YOUR GOALS. FULL STOP.

2007

ANNUAL REPORT

2007 ANNUAL REPORT

Vision 2025

JMMB is the market leader in creating products and services, backed by Caribbean and Central American asset classes, to the domestic and international market place.

We are acknowledged as experts by the regional and international markets in Caribbean and Central American asset classes.

We are the authoritative source of information and research related to Caribbean assets.

Clients rank JMMB as the preferred partner, enabling their financial empowerment.

We are a multifaceted financial institution.

JMMB invests in businesses where our core competencies can be leveraged to achieve significant contribution to profits.

JMMB's team members are passionate, purposeful, competent and fulfilled, having a genuine prospect for financial freedom.

JMMB is recognized as making meaningful contributions to the Caribbean's social and economic realities.

JMMB is established in the main international financial centres, leveraging our Caribbean heritage.

We are an international company, proud of our Jamaican roots.

JMMB is traded on the Caribbean and other international stock exchanges.

JMMB is acknowledged as dynamic, safe, stable and secure.

Mission

To be a dynamic, international, multifaceted financial group that has a caring, loving and fun environment where team members are productive, creative, happy and fulfilled.

Ensuring client satisfaction through exceptional client care and world class financial advice and expertise.

Solidity, ethics, credibility and openness are hallmarks of our existence as experts in all aspects of our operations.

Contents

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Knutsford Court Hotel, 11 Ruthven Road, Kingston 10, Jamaica on Monday, September 17, 2007 at 10:00 a.m., for the purpose of transacting the following business, namely:

1. To consider the Company's Audited Consolidated Accounts and the Reports of the Directors and Auditors for the year ended March 31, 2007.

   To consider and (if thought fit) pass the following resolution:
   "THAT the Directors' Report, the Auditors' Report and the Statements of Account of the Company for the year ended March 31, 2007 be adopted."

2. To approve and ratify interim dividends:

   To consider and (if thought fit) pass the following resolution:
   "THAT the interim dividends of $0.09 cents paid on December 15, 2006 and $0.11 cents paid on June 28, 2007 making a total of $0.20 cents for the year, be and are hereby ratified and declared as final and that no further dividend be paid in respect of the year under review."

3. To elect directors and fix their remuneration.

   i) The Directors retiring from office by rotation pursuant to Article 105 of the company's Articles of Association are Mr. Archibald Campbell, Mr. Wayne Sutherland and Mr. Cedric Stewart, who being eligible offer themselves for re-election;

   ii) Mr. Hugh Duncan, having been appointed to the Board since the last Annual General Meeting, shall retire and being eligible, offer himself for re-election.

   To consider and (if thought fit) pass the following resolutions:
   a) "THAT Mr. Archibald Campbell be and is hereby re-elected a Director of the Company."
   b) "THAT Mr. Wayne Sutherland be and is hereby re-elected a Director of the Company."
   c) "THAT Mr. Cedric Stewart be and is hereby re-elected a Director of the Company."
   d) "THAT Mr. Hugh Duncan be and is hereby elected a Director of the Company."
   e) "THAT the amount shown in the accounts of the Company for the year ended March 31, 2007 as fees of the Directors, for their services as Directors, be and is hereby approved."

4. To appoint auditors and authorise the Directors to fix the remuneration of the Auditors.

To consider and (if thought fit) pass the following resolution:
"THAT KPMG, Chartered Accountants, having agreed to continue in office as auditors, be and are hereby appointed Auditors of the Company to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

Dated this 23rd day of July 2007

By Order of the Board

Marc S. Harrison

Marc S. Harrison
Company Secretary

REGISTERED OFFICE
6 Haughton Terrace
Kingston 10, Jamaica

NB: A member entitled to vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the company. Enclosed is a proxy form for your convenience, which must be lodged at the office of the Registrar of the Company, KPMG Regulatory & Compliance Services, 6 Duke Street, Kingston, Jamaica, W.I. at least forty-eight hours before the time appointed for holding the meeting. The Proxy Form shall bear the stamp duty of $100.00. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the proxy.

JMMB AT A GLANCE

Strong local performance

JMMB Jamaica delivered strong financial performance for the year ended March 31, 2007. The Jamaican operations delivered an increase in operating profit (before write down and taxes) of 24%, moving to J$1.69 billion from J$1.36 billion year-over-year. Increase in Operating Expenses was managed to 14%, improving the efficiency ratio by 2 percentage points. Despite increased competition, the retail base (Branch Client Funds) grew by an impressive 14.5%.

JMMB Group Performance

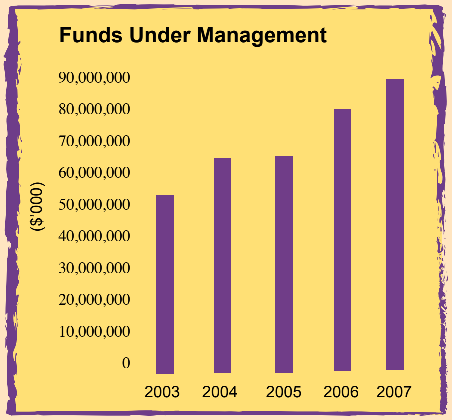
The overall Group profits declined from J$1.6 billion to J$1.1 billion for the review period. This reduction in profits was attributed mainly to a lower contribution from its associated company CMMB and a one-off write down of a private equity investment. JMMB, nevertheless, continues to enjoy strong growth in Group assets which increased by 9.5% to J$89.6 billion.

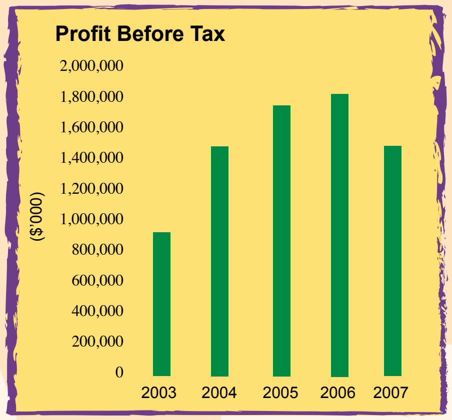
Associate Companies' Impact on Performance

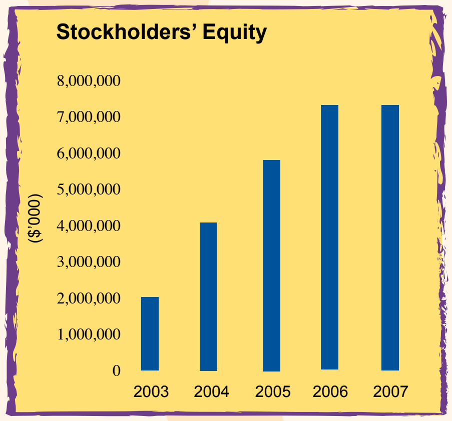
CMMB experienced a very challenging interest rate environment in Trinidad & Tobago resulting in a significant decline in net interest income from TT$120 million to TT$56 million and an overall reduction in profits of 80% to TT$11 million. Intercommercial Bank Limited (IBL), however, delivered a strong performance for the year, profit after tax of TT$9.4 million (15-month period), an increase of TT$6.29 million or 203% increase over the prior year. IBL now has an experienced and energetic team in place and an efficient infrastructure built out enabling the streamlining of operations and leading to increased profitability.

Future Prospects

JMMB's leadership believes that the continually increasing range of products and services offered across a growing geographic base and the roll out of our Dominican Republic operations have contributed to the Company's strong positioning for sustainable medium- and long-term growth and profitability. We are delighted that the JMMB team continues to be highly engaged in the execution of our 2025 strategic plan which will meet more of our clients' needs, deepen our market share and increase shareholder value.


Funds Under Management
90,000,000
80,000,000
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
0
($'000)
2003
2004
2005
2006
2007


Profit Before Tax
2,000,000
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
($'000)
2003
2004
2005
2006
2007


Stockholders' Equity
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
0
($'000)
2003
2004
2005
2006
2007

TEN YEAR STATISTICAL REVIEW (1998 - 2007)

	Year ended 31-Mar-07 2007 (J$`000)	Year ended 31-Mar-06 2006 (J$`000)	Year ended 31-Mar-05 2005 (J$`000)
GROUP FINANCIAL DATA			
Total assets	89,618,957	81,880,170	63,889,888
Resale agreements	4,116,240	9,376,949	8,839,025
Investments	73,362,152	63,285,620	48,481,878
Other earning assets	5,451,464	5,276,891*	3,021,790
Fixed assets	747,940	685,153	432,193
Repurchase agreements	77,353,059	70,761,258	54,791,793
Stockholders' equity	7,169,250	7,198,449*	5,800,961
Funds under management	88,631,247	79,414,404	63,982,494
Operating revenue net of interest expense	3,384,483	2,845,131	2,566,810
Administrative expenses	1,709,729	1,496,190	1,206,293
Profit before tax	1,526,459	1,844,422*	1,765,177
Net profit	1,098,603	1,590,430*	1,648,481
Dividends (declared in respect of the fiscal year/period)	336,578	263,411	263,411
Profit retained (in respect of the fiscal year/period)	762,025	1,327,019*	1,385,070
RATIOS			
Earnings per stock unit (cents)	75	109*	113
Dividends per stock unit (cents)	23	18	18
Dividend payout ratio	30.6%	16.6%	15.9%
Return on average equity	15.29	25.6*	33.4
Return on average assets	1.28	2.6	2.3
Stockholders equity per stock unit (J$)	4.90	4.92	3.96
Net interest margin	18.29%	24.80%	24.10%
Funds under management per team member (J$'000)	303,532	282,614	271,112
Net profit per team member	3,835	6,153*	7,614
Administrative expenses to gross operating revenue	16.45%	16.50%	14.40%
Efficiency ratio (Admin. exp/Operating revenue net of int.exp.)	50.52%	47.00%	52.60%
OTHER DATA			
Exchange rate J$ per US$1.00	68.14	65.50	61.54
Inflation rate year over year (%)	6.60%	11.10%	12.40%
Number of stock units at year end	1,463,386,752	1,463,386,752	1,463,386,752
Number of team members	292	281	236

Note: 2001 - 2006 consolidated
Note: 2002 - 2006 IFRS compliant

*Restated (See note 24)

13 months ended 31-Mar-04 2004 (J$`000)	Year ended 28-Feb-03 2003 (J$`000)	Year ended 28-Feb 2002 (J$`000)	Year ended 28-Feb 2001 (J$`000)	Year ended 29-Feb 2000 (J$`000)	Year ended 28-Feb 1999 (J$`000)	Year ended 28-Feb 1998 (J$`000)
61,215,631	48,945,993	39,022,166	21,238,909	15,992,187	14,656,247	9,638,881
18,059,384	8,247,468	6,859,379	6,694,937	4,752,474	8,133,830	6,085,371
37,828,581	36,027,531	24,434,731	12,917,671	10,443,119	5,580,476	2,320,129
3,400,938	2,164,638	1,854,618	1,211,603	401,123	644,955	1,047,375
326,996	298,216	160,895	113,842	80,327	75,195	78,196
55,102,420	46,184,956	36,692,555	20,049,321	15,195,156	14,032,728	8,779,110
4,012,109	1,861,536	1,174,011	699,581	469,482	292,602	190,887
63,833,807	52,268,700	41,494,600	23,495,100	20,003,668	13,200,586	11,163,217
1,990,529	1,521,068	1,017,650	674,641	493,842	448,153	369,628
1,001,663	834,320	487,672	364,883	263,195	235,317	282,314
1,518,604	934,575	536,343	344,921	231,931	160,914	90,601
1,547,155	1,038,252	548,956	331,899	186,315	113,776	73,282
234,142	180,093	100,128	82,421	46,578	12,061	7,846
1,313,013	858,159	448,828	249,478	139,737	101,715	65,436
106	71	38	53	33	23	15
16	12	7	10	9	5	6
15.13%	17.35%	18.24%	24.83%	25.00%	10.60%	10.71%
52.68%	68.41%	58.60%	56.78%	48.90%	47.06%	46.33%
2.81%	2.36%	1.82%	1.78%	1.22%	0.94%	0.94%
2.74	1.27	0.80	0.82	0.86	1.12	1.36
10.1%	12.7%	11.2%	11.6%	9.3%	9.0%	18.7%
324,029	305,665	257,730	183,555	190,511	133,339	118,758
7,854	6,072	3,410	2,593	1,774	1,149	780
9.72%	12.36%	9.83%	10.42%	8.15%	8.02%	44.71%
50.32%	54.85%	47.92%	54.09%	53.30%	52.51%	76.38%
60.90	53.74	47.53	45.78	42.09	38.03	36.28
17.30%	5.70%	8.10%	6.70%	8.20%	6.30%	8.40%
1,463,386,752	1,463,386,752	1,463,386,752	856,986,752	547,746,751	261,192,001	140,392,001
197	171	161	128	105	99	94

making Progress

We have refined our product development processes and procedures and look forward to introducing more new and innovative products that meet our client needs over the next financial year.

Noel A. Lyon PhD, Chairman

CHAIRMAN'S REPORT

Dear Shareholder,

It is my privilege to submit to you the Annual Report for the JMMB Group for the year ended March 31, 2007. As usual, the details of the performance of the Company are covered in the Group Chief Executive Officer's presentation, so I will confine my report to the broader strategic initiatives of the Company.

Despite a strong local performance in Jamaica, the Group profits were impacted by a far lower contribution from associated companies than last year. This was a year of unique challenges, despite the fact that there were no weather-related national emergencies or major market shocks. We saw the regional impact, particularly, in Trinidad and Tobago, of a sharp rise in headline inflation and interest rates which trimmed our margins. Internationally, we witnessed the gradual upward movement of interest rates in the USA and elsewhere, which put further pressure on our portfolios. Our strategic thrust of regionalization was justified as, on this occasion, Jamaica was able to bolster the lesser-performing markets.

"I wish to compliment the management team for their astute management of the business during a challenging year."

We have made great strides in establishing our new subsidiary JMMB BDI America in the Dominican Republic. We have a full staff complement and have established an office in the financial hub of Santa Domingo. We have already purchased bonds in the Dominican Republic and are awaiting the final sign off on our licence. We are convinced this market has great potential and that the establishment of an operation in this country will augment our regional strategy.

Intercommercial Bank Limited (IBL), in Trinidad and Tobago, performed extremely well with profits increasing 203% over the prior year. The bank is poised for further growth in the near future and will continue to successfully leverage the JMMB Group to generate revenue from businesses that operate between Jamaica and Trinidad.

We launched a unique product in the past year that offers higher returns on US$ investments to clients with a higher risk appetite called Managed Global Bond Portfolio (MGBP) and we have seen this product perform extremely well in its first year. We have refined our product development processes and procedures and look forward to introducing more new and innovative products that meet our client needs over the next financial year.

I wish to compliment the management team for their astute management of the business during a challenging year. Their expertise, commitment and dynamic responsiveness to the market environment enabled us to deliver strong performance, despite the challenges. We will continue to develop our leadership team and, of course, further permeate the JMMB culture and vision of love throughout our expanding and existing businesses.

It is with great pleasure that we introduce Hugh Duncan to the Board of Directors. Mr. Duncan brings considerable experience both in the energy and financial services sectors. Mr. Duncan holds an MBA from Concordia University and a Bachelor of Commerce Degree from Montreal's George Williams University and will be an excellent addition to the leadership team.

In closing, it is you our shareholders (many of whom are also clients) to whom we are most thankful for your continuing support and commitment. Our work on a daily and monthly basis draws its ultimate meaning, importance and rewards from successfully serving your needs and doing so to the best of our collective abilities. We re-affirm our dedication to that task in all that we do in the coming year and beyond.

Noel A. Lyon
Chairman

Strong
where it counts

BOARD OF DIRECTORS

Noel A. Lyon, PhD
Chairman

Archibald A. Campbell, FCA, MSc.
Deputy Chairman

Keith P. Duncan, CFA
Group CEO

Donna K. Duncan-Scott, CFA, MBA
Group Executive Director

Hugh Duncan, MBA, BSc
IBL Group CEO

Dennis L. Harris,
FCCA

Noel A. Lyon, PhD
Chairman

Dr. Lyon is the Chairman of JMMB. He is also Chairman of Caribbean Money Market Brokers Limited., Intercommercial Bank Limited and Intercommercial Trust and Merchant Bank Limited in Trinidad and Tobago. He is a graduate of Harvard Graduate School of Arts and Sciences where he earned his PhD (Economics) in 1969.

Archibald A. Campbell, FCA, MSc.
Deputy Chairman

Mr. Campbell is a graduate of the UWI where he read for both his BSc. Accounting and MSc. Accounting degrees. He lectures in both undergraduate and graduate courses in the Department of Management Studies, UWI. He is a Fellow of the Institute of Chartered Accountants of Jamaica as well as Treasurer and Council Member of the Institute.

Keith P. Duncan, CFA
Group CEO

In 1994, Mr. Duncan joined the JMMB team as Trading Manager, a role he relinquished in 2000 to take on the responsibilities of Deputy Managing Director. In 2004, he was appointed President & COO and in 2005 was promoted to the post of Group CEO. Keith completed his undergraduate studies in Economics at the University of Western Ontario in Canada and gained his Certified Financial Analyst (CFA) accreditation in 2001. Keith is the President of the Jamaica Securities Dealers Association and currently holds the position of Chairman for the National Youth Service in Jamaica.

Donna K. Duncan-Scott, CFA, MBA
Group Executive Director

Mrs. Duncan-Scott became Managing Director of JMMB in 1998 after the passing of Joan Duncan. A trained Industrial Engineer, she earned her MBA from Richard Ivey School of Business at the University of Western Ontario in Canada. She went on to gain her Certified Financial Analyst (CFA) accreditation in 1999. Donna demitted office of CEO in 2005 and assumed the position of Group Executive Director with special responsibilities for Culture & Leadership Development.

Hugh Duncan MBA, BSc
IBL Group Chief Executive Officer (CEO)
& Managing Director, Intercommercial Bank Ltd.

Mr. Duncan brings to the IBL Group considerable experience both in the energy and financial services sectors, having held senior executive positions at the Jamaica Bauxite Company, the Trinidad and Tobago Oil Company (now Petrotrin), Citibank (Trinidad) Ltd. and Citibank International in Manila, where he was responsible for Asset Based Finance and Structured Trade. He also served as FirstCaribbean International Bank's Director of Capital Markets for the North Caribbean Region. Mr. Duncan holds an MBA from Concordia University and a Bachelor of Commerce Degree from Montreal's George Williams University.

Dennis L. Harris, FCCA

Mr. Harris is the Regional Finance Director of Courts Caribbean, the largest furniture and appliance retailer in the region, with responsibility for Finance, Treasury, IT and Consumer Credit. He was formerly Deputy Managing Director of Courts (Jamaica) Limited. where he headed Marketing and IT. Mr. Harris also serves as a director on the Board of Courts (Jamaica) Limited. Prior to returning to Jamaica, he worked extensively in publishing in the UK performing varying financial and management duties.

