

# JAMAICA MONEY MARKET BROKERS LIMITED

## Consolidated Profit and Loss Account

Nine-month period ended 31 December 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 31-Dec-20 \$000	Unaudited Three Months Ended 31-Dec-19 \$000	Unaudited Nine Months Ended 31-Dec-20 \$000	Unaudited Nine Months Ended 31-Dec-19 \$000
<b>Net Interest Income and Other Revenue</b>				
Interest income	2,050,901	2,296,055	6,336,884	6,884,684
Interest expense	(1,512,945)	(1,418,464)	(4,331,214)	(4,239,091)
<b>Net Interest Income</b>	<b>537,956</b>	<b>877,591</b>	<b>2,005,670</b>	<b>2,645,593</b>
Fees and commissions income	476,722	531,714	1,395,761	1,574,340
Gain on securities trading, net	894,968	1,422,242	3,194,903	4,480,243
Foreign exchange margins from cambio trading	85,363	155,540	273,444	439,573
Dividends	66,302	16,077	83,113	40,768
<b>Operating Revenue Net of Interest Expense</b>	<b>2,061,311</b>	<b>3,003,164</b>	<b>6,952,891</b>	<b>9,180,517</b>
Operating expenses	(1,333,825)	(1,849,199)	(4,504,102)	(5,529,991)
Impairment loss on financial assets	(795)	523	(3,087)	(3,891)
<b>Operating Profit</b>	<b>726,691</b>	<b>1,154,488</b>	<b>2,445,702</b>	<b>3,646,635</b>
Other income	59,993	44,653	125,402	133,957
<b>Profit before Taxation</b>	<b>786,684</b>	<b>1,199,141</b>	<b>2,571,104</b>	<b>3,780,592</b>
Taxation	(120,793)	(349,787)	(642,370)	(1,165,998)
<b>Profit for the Period</b>	<b>665,891</b>	<b>849,354</b>	<b>1,928,734</b>	<b>2,614,594</b>
<b>Earnings per stock unit</b>	<b>\$0.41</b>	<b>\$0.52</b>	<b>\$1.18</b>	<b>\$1.60</b>

# JAMAICA MONEY MARKET BROKERS LIMITED

Consolidated Statement of Comprehensive Income

**Nine-month period ended 31 December 2020**

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 31-Dec-20 \$000	Unaudited Three Months Ended 31-Dec-19 \$000	Unaudited Nine Months Ended 31-Dec-20 \$000	Unaudited Nine Months Ended 31-Dec-19 \$000
<b>Profit for the Period</b>	665,891	849,354	1,928,734	2,614,594
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit or loss:</i>				
Net gain/loss on investment in debt instruments measured at FVOCI	2,090,443	(720,722)	3,830,856	2,804,542
Foreign exchange translation differences on translation of foreign subsidiaries	(20,732)	(67,147)	113,181	205,578
<i>Items that will not be reclassified to profit or loss:</i>				
Net gain/loss on investment in equity instruments designated at FVOCI	(19,030)	10,587	3,017	441,347
Total other comprehensive income, net of tax	2,050,681	(777,282)	3,947,054	3,451,467
<b>Total comprehensive income for period</b>	<b>2,716,572</b>	<b>72,072</b>	<b>5,875,788</b>	<b>6,066,061</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	<b>2,716,572</b>	<b>72,072</b>	<b>5,875,788</b>	<b>6,066,061</b>

