total other comprehensive income, net of tax | 1,212,260 | 3,523,984 | 1,896,374 | 4,228,402 |
| Total comprehensive income for period | 1,974,137 | 4,435,245 | 3,159,217 | 5,993,642 |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 1,974,137 | 4,435,245 | 3,159,217 | 5,993,642 |

JAMAICA MONEY MARKET BROKERS LIMITED

Consolidated Statement of Financial Position

Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

| | Unaudited as at 30-Sep-20 \$'000 | Unaudited as at 30-Sep-19 \$'000 | Audited as at 31-Mar-20 \$'000 |
|---|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | 14,694,055 | 12,382,818 | 11,446,716 |
| Interest receivable | 1,577,946 | 1,967,593 | 2,158,437 |
| Income tax recoverable | 380,383 | 76,496 | 350,373 |
| Loans and notes receivable | 17,512,601 | 10,595,575 | 14,092,564 |
| Other receivables | 4,953,682 | 4,398,041 | 5,640,043 |
| Due from other related party | 11,603,333 | 11,059,494 | 10,131,550 |
| Investments and resale agreements | 173,131,371 | 192,775,043 | 159,064,857 |
| Investment properties | 698,932 | 514,412 | 621,232 |
| Property, plant and equipment and intangible assets | 4,157,279 | 3,496,866 | 4,057,943 |
| Deferred tax asset | 2,387,940 | 95 | 4,534,839 |
| Right-of-use asset | 185,157 | - | 186,825 |
| | 231,282,679 | 237,266,433 | 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 | 586,454 | 4,731,597 | (4,490,790) |
| Cumulative translation reserve | - | 758,567 | 777,135 |
| Retained earnings | 10,492,474 | 11,805,277 | 11,633,366 |
| | 22,548,037 | 28,764,550 | 19,388,820 |
| Liabilities | | | |
| Securities sold under agreements to repurchase | 176,569,936 | 159,508,780 | 144,167,536 |
| Notes payable | 12,358,722 | 31,099,792 | 30,006,046 |
| Lease liabilities | 183,816 | - | 190,493 |
| Redeemable preference shares | 13,815,809 | 13,140,139 | 13,123,770 |
| Interest payable | 972,300 | 828,265 | 878,821 |
| Income tax payable | 1,841,993 | 1,117,673 | 1,363,402 |
| Other payables | 2,984,467 | 1,825,889 | 3,158,892 |
| Deferred income tax liabilities | 7,599 | 981,345 | 7,599 |
| | 208,734,642 | 208,501,883 | 192,896,559 |
| | 231,282,679 | 237,266,433 | 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

Six-month period ended 30 September 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 | Total |
|--|----------------------|---------------------------------|--------------------------------------|--------------------------------------|-----------------------|---|-----------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balances at March 31, 2019 (Audited) | 1,864,054 | 9,605,055 | 775,919 | 485,843 | 10,594,837 | 23,325,708 | 23,325,708 |
| Profit for the period | - | - | - | - | 1,765,240 | 1,765,240 | 1,765,240 |
| Other comprehensive income for period | - | - | 3,955,678 | 272,724 | - | 4,228,402 | 4,228,402 |
| Total comprehensive income for period | - | - | 3,955,678 | 272,724 | 1,765,240 | 5,993,642 | 5,993,642 |
| Dividends paid | - | - | - | - | (554,800) | (554,800) | (554,800) |
| Balances at 30 September 2019 (Unaudited) | 1,864,054 | 9,605,055 | 4,731,597 | 758,567 | 11,805,277 | 28,764,550 | 28,764,550 |
| 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 | - | - | - | - | 1,262,843 | 1,262,843 | 1,262,843 |
| Other comprehensive income for period | - | - | 1,762,461 | 133,913 | - | 1,896,374 | 1,896,374 |
| Total comprehensive income for period | - | - | 1,762,461 | 133,913 | 1,262,843 | 3,159,217 | 3,159,217 |
| Effects of Group Reorganisation | - | - | 3,314,783 | (911,048) | (2,403,735) | - | - |
| Balances at 30 September 2020 (Unaudited) | 1,864,054 | 9,605,055 | 586,454 | - | 10,492,474 | 22,548,037 | 22,548,037 |