Wayne Sutherland, MBA

V. Andrew Whyte, MBA

Richard J. Trotman, MSc., CA (T&T)

Anne Crick, PhD

Cedric Stewart, MSc.
ESOP Representative

Marc S. Harrison, LLB
Company Secretary

Wayne Sutherland, MBA
Mr. Sutherland is Managing Director of Jamaica Venture Fund, a company that makes venture capital investments. He also serves as a director of Caribbean Money Market Brokers Limited and Intercommercial Bank Limited. He served as a Director of the Securities Commission from 1993 to 2001. Mr. Sutherland is a graduate of the UWI and the Columbia University Graduate School of Business.

V. Andrew Whyte, MBA
Mr. Whyte is the Finance Manager at the Jamaica Producers Group where his responsibilities include treasury management. He possesses extensive banking experience. He studied Chemical Engineering at the Illinois Institute of Technology and later gained his MBA at the University of Illinois. He currently chairs his Church Board and has previously served as a director of a preparatory school.

Anne Crick, PhD
Dr. Crick holds a PhD in Organizational Management which she obtained from Rutgers State University in New Jersey in 2000. In addition, Dr. Crick attended Pennsylvania State University, where she obtained a MSc. (Hons.) in Organisational Management and the UWI, where she obtained a BSc. in Hotel Management. Presently, she is a Senior Lecturer at UWI, Mona, and an academic writer with works published in various journals including: Journal of Eastern Caribbean Studies, International Journal of Contemporary Hospitality Management and International Journal of Human Resource Development and Management.

Richard J. Trotman, BSc, MSc, LLM, CA
Mr. Trotman is President & Chief Executive Officer at Clico Investment Bank Limited in Trinidad. A graduate of the University of the West Indies, he holds both BSc and MSc degrees in Accounting as well as the degree of LLM (Corporate and Commercial Law). Mr. Trotman is an alumnus of The Wharton School's Advanced Management Program and is a member of the Institute of Chartered Accountants of Trinidad and Tobago.

Cedric Stewart, MSc.
ESOP Representative
Mr. Stewart is an experienced personal financial planner and advisor. Currently, Mr. Stewart serves as Manager at JMMB, Tropical Plaza Branch. He read for his MSc Degree in Economics and Finance at the University of Kiev (Ukraine).

Marc S. Harrison, LLB
Company Secretary
Mr. Harrison is a member of the Jamaica Bar Association and the Jamaica Advocates Association. He is Co-Author of 'Harrisons' Law Notes and Materials' and 'Assessment of Damages for Personal Injuries'. Mr. Harrison attained his Bachelor of Law Degree at the UWI and a Certificate of Legal Education from the Norman Manley Law School, Kingston, Jamaica. He serves as General Counsel and Compliance Officer for JMMB.

Collaboration

OUR MANAGEMENT TEAM

EXECUTIVE TEAM LEADERS (Top left to right)

Keith Duncan, CFA	Group CEO
Donna Duncan-Scott, CFA	Group Executive Director
Leo Williams	International Business Development Manager
Sheldon Powe	Chief Information Officer
Patricia Sutherland	Executive Director, Business Operations
Cecile Cooper	Culture & Leadership Development Manager
Kisha Anderson	Manager, Retail Services & Administration
Lancelot Henry	Managing Director, JMMB Insurance Brokers Limited
Fayval Williams, CFA	Chief Investment Officer
Julian Mair	Group Investment Strategist
Marguerite Cremin	Marketing Manager
Carolyn Dacosta	Group Compliance Manager
Janet Patrick	Acting Financial Controller

SENIOR TEAM LEADERS (Top left to right)

Marc S. Harrison, LLB	-	General Counsel and Compliance Officer / Company Secretary
Dean Johnson	-	Senior Systems Analyst
Nerene Brown	-	Business Operations Manager, Retail Services
Adrian Stokes, PhD	-	Quantitive Research Manager/Portfolio Analyst
Paul Gray	-	Domestic Trading Manager

HEADS OF DEPARTMENT (Left to right)

Michelle Neita	-	Manager, Personal Portfolio Management
Ricardo Ebanks	-	Technical Manager
Tanya Wilson	-	Client Care Manager
Oneil Malcolm	-	Credit Risk Manager
Amilca Rodney	-	Manager, Project Management Office
Joan Edwards	-	Financial Planning Manager
Keisha Forbes	-	Senior Trader
Jason Morris, CFA	-	Senior Investment Strategist
Garth Davis	-	Senior Systems Analyst
Peter Thompson	-	Business Development Manager
Kashwayne Bryson	-	Senior Accountant, Financial Operations
Sasha Mulai	-	Business Implementation Manager, Retail Services
Junior Graham	-	Business Support Manager

THE BUSINESS ENVIRONMENT

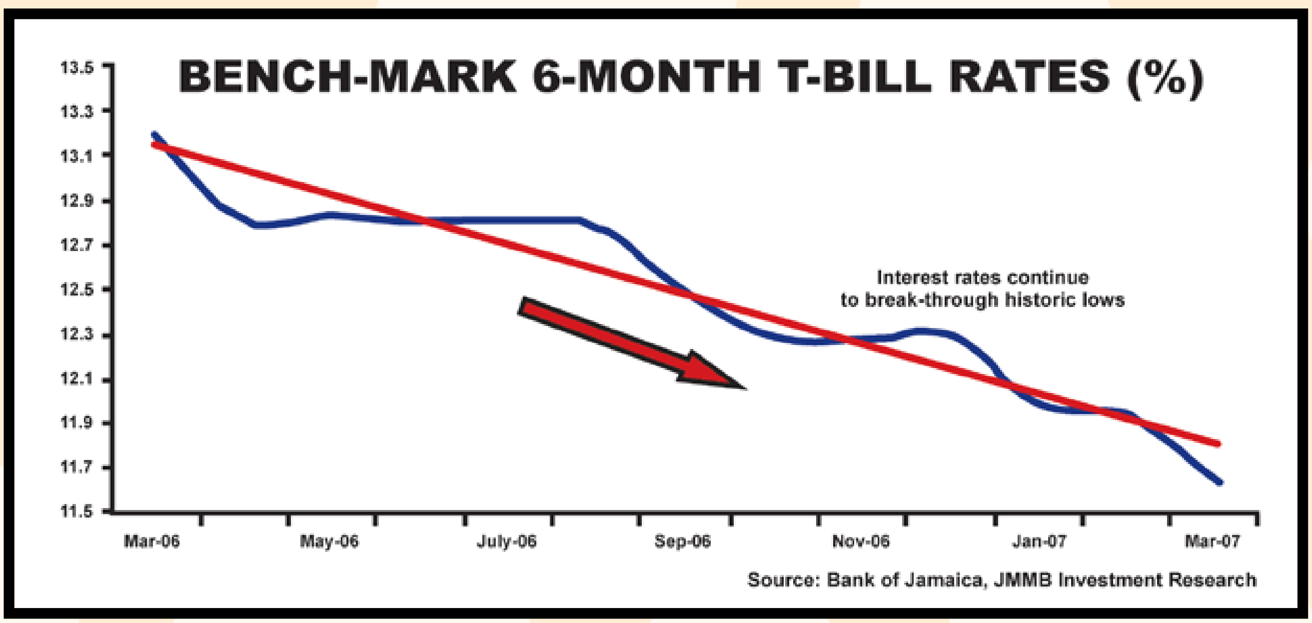
MACROECONOMIC BACKDROP

Fiscal year 2006/07 (April 1, 2006 to March 31, 2007) was a balanced year for the Jamaican economy. On the positive side, the economy experienced the highest real GDP growth (2.5%) over the last decade; the lowest 12 month (fiscal) inflation rate (6.6%) since 2003; record tourism inflows (in excess of 3 million visitors) and record low benchmark interest rates (11.6% in March '07). The improved performance of the economy was attributed to a rebound of domestic industries and the absence of any major weather-related shocks. However, on the negative side the fiscal deficit ended the year at 5.3% of GDP (J$37.5 billion), almost twice the original deficit target. The missed deficit target was attributed primarily to below-budget tax revenue inflows and above-budget expenditure on wages and interest payments.

The improved economic conditions pushed both investor and consumer confidence to record levels at the end of the fiscal year and led to reaffirmed ratings from international rating agencies Moody's and Standard & Poor's.

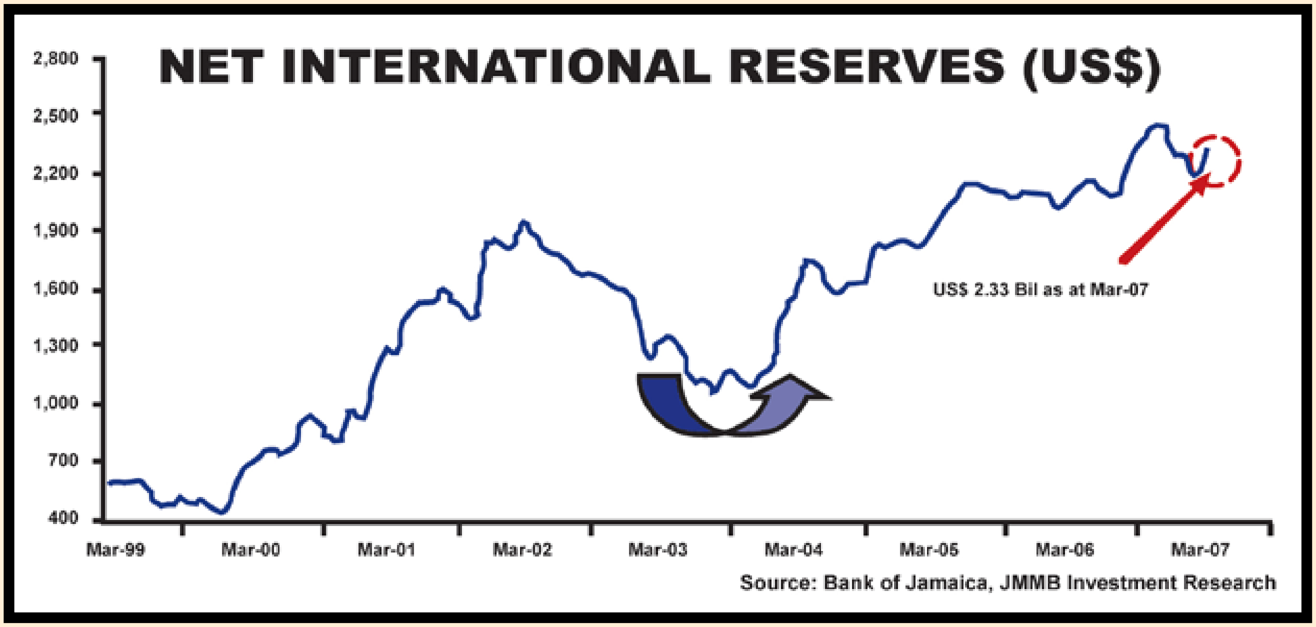
Bank of Jamaica Slashes Interest Rates

The Central Bank significantly reduced interest rates twice during the fiscal year, May and December in its efforts to continue to push interest rates to historic lows. On both occasions, the Bank of Jamaica (BOJ) cited benign inflation, improved private investment inflows, a stable currency and improved Net International Reserves (NIR) as the main factors for the reductions. The further convergence of long-term and short-term rates (flattening of the yield curve) contributed to a more difficult investment horizon for financial institutions, including JMMB.



The Jamaican Currency

The Jamaican currency was also relatively stable during the fiscal year. The currency depreciated by a mere 4%, compared to 6.5% in the previous fiscal year. The currency began the fiscal year at J$65.50 to US$1 and ended the year at J$68.14 to US$1. The dollar came under some pressure in January '07 due to a rebalancing of portfolios by local investment managers. The Central Bank was able to intervene strategically via its NIR, selling to end users as the need arose. The BOJ's NIR ended the fiscal year at a healthy US$2.3 billion.



Jamaica's Sovereign Credit Rating

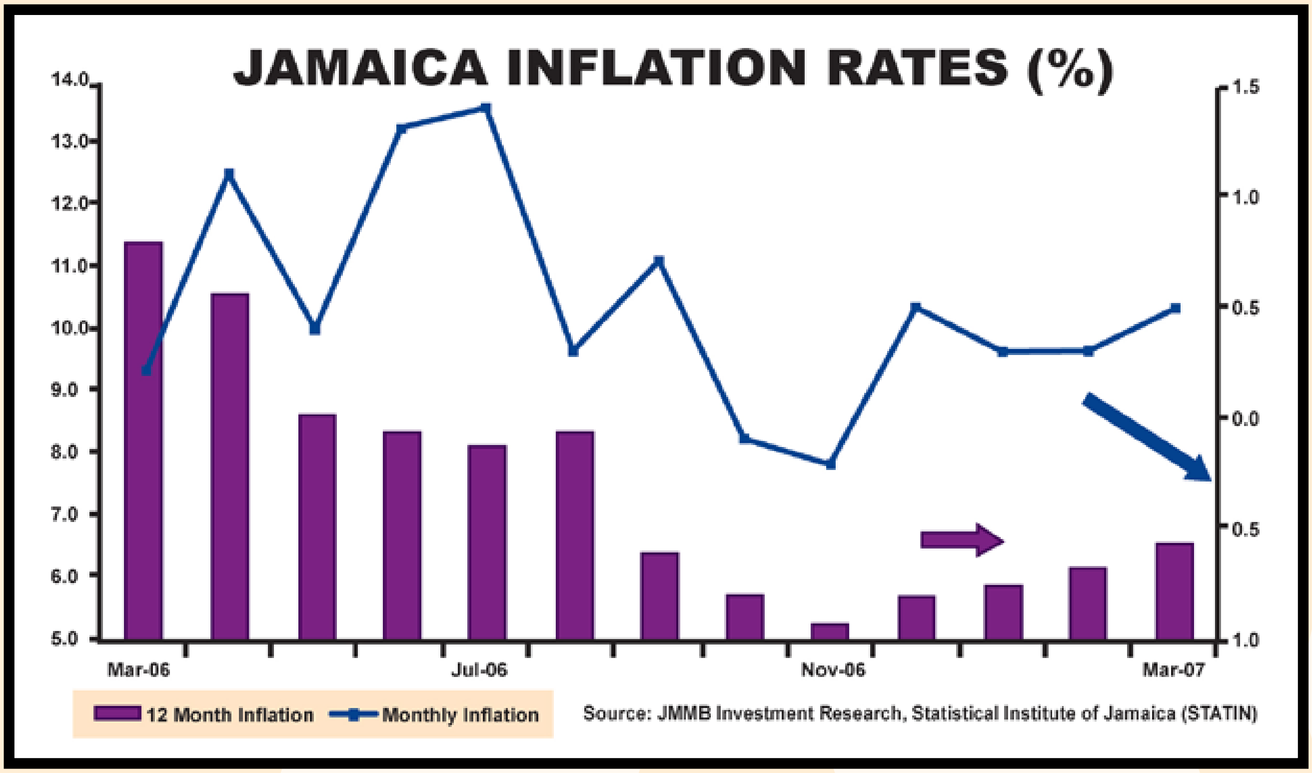
The international rating agencies, Standard and Poor's and Moody's, both reaffirmed their B/Stable and B1/Stable ratings and outlook on Jamaica. The ratings were reaffirmed on March 7, 2007 and subsequently May 21, 2007, respectively. Both rating agencies cited the government's commitment to fiscal discipline, debt reduction and improving growth prospects boosted by the strong inflow of foreign direct investment (FDI) and political stability as the sovereign's major strengths. On the other hand, the rating agencies were concerned about the wide deviation from the fiscal deficit target last fiscal year as well as the current 4.5% deficit target. The rating agencies also pointed out that with upcoming general elections and the hurricane season, the possibility of fiscal slippage and a deviation from the target exists. Finally, the rating agencies cited our high government debt burden and limited fiscal flexibility as additional downside threats to the current ratings.

Jamaica continued to tap the international capital market with relative ease. After the issue of a US$250 million, 30-year bond with a coupon of 8.5% in 2006, the government followed that with a 32 year (2039-maturity) bond with a coupon of 8.0%. This maintains the government's strategy of using lower coupon debt to refinance more expensive debt.

THE BUSINESS ENVIRONMENT (Continued)

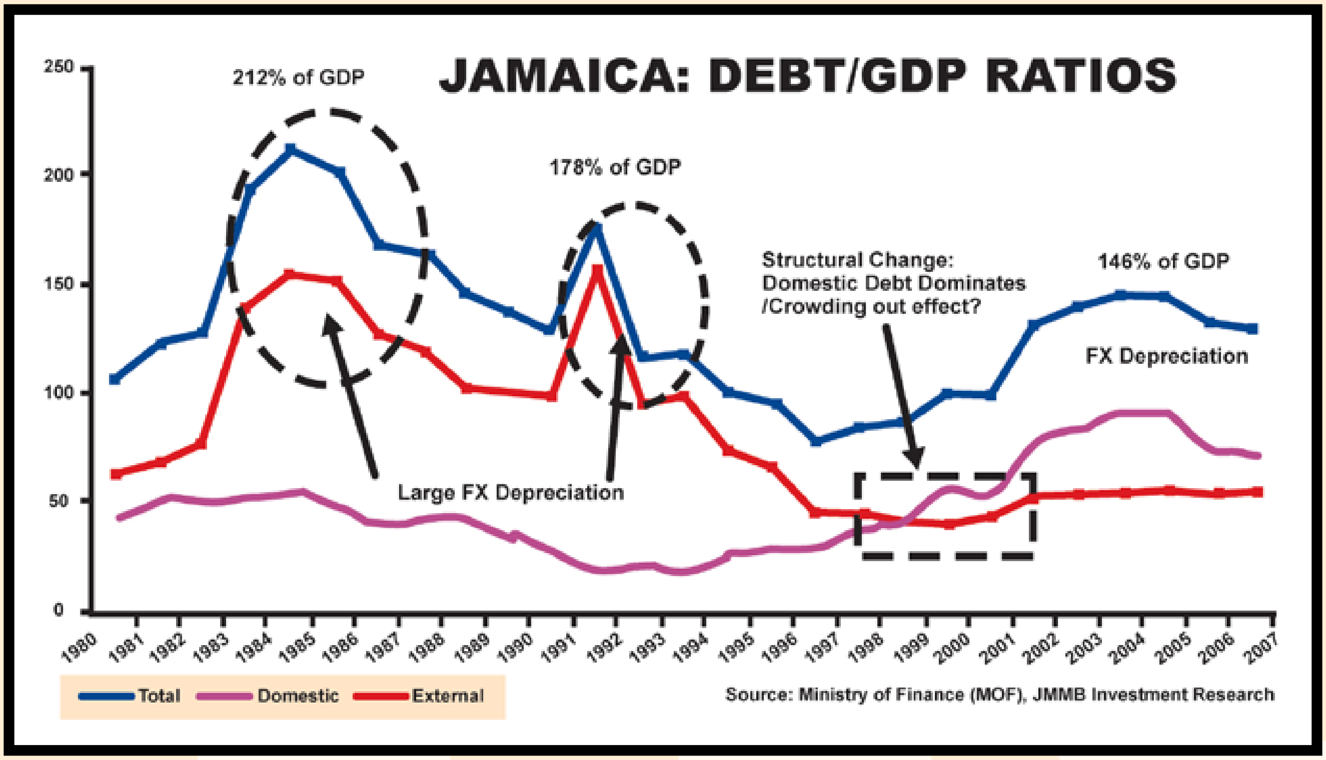
Inflation

The inflation rate at the end of the fiscal year was 6.6%, 4.9 percentage points below last fiscal year's inflation rate of 11.4%. The final figure came in below the GOJ's 9% target. The reduced rate was due primarily to the rebound of domestic agriculture, the absence of any significant weather-related shocks and reduced global oil prices. The improved weather conditions meant that domestic food prices, which represent 55.5% of the inflation index, remained well contained. The reduced global oil prices also meant that electricity and transportation cost (primarily bus fares) remained contained.