# JAMAICA MONEY MARKET BROKERS LIMITED

Consolidated Statement of Financial Position

Period ended 31 December 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 31-Dec-20 \$'000	Unaudited as at 31-Dec-19 \$'000	Audited as at 31-Mar-20 \$'000
<b>ASSETS</b>			
Cash and cash equivalents	17,778,773	17,116,555	11,446,716
Interest receivable	1,879,385	1,863,297	2,158,437
Income tax recoverable	391,849	74,734	350,373
Loans and notes receivable	15,434,193	12,585,265	14,092,564
Other receivables	3,801,051	3,974,086	5,640,043
Due from other related party	12,028,404	10,575,093	10,131,550
Investments and resale agreements	178,755,561	182,500,919	159,064,857
Investment properties	698,932	538,130	621,232
Property, plant and equipment and intangible assets	4,193,969	3,650,787	4,057,943
Deferred tax asset	1,368,002	139	4,534,839
Right-of-use asset	185,162	-	186,825
	<b>236,515,281</b>	<b>232,879,005</b>	<b>212,285,379</b>
<b>STOCKHOLDERS' EQUITY</b>			
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	2,657,866	4,021,808	(4,490,790)
Cumulative translation reserve	-	691,421	777,135
Retained earnings	11,137,633	11,404,631	11,633,366
	<b>25,264,608</b>	<b>27,586,969</b>	<b>19,388,820</b>
<b>Liabilities</b>			
Securities sold under agreements to repurchase	179,794,562	157,741,611	144,167,536
Notes payable	11,762,886	29,275,165	30,006,046
Lease liabilities	176,557	-	190,493
Redeemable preference shares	13,828,541	12,870,962	13,123,770
Interest payable	1,077,399	856,740	878,821
Income tax payable	1,662,135	1,197,085	1,363,402
Other payables	2,940,994	2,294,745	3,158,892
Deferred income tax liabilities	7,599	1,055,728	7,599
	<b>211,250,673</b>	<b>205,292,036</b>	<b>192,896,559</b>
	<b>236,515,281</b>	<b>232,879,005</b>	<b>212,285,379</b>

Archibald Campbell  
Chairman

Keith P. Duncan  
Group Chief Executive Officer

# JAMAICA MONEY MARKET BROKERS LIMITED

Consolidated Statement of Changes in Stockholders' Equity

**Nine-month period ended 31 December 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
<b>Balances at March 31, 2019 (Audited)</b>	<b>1,864,054</b>	<b>9,605,055</b>	<b>775,919</b>	<b>485,843</b>	<b>10,594,837</b>	<b>23,325,708</b>	<b>23,325,708</b>
Profit for the period	-	-	-	-	2,614,594	2,614,594	2,614,594
Other comprehensive income for period	-	-	3,245,889	205,578	-	3,451,467	3,451,467
<b>Total comprehensive income for period</b>	<b>-</b>	<b>-</b>	<b>3,245,889</b>	<b>205,578</b>	<b>2,614,594</b>	<b>6,066,061</b>	<b>6,066,061</b>
Dividends paid	-	-	-	-	(1,804,800)	(1,804,800)	(1,804,800)
<b>Balances at 31 December 2019 (unaudited)</b>	<b>1,864,054</b>	<b>9,605,055</b>	<b>4,021,808</b>	<b>691,421</b>	<b>11,404,631</b>	<b>27,586,969</b>	<b>27,586,969</b>
<b>Balances at March 31, 2020 (Audited)</b>	<b>1,864,054</b>	<b>9,605,055</b>	<b>(4,490,790)</b>	<b>777,135</b>	<b>11,633,366</b>	<b>19,388,820</b>	<b>19,388,820</b>
Profit for the period	-	-	-	-	1,928,734	1,928,734	1,928,734
Other comprehensive income for period	-	-	3,833,873	113,181	-	3,947,054	3,947,054
<b>Total comprehensive income for period</b>	<b>-</b>	<b>-</b>	<b>3,833,873</b>	<b>113,181</b>	<b>1,928,734</b>	<b>5,875,788</b>	<b>5,875,788</b>
Effects of Group Reorganisation	-	-	3,314,783	(890,316)	(2,424,467)	-	-
<b>Balances at 31 December 2020 (unaudited)</b>	<b>1,864,054</b>	<b>9,605,055</b>	<b>2,657,866</b>	<b>-</b>	<b>11,137,633</b>	<b>25,264,608</b>	<b>25,264,608</b>