JAMAICA MONEY MARKET BROKERS LIMITED

Consolidated Statement of Cash Flows

Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

| | Unaudited Six Months Ended 30-Sep-20 \$'000 | Unaudited Six Months Ended 30-Sep-19 \$'000 |
|---|---|---|
| Cash Flows from Operating Activities | | |
| Profit for the period | 1,262,843 | 1,765,240 |
| Adjustments for: | | |
| Unrealised loss on trading securities | (63,204) | (28,866) |
| Depreciation and amortisation | 182,958 | 167,680 |
| | 1,382,597 | 1,904,054 |
| Changes in operating assets and liabilities | 45,425,988 | 36,380,525 |
| Net cash provided by operating activities | 46,808,585 | 38,284,579 |
| Cash Flows from Investing Activities | | |
| Investment securities, net | (45,570,298) | (36,002,480) |
| Purchase of property, plant and equipment and computer software | (265,333) | (401,347) |
| Net cash used in investing activities | (45,835,631) | (36,403,827) |
| Cash Flows from Financing Activities | | |
| Notes payable | 2,274,385 | - |
| Dividends paid | - | (554,800) |
| Net cash provided by/(used in) financing activities | 2,274,385 | (554,800) |
| Net increase in cash and cash equivalents | 3,247,339 | 1,325,952 |
| Cash and cash equivalents at beginning of year | 11,446,716 | 11,056,866 |
| Cash and cash equivalents at end of period | 14,694,055 | 12,382,818 |

JAMAICA MONEY MARKET BROKERS LIMITED

Notes to the Financial Statements

Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

| | Six-month period ended 30 September 2020 | | | |
|-----------------------------|--|-----------|--------------|-------------|
| | Financial & Related Services | Others | Eliminations | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| External revenues | 7,670,152 | 105,106 | - | 7,775,258 |
| Intersegment revenue | 806,662 | - | (806,662) | - |
| Total segment revenue | 8,476,814 | 105,106 | (806,662) | 7,775,258 |
| Profit before tax | 1,678,622 | 105,798 | - | 1,784,420 |
| Taxation | | | | (521,577) |
| Profit for the period | | | | 1,262,843 |
| | | | | |
| Total segment assets | 233,185,935 | 2,130,751 | (4,034,007) | 231,282,679 |
| | | | | |
| Total segment liabilities | 210,422,777 | 1,858,726 | (3,546,861) | 208,734,642 |
| | | | | |
| Interest income | 4,283,592 | 2,391 | - | 4,285,983 |
| Operating expenses | 3,094,359 | 75,918 | - | 3,170,277 |
| Depreciation & amortisation | 175,452 | 7,506 | - | 182,958 |
| Capital expenditure | 265,333 | - | - | 265,333 |

JAMAICA MONEY MARKET BROKERS LIMITED

Notes to the Financial Statements

Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

| | Six-month period ended 30 September 2019 | | | |
|-------------------------------|--|---------------|-----------------|-----------------|
| | Financial & Related Services | Others | Eliminations | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| External revenues | 8,985,428 | 101,855 | - | 9,087,283 |
| Intersegment revenue | 623,400 | - | (623,400) | - |
| Total segment revenue | 9,608,828 | 101,855 | (623,400) | 9,087,283 |
| Profit before tax | 2,559,857 | 21,594 | - | 2,581,451 |
| Taxation | | | | (816,211) |
| Profit for the period | | | | 1,765,240 |
| Total segment assets | 244,460,483 | 1,634,385 | (8,828,435) | 237,266,433 |
| Total segment liabilities | 214,807,434 | 1,560,076 | (7,865,627) | 208,501,883 |
| Interest Income | 4,584,825 | 3,804 | - | 4,588,629 |
| Operating expenses | 3,603,050 | 77,741 | - | 3,680,791 |
| Depreciation & amortisation | 162,470 | 5,210 | - | 167,680 |
| Capital expenditure | 365,975 | 35,372 | - | 401,347 |

JAMAICA MONEY MARKET BROKERS LIMITED

Notes to the Financial Statements

Six-month period ended 30 September 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 Haughton 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 Notes 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

Six-month period ended 30 September 2020

2. Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

Amendment to IAS 1, *Presentation of Financial Statements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* is effective for annual periods beginning on or after January 1, 2020, and provides the following definition of 'material' to guide preparers of financial statements in making judgements about information to be included in financial statements.

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Group does not expect the amendment to have a significant impact on its financial statements.

(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 profit and loss account.

(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\$1,262,842,927 (2019 – J\$1,765,239,620) 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.