Government of Jamaica (GOJ) Indebtedness

At the end of March 2007, total public debt stood at J$929.3 billion. This represented an increase of 9.7% over the stock of $847.3 billion recorded at the end of March 2006. The debt-to-GDP ratio stood at 130.6%, marginally below last year's 131.5%, at the end of fiscal year 2006/07. The debt-to-GDP ratio includes pre-financing from the issue of the 2039 bond. If we remove the pre-financing due to the 2039 bond, the ratio declines to 127.3% of GDP. This is a significant improvement over the 138.2% recorded at the end of FY2004/05 and the 140.0% at the end of fiscal year 2003/04.



GDP Growth

Real GDP grew by 2.5% for fiscal year 2006/07 and 2.6% for calendar year 2006. The growth rate represents the highest growth rate for the past decade. For the calendar year, the Services Sector is estimated to have grown by 3.2% while the goods producing sector grew by 1%. Strong growth was also experienced with Agriculture growing 16.1% (due to recovery from Hurricanes Ivan, Emily and Dennis), Transport Storage & Communication grew by 4.6% and Tourism grew by 12.4% as Jamaica benefited from increased visitor arrivals partly as a result of significant weather damage to other tourist destinations. Other positive areas included Real Estate (up 2.4%) and Financial & Insurance Services (up 2.5%). On the negative side, Manufacturing declined by 2.2% due to the closure of Jamaica's sole producer of cigarettes & tobacco. Construction also suffered as the cement crisis led to a 2.8% decline of the sector.

THE BUSINESS ENVIRONMENT (Continued)

OUTLOOK FOR THE ECONOMY

In April 2007, Jamaica's 2007/08 budget was presented, with the major revenue highlights being no new taxes and no increase in the current tax rate. The fiscal deficit target was set at 4.5% of GDP, the largest deficit target since the fiscal year 2003/04. The second Memorandum of Understanding (MOU II) was signed between the government and trade unions during the last fiscal year. The second agreement effectively caps wages at 20% over two years. This year public sector workers successfully negotiated wage increases averaging 17%. Thus, this year wage growth should not pressure the numbers significantly.

JAMAICA: FISCAL BUDGET PROJECTIONS

Jamaica (JSMillions)	2006/07	2007/08	Change	%
Revenue & Grants	211625.0	243091.7	31466.7	14.9
Tax Revenue	188299.5	217630.2	29330.7	15.6
Non-Tax	11018.5	11310.6	292.1	2.1
Bauxite Levey	4169.9	4268.2	98.3	2.4
Capital	3293.3	3562.1	269.1	8.2
Grants	1813.8	3290.2	1476.4	81.4
Expenditure	249101.0	278181.0	29080.0	11.7
Recurrent Exp	225599.1	239300.0	13700.9	6.1
Programmes	49120.3	49320.0	199.7	0.4
Wages & Sal.	78660.9	88510.2	9849.3	12.5
Interest	97817.9	101469.8	3651.9	3.7
Domestic	71295.9	70487.5	-808.4	-1.1
External	26522.0	30982.3	4460.3	16.8
Capital Expen.	23501.9	38881.0	15379.1	65.4
Fiscal Balance	-37476.0	-35089.3	2386.7	-6.4
Primary Balance	60341.9	66380.5	6038.6	10.0
Primary Items				
Nominal GDP*	707839.1	774659.4		9.4
Fiscal (%GDP)	-5.3%	-4.5%		
Primary (%GDP)	8.5%	8.6%		

Source: Ministry of Finance, *JMMB Investment Research

The estimate of expenditure for fiscal 2007/08 is J$380.4 billion, up by 6.2%. The increase however is slightly below inflation, indicating that real expenditure has actually declined. Recurrent expenditure of J$239.3 billion was up 6.1%, while capital expenditure of J$38.9 billion was up 65.4%. Interest Expenditure is projected to increase by 3.7% with domestic expenditure declining by 1.1%. A Primary Balance of 8.6% is also being targeted.

Jamaica will continue to face challenges due to its small size and vulnerability to both internal and external shocks. However, historically, the country has shown a strong resilience to shocks. Economic growth is projected at 3.3% (Planning Institute of Jamaica's estimate) for this calendar year 2007. Domestic agriculture should continue to perform well due to the increased availability of funding from the Ministry of Agriculture and expertise from Rural Agricultural Development Authority (RADA). The growth in Agriculture is not expected to be in double digits but the PIOJ is projecting 5.5% growth.

The Government of Jamaica has indicated that it will continue to exercise proper monetary and fiscal management. The aggressive collection of tax arrears and the second half of MOU (II) should contribute to the government's goal of reaching a fiscal deficit target of 4.5% of GDP. Our business environment will continue to face challenges but our resilience should ensure that the challenges are met head-on and dealt with adequately.

The local securities industry will continue to face a challenging business environment in 2007. After the current election cycle, the BOJ should return to its interest rate cutting cycle. With this in mind, we expect the domestic capital market to continue to experience reduced net interest income amidst continued declining spreads. On the funding side, the outlook on the US economy suggests that US rates should remain at current levels, Fed Fund rates of 5.25%. This will likely maintain the high cost of funds for domestic trading activities.

Regarding the currency, the BOJ's US$2.3 billion of net international reserves should maintain a stable currency within a 4-6% band. With limited currency volatility, we expect to see reduced gains from local currency trading.

The above challenges are further compounded by a lackluster stock market. Projections for a rebound in the equities market continue to be elusive. Thus gains from equity-related securities trading should also continue to be negatively affected. JMMB has responded to these challenges by introducing new products. These include our Managed Global Bond Portfolio (MGBP) and our Principal Protected Notes (PPN). JMMB will continue to attack the difficult environment and press on with new products, increasing their expertise in other areas and seeking revenues from overseas operations.

getting it done

Priorities for growth

- Increase growth rate
- Foster greater collaboration among business units
- Enhance capabilities in non-traditional businesses
- Expand global brand position

Keith Duncan, CFA
Group CEO

MANAGEMENT DISCUSSION AND ANALYSIS

We are pleased to report that JMMB Jamaica delivered a strong financial performance for the year ended March 31, 2007, bolstering the JMMB Group's profit of J$1.1 billion. Though Group profit declined from J$1.6 billion, there was a 9.5 % growth in Total Assets to J$89.6 billion which places the JMMB Group in a robust position to expand the business model to adapt positively to a dynamic and changing market environment.

Strong Local Performance
JMMB Jamaica achieved a 24% increase in operating profit (before write down and taxes) from J$1.36 billion to J$1.69 billion year-over-year. Administrative expenses for the year also increased by 14%. However, despite this increase, JMMB Jamaica's efficiency ratio improved from 52.6 to 50.5%.

Our growth in operating profit was accomplished in spite of a challenging market environment where we saw significant narrowing of Net Interest Margin (NIM) affecting the securities dealing segment of the financial sector across the board.

Despite increased competition and reduced rates, JMMB Jamaica's retail base grew by an impressive 14.5%. This is an indication of our strong client loyalty and satisfaction, a direct result of our front line's expertise, commitment to excellence and the financial well-being of our clients. In addition, we also gained efficiencies through effective channel management with the implementation of the ETM machines at key locations in the island, a strategy we will continue to employ.

"JMMB Group recorded a profit attributable to stockholders of J$1.19 billion."

JMMB Group Performance
The reduction in total Group profits was attributed mainly to the lower contribution from our associated company CMMB and a one-time write down of equity investments of J$254 million.

Associate Companies' Impact on Performance
In contrast to prior years, CMMB made a significantly smaller contribution to the Group's profit this year for a number of reasons. CMMB experienced a very challenging interest rate environment due to inflation in its main market, Trinidad and Tobago. This resulted in a considerable reduction in Net Interest Income (NII) from TT$120 million to TT$56 million, a decrease of 54%. There was also a one-time write down of assets for CMMB. Both factors resulted in their overall profits declining by 80% to TT$11 million compared to the prior year.

Against an increasingly competitive banking environment, Intercommercial Bank Limited (IBL) delivered a strong performance, with profit after tax of TT$9.36 million (15-month period), an increase of TT$6.29 million or 203% increase over the prior year. With its merchant bank now fully established, an experienced, innovative team in place and its core banking system successfully implemented, IBL is ready for expansion in the Trinidad and Tobago market. They are also successfully leveraging the JMMB Group to generate revenue from businesses that operate between Jamaica and Trinidad.

The Year Ahead
The year ending March 2008 promises to be an exciting period for the JMMB Group. In continuing our tradition of innovation as a financial institution, we have introduced a set of timely and unique new products and services to meet our clients' needs. We have also made strategic moves to expand our business model to adapt to the new market environment and with Net Interest Margin (NIM) stabilizing we have a positive outlook for growth this upcoming year.

At our core, we maintain our commitment to our valued clients, both retail and corporate, who continue to support us. We believe that our focus on greater client intimacy will allow us to maintain loyalty. As such, the JMMB team continues to be highly engaged in the execution of our 2025 strategic plan which seeks to fulfill more of our client needs, deepen our market share and increase shareholder value.

"JMMB remains committed to our valued clients, both retail and corporate."

Our commitment and confidence in our future growth and profitability are based upon the following:

• Expanding Asset Management Business
We are deepening our market penetration with the roll out of new products and services through an expanded retail network to increase and optimize client access. Our aggressive product roll out plan for the next financial year includes Pension Fund Management, Managed Global Bond Portfolio and Trinidad Select Index Fund. Increasing our ETM locations from four to twelve is geared to facilitate convenience (investments, encashments) for our clients.

• Aggressive Brokering: Increasing the Options for our Clients
Our product development strategy is based on simultaneously meeting our clients' needs at various levels of risk appetite. As such, we offer a range of products including Principal Protected Notes (PPN) as well as active trading of GOJ Global Bonds for clients. In rounding out our insurance offering, we now provide access to general, health, Keyman, facultative and life insurance.

• Building Credit Capability
We are expanding our credit capabilities to fulfill the financing needs of our corporate and retail clients. This is an exciting new thrust in our business capabilities and we will commit our resources wisely to maximize our success in this new business area.

• Launching Corporate Solutions
With the establishment of our new Structured Finance Unit, JMMB will provide institutional, corporate and commercial corporate clients with an array of corporate financial solutions. We are very proud of the experienced and accomplished financial professionals we have recruited to the team in the new Structured Finance Unit. Working with our team of Corporate Relationship Managers, we look forward to this strengthened team further penetrating this market segment.

• Regional Expansion

We commenced operations in the Dominican Republic (DR) this year. Consistent with our strategic plan to develop a leadership position quickly in regional markets, we are acquiring a local DR brokerage firm to enable the sale of products to the wider market. The vibrant, experienced team in the DR, we believe will deliver profitability within the next two years.

• Regional Growth Momentum and Revenue Re-Bound

The IBL Group is positioned to continue to grow profitability and Total Assets. The commercial bank is expanding its delivery channels as well as building out a new Electronic Banking Unit (developing a new local debit card; extending the Visa product line, telephone banking). The Trust and Merchant Bank, led by a strong team will continue to make inroads in the market by deepening strategic relations with partners, including JMMB, to deliver corporate finance products, both locally and regionally.

"JMMB remains committed to our Vision 2025, which was developed by team members..."

For CMMB, the stabilization of the interest rate environment in Trinidad and Tobago will lead to recovery in Net Interest Income (NII), with a consequent return to growth in profitability. In addition, major technology investment will enable flexibility to more effectively serve clients in the Eastern Caribbean.

All this bodes well for strong performance at the Group level in the next financial year as we continue to build the foundation to fulfill our Vision 2025.

Corporate Social Responsibility

JMMB continues to be actively involved in charitable and voluntary activities, as we recognize and accept our social responsibility to the wider community. We are particularly proud of our contribution to the Committee for the Upliftment of the Mentally Ill (CUMI) and also of the novel approach to our contributions to our communities last Christmas with the '21 days of Christmas' where each day we gave $100,000 to a worthy charity. On the sponsorship side we have also remained committed to supporting the nation in terms of athletics and football amongst many other worthy causes.

Conclusion

The JMMB Team is very focused on client intimacy, growth and increasing shareholder value. We believe that we are well poised to deliver on these objectives.

I would like to thank all of our shareholders and valued clients who have placed a high level of confidence and trust in us. We are also extremely grateful to our Board for their continued support and steadfast advice. Finally, I am deeply appreciative to our committed Management Team and our unrivalled, passionate Team Members who embrace the vision and make it a reality. More than ever we believe that

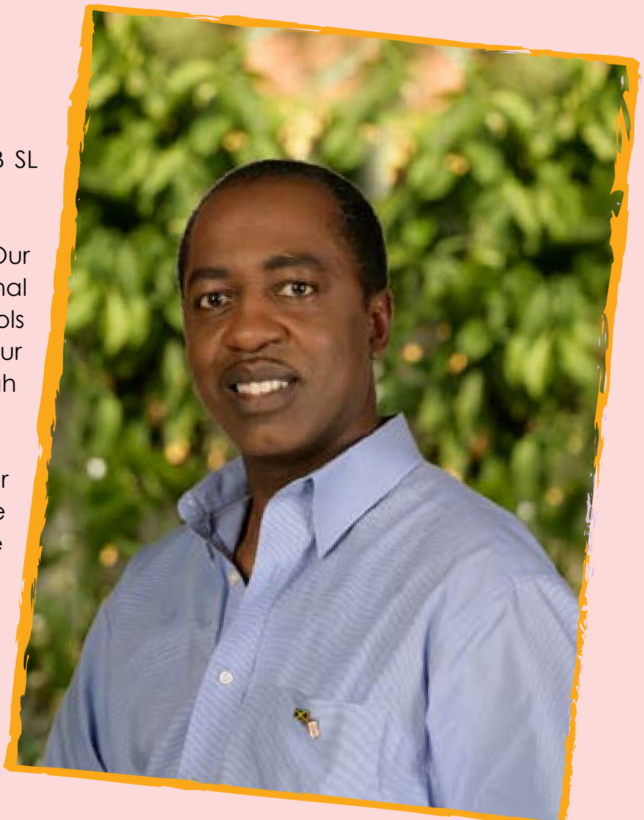
VISION + VALUES + EXPERTISE = PHENOMENAL SUCCESS.

JMMB SECURITIES LIMITED

In a comparatively quiet local stockmarket for 2006/ 2007, JMMB SL focused on strengthening its internal efficiencies and structures.

Operationally, we continued to manage our internal affairs tightly. Our internal audit and the JSE audits both highlighted some operational achievements and practices which bode well for our internal controls and redound to the bottom line of the business. Consistent with our strategic plan, we sought to gain more synergies with JMMB through stronger collaboration with the back and middle office functions.

The Company sustained its position as the number one broker in the market for the number of transactions processed since inception in 2002 - fulfilling on its promise of bringing access to the ordinary investors in the market. This accomplishment highlights the opportunity in the client base of JMMB, for those who are, as yet not completely 'activated' into the benefits of equity trading nor sufficiently versed in the benefits to be afforded by participation in the local equities markets.



Leo Williams
Executive Director
JMMB Securities Ltd/
International Business
Development Manager,
JMMB Ltd.

JMMB SL, as a business, also took up residence at its new home on Knutsford Boulevard. This new location gives us room for further growth and expansion by being adjoined to a signature branch of the business.

In the same year, we also commissioned another first for Jamaica—our On-Line Equity Facility. This innovative new offering allows our clients to buy and sell from any computer in the world via secure accounts. The orders, when placed, join our general first-come-first-served queue of orders from across the island and region.

At the Caribbean level, our activities with clients and broker counterparties, in Trinidad and Tobago as well as in Barbados, have grown significantly. We have attained unprecedented levels of cooperation with the launch of the Trinidad Select Index Fund being approved both in the Cayman Islands and in Trinidad and Tobago. As the first Jamaican Securities Brokers to achieve this, we have established another first in the industry.

JMMB SL restructured its trading portfolio during the year to better align its operations for long-term sustainability. This included spinning off a portion of its portfolio to its parent JMMB Ltd. and reducing selected positions to limit concentrations and exposure.

With all of these changes and improvements, we are now positioned to deliver more value across the region to our clients wherever they may reside. We thank you, our clients, for your support and we recommit to working diligently to grow the market and to reach even more new equity investors in the year ahead.

JMMB SECURITIES LIMITED
A MEMBER OF THE JAMAICA STOCK EXCHANGE

JMMB INSURANCE BROKERS LIMITED

Lancelot Henry,
Managing Director

2006/2007 was a milestone in the history of JMMB Insurance Brokers (JMMB IB). We were granted a general insurance license which now enables us to sell life, health, motor and property insurance. Thus, we have greatly enhanced the value proposition to JMMB clients as we can offer additional group discounts of 10% on certain insurance products.

Additionally, we can now complement our new drives in Pension and Corporate Finance, which will be a significant contributor to our future revenues. Much like JMMB SL, JMMB IB has integrated the activities of its middle and back offices to gain greater operational efficiencies.

It was a challenging year for IB as we resourced the team and implemented processes. However, we are confident that we will achieve our goals, while giving our clients the high levels of service to which they have grown accustomed in an area of business which for many persons has, traditionally, been onerous.

Look out for us …. We are looking out for you.

JMMB INSURANCE BROKERS LTD.

In Your World.....When it matters Most

JMMB DOMINICANA

JMMB Dominicana, S.A. was established as a local company under the Dominican Republic laws and started operations in August 2006. In the first months of operation we have already built a substantial portfolio of government bonds.

The process to become an approved security broker started in August 2006 and in view of the long application process (18-24 months) it was decided to acquire an association with well-recognized and solid local partners.