# JAMAICA MONEY MARKET BROKERS LIMITED

## Consolidated Statement of Cash Flows

Nine-month period ended 31 December 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Nine Months Ended 31-Dec-20 \$'000	Unaudited Nine Months Ended 31-Dec-19 \$'000
<b>Cash Flows from Operating Activities</b>		
Profit for the period	1,928,734	2,614,594
Adjustments for:		
Unrealised loss on trading securities	(6,724)	(204,105)
Depreciation and amortisation	271,136	244,927
	<u>2,193,146</u>	<u>2,655,416</u>
Changes in operating assets and liabilities	51,951,522	32,370,597
<b>Net cash provided by operating activities</b>	<b><u>54,144,668</u></b>	<b><u>35,026,013</u></b>
<b>Cash Flows from Investing Activities</b>		
Investment securities, net	(49,123,075)	(26,505,291)
Purchase of property, plant and equipment and computer software	(390,206)	(656,233)
<b>Net cash used in investing activities</b>	<b><u>(49,513,281)</u></b>	<b><u>(27,161,524)</u></b>
<b>Cash Flows from Financing Activities</b>		
Notes payable	1,700,670	-
Dividends paid	-	(1,804,800)
<b>Net cash provided by/(used in) financing activities</b>	<b><u>1,700,670</u></b>	<b><u>(1,804,800)</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>6,332,057</b>	<b>6,059,689</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>11,446,716</u></b>	<b><u>11,056,866</u></b>
<b>Cash and cash equivalents at end of period</b>	<b><u><u>17,778,773</u></u></b>	<b><u><u>17,116,555</u></u></b>

# JAMAICA MONEY MARKET BROKERS LIMITED

Notes to the Financial Statements

**Nine-month period ended 31 December 2020**

(Expressed in Jamaican dollars unless otherwise indicated)

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## Segment Reporting

	Nine-month period ended 31 December 2020			
	Financial & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000
External revenues	11,173,611	235,896	-	11,409,507
Intersegment revenue	1,915,913	-	(1,915,913)	-
Total segment revenue	13,089,524	235,896	(1,915,913)	11,409,507
Profit before tax	2,453,509	117,595	-	2,571,104
Taxation				(642,370)
Profit for the period				1,928,734
Total segment assets	239,093,008	2,131,088	(4,708,815)	236,515,281
Total segment liabilities	213,619,704	1,852,638	(4,221,669)	211,250,673
Interest Income	6,333,283	3,601	-	6,336,884
Operating expenses	4,387,925	116,177	-	4,504,102
Depreciation & amortisation	259,578	11,558	-	271,136
Capital expenditure	389,321	885	-	390,206

# JAMAICA MONEY MARKET BROKERS LIMITED

Notes to the Financial Statements

**Nine-month period ended 31 December 2020**

(Expressed in Jamaican dollars unless otherwise indicated)

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## Segment Reporting

	Nine-month period ended 31 December 2019			
	Financial & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000
External revenues	13,394,054	159,511	-	13,553,565
Intersegment revenue	2,126,217	-	(2,126,217)	-
Total segment revenue	15,520,271	159,511	(2,126,217)	13,553,565
Profit before tax	3,739,779	40,813	-	3,780,592
Taxation				(1,165,998)
Profit for the period				<u>2,614,594</u>
Total segment assets	248,306,390	1,740,345	(17,167,730)	232,879,005
Total segment liabilities	219,836,262	1,654,014	(16,198,240)	205,292,036
Interest Income	6,879,568	5,117	-	6,884,685
Operating expenses	5,414,058	115,933	-	5,529,991
Depreciation & amortisation	237,245	7,682	-	244,927
Capital expenditure	572,491	83,742	-	656,233

# JAMAICA MONEY MARKET BROKERS LIMITED

## Notes to the Financial Statements

Nine-month period ended 31 December 2020

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### 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 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

Nine-month period ended 31 December 2020

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### 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\$1,928,733,515 (2019 – J\$2,614,593,690) 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.