The new company will be named JMMB BDI AMERICA and will be an approved entity to operate in the Dominican financial market in the third quarter of 2007.

The initial strategy is to create and develop a portfolio of locally-issued Government/Central Bank debt instruments and to continue the growth with international debt issues of local Dominican companies.

The main strategy is to establish a solid foundation in the Dominican Republic to take advantage of the local market, followed by the exploitation of CAFTA (Central American Free Trade Agreement) opportunities. We will be able to trade instruments from countries in Central America and the Caribbean, developing this franchise as a hub for the JMMB operation in the Spanish-speaking countries.

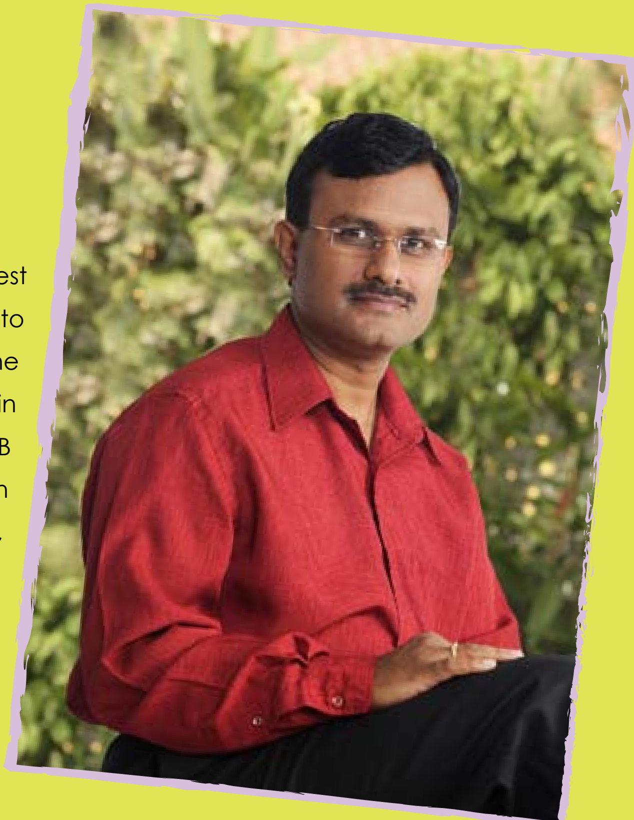
The JMMB Dominicana team has a unique set of skills, enabling us to successfully enter into this new and developing Dominican market. The local product that we will be offering to the Dominican Republic market will be based mainly on fixed income products in DR$ and US$ currencies.

Guillermo Arancibia
Managing Director

Our new office is located at the Acropolis Center on the 12th floor of the Citigroup Tower, in the heart of the financial centre in Santo Domingo. The outstanding facilities inspire confidence and provide our clients with a secure and comfortable environment in which to conduct business as it includes numerous parking spaces and a sophisticated shopping mall. The Citigroup Tower also hosts many important local and multinational companies that are well known and recognized by corporate and high net worth clients—our core target market.

The main opportunity for JMMB BDI AMERICA is to continue the development of the secondary market through new investment products and financial instruments that will be available to the market. The Money Market has practically no activity in the Dominican Republic, with minimal over the counter transactions currently being undertaken so we will be aggressively driving this market, as we did in Jamaica.

CARIBBEAN MONEY MARKET BROKERS LIMITED



Ram Ramesh, CFA
CEO

Spread Income

CMMB's (Caribbean Money Market Brokers, Ltd.) net interest income declined by more than 50% from TT$120 million to TT$56 million during 2006-07. This decline is attributed to the steady increase in interest rates in the various territories in which we operated, during the review period. The CMMB model is sensitive to movements in interest rates and in an increasing interest rate scenario, the cost of funds increase, thereby compressing spreads and reducing net interest income.

Trading Income

As interest rates increased, the value of the bonds held in the portfolio declined. In anticipation of this trend in interest rates, we decided to crystallize the gains on the portfolio and divested a significant part of its high value Eurobonds. This enabled us to realize over TT$100 million in trading gains from our Available-for-Sale (AFS) portfolio. This is the highest level of trading gains that CMMB booked in its nearly seven years of operation.

At the same time, the strategy caused the total assets to decline from TT$8.67 billion to about TT$7.5 billion. We deliberately avoided increasing our liabilities in an inclining interest rate environment and held more cash in anticipation of picking up bonds at attractive prices when interest rates begin to level off.

CMMB
CARIBBEAN MONEY MARKET BROKERS

Shareholders' Equity

The inclining interest rates also negatively impacted the fair value reserves of the Company as emerging market (EM) bond prices declined in value, and as spreads on EM bonds compressed. This caused a decline in Shareholders' Equity from TT$418 million to TT$206 million.

The lackluster performance of the stock market also impacted negatively on shareholders' equity as some of the equity holdings were marked down in value.

CMMBSL, a member of the Trinidad and Tobago Stock Exchange, recorded an after tax profit of TT$2.5 million compared with TT$ 2.9 million for the preceding year. The Company continues to play a leading role in the domestic and regional stock markets despite the lethargic stock market performance for the entire fiscal year.

Looking Ahead

Despite the challenges of 2006–07, CMMB laid an important foundation for future growth. These include:

"Despite the challenges of 2006–07, CMMB laid an important foundation for future growth."

• A web-based integrated core business application system that will enable us to process all transactions end-to-end without multiple points of data-entry;

• A world-class brand that will provide us a uniform platform to communicate our personality;

• A corporate university that will enhance the quality of our talented people;

The economic environment in Trinidad and Tobago looks more favourable for the coming year, with interest rates appearing to have topped out. In addition, we are leveraging the expertise of JMMB to structure our portfolios and we have also fully integrated their Risk Management practices.

In keeping with our aspirations to go global, we are actively pursuing the establishment of a unit in Bahrain by leveraging on the business model developed in the Caribbean. We believe these initiatives will form the foundation upon which we will build our expansion plans and create our future.

INTERCOMMERCIAL BANK GROUP

Financial Performance

We are pleased to report that the Intercommercial Banking Group in Trinidad and Tobago recorded exceptional financial growth for the financial year ended March 2007. The Group achieved its eighth consecutive year of profitability with profit after tax of TT$9.4 million (15-month period), an increase of TT$6.3 million or 203% increase over the prior year. During 2006, the Group changed its financial year-end from December 31, to March 31, to coincide with the financial year-end of our 50% shareholder Jamaica Money Market Brokers Limited.

Hugh Duncan, IBL Group CEO

"...we have taken the decision to refocus our core business to provide quality banking services and products through efficient delivery systems to our valued customers."

Operating income for the Group closed at TT$58.58 million, an increase by 76% over the prior period. Major increases were in the areas of Fees and Commissions, which increased by 176% and Foreign Exchange Revenue which increased by 171%.

Significant growth was also achieved in Total Assets and Shareholders' Equity. The Group's Total Assets closed at TT$860 million with net growth in assets by TT$235 million or 37.7%. The main area of growth for the Group was in the area of Cash and Investments, which represents 51% of Total Assets.

The tremendous growth and profitability of the IBL Group was realized through strategic business initiatives; customer-centric offerings; quality recruitment and retention of skilled personnel; reengineering of internal policies and procedures and a more robust compliance framework. Also, by virtue of our small size, we can be nimble, compared to our industry peers, in executing financial transactions that are custom tailored to the market and business-specific needs of our customers.

Non Financial Milestones

The tremendous improvement in the financial performance of the IBL Group was as a result of the Management of the Group setting specific milestones and taking significant strides in achieving their goals. We present some of the critical accomplishments for the period.

Relocation of the Intercommercial Trust and Merchant Bank Office

In order to establish Intercommercial Trust and Merchant Bank (ITMBL) as a national player in the minds of potential investors, we took a strategic decision to relocate our office to Port of Spain in February 2006. A team of professionals was brought on board to manage ITMBL and drive its business initiatives. This re-positioning has contributed significantly to ITMBL's success as the Company contributed TT$3.4 million to the Group's After Tax Profit which represented an increase of 233% over 2005.

INTERCOMMERCIAL BANK LIMITED

Strategic Alliances that Work…

Another significant achievement for the IBL Group and, in particular, Intercommercial Trust and Merchant Bank, is the expanded strategic business alliance with JMMB. This initiative allowed both JMMB and IBL to better service the corporate finance requirements of customers in both Jamaica and Trinidad and Tobago by providing cross-border, structured treasury products and short- and medium-term financing for mid-tier corporates. These initiatives will be further developed within a structured framework to optimize synergies across the Group and more seamlessly gain access into regional markets.

Office and Branch Expansion

IBL also recognized that there were several key positions within the organization that needed to be filled. In a talent search, the Group added some 31 new employees to our team necessitating the expansion of our Head Office Branch accommodation for both team members and customers. Expansion renovations resulted in the doubling of our office space and increased levels of comfort for team members and customers.

“We are committed to Building Lives and adding sustainable value to our shareholders”

Product Development

The Group also partnered with local Credit Unions to develop its co-branded Visa International Debit card which was met with success. This initiative has the benefit of increasing brand awareness, widening our customer base and exposing the Group to the growing Credit Union market. This co-branded debit card product is not only new and innovative but also unique to the English-speaking Caribbean and has potential for growth.

Our Strategy For Future Success

We remain focused on creating a customer-centric environment through the provision of highly personalized service to all of our customers and delivering on our promise of sustainable and robust financial growth and profitability for our stakeholders.

In 2007/2008, we will expedite plans to unveil a more advanced sales structure, improving and expanding our delivery channels to customers, including one additional branch office and three sales outlets. This network expansion will be supported with the build-out of our new Electronic Banking Unit.

This Electronic Banking Unit will be charged with delivering a suite of products which include:- Transaction payments, Home Banking (telephone banking), free local ATM access for all of our clients with our VISA electronic debit cards. Another major IBL initiative in 2007 will be the launch of our own local debit card.

The expansion of the Bank is being undertaken within a more robust Enterprise Wide Risk Management Framework that is being implemented to enhance the existing Risk Management Framework. In so doing, the Group will be better positioned to measure and mitigate risk in keeping with BASLE II guidelines. Further, the Group continues to operate within a sound governance framework comprising of Board sub committees and management committees which provide oversight and guidance to the designated operations within the IBL Group as we embark on a rapid growth plan.

IBL remains committed to; ensuring a strong and ‘rooted’ structure within which all resources can be efficiently and effectively utilized; our corporate objectives achieved and high levels of satisfaction experienced by our customers and team members alike. We are committed to Building Lives and adding sustainable value to our shareholders.

CORPORATE GOVERNANCE

The Board of Directors is comprised of eleven board members, seven of which are non- executive. During the year, there were ten Board meetings and two weekend retreats for strategic review and budget planning, respectively. There is a strong respect for Corporate Governance within the JMMB Board as we continue to strive for international best practices. To this end, a new Board charter is being developed to guide our actions .

Currently there are four board subcommittees, namely Risk, Finance, Audit and Human Resources. Each subcommittee meets quarterly, is chaired by a Non-Executive Director and comprises other members of the Board and senior management.

Non-Executive Directors	Risk	Finance	Audit	Human Resources
Archibald A. Campbell	Chairman	Chairman	Chairman	
Dennis L. Harris		√	√	
Donna Duncan-Scott				√
Anne Crick, PhD				Chairman
Richard J. Trotman	√			
V. Andrew Whyte	√	√	√	

Report from the Board Audit Subcommittee

The mission of the Audit Committee is to assist the Board in discharging its duties with respect to internal controls and regulatory requirements. The primary duties and responsibilities of the Committee are:-

- Recommending the appointment of an independent external auditor, and their compensation

- Examining the scope of audits conducted by external and internal auditors

- Ensuring appropriate internal audit resources are in place to facilitate adequate internal controls

- Ensuring the integrity of client and financial accounts

- Ensuring compliance with regulatory requirements

- Reviewing and recommending changes to the existing accounting policies and practices

PricewaterhouseCoopers (PWC) was the internal auditor of the Company. During the financial year, PWC conducted financial, operational, compliance and IT audits on key areas within the Company. PWC attends Committee meetings to present and discuss the audit reports and other audit related issues.

The Committee consists of three non-executive directors of which one is appointed by the Board as the Committee's Chairman. The non-executive directors, including its Chairman are appointed annually and are eligible for re-appointment.

There were fifteen meetings held during the fiscal year 2006/07.

RISK MANAGEMENT

Overview

Risk Management is the foundation on which strong, successful financial institutions are built. As such, this year, as with previous years, JMMB invested significant resources in improving its risk management capabilities. Over the last financial year the Risk Management Unit focused on developing a framework for managing the risks associated with the new products that were offered, and the new markets entered. This framework will certainly serve to facilitate and guide the Company's strategic growth and regional expansion thrust.

The objective of risk management at JMMB is to protect the Company's capital whilst facilitating its growth. By managing the company's risks with this objective at the forefront, both clients and shareholders can be assured that we strive to provide them with strong, stable returns.

Ultimately, the responsibility of managing the Company's risks lies with the Board of Directors. However, the senior management and risk management teams play integral roles in the process. The Risk Management Committee, a sub-committee of the Board, meets on a quarterly basis, and provides strategic direction for managing the Company's risks. A senior management team that focuses on investment and risk issues meets fortnightly to review the company's exposures and make appropriate policy recommendations to the Board, whist the risk management team carries out the day-to-day monitoring and analysis of risk exposures.

JMMB is committed to continuously benchmarking its risk management practices against international standards. As such, the risk management team keeps abreast of trends in risk management techniques, as well as regulatory changes worldwide. Where it is viewed to be appropriate, the Company adopts aspects of these techniques and regulations for internal purposes.

Market Risk

Market risk is the potential loss in the value of a portfolio as a result of movements in interest rates, foreign exchange rates, equity prices and commodity prices. The Company is exposed to market risk by way of its positions in fixed income instruments, equities and foreign currencies.

JMMB employs the Value at Risk (VaR) methodology to evaluate and monitor its market risk exposure. This methodology has been adopted by major investment firms around the world, and shows the potential loss in the value of a portfolio over a specified period of time with a given probability.

As useful as VaR is, it is not used in isolation: Stress testing is also carried out on a regular basis to assist with analysing the market risk of the group's portfolios thoroughly. Together, the VaR calculations and stress tests form a critical input into the investment decision making process.

Liquidity Risk

Liquidity risk is defined as the loss that could be sustained due to the inability of an institution to meet its financial obligations at a reasonable cost and in a timely manner. During the year, the Company developed a model that enabled it to evaluate its liquidity risk on a daily basis. This model has become an integral part of the company's operations and has allowed it to anticipate its liquidity needs better than it did previously.

Strategies continue to be in place to deal with liquidity crunches that may arise from time to time.

> **"JMMB continues to improve its credit risk management capabilities"**

Credit Risk

Credit risk is the potential loss of capital that may be sustained should a counterparty fail to fulfil its actual or implied contractual obligations. To mitigate against this risk, the company analyses its counterparties on a regular basis to evaluate their ability to meet their obligations. The CAMEL methodology is used to conduct these evaluations and exposure limits are assigned to each one based on an internally developed ratings model.

Although the Company improved its credit risk management capabilities during this financial year, significant further improvements are planned for the year ahead.

Operational Risk

The Bank for International Settlements defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. In the management of operational risk, the Board has ensured that there are adequate controls in operating processes and systems. These include authority limits, segregation of duties and performance standards. Regular audits are conducted by our internal auditors, PricewaterhouseCoopers, and are reviewed quarterly by the Board's Audit Sub-committee. There is also oversight of the Company's day-to-day operations by JMMB's Compliance Unit.

CORPORATE SOCIAL RESPONSIBILITY

"JMMB is actively and publicly involved in voluntary charitable activities within the society and recognizes and accepts its social responsibility, understanding that it has everything to do with JMMB which is part of the link in the wider chain"
Excerpt from the Vision of Love.

Initiatives that support individual and community development are aligned with our Vision of Love and as such we are pleased to report on our Corporate Social Responsibility activities for the past year.

21 Days of Christmas
This year saw the introduction of an ingenious method of spreading goodwill and benefiting those most in need. Team members suggested that instead of giving gifts to clients we should ask them to nominate the charity to which they would like us make a donation. Using the list compiled from our clients' recommendations we presented J$100,000 to a different charity every day for the 21 days leading up to Christmas. The initiative was called "21 Days of Christmas". The response was overwhelming.

Committee for the Upliftment of the Mentally Ill (CUMI)

The JMMB team is proud of its partnership CUMI, particularly the full funding of the CUMI Children's Programme from its inception in 1996.

JMMB has and will continue to support CUMI for two main reasons:

1. CUMI's vision of empowering some of the most vulnerable members of our society is consistent with JMMB's vision for Jamaica. We have a vision for a Jamaica grounded in love, where our children and people realize their potential, their dreams and enjoy a high quality of life.

2. CUMI has lived, and continues to live, the values of love, true respect, service, excellence and accountability, which are consistent with our values. Accordingly they consistently produce excellent results.

CUMI started with a group of concerned citizens who wanted to improve the lives of street people. Fourteen years later they have a first class, model rehabilitation programme.

The CUMI children's programme started in 1996 when Joan Duncan, co-founder of Jamaica Money Market Brokers and her sister Elizabeth Hall saw a vision of a Jamaica where every child had the opportunity to be healthy, to realize their potential and to be happy. Elizabeth, thoughtfully and creatively, designed and implemented a unique and effective programme of placing children at risk in foster homes with financial and development support for the mothers and the children. The legacy that Elizabeth Hall has left in CUMI is an achievement beyond any expectation and one that she will be remembered for forever.

The CUMI story is one of continuous inspiration. It inspires us to dream, take action to realize our dreams, and stay true to our values.

Jamaica Securities Dealers Association Annual Success Camps

JMMB has ongoing partnership with the Jamaica Securities Dealers Association to support the National Youth Service in the hosting of their Annual Success Camps which aim to re-integrate young boys, who are said to be at risk of being expelled from high schools due to behavioral problems, back into the school system.

The Joan Duncan Endownment Fund for Finance & Ethics at University of Technology:

Joan Duncan was passionate about finance and equally passionate about maintaining high ethical standards personally and promoting these in the workplace and at home. After her death in 1998, we established a fund at the University of Technology in her name.

The purpose of the fund is to deepen the disciplines of finance and ethics at the tertiary level to the benefit of Jamaica and the wider Caribbean companies and economies. It also supports students, faculty members and Caribbean researchers who are passionate about their area of discipline and who want to contribute to the development of their countries and the region. It will also provide companies with the benefit of relevant and practical research, frameworks and models to help them to run their operations successfully.

The JMMB Foundation

Throughout the past year, JMMB has sponsored a number of individual and community development projects as listed below:

- Lions Club of New Kingston - Youth Life Skills Development Programme
- The August Town Peace Builders Committee Summer Camp for members to learn useful skills related to fostering peace in their community.
- Caribbean Vision – 100% Crime Free School Programme

In the coming year, the Foundation will continue to focus on five main areas:

1. The Joan Duncan Fund for Power and Possibility
2. The Noel Lyon Fund for Entrepreneurship
3. Nation Building Fund
4. Financial Empowerment Fund
5. Environment Protection Fund

This report highlights only a small selection of the activities undertaken over the past year and we remain committed as a company and team to continuing with these initiatives.

We are privileged to have been able to provide financial support to the many programmes outlined and we wish to thank the leaders and the teams who dedicate themselves to serving those in need. We wish to acknowledge Joy Crooks, Admistrator extraordinaire of the CUMI programme and Dr. Pearnel Bell, our Clinical Psychhologist, whose work is highly effective. We are particularly grateful to the foster mothers in the programme who have wholeheartedly raised the children as their own. We also acknowledge the contribution of Reverend Adinhair Jones, NYS Executive Director and our Group CEO Keith Duncan who is the Chairman of the NYS Board.

commitment

BRANCH MANAGERS

HAUGHTON
6 Haughton Terrace,
Kingston 10, Jamaica
Tel: (876) 920 5050
Fax: (876) 920 7281
Teverly Gray, Manager

KNUTSFORD
(Formerly in Island Life Mall)
11 Knutsford Boulevard
Kingston 5, Jamaica
Tel: (876) 926 3684
Fax: (876) 960 3927 / 960 4455
Fornia Young, Manager

TROPICAL PLAZA
Shop #2 Tropical Plaza
12 - 14 Constant Spring Road
Kingston 10, Jamaica
Tel: (876) 929 8358 / 968 7395
Fax: (876) 968 3803
Cedric Stewart, Manager

PORTMORE
47- 48 West Trade Way
Portmore Town Centre
Portmore, St. Catherine,
Jamaica
Tel: (876) 939 3205 / 939 3206
Fax: (876) 939 3207
Teverly Gray, Manager

MANDEVILLE
4 Perth Road
Mandeville, Manchester,
Jamaica
Tel: (876) 625 2351 / 625 4450-2
Fax: (876) 625 2352
Marcia Whittaker, Manager

MONTEGO BAY
Shop 19, Montego Bay
Shopping Centre
Howard Cooke Blvd.
Montego Bay, St. James,
Jamaica
Tel: (876) 979 6052 / 979 6055
Fax: (876) 979 1566
Lorna Hall, Manager

MAY PEN
Shop 28B Bargain Village Plaza
35 Main Street, May Pen,
Clarendon, Jamaica
Tel: (876) 786 0101
Fax: (876) 786 3660
Jacqueline Mullings, Manager

OCHO RIOS
Office #4
Ocean Village Shopping Centre
Ocho Rios, St. Ann, Jamaica
Tel: (876) 795 3627
(876) 795 3542
Fax: (876) 795 3886
Horace Wildes, Manager

SANTA CRUZ
Shop #2, Oasis Plaza
Coke Drive
Santa Cruz, St. Elizabeth,
Jamaica
Tel: (876) 966 2512 / 966 3493
Fax (876) 966-9816
Jacqueline Mullings, Manager

CLIENT CARE CENTRE
Toll Free:
Within Jamaica:
1-888-GET-JMMB
(1 888 438 5662)
Fax: (876) 998-9380

From the
USA & Canada:
1 877 533 5662
Fax: (876) 998-9380
From the UK:
0 800 9176040
Fax: (876) 998-9380
Website: www.jmmb.com
Email: info@jmmb.com

DIRECTORS' REPORT

The Directors are pleased to present their Report for the year ended March 31, 2007. The Report represents the results for Jamaica Money Market Brokers Limited and its subsidiaries (collectively referred to as "the Group") and the Group's interest in its associated companies.

Group Results

- Operating Revenue, net of interest expense, was $3.38 billion, reflecting an increase of 18.96% over last year.
- The Profit before income tax was $1.53 billion, reflecting a decrease of 17.2 % over last year.
- The Profit attributable to equity holders of the parent after income tax was $1.10 billion, reflecting a decrease of 30.90 % over last year.
- Shareholders' Equity now stands at $7.17 billion .

Dividends

The Directors recommend that the interim dividends paid on December 15, 2006 and June 28, 2007 be ratified and declared as final and that no further dividend be paid in respect of the year under review.

Directors

The members of the Board of Directors as at March 31, 2007 were as follows:-

Mr. Noel A. Lyon, PhD	Chairman and non-Executive
Mr. Archibald A. Campbell	Deputy Chairman and non-Executive
Mr. Keith P. Duncan	President & Chief Executive Officer
Mrs. Donna Duncan-Scott	Executive Director
Mr. Dennis L. Harris	Non-Executive
Mr. V. Andrew Whyte	Non-Executive
Mr. Wayne Sutherland	Non-Executive
Mr. Richard J. Trotman	Non-Executive
Mr. Hugh Duncan	Non-Executive
Ms. Anne Crick, PhD	Non-Executive
Mr. Cedric Stewart	Staff /ESOP Representative
Mr. Marc S. Harrison	Company Secretary /General Counsel

Mr. Hugh Duncan was appointed a Director on November 21, 2006.

In accordance with Article 105 of the Company's Articles of Association, the Directors retiring from office by rotation are Messrs. Wayne Sutherland, Cedric Stewart and Archibald Campbell, who being eligible, offer themselves for re-election.

Mr. Hugh Duncan, having been appointed to the Board since the last Annual General Meeting, shall retire and being eligible, offers himself for election.

Auditors

Messrs. KPMG, the external Auditors, have indicated their willingness to continue in office pursuant to Section 154 of the Companies Act, 2004.

The Directors wish to express their thanks to the management and all team members for the work done during the year, and to the clients for their continued support.

By Order of the Board
Dated this 2nd day of July, 2007

Marc S. Harrison

Marc S. Harrison
Company Secretary

CORPORATE INFORMATION

CORPORATE INFORMATION

Registered Office
6 Haughton Terrace
Kingston 10, Jamaica

Auditors
KPMG
6 Duke Street
Kingston, Jamaica

Registrar & Transfer Agent
KPMG
Regulatory & Compliance Services
6 Duke Street
Kingston, Jamaica

Bankers
National Commercial Bank Jamaica Limited
RBTT Bank Jamaica Limited
Citibank, N.A.

Attorneys-At- Law
Hart Muirhead Fatta
2 St. Lucia Avenue
Kingston 5
Jamaica

Myers, Fletcher & Gordon
21 East Street
Kingston, Jamaica

Marc S. Harrison, LLB
6 Haughton Terrace
Kingston 10
Jamaica

Internal Auditors
PricewaterhouseCoopers,
Scotiabank Centre,
Corner of Duke and Port Royal Streets, Kingston, Jamaica

SUBSIDIARY COMPANIES

JMMB Securities Limited
11 Knutsford Boulevard,
Kingston 5, Jamaica
Tel: (876) 920 5050

Website: www.jmmbsecurities.com
Email: info@jmmbsecurities.com

Board of Directors
- Noel A. Lyon, PhD
- Archibald A. Campbell
- Leo Williams, Executive Director
- Donna K. Duncan- Scott, CFA
- Julian Mair
- Keith P. Duncan, CFA
- Patricia Sutherland
- Robert Mayers
- Marc S. Harrison, LLB, Company Secretary
- Pat Salter, Recording Secretary

JMMB Insurance Brokers Limited
Shop #2 Tropical Plaza
12 - 14 Constant Spring Road,
Kingston 10, Jamaica
Tel: (876) 920 5050

Website: www.jmmbinsurance.com
Email: info@jmmbinsurance.com

Board of Directors
- Noel A. Lyon, PhD
- Archibald A. Campbell
- Donna K. Duncan-Scott, CFA
- Keith P. Duncan, CFA
- Cecile Cooper
- Lancelot Henry, Managing Director
- Kisha Anderson
- Paul Gray
- Marc S. Harrison, LLB, Company Secretary
- Pat Salter, Recording Secretary

JMMB Dominicana
Acropolis Center
Winston Churchill Avenue, 12th Floor
Santo Domingo, Dominican Republic
Tel: (809) 566-JMMB (5662)
Fax: (809).620.JMMB (5662)

Website: www.jmmbdominicana.com

ASSOCIATED COMPANIES

Caribbean Money Market Brokers Limited (CMMB)
1 Richmond Street
Ground Floor, Furness Court
Independence Square
Port of Spain, Trinidad and Tobago
Tel: (868) 623 7815
Fax: (868) 624 4544

Website: www.mycmmb.com

Unit 01, Gulf City Shopping Plaza
La Romaine
San Fernando
Trinidad and Tobago
Tel: (868) 657 2662
Fax: (868) 653 4871

CMMB St. Lucia (Branch of CMMB Ltd.)
Clico Building, 1st Floor
9 - 11 Brazil Street
Castries , St. Lucia
Tel: (758) 450 7984
Fax: (758) 451 7984

Caribbean Money Market Brokers (Barbados) Ltd.
1 White Park Road
St. Michael, Barbados
Tel: (246) 426 2020
Fax: (246) 426 2058

Units 11 & 12
Hastings Plaza
Hastings
Christ Church
Barbados
Tel: (246) 426 2020

CMMB Securities Limited
1 Richmond Street
Ground Floor, Furness Court
Independence Square
Port of Spain, Trinidad and Tobago
Tel: (868) 623 7815
Fax: (868) 624 4544

Website: www.cmmbsecurities.com

Intercommercial Bank Limited
DSM Plaza
Old Southern Main Road
Chaguanas
Trinidad and Tobago
Tel: (868) 665 4425
Fax: (868) 665 6663

Website: www.ibltt.com

Intercommercial Trust and Merchant Bank Limited
Furness Building
90 Independence Square
Port of Spain, Trinidad and Tobago
Tel: (868) 627 3264/627 5068
(868) 623 0924

STOCKHOLDINGS

As at March 31, 2007

10 LARGEST STOCKHOLDERS

CLICO INVESTMENT BANK LTD	450,629,764
TRUSTEES JMMB ESOP	161,776,460
COLONIAL LIFE INSURANCE CO LTD	137,281,664
CONCISE O.N. LTD	64,469,343
CONCISE A.V. LTD	64,469,342
CONCISE E.I. LTD	62,461,633
CONCISE R.I, LTD	62,461,632
JVF O.N. LTD	52,337,543
JVF E.I. LTD	50,707,741
JVF R.I. LTD.	50,707,741
JVF A.V. LTD	50,201,316

STOCKHOLDINGS OF SENIOR MANAGERS

SENIOR MANAGERS	PERSONAL STOCKHOLDINGS
Sheldon Powe	3,967,831*
Janet Patrick	1,182,044*
Carolyn DaCosta	1,008,700*
Kisha Anderson	1,000,000*
Marguerite Cremin	908,951*
Cecile Cooper	908,951*
Marc Harrison	329,996*
Leo Williams	95,900*
Patricia Sutherland	NIL
Fayval Williams	NIL
Julian Mair	NIL
Lancelot Henry	NIL

STOCKHOLDINGS OF DIRECTORS AND CONNECTED PARTIES

DIRECTORS	PERSONAL STOCKHOLDINGS	CONNECTED PARTY	STOCKHOLDINGS
Noel A. Lyon	NIL	GRACELYN O.E. LTD	47,420,340
		JVF O.E. LTD	48,707,741
		NICOLE LYON	10,000
Donna Duncan-Scott	7,678,110*	ALWYN SCOTT	28,548
		JVF O.N. LTD	52,337,543
		CONCISE O.N. LTD	64,469,343
Archibald Campbell	18,400	ODETTE CAMPBELL	344,827
Keith P. Duncan	2,246,745*	CONCISE E.I. LTD	62,461,633
		JVF E.I. LTD	50,707,741
V. Andrew Whyte	NIL		
Wayne Sutherland	NIL	CONCISE R.I. LTD	62,461,632
		JVF R.I. LTD	50,707,741
Cedric Stewart	122,512*		
Richard Trotman	13,870		
Dennis Harris	NIL		
Dr. Anne Crick	5,000		
Hugh Duncan	4,828		

*Includes holdings in the company's Employee Share Ownership plan (ESOP)

KPMG
Chartered Accountants
The Victoria Mutual Building
6 Duke Street
Kingston
Jamaica, W.I.

P.O. Box 76
Kingston
Jamaica, W.I.
Telephone +1 (876) 922-6640
Fax +1 (876) 922-7198
+1 (876) 922-4500
email: firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA MONEY MARKET BROKERS LIMITED

Report on the Financial Statements

We have audited the financial statements of Jamaica Money Market Brokers Limited (the company), set out on pages 47 to 92, which comprise the company and group balance sheets as at March 31, 2007, and the company and group statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and consistently applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Members of
JAMAICA MONEY MARKET BROKERS LIMITED

Report on the Financial Statements, cont'd

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company and the group as at March 31, 2007, and of the company's and the group's financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Report on additional requirements of the Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, and the financial statements are in agreement with the accounting records and returns.

KPMG

June 14, 2007

COMPANY BALANCE SHEET
March 31, 2007

	Notes	2007 ($'000)	2006 ($'000)
ASSETS			
Cash and cash equivalents	4	1,232,828	847,082
Interest receivable		1,536,086	2,041,425
Income tax recoverable		1,008,911	790,810
Notes receivable	5	2,460,770	1,873,269
Other receivables	6	476,735	507,142
Resale agreements	7	4,404,802	9,376,949
Investments	8	74,294,823	63,094,653
Interest in subsidiaries	10	973,765	446,849
Interest in associated companies	11	1,096,139	2,116,855*
Computer software	13	82,763	100,367
Property, plant and equipment	14	648,239	571,407
		88,215,861	81,766,808
EQUITY AND LIABILITIES			
Equity			
Share capital	15	365,847	365,847
Share premium		13,775	13,775
Investment revaluation reserve		191,710	958,143*
Cumulative translation reserve		228,511	259,078
Retained profits		6,347,733	5,506,250*
		7,147,576	7,103,093
Liabilities			
Interest payable		1,192,258	1,248,891
Income tax payable		377,774	-
Accounts payable		197,951	180,209
Repurchase agreements	16	76,130,301	70,761,258
Notes payable	17	2,375,897	1,961,400
Loans payable	18	324,643	214,997
Deferred tax liability	12	469,461	296,960
		81,068,285	74,663,715
		88,215,861	81,766,808

The financial statements on pages 47 to 92, were approved for issue by the Board of Directors on June 14, 2007 and signed on its behalf by:

_________________ Chairman
Noel A. Lyon , Ph.D

_________________ Group Chief Executive Officer
Keith P. Duncan, CFA

* Restated (see note 24).
The accompanying notes form an integral part of the financial statements.

GROUP BALANCE SHEET
March 31, 2007

	Notes	2007 ($'000)	2006 ($'000)
ASSETS			
Cash and cash equivalents	4	1,368,878	876,674
Interest receivable		1,550,261	2,041,425
Income tax recoverable		1,012,965	791,991
Notes receivable	5	2,593,624	1,853,269
Other receivables	6	337,892	433,597
Resale agreements	7	4,116,240	9,376,949
Investments	8	76,362,152	63,285,620
Membership share	9	15,000	15,000
Interest in associated companies	11	1,488,962	2,496,109*
Deferred tax asset	12	25,043	24,383
Computer software	13	87,486	108,274
Property, plant and equipment	14	660,454	576,879
		89,618,957	81,880,170
EQUITY AND LIABILITIES			
Equity			
Share capital	15	365,847	365,847
Share premium		13,775	13,775
Investment revaluation reserve		194,372	970,109*
Cumulative translation reserve		234,683	279,437
Retained profits		6,358,219	5,564,601*
		7,166,896	7,193,769
Minority interest		2,354	4,680
Total equity		7,169,250	7,198,449
Liabilities			
Interest payable		1,192,258	1,248,891
Income tax payable		377,774	-
Accounts payable		223,070	198,215
Repurchase agreements	16	77,353,059	70,761,258
Notes payable	17	2,508,751	1,961,400
Loans payable	18	325,334	214,997
Deferred tax liability	12	469,461	296,960
		82,449,707	74,681,721
		89,618,957	81,880,170

The financial statements on pages 47 to 92, were approved for issue by the Board of Directors on June 14, 2007 and signed on its behalf by:

____________________ Chairman
Noel A. Lyon, Ph.D

____________________ Group Chief Executive Officer
Keith P. Duncan, CFA

* Restated (see note 24).
The accompanying notes form an integral part of the financial statements.

COMPANY INCOME STATEMENT

Year ended March 31, 2007

	Notes	2007 ($'000)	2006 ($'000)
Net interest income and other operating revenue			
Interest income		8,534,845	8,202,075
Interest expense		(7,031,251)	(6,237,616)
Net interest income		1,503,594	1,964,459
Gains on securities trading, net		1,577,418	756,109
Fees earned from managing funds on behalf of clients		55,865	15,308
Other fees and commissions		60,255	48,440
Foreign exchange margins from cambio trading		64,830	76,220
Operating revenue net of interest expense		3,261,962	2,860,536
Other income/(expenses)			
Dividends		5,678	3,319
Loss on disposal of property, plant and equipment		(70)	(772)
		3,267,570	2,863,083
Administrative expenses - staff costs	19	(790,079)	(730,295)
- other		(734,091)	(676,139)
		(1,524,170)	(1,406,434)
Impairment loss on financial assets	20	(254,299)	-
		(1,778,469)	(1,406,434)
Share of profits of associated companies		88,209	445,448*
Profit before income tax	21	1,577,310	1,902,097
Income tax	22	(428,516)	(283,946)*
Profit for the year		1,148,794	1,618,151

* Restated (see note 24).

The accompanying notes form an integral part of the financial statements.

GROUP INCOME STATEMENT

Year ended March 31, 2007

	Notes	2007 ($'000)	2006 ($'000)
Net interest income and other operating revenue			
Interest income		8,578,091	8,188,358
Interest expense		(7,009,344)	(6,218,120)
Net interest income		1,568,747	1,970,238
Gains on securities trading, net		1,579,420	703,015
Fees earned from managing funds on behalf of clients		55,865	15,308
Other fees and commissions		115,621	80,350
Foreign exchange margins from cambio trading		64,830	76,220
Operating revenue net of interest expense		3,384,483	2,845,131
Other income/(expenses)			
Dividends		10,058	9,668
Loss on disposal of property, plant and equipment		(70)	(772)
		3,394,471	2,854,027
Administrative expenses - staff costs	19	(884,176)	(769,908)
- other		(824,553)	(726,282)
		(1,708,729)	(1,496,190)
Impairment loss on financial assets	20	(254,299)	-
		(1,963,028)	(1,496,190)
Share of profits of associated companies		95,016	486,585*
Profit before income tax	21	1,526,459	1,844,422
Income tax	22	(427,856)	(253,992)*
Profit for the year		1,098,603	1,590,430
Attributable to:			
Equity holders of the parent		1,100,929	1,593,251
Minority interest		(2,326)	(2,821)
Profit for the year		1,098,603	1,590,430
Earnings per stock unit	23	$ 0.75	1.09

* Restated (see note 24).

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2007

Company

	Share capital (note 15) ($'000)	Share premium ($'000)	Investment revaluation reserve ($'000)	Cumulative translation reserve ($'000)	Retained profits ($'000)	Total ($'000)
Balances at March 31, 2005:						
As previously reported	365,847	13,775	403,818	192,427	4,227,771	5,203,638
Prior year adjustment (note 24)	-	-	472,116	-	(46,994)	425,122
As restated	365,847	13,775	875,934	192,427	4,180,777	5,628,760
Change in fair value of available-for-sale securities, net of taxes	-	-	82,209	-	-	82,209*
Foreign exchange translation differences	-	-	-	66,651	-	66,651*
Restated profit for the year ended March 31, 2006	-	-	-	-	1,618,151	1,618,151
Dividends paid (see note 25)	-	-	-	-	(292,678)	(292,678)
Balances at March 31, 2006	365,847	13,775	958,143	259,078	5,506,250	7,103,093
Balances at March 31, 2006						
As previously reported	365,847	13,775	884,890	259,078	5,630,342	7,153,932
Prior year adjustment (note 24)	-	-	73,253	-	(124,092)	(50,839)
As restated	365,847	13,775	958,143	259,078	5,506,250	7,103,093
Change in fair value of available-for-sale securities, net of taxes	-	-	(766,433)	-	-	(766,433)*
Foreign exchange translation differences	-	-	-	(30,567)	-	(30,567)*
Profit for the year ended March 31, 2007	-	-	-	-	1,148,794	1,148,794*
Dividends paid (see note 25)	-	-	-	-	(307,311)	(307,311)
Balances at March 31, 2007	365,847	13,775	191,710	228,511	6,347,733	7,147,576

* Total recognised gains and losses: Company $351,794,000 (2006: $1,767,011,000)
The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2007

	Share capital (note 15) ($'000)	Share premium ($'000)	Investment revaluation reserve ($'000)	Cumulative translation reserve ($'000)	Retained profits ($'000)	Total attributable to equity holders of the parent ($'000)	Minority interest ($'000)	Total ($'000)
Group								
Balances at March 31, 2005:								
As previously reported	365,847	13,775	403,818	192,427	4,311,022	5,286,889	7,501	5,294,390
Prior year adjustment [note 24(a)]	-	-	472,116	-	(46,994)	425,122	-	425,122
As restated	365,847	13,775	875,934	192,427	4,264,028	5,712,011	7,501	5,719,512
Change in fair value of available-for-sale securities, net of taxes	-	-	94,175	-	-	94,175	-	94,175*
Restated profit for the year ended March 31, 2006	-	-	-	-	1,593,251	1,593,251	(2,821)	1,590,430*
Foreign exchange translation differences	-	-	-	87,010	-	87,010	-	87,010*
Dividends paid (see note 25)	-	-	-	-	(292,678)	(292,678)	-	(292,678)
Balances at March 31, 2006	365,847	13,775	970,109	279,437	5,564,601	7,193,769	4,680	7,198,449
Balances at March 31, 2006:								
As previously reported	365,847	13,775	896,856	279,437	5,688,693	7,244,608	4,680	7,249,288
Prior year adjustment [note 24(a)]	-	-	73,253	-	(124,092)	(50,839)	-	(50,839)
As restated	365,847	13,775	970,109	279,437	5,564,601	7,193,769	4,680	7,198,449
Change in fair value of available-for-sale securities, net of taxes	-	-	(775,737)	-	-	(775,737)	-	(775,737)*
Profit for the year ended March 31, 2007	-	-	-	-	1,100,929	1,100,929	(2,326)	1,098,603*
Foreign exchange translation differences	-	-	-	(44,754)	-	(44,754)	-	(44,754)*
Dividends paid (see note 25)	-	-	-	-	(307,311)	(307,311)	-	(307,311)
Balances at March 31, 2007	365,847	13,775	194,372	234,683	6,358,219	7,166,896	2,354	7,169,250

* Total recognised gains: Group $278,112,000 (2006: $1,771,615,000)
The accompanying notes form an integral part of the financial statements.

STATEMENT OF COMPANY CASH FLOWS
Year ended March 31, 2007

	Notes	2007 ($'000)	2006 ($'000)
Cash flows from operating activities			
Profit for the year		1,148,794	1,618,151*
Adjustments for:			
Amortisation	13	39,563	21,871
Depreciation	14	74,835	44,499
Share of profits retained in associated companies		(88,209)	(445,448)*
Loss on disposal of property, plant and equipment		70	772
Foreign currency		(3,171,376)	447,351
Amortisation of bond premium		111,471	21,539
Unrealised gain on trading securities		(44,037)	(10,214)
Increase in provision for bad debts		1,231	5,923
Interest income		(8,534,845)	(8,202,075)
Interest expense		7,031,251	6,237,616
Income tax provision	22	428,516	283,946*
Impairment of financial asset		254,299	-
		(2,748,437)	23,931
Cash flows from operating assets and liabilities:			
Income tax recoverable, net		(240,596)	(354,047)
Notes receivable		(550,300)	(1,187,283)
Other receivables		(84,993)	(158,819)
Accounts payable		168,767	(101,498)
Resale agreements		5,130,742	237,494
Repurchase agreements		5,287,390	12,853,555
		6,962,573	11,313,333
Interest received		9,056,215	8,205,640
Interest paid		(7,101,245)	(6,132,548)
Net cash generated from operating activities		8,917,543	13,386,425
Cash flows from investing activities			
Increase in investments, net		(9,619,455)	(13,057,273)
Interest in associated companies		(526,916)	(76,558)
Additions to computer software	13	(35,532)	(49,166)
Purchase of property, plant and equipment	14	(147,635)	(279,651)
Proceeds of disposal of property, plant and equipment		9,471	4,877
Net cash used in investing activities		(10,320,067)	(13,457,771)
Cash flows from financing activities			
Notes payable		414,497	455,875
Loans payable		109,646	(44,936)
Dividends paid	25	(307,311)	(292,678)
Net cash generated from financing activities		216,832	118,261
Net (decrease)/increase cash and cash equivalents		(1,185,692)	46,915
Cash and cash equivalents at beginning of the year		847,082	597,482
Effect of exchange rate fluctuations on cash and cash equivalents		1,571,438	202,685
Cash and cash equivalents at end of period	4	**1,232,828**	**847,082**

* Restated (see note 24)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF GROUP CASH FLOWS
Year ended March 31, 2007

	Notes	2007 ($'000)	2006 ($'000)
Cash flows from operating activities			
Profit for the year		1,098,603	1,590,430*
Adjustments for:			
Amortisation	13	43,986	26,633
Depreciation	14	76,398	46,031
Share of profits retained in associated companies		(95,016)	(486,585)*
Loss on disposal of property, plant and equipment		70	772
Foreign currency		(3,171,419)	447,351
Amortisation of bond premium		117,787	21,539
Unrealised gain on trading securities		(88,461)	(83,396)
Increase in provision for bad debts		1,231	5,923
Interest income		(8,578,091)	(8,188,358)
Interest expense		7,009,344	6,218,120
Income tax expense	22	427,856	253,992*
Impairment loss on financial assets		254,299	-
		(2,903,413)	(147,548)
Cash flows from operating assets and liabilities:			
Income tax recoverable, net		(243,468)	(354,553)
Notes receivable		(703,141)	(1,167,283)
Other receivables		(19,693)	(133,365)
Accounts payable		175,880	(126,243)
Resale agreements		5,419,304	237,494
Repurchase agreements		6,510,108	12,853,555
		8,235,577	11,162,057
Interest received		9,085,286	8,191,921
Interest paid		(7,079,338)	(6,113,052)
Income tax paid		-	(31,378)
Net cash generated from operating activities		10,241,525	13,209,548
Cash flows from investing activities			
Increase in investments, net		(11,487,871)	(12,941,596)
Additions to computer software	13	(36,771)	(51,562)
Purchase of property, plant and equipment	14	(157,981)	(279,710)
Proceeds of disposal of property, plant and equipment		11,511	4,877
Net cash used in investing activities		(11,671,112)	(13,267,991)
Cash flows from financing activities			
Notes payable		547,338	455,875
Loan payable		110,324	(44,936)
Dividends paid		(307,311)	(292,678)
Net cash generated from financing activities		350,351	118,261
Net (decrease)/increase in cash and cash equivalents		(1,079,236)	59,818
Cash and cash equivalents at beginning of the year		876,674	614,173
Effect of exchange rate fluctuation on cash and cash equivalents		1,571,440	202,683
Cash and cash equivalents at end of period	4	1,368,878	876,674

* Restated (see note 24)

The accompanying notes form an integral part of the financial statements.

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 four associated companies, 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 foreign exchange cambios and managing funds on behalf of clients. Information on the subsidiaries and the associated companies is set out below:

Name of subsidiary or associated company	% Shareholding held by Parent	% Shareholding held by Subsidiary	Country of incorporation	Principal activities
JMMB Securities Limited	95		Jamaica	Stock brokering
JMMB Insurance Brokers Limited	100		Jamaica	Insurance brokering
Jamaica Money Market Brokers (Trinidad & 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 wholly owned subsidiary:	100		St. Lucia	Investment holding and management
JMMB Dominicana, SA		100	Dominican Republic	Investment holding and management
Caribbean Money Market Brokers Limited*	45		Trinidad and Tobago	Brokering, dealing in securities and money market instruments, and managing funds on behalf of clients.
CMMB Securities Limited*	45		Trinidad and Tobago	Stockbrokering
Caribbean Money Market Brokers (Barbados) Limited*	50		Barbados	Brokering, dealing in securities and money market instruments, and managing funds on behalf of clients.

* Associated companies

2. Basis of preparation

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the relevant provisions of the Companies Act ("the Act").

2. Basis of preparation (cont'd)

(b) Basis of measurement:

The financial statements are presented on the historical cost basis, except for investments classified as fair value through profit or loss and available-for-sale, which are carried at fair value.

(c) Functional and presentation currency:

The financial statements are presented in Jamaica dollars ($), which is the functional currency of the company, and are stated in thousands, unless otherwise stated. The financial statements of other entities included in the consolidated financial statements that have different functional currencies are translated in the manner set out in note 3(e).

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS and the Act requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the year then ended. Actual amounts could differ from these estimates. The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, the significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements, or which have a risk of material adjustment in the next year are as follows:

(i) Key sources of estimation uncertainty

- Allowance for losses

  In determining amounts recorded for allowance for losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from notes receivable and other financial assets, for example, repayment default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired financial assets, including the net realisable value of underlying collateral, as well as the timing of such cash flows.

2. Basis of preparation (cont'd)

(d) Use of estimates and judgements (cont'd)

(i) Key sources of estimation uncertainty (cont'd)

- Fair value of financial instruments

  In the absence of quoted market prices, the fair value of a significant proportion of the group's financial instruments was determined using a generally accepted alternative method. Considerable judgement is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amounts reflected in the financial statements.

(ii) Critical accounting judgements in applying the group's accounting policies

The group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

- In classifying financial assets or liabilities as "trading", the group has determined it meets the description of trading assets and liabilities set out in accounting policy 3(b)(ii)(2).
- In designating financial assets or liabilities at fair value through profit or loss, the group has determined that it has met one of the criteria for this designation set out in accounting policy 3(b)(ii)(2).
- In classifying financial assets as held-to-maturity security, the group has determined that it has both the positive intention and ability to hold the assets until their maturity date as required by accounting policy 3(b)(ii)(2) [but see also note 8(c)].

3. Significant accounting policies

(a) Basis of consolidation:

The consolidated financial statements combine the financial position, results of operations and cash flows of the company and its subsidiaries (note 1), and the group's interest in its associated companies, subject to the eliminations described at 3(a)(iii).

(i) Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable, or exercisable after conversion of convertible instruments, are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd):

(ii) Associates

Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the group's share of the total recognised gains and losses of associates on the equity basis, from the date that significant influence commences until the date that significant influence ceases. When the group's share of losses exceeds its interest in an associate, the group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of an associate.

(iii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses and income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment of the group's interest.

(b) Financial instruments:

(i) General

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

For the purposes of the financial statements, financial assets have been determined to include cash and cash equivalents, notes receivable, other receivables, resale agreements and investments. Financial liabilities comprise accounts payable, repurchase agreements, notes payable and loan payable. Information relating to fair values and financial instrument risks is summarized below.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the group's contractual rights to the cash flows from the financial assets expire or if the group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the group's obligations specified in the contract expire or are discharged or cancelled.

3. Significant accounting policies (cont'd)

(b) Financial instruments (cont'd):

(i) General (cont'd)

Fair values:

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Where quoted market prices are not available, the fair values of these instruments have been determined using a generally accepted alternative method. However, considerable judgement is required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented below are not necessarily indicative of the amounts that the group would receive on realisation of its financial assets or pay to settle its financial liabilities.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value.

Financial instrument	Method
Cash and cash equivalents, notes receivable, other receivables, resale agreements, accounts payable, and repurchase agreements	Considered to approximate their carrying values, due to their short-term nature.
Quoted equities	Quoted market bid prices.
Units in unit trusts	Prices quoted by unit trust managers
Non-Jamaican sovereign bonds and corporate bonds	Estimated using mid-prices published by major overseas brokers.
Government of Jamaica securities and Bank of Jamaica certificates of deposit:	
- Traded overseas	Estimated using mid-prices published by major overseas brokers.
- Other	Estimated by discounting future cash flows using balance sheet date yields of similar instruments.
Interest in money market fund	Considered to be the carrying value because of the short-term nature and variable interest rate.
Notes and loan payable	Considered to be carrying value as the coupon rate approximates the market rate.

3. Significant accounting policies (cont'd)

(b) Financial instruments (cont'd):

(ii) Specific instruments

(1) Cash and cash equivalents:

Cash comprises cash in hand, demand and call deposits with banks and very short-term balances with other broker/dealers. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(2) Investments:

Held-to-maturity investments

If the group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets

The group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses [see note3(h)], and foreign exchange gains and losses on available-for-sale monetary items [see note 3(e)], are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Investments at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is 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.

3. Significant accounting policies (cont'd)

(b) Financial instruments (cont'd):

(ii) Specific instruments (cont'd)

(2) Investments (cont'd):

Loans and receivables (cont'd)

Loans and receivables are measured at amortised cost using the effective interest method, except when the group chooses to designate the loans and receivables as at fair value through profit or loss.

(3) Resale 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.

(4) Other receivables:

Other receivables are stated at amortised cost less impairment provisions.

(5) Accounts payable:

Accounts payable are stated at their amortised cost.

(c) Property, plant and equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part flow to the company and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the income statement.

3. Significant accounting policies (cont'd)

(c) Property, plant and equipment (cont'd):

Property, plant and equipment, with the exception of freehold land, on which no depreciation is provided, are depreciated on the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. The depreciation rates are as follows:

Freehold buildings	2½%
Leasehold improvements	The shorter of the estimated useful life and the period of the lease
Motor vehicles	20%
Computer equipment	25%
Other equipment, furniture and fittings	10%

The depreciation method, useful lives and residual values are reassessed at each reporting date.

(d) Computer software:

Computer software is carried at cost less accumulated amortisation and impairment losses. Amortisation is charged on the straight-line basis over the useful lives of the assets at a rate of 25% per annum.

(e) Foreign currency:

(i) Transactions in foreign currencies are translated to the respective functional currencies of the group at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated to the functional currency at the foreign exchange rates ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Exchange differences arising on settlement of monetary items or on reporting the group's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or expense in the period in which they arise. Non-monetary assets and liabilities that are denominated in foreign currencies and are carried at historical cost are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities that are denominated in foreign currencies and are carried at fair value are translated to the functional currency at the foreign exchange rates ruling at the dates that the fair values were determined. Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of available-for-sale equity instruments.

Exchange differences arising on a monetary item that, in substance, forms a part of the company's net investment in a foreign entity is included in equity in these financial statements until the disposal of the net investment, at which time they are recognised as income or expense.

3. Significant accounting policies (cont'd)

(e) Foreign currency (cont'd):

(ii) The assets and liabilities of foreign operations, all of which are "foreign entities", as defined, are translated into Jamaica dollars for the purpose of inclusion in these financial statements as follows:

(1) all assets and liabilities at the rate ruling at the balance sheet date;

(2) all income and expense items at the exchange rate ruling at the dates of the transactions;

(3) the resulting exchange differences are included in equity until the disposal of the investment.

(f) Interest-bearing borrowings:

Interest-bearing borrowings [other than repos, which are described in note 3(b)(ii)(3)] are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption being recognised in the income statement over the period of the borrowings on an effective interest basis.

(g) Taxation:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

(i) Current income tax

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to income tax payable in respect of previous years.

(ii) Deferred income tax

Deferred income tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. Significant accounting policies (cont'd)

(h) Impairment:

The carrying amounts of the group's assets, except for deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value less any impairment loss on that financial asset previously recognised in profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of the group's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of a receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss, but through equity. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. Significant accounting policies (cont'd)

(i) Interest income and expense:

Interest income and expense are recorded on the accrual basis. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis. When financial assets become doubtful of collection, they are written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount, which is the original effective interest rate of the instrument calculated at the acquisition or origination date.

(j) Allowance for losses:

The allowance for losses is maintained at a level considered adequate to provide for probable losses. The provision is increased by amounts charged to earnings and reduced by net charge-offs. The level of allowance is based on management's evaluation of the portfolio, which takes into account prevailing and anticipated business and economic conditions and the fair value of securities held. See also note 3 (h).

(k) Membership share:

Membership share is stated at cost less impairment provisions.

(l) Employee benefits:

Employee benefits are all forms of consideration given by the group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, vacation leave; non-monetary benefits such as medical care; post-employments benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave. Post-employment benefits are accounted for as described below. Other long-term benefits are not considered material and are charged off when incurred.

Pensions are the group's only post-employment benefit. Pension scheme costs included in the group income statement represent contributions to the defined-contribution scheme which the group operates to provide retirement pensions for the group's employees (note 28). Contributions to the scheme, made on the basis provided for in the rules, are accrued and charged off when due.

3. Significant accounting policies (cont'd)

(m) Operating leases:

Payments made under operating leases are recognised in the income statement on the straight line basis over the terms of the leases.

(n) Segment reporting:

A segment is a distinguishable component of the group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. At this time there are no material segments into which the group's business may be broken down.

4. Cash and cash equivalents

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
Cash	969,754	840,833	1,029,473	841,079
Cash equivalents	263,074	6,249	339,405	35,595
	1,232,828	847,082	1,368,878	876,674

Cash equivalents of the company and group include $5,629,464 (2006: $5,307,266) deposited at an interest rate of 12% (2006: 12%) under an agreement with a building society which co-ordinates and administers a home ownership assistance programme on behalf of the group for its employees.

5. Notes receivable

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
J$ promissory notes [0% - 14.9% (2006: 0% - 19.50%)]	1,369,124	1,052,563	1,369,124	1,032,563
US$ promissory notes and debentures (4.24% - 10.99%) US$15,988,892 [2006: (4.24% - 10.47%) US$7,937,241]	1,081,009	820,706	1,213,863	820,706
GBP Promissory notes and debentures (4.60%) £81,161 [2006: £Nil]	10,637	-	10,637	-
	2,460,770	1,873,269	2,593,624	1,853,269
Maturing as follows:				
- Up to 12 months after the balance sheet date	2,460,770	788,332	2,593,624	768,332
- More than twelve months after the balance sheet date	-	1,084,937	-	1,084,937
	2,460,770	1,873,269	2,593,624	1,853,269

Certain notes receivable are pledged as security for certain repurchase agreements (note 16). Notes receivable include an interest-free revolving advance of $216,000,000 (2006: $216,000,000) to the trustees of the group's Employee Share Ownership Plan ("ESOP"), the repayment date for which has not yet been fixed [see also note 6 (a)(ii)].

6. Other receivables

(a) Other receivables of the company and the group:

(i) are shown after a provision for doubtful debts of $18,288,487 (2006: $19,519,038); and

(ii) include the balance of $30,120,540 (2006: $25,149,287) on an interest-free loan to the group's ESOP. The date for repayment of the loan has not yet been fixed. The number of shares held by the ESOP at March 31, 2007 was 161,696,460 (2006: 177,699,605).

(b) Other receivables of the group include $12,356,291 (2006: $5,099,158) due to a subsidiary, JMMB Securities Limited, by JMMB Select Index Fund Ltd.

7. Resale agreements

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
Denominated in Jamaican dollars	2,499,097	2,364,352	2,524,473	2,364,352
Denominated in United States dollars [US$28.1 million (2006: US$107 million)]	1,905,705	6,996,738	1,591,767	6,996,738
Denominated in Pounds Sterling [£Nil (2006: £141,042)]	-	15,859	-	15,859
	4,404,802	9,376,949	4,116,240	9,376,949

Resale agreements include balances with related parties as set out in note 26. All resale agreements mature within twelve months after the balance sheet date

The securities that the group obtains as collateral under resale agreements may be used as collateral under repurchase agreements. Certain of these securities and interest accrued thereon are pledged as security for repurchase agreements (note 16).

At the balance sheet date, the fair value of the securities obtained and held by the company under resale agreements was $4,534,494,000 (2006: $11,296,876,649).

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8. Investments

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
Loans and receivables				
Certificates of deposit	12,190,807	14,474,576	12,272,459	14,474,576
Corporate bonds - other	-	119,886	-	119,886
	12,190,807	14,594,462	12,272,459	14,594,462
Available-for-sale securities				
Government of Jamaica securities:				
Local registered stock	22,158,124	15,127,301	22,158,124	15,127,301
Notes and debentures	9,200,729	10,187,936	9,200,729	10,187,936
Eurobonds	14,827,350	1,826,755	15,829,598	1,826,755
Corporate bonds:				
- US Government Agencies	2,810,925	191,138	2,810,925	191,138
- Other	6,935,355	3,015,207	7,676,557	3,015,207
Sovereign bonds	3,543,129	1,811,276	3,706,282	1,811,276
Quoted equities	189,420	197,360	189,420	197,360
Unquoted equities	140,000	-	140,000	-
Units in unit trusts	11,675	30,578	11,675	30,578
Money Market Fund	77,728	162,847	77,728	162,847
	59,894,435	32,550,398	61,801,040	32,550,398
Fair value through profit or loss				
Government of Jamaica securities:				
Local registered stocks	363,528	270,860	363,528	270,860
Notes and debentures	1,382,115	1,556,664	1,382,115	1,556,664
Eurobonds	331,133	321,192	331,133	321,192
Corporate bonds - other	49,558	3,265	49,558	3,265
Sovereign bonds	5,848	5,922	5,848	5,922
Quoted equities	77,399	10,313	156,473	201,280
	2,209,581	2,168,216	2,288,655	2,359,183
Held to maturity [note (c) below]				
Government of Jamaica securities:				
Eurobonds	-	4,961,758	-	4,961,758
Corporate Bonds				
- US Government Agencies	-	5,736,781	-	5,736,781
- other	-	3,083,038	-	3,083,038
	-	13,781,577	-	13,781,577
	74,294,823	63,094,653	76,362,152	63,285,620

8. Investments (cont'd)

Investments mature, from the balance sheet date, as follows:

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
Government of Jamaica securities:				
Within 3 months	673,232	430,148	673,232	430,148
From 3 months to 1 year	2,414,264	3,534,148	2,414,264	3,534,148
From 1 year to 5 years	17,479,201	15,237,424	17,479,201	15,237,424
Over 5 years	27,696,281	15,050,746	27,696,281	15,050,746
	48,262,978	34,252,466	48,262,978	34,252,466
Certificates of deposit				
Within 3 months	5,226,702	11,025,008	5,226,702	11,025,008
From 3 months to 1 year	6,964,105	3,449,568	7,045,757	3,449,568
	12,190,807	14,474,576	12,272,459	14,474,576
Sovereign bonds and corporate bonds:				
From 3 months to 1 year	-	84,444	-	84,444
From 1 year to 5 years	3,083,532	2,653,177	3,083,532	2,653,177
Over 5 years	10,261,283	11,228,892	12,167,886	11,228,892
	13,344,815	13,966,513	15,251,418	13,966,513
Other [see (d) below]	496,223	401,098	575,297	592,065
	74,294,823	63,094,653	76,362,152	63,285,620

(a) Government of Jamaica securities and certain other bonds are pledged as security for repurchase agreements (note 16) and loan payable [note 18(i)].

(b) Government of Jamaica securities having an aggregate face value of $211 million (2006: $207 million) have been pledged as collateral against possible overdrafts at the Central Bank and against uncleared effects at one of the company's bankers.

(c) During the year, certain investments classified as held-to-maturity were sold. As a result, the remaining investments in this category, having at that date a carrying amount of approximately $6.4 billion, were reclassified as available-for-sale and re-measured at fair value. The difference between the carrying amount and the fair value is reflected in the investment revaluation reserve. The held-to-maturity classification may not be used for the next two financial years – i.e., years ending March 31, 2008 and 2009.

(d) "Other" includes quoted equities, units in unit trusts and interest in pooled money market fund for which there are no fixed maturity dates.

9. Membership share

This represents one qualifying share held in the Jamaica Stock Exchange Limited ("JSE"), at cost. The qualifying share entitles JMMB Securities Limited to operate as a broker/dealer and be a member of the Council of the JSE. Under the JSE's constitution, its members are not entitled to dividends from JSE, and are not entitled to its residual assets or the assets of the Compensation Fund, upon a winding up or liquidation, as the assets would be required to be used for development of the securities market in Jamaica.

10. Interest in subsidiaries

	Company 2007 ($'000)	Company 2006 ($'000)
JMMB Securities Limited		
Shares, at cost - equity	10,000	10,000
- preference	69,000	69,000
Subordinated loan	8,000	8,000
	87,000	87,000
JMMB Insurance Brokers Limited		
Shares, at cost - equity	50,000	37,000
Subordinated loan	-	283
	50,000	37,283
Jamaica Money Market Brokers (Trinidad & Tobago) Limited		
Shares, at cost - equity	- *	- *
Loan	336,765	322,566
JMMB International Limited		
Shares, at cost - equity	500,000	-
Total	973,765	446,849

* Actual amount is J$1; it is shown as nil due to rounding.

11. Interest in associated companies

	Company 2007 ($'000)	Company 2006 ($'000)	Group 2007 ($'000)	Group 2006 ($'000)
Shares, at cost	112,303	51,167	418,095	356,959
Share of post-acquisition profits	1,441,374	1,402,060	1,504,271	1,443,197
Share of investment revaluation reserve	(686,049)	404,550	(691,091)	416,516
Cumulative translation reserve	228,511	259,078	257,687	279,437
	1,096,139	2,116,855	1,488,962	2,496,109

11. Interest in associated companies (cont'd)

Summary financial information on associated companies:

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
Assets	80,234,761	90,161,178	89,432,952	96,310,321
Liabilities	77,830,600	85,646,912	86,238,628	91,113,564
Revenue	6,010,708	5,895,929	6,824,598	6,455,429
Profit	149,536	874,622	245,321	908,876

12. Deferred tax asset/(liability)

(a) Deferred tax assets/(liabilities) are attributable to the following:

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
Interest receivable	(478,323)	(629,302)	(480,076)	(630,242)
Investments	(367,669)	(282,078)	(382,143)	(257,684)
Property, plant and equipment	(31,086)	(38,514)	(32,189)	(39,848)
Accounts payable	10,237	8,867	10,395	8,867
Interest payable	397,380	416,297	397,380	416,715
Tax value of loss carry-forward	-	227,770	42,215	229,615
Net deferred tax liabilities	(469,461)	(296,960)	(444,418)	(272,577)

Comprised of the following:

	2007	2006
Deferred tax liability in the company	(469,461)	(296,960)
Deferred tax asset in subsidiary	25,043	24,383
Net deferred tax liability of the group	(444,418)	(272,577)

(b) Movement in temporary differences during the period:

Company

	Balance at 01. 04. 06 ($'000)	Recognised in income [note 22(a)] ($'000)	Recognised in equity ($'000)	Balance at 31. 03. 07 ($'000)
Interest receivable	(629,302)	150,979	-	(478,323)
Investments	(282,078)	54,909	(140,500)	(367,669)
Property, plant and equipment	(38,514)	7,428	-	(31,086)
Interest payable	416,297	(18,917)	-	397,380
Accounts payable	8,867	1,370	-	10,237
Tax value of loss carry-forward	227,770	(227,770)	-	-
Net deferred tax liabilities	(296,960)	(32,001)	(140,500)	(469,461)

12. Deferred tax asset/(liability) (cont'd)

(b) Movement in temporary differences during the period:

Group

	Balance at 01. 04. 06 ($'000)	Recognised in income [note 22(a)] ($'000)	Recognised in equity ($'000)	Balance at 31. 03 07 ($'000)
Interest receivable	(630,242)	150,166	-	(480,076
Investments	(257,684)	16,041	(140,500)	(382,143)
Property, plant and equipment	(39,848)	7,659	-	(32,189)
Interest payable	416,715	(19,335)	-	397,380
Accounts payable	8,867	1,528	-	10,395
Tax value of loss carry-forward	229,615	(187,400)	-	42,215
Net deferred tax liabilities	(272,577)	(31,341)	(140,500)	(444,418)

13. Computer software

	Company ($'000)	Group ($'000)
Cost:		
March 31, 2005	187,056	209,222
Additions	49,166	51,562
March 31, 2006	236,222	260,784
Additions	35,532	36,771
March 31, 2007	271,754	297,555
Amortisation:		
March 31, 2005	113,984	125,877
Charge for the year	21,871	26,633
March 31, 2006	135,855	152,510
Charge for the year	39,563	43,986
Transfer (note 14)	13,573	13,573
March 31, 2007	188,991	210,069
Net book values:		
March 31, 2007	82,763	87,486
March 31, 2006	100,367	108,274
March 31, 2005	73,072	83,345

14. Property, plant and equipment

Company

	Freehold land and buildings ($'000)	Leasehold improvements ($'000)	Motor vehicles ($'000)	Computer equipment ($'000)	Other equipment, furniture and fittings ($'000)	Total ($'000)
Cost:						
March 31, 2005	204,914	34,830	82,900	107,432	103,342	533,418
Additions	182,193	17,118	8,916	25,607	45,817	279,651
Disposals	-	-	(9,750)	(436)	-	(10,186)
March 31, 2006	387,107	51,948	82,066	132,603	149,159	802,883
Additions	84,464	15,351	2,964	28,588	16,268	147,635
Disposals	-	(2,797)	(14,641)	(2,718)	(132)	(20,288)
March 31, 2007	471,571	64,502	70,389	158,473	165,295	930,230
Depreciation:						
March 31, 2005	10,969	20,824	28,734	95,372	35,615	191,514
Charge for the year	3,250	824	18,081	11,265	11,079	44,499
Eliminated on disposals	-	-	(4,415)	(122)	-	(4,537)
March 31, 2006	14,219	21,648	42,400	106,515	46,694	231,476
Charge for the year	5,570	18,640	13,854	20,403	16,368	74,835
Eliminated on disposals	-	-	(10,575)	(172)	-	(10,747)
Transfer (note 13)	-	-	-	(13,573)	-	(13,573)
March 31, 2007	19,789	40,288	45,679	113,173	63,062	281,991
Net book values:						
March 31, 2007	451,782	24,214	24,710	45,300	102,233	648,239
March 31, 2006	372,888	30,300	39,666	26,088	102,465	571,407
March 31, 2005	193,945	14,006	54,166	12,060	67,727	341,904

14. Property, plant and equipment (cont'd)

Group

	Freehold land and buildings ($'000)	Leasehold improvements ($'000)	Motor vehicles ($'000)	Computer equipment ($'000)	Other equipment, furniture and fittings ($'000)	Total ($'000)
Cost:						
March 31, 2005	204,914	34,830	88,734	108,521	105,541	542,540
Additions	182,193	17,118	8,916	25,607	45,876	279,710
Disposals	-	-	(9,750)	(435)	-	(10,185)
March 31, 2006	387,107	51,948	87,900	133,693	151,417	812,065
Additions	84,464	19,745	5,344	30,336	18,092	157,981
Disposals	-	(2,797)	(18,241)	(2,718)	(132)	(23,888)
March 31, 2007	471,571	68,896	75,003	161,311	169,377	946,158
Depreciation						
March 31, 2005	10,969	20,824	29,885	96,099	35,915	193,692
Charge for the year	3,250	824	19,248	11,422	11,287	46,031
Eliminated on disposals	-	-	(4,415)	(122)	-	(4,537)
March 31, 2006	14,219	21,648	44,718	107,399	47,202	235,186
Charge for the year	5,569	18,640	14,881	20,681	16,627	76,398
Eliminated on disposals	-	-	(12,135)	(172)	-	(12,307)
Transfer (note 13)	-	-	-	(13,573)	-	(13,573)
March 31, 2007	19,788	40,288	47,464	114,335	63,829	285,704
Net book values:						
March 31, 2007	451,783	28,608	27,539	46,976	105,548	660,454
March 31, 2006	372,888	30,300	43,182	26,294	104,215	576,879
March 31, 2005	193,945	14,006	58,849	12,422	69,626	348,848

(i) Freehold land and buildings of the company and the group include land at a cost of approximately $168,870,128 (2006: $157,319,975).

(ii) Certain properties of the company and group are pledged as collateral for loans [see note 18(ii)(iii)].

15. Share capital

	2007	2006 ($'000)
Authorised:		
1,466,400,000 (2006: 1,466,400,000) ordinary stock units of no par value (2006: $0.25 each)		366,600

	2007 ($'000)	2006 ($'000)
Issued and fully paid:		
1,463,386,752 (2006: 1,463,386,752) ordinary stock units	365,847	365,847

15. Share capital (cont'd)

The Companies Act 2004, which became effective on February 1, 2005, (the new Act) provides that all shares in issue have no par or nominal value, unless the company, by ordinary resolution, had elected, by July 31, 2005, to retain its shares with a par value for a period of eighteen months from the date of the election. The company, on July 28, 2005, elected to retain its existing shares at a par value of $0.25 each. With the expiration of the eighteen-month period, the shares now have no par value.

16. Repurchase agreements

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
Denominated in Jamaican dollars	40,034,667	38,802,487	40,034,667	38,802,487
Denominated in United States dollars [US$514 million (2006: US$466.9 million)]	34,525,674	30,532,224	35,748,432	30,532,224
Denominated in Pounds Sterling [£11.7 million (2006: £12.7 million)]	1,540,591	1,426,547	1,540,591	1,426,547
Denominated in Euro [€324,450]	29,369	-	29,369	-
	76,130,301	70,761,258	77,353,059	70,761,258

Repurchase agreements are collateralised by certain securities and other instruments held by the company and the group, with a carrying value of $82,840,914,000 (2006: $73,396,000,000) (notes 5, 7 and 8).

Repurchase agreements include balances with related parties as set out in note 26.

17. Notes payable

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
(i) 8.25% US$12,500,000 promissory note	878,930	817,250	878,930	817,250
(ii) 8.25% US$12,000,000 promissory note	811,320	784,560	811,320	784,560
(iii) 8.25% US$5,500,000 promissory note	338,050	359,590	338,050	359,590
(iv) 9.00% US$5,141,207 promissory note	347,597	-	347,597	-
(v) 8.75% US$1,965,000 commercial paper	-	-	132,854	-
	2,375,897	1,961,400	2,508,751	1,961,400

(i) This note is unsecured and the entire amount is repayable on November 19, 2009 (2006: November 19, 2009). Interest is paid semi-annually, and may be varied at the option of the promisee, in consultation with the promisor, provided that the rate does not exceed the Central Bank of Trinidad and Tobago's 90-day Treasury bill rate.

17. Notes payable (cont'd)

(ii) This note is unsecured and the entire amount is repayable on January 18, 2010 (2006: January 18, 2010). Interest is paid semi-annually and may be varied at the option of the promisee, in consultation with the promisor, provided that the rate does not exceed the Central Bank of Trinidad and Tobago's 90-day Treasury bill rate.

(iii) This note is unsecured and the entire amount is repayable on June 2, 2010. Interest is paid semi-annually and may be varied at the option of the promisee, in consultation with the promisor, provided that the rate does not exceed the Central Bank of Trinidad and Tobago's 90-day Treasury bill rate.

(iv) This note is unsecured and the entire amount is repayable on March 28, 2012. Interest is paid semi-annually. The interest rate is fixed on the issue date at LIBOR plus 365 basis points.

(v) These notes are unsecured and the entire amount is repayable on May 30, 2007. The interest rate on these instruments is fixed at 8.75%.

18. Loans payable

Loans payable for the company and the group comprise the following:

(i) US$2,348,426 (2006: US$3,288,426) on an instalment loan, the principal of which is repayable in twenty equal quarterly instalments of US$235,000. The loan bears interest at a fixed rate of 6.5% per annum. Certain GOJ securities owned by the company are pledged as collateral for this loan.

(ii) US$2,000,000 revolving line with maximum tenor of 180 days, with monthly interest payments on amounts drawn and principal to be repaid upon maturity. Interest rate is set at US 6-month libor plus 3.5% per annum, subject to quarterly rest. Certain properties owned by the company are pledged as collateral for this loan. This amount was lent to Jamaica Money Market Brokers (Trinidad & Tobago) Limited which on-lent it to the parent company.

(iii) US$453,273 amortised loan repayable at US$10,275 per month, over five years. This is secured by property owned by the company.

The amount due within twelve months of the balance sheet date is $207,110,070 (2006: $61,457,200).

19. Staff costs

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
Salaries and benefits, including profit-related pay	637,428	611,151	695,872	643,148
Statutory payroll contributions	50,635	55,010	54,651	58,335
Pension scheme contributions	17,423	14,204	18,943	15,288
Training and development	15,974	18,260	36,402	18,835
Staff welfare	68,619	31,670	78,308	34,302
	790,079	730,295	884,176	769,908

20. Impairment loss on financial assets

The impairment charge is for losses on two equity investment holdings, one quoted and the other unquoted.

21. Profit before income tax

The following are among the items charged/(credited) in arriving at profit before income tax:

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
Depreciation and amortisation	114,398	66,370	120,384	72,664
Directors' emoluments:				
Fees	10,917	9,106	28,279	12,252
Management remuneration	28,642	42,727	46,758	48,619
Auditors' remuneration - current	7,750	6,900	10,446	8,250
- prior	-	1,000	-	1,800
Bad debts, less recoveries	(798)	5,923	(798)	5,923
Gain in fair value of securities classified as 'fair value through profit or loss', estimated using a valuation technique	(68,065)	(72,655)	(68,065)	(72,655)

22. Income tax

(a) Income tax is based on the profit before taxation as adjusted for tax purposes, and is made up as follows:

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
(i) Current income tax				
Charge for the year	377,774	-	377,774	-
Share of associated companies' tax charge @ 30%	18,741	13,513	18,741	13,513
	396,515	13,513	396,515	13,513
(ii) Deferred income tax				
Origination and reversal of temporary differences	32,001	65,051	31,341	35,097
Benefit of tax losses utilised	-	205,382	-	205,382
	32,001	270,433	31,341	240,479
	428,516	283,946	427,856	253,992

22. Income tax (cont'd)

(b) Reconciliation of effective tax rate and charge:

	2007		2006	
	%	($'000)	%	($'000)
Company:				
Profit before income tax		1,577,310		1,902,097
Computed "expected" tax expense	33.33	525,770	33.33	634,032
Tax effect of treating the following items differently for financial statements than for tax reporting purposes:				
Depreciation and capital allowances	.20	3,130	1.10	20,878
Tax-free income	(14.63)	(230,770)	(16.83)	(320,125)
Disallowed expenses	8.69	137,033	2.46	46,774
Share of profits of associated companies	(1.86)	(29,403)	(7.81)	(148,483)
Adjustment to prior year estimate of tax losses	1.44	22,756	2.67	50,870
Actual tax charge	27.17	428,516	14.92	283,946

	2007		2006	
	%	($'000)	%	($'000)
Group:				
Profit before income tax		1,526,459		1,844,422
Computed "expected" tax expense	33.33	508,820	33.33	614,807
Tax effect of treating the following items differently for financial statements than for tax reporting purposes:				
Depreciation and capital allowances	0.24	3,572	1.14	20,938
Tax-free income	(17.16)	(261,890)	(17.36)	(320,125)
Disallowed expenses	8.90	135,783	1.55	28,628
Share of profits of associated companies	(1.92)	(29,259)	(8.79)	(162,196)
Adjustment to prior year estimate of tax losses	1.49	22,756	2.86	52,713
Other	3.15	48,074	1.04	19,227
Actual tax charge	28.03	427,856	13.77	253,992

(c) At the balance sheet date, taxation losses, subject to the agreement of the Commissioner of Taxpayer Audit and Assessment, available for set-off against future taxable profits, amounted to approximately $Nil (2006: $653,000,000) for the company and $126,645,771 (2006: $670,000,000) for the group.

In his April 2005 budget presentation, the Minister of Finance and Planning announced that, instead of indefinitely, the carry forward of taxation losses would be restricted to five years, with effect from January 1, 2006. Up to June 14, 2007, the date of approval of these financial statements, enabling legislation had not been passed. The amounts disclosed, therefore, do not reflect any change in the current treatment of taxation losses.

23. Earnings per stock unit

Earnings per stock unit ("EPS") is computed by dividing profit attributable to equity holders of the parent of $1,100,929,000 (2006: $1,593,251,000) by the number of stock units in issue during the period, numbering 1,463,386,752 (2006: 1,463,386,752).

24. Prior year adjustments

Certain comparative amounts were restated as a result of a change in an accounting policy of the company [note (i) below] and corrections to previously issued financial statements of certain associated companies [note (ii) below].

(a) Balance sheets

Company

	Interest in associated companies $'000	Investments $'000	Deferred tax $'000	Investment revaluation reserve $'000	Retained profits $'000
Balances as at March 31, 2005:					
As previously reported	1,273,633	48,050,824	59,875	(403,818)	(4,227,771)
Impact of reclassifying investments and measuring them at fair value [Note (i)]	142,206	557,799	(185,933)	(514,072)	-
Impact of prior year adjustments in associated companies [Note (ii)]	(88,950)	-	-	41,956	46,994
Total effect	53,256	557,799	(185,933)	(472,116)	46,994
As restated	1,326,889	48,608,623	(126,058)	(875,934)	(4,180,777)
Balances as at March 31, 2006:					
As previously reported	2,167,694	63,285,620	296,960	(884,890)	(5,630,342)
Impact of prior year adjustments in associated companies [Note (ii)]	(50,839)	-	-	(73,253)	124,092
As restated	2,116,855	63,094,653	296,960	(958,143)	(5,506,250)

Group

	Interest in associated companies $'000	Investments $'000	Deferred tax $'000	Investment revaluation reserve $'000	Retained profits $'000
Balances as at March 31, 2005:					
As previously reported	1,579,425	48,284,079	54,510	(403,818)	(4,311,022)
Impact of reclassifying investments and measuring them at fair value [Note (i)]	142,206	557,799	(185,933)	(514,072)	-
Impact of prior year adjustments in associated companies [Note (ii)]	(88,950)	-	-	41,956	46,994
Total effect	53,256	557,799	(185,933)	(472,116)	46,994
As restated	1,632,681	48,841,878	(131,423)	(875,934)	(4,264,028)
Balances as at March 31, 2006:					
As previously reported	2,546,948	63,285,620	296,960	(896,856)	(5,688,693)
Impact of prior year adjustments in associated companies [Note (ii)]	(50,839)	-	-	(73,253)	124,092
As restated	2,496,109	63,285,620	296,960	(970,109)	(5,564,601)

24. Prior year adjustments (cont'd)

(b) Income statements

	Company		Group	
	Share of profit in associated companies ($'000)	Income tax ($'000)	Share of profit in associated companies ($'000)	Income tax ($'000)
Balance as at March 31, 2006				
As previously reported	532,693	(294,093)	573,830	(264,139)
Impact of prior year Adjustment [Note (ii)]	(87,245)	10,147	(87,245)	10,147
As restated	445,448	(283,946)	486,585	(253,992)

(i) In the year ended March 31, 2005, as a result of a change in accounting policy, following adoption of amendments to IAS 39, *Financial Instruments: Recognition and Measurement*, investments previously classified as loans and receivables and measured at amortised cost, were reclassified as available-for-sale and carried at fair value. This was treated as a prior year adjustment in the year ended March 31, 2006.

(ii) The corrections to the previously issued financial statements of certain associated companies were made to (1) reverse a portion of a previously reported deferred tax asset in order to restrict it to the estimated recoverable amount, and (2) recognise in the income statement the accretion of discount and amortisation of premium that had not been originally recognised.

25. Dividends

	Company and Group	
	2007 ($'000)	2006 ($'000)
Paid:		
Final in respect of 2006 @ 9.0 cents per stock unit	131,705	-
Interim in respect of 2007 @ 12.0 cents per stock unit	175,606	-
Final in respect of 2005 @ 10.0 cents per stock unit	-	146,339
Interim in respect of 2006 @ 10.0 cents per stock unit	-	146,339
	307,311	292,678

26. Related party balances and transactions

A party is related to the company if:

(a) directly or indirectly, the party:

(i) controls, is controlled by, or is under common control with the company;

(ii) has an interest in the entity that gives it significant influence over the company, or

(iii) has joint control over the company;

(b) the party is an associate of the entity;

(c) the party is a joint venture in which the entity is a venturer

(d) the party is a member of the key management personnel of the company;

(e) the party is a close member of the family of any individual referred to in (a) or (b) above;

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (b) or (c); or

(g) the party is a post-employment benefit plan for the benefit of employees of the company, or any entity that is a related party of the company.

26. Related party balances (cont'd)

The balance sheet includes balances, arising in the normal course of business, with related parties, as follows:

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
Directors				
Notes receivable	141	3,342	141	3,342
Interest payable	(675)	(208)	(675)	(208)
Repurchase agreements	(59,865)	(104,899)	(59,865)	(104,899)
Major shareholders				
Notes receivable	373,368	220,556	373,368	220,556
Repurchase agreements	8,019	-	8,019	-
Interest payable	561	-	561	-
Subsidiaries				
Repurchase transactions	477,806	-	-	-
Notes receivable	-	20,524	-	-
Other receivables	366,654	188,658	-	-
Interest payable	1,012	-	-	-
Associated companies				
Resale agreements	202,830	3,281,643	202,830	3,281,643
Repurchase agreements	-	(107,505)	-	(107,505)
Interest receivable	11,186	8,223	11,186	8,223
Interest payable	(49,350)	(46,518)	(49,350)	(46,518)
Notes payable	(2,375,897)	(1,961,400)	1,505,525	(1,961,400)

The income statement includes the following income earned from, and expenses incurred in, transactions with related parties, in the ordinary course of business:

	Company		Group	
	2007 ($'000)	2006 ($'000)	2007 ($'000)	2006 ($'000)
Directors				
Interest income	307	-	307	-
Interest expense	5,726	149	5,726	149
Major shareholders				
Interest expense	1,258	-	1,258	20,767
Interest income	10,469	-	10,469	-
Associated companies				
Interest income	88,338	10,757	88,338	10,757
Interest expense	166,297	4,123	166,297	4,123
Consultancy fees	4,586	7,623	4,586	7,623
Key management compensation is as follows:				
Short-term employee benefits (including directors fees - see note 21)	81,699	94,018	81,699	94,018
Post-employment benefits	2,866	2,319	2,866	2,319
	84,565	96,337	84,565	96,337

27. Financial instruments

(a) Fair values:

The estimated fair values of investments and their carrying values, are as follows:

Company

	2007		2006	
	Carrying value ($'000)	Fair value ($'000)	Carrying value ($'000)	Fair value ($'000)
Government of Jamaica securities	48,262,979	48,262,479	34,252,466	35,048,676
Sovereign bonds	3,548,977	3,548,977	1,817,198	1,817,198
Corporate bonds	9,795,838	9,795,838	12,149,315	11,687,508
Quoted equities	266,819	266,819	207,673	207,673
Interest in money market fund	77,728	77,728	162,847	162,847
Units in unit trust	11,676	11,676	30,578	30,578
Certificates of deposit	12,190,807	12,190,807	14,474,576	14,474,576

Group

	2007		2006	
	Carrying value ($'000)	Fair value ($'000)	Carrying value ($'000)	Fair value ($'000)
Government of Jamaica securities	49,116,354	49,116,354	34,252,466	35,048,676
Sovereign bonds	3,712,130	3,712,130	1,817,198	1,817,198
Corporate bonds	10,515,962	10,515,962	12,149,315	11,687,508
Quoted equities	345,893	345,893	398,640	398,640
Interest in money market fund	77,728	77,728	162,847	162,847
Units in unit trusts	11,676	11,676	30,578	30,578
Certificates of deposit	12,272,459	12,272,459	14,474,576	14,474,576

The fair value of other financial assets is not materially different from their carrying values.

(b) Financial instrument risks:

Exposure to credit, interest rate, foreign currency, liquidity and market risks arises in the ordinary course of the group's operations.

(i) General approach to financial instruments risk management

The company has a risk management structure comprising the Board; the Board Risk Sub-Committee; at the senior management level, the Risk Management Committee; and specialist risk management staff. This structure aims to function so as to ensure that the Board's risk appetite and the actual business risks are in substantial alignment. The Board, through the Board Risk Sub-Committee, reviews and approves risk management policies. The Risk Management Committee oversees the implementation of policies. The specialist staff use a selection of tools and methods to monitor the company's risk exposure.

(ii) Interest rate risk

Interest rate risk arises when there is a mismatch between interest-earning assets and interest-bearing liabilities which are subject to interest rate adjustment within a specified period.

27. Financial instruments (cont'd)

(b) Financial instruments risks (cont'd):

(ii) Interest rate risk (cont'd)

The excess of short-term interest bearing liabilities over short-term interest earning assets is managed by ensuring, to the extent it is under the group's control, stability in the group's client base and investing mainly in marketable securities.

The following tables summarise the carrying amount of the balance sheet assets, liabilities and equity to arrive at the company's and group's interest rate gap, based on the earlier of contractual re-pricing and maturity dates.

Company

	Within 3 months ($'000)	More than 3 months less than 12 months ($'000)	More than 12 months ($'000)	Non-rate sensitive ($'000)	Total ($'000)
2007					
Cash and cash equivalents	1,232,828	-	-	-	1,232,828
Interest receivable	-	-	-	1,536,086	1,536,086
Income tax recoverable	-	-	-	1,008,911	1,008,911
Notes receivable	2,244,770	216,000	-	-	2,460,770
Other receivables	-	-	-	476,735	476,735
Resale agreements	4,196,779	208,023	-	-	4,404,802
Investments	5,899,934	9,378,369	58,520,297	496,223	74,294,823
Interest in subsidiaries	-	-	-	973,765	973,765
Interest in associated companies	-	-	-	1,096,139	1,096,139
Computer software	-	-	-	82,763	82,763
Property, plant and equipment	-	-	-	648,239	648,239
Total assets	13,574,311	9,802,392	58,520,297	6,318,861	88,215,861
Equity	-	-	-	7,147,576	7,147,576
Interest payable	-	-	-	1,192,258	1,192,258
Income tax payable	-	-	-	377,774	377,774
Accounts payable	-	-	-	197,951	197,951
Repurchase agreements	56,083,595	20,046,706	-	-	76,130,301
Notes payable	-	-	2,375,897	-	2,375,897
Loan payable	-	-	324,643	-	324,643
Deferred tax liability	-	-	-	469,461	469,461
Total equity and liabilities	56,083,595	20,046,706	2,700,540	9,385,020	88,215,861
Total interest rate sensitivity gap	(42,509,284)	(10,244,314)	55,819,757	3,066,159	-
Cumulative gap	(42,509,284)	(52,753,598)	3,066,159	-	-
2006					
Total assets	34,736,885	6,589,447	33,627,441	6,813,035	81,766,808
Total equity and liabilities	56,105,465	14,638,548	2,193,642	8,829,153	81,766,808
Total interest rate sensitivity gap	(21,368,580)	(8,049,101)	31,433,799	(2,016,118)	-
Cumulative gap	(21,368,580)	(29,417,681)	2,016,118	-	-

27. Financial instruments (cont'd)

(b) Financial instruments risks (cont'd):

(ii) Interest rate risk (cont'd)

Group

	Within 3 months ($'000)	3 months less than 12 months ($'000)	More than 12 months ($'000)	Non-rate sensitive ($'000)	Total ($'000)
2007					
Cash and cash equivalents	1,368,878	-	-	-	1,368,878
Interest receivable	-	-	-	1,550,261	1,550,261
Income tax recoverable	-	-	-	1,012,965	1,012,965
Notes receivable	2,244,770	348,854	-	-	2,593,624
Other receivables	-	-	-	337,892	337,892
Resale agreements	3,908,217	208,023	-	-	4,116,240
Investments	5,899,934	9,460,021	60,426,900	575,297	76,362,152
Membership share	-	-	-	15,000	15,000
Interest in associated companies	-	-	-	1,488,962	1,488,962
Deferred tax asset	-	-	-	25,043	25,043
Computer software	-	-	-	87,486	87,486
Property, plant and equipment	-	-	-	660,454	660,454
Total assets	13,421,799	10,016,898	60,426,900	5,753,360	89,618,957
Stockholders' equity	-	-	-	7,166,896	7,166,896
Minority interest	-	-	-	2,354	2,354
Interest payable	-	-	-	1,192,258	1,192,258
Income tax payable	-	-	-	377,774	377,774
Accounts payable	-	-	-	223,070	223,070
Repurchase agreements	57,043,186	20,309,873	-	-	77,353,059
Notes payable	-		2,508,751	-	2,508,751
Loan payable	-	-	325,334	-	325,334
Deferred tax liability	-	-	-	469,461	469,461
Total equity and liabilities	57,043,186	20,309,873	2,834,085	9,431,813	89,618,957
Total interest rate sensitivity gap	(43,621,387)	(10,292,975)	57,592,815	(3,678,453)	-
Cumulative gap	(43,621,387)	(53,914,362)	3,678,453	-	-
2006					
Total assets	34,746,477	6,589,447	33,627,441	6,916,805	81,880,170
Total equity and liabilities	56,105,465	14,638,548	2,193,642	8,942,515	81,880,170
Total interest rate sensitivity gap	(21,358,988)	(8,049,101)	31,433,799	(2,025,710)	-
Cumulative gap	(21,358,988)	29,408,089	2,025,710	-	-

27. Financial instruments (cont'd)

(b) Financial instruments risks (cont'd):

(ii) Interest rate risk (cont'd)

The following table shows the range of effective yields by the earlier of contractual re-pricing and maturity dates:

Company and Group

	Within 3 months (%)	More than 3 months, less than 12 months (%)	More than 12 months (%)
2007			
US$ cash and cash equivalents	0.70 – 1.50	–	–
£ cash and cash equivalents	1.00	–	–
J$ notes receivable	0.00 – 22.00	–	–
US$ notes receivable	4.28 – 10.99	–	–
J$ resale agreements	6.00 – 18.50	–	–
US$ resale agreements	5.70 – 10.00	–	–
J$ investments	11.65 – 14.78	11.80 – 15.19	12.63 – 17.00
US$ investments	0.00 – 10.01	8.75 – 12.75	3.88 – 11.75
€ investments	–	–	11.00
J$ repurchase agreements	3.00 – 19.50	4.10 – 14.75	–
US$ repurchase agreements	0.00 – 11.00	0.00 – 8.00	–
£ repurchase agreements	0.75 – 6.00	3.50 – 6.25	–
€ repurchase agreements	3.00 – 5.00	4.40 – 5.20	–
US$ loan payable	–	–	6.50
US$ notes payable	–	–	8.25 – 9.00
2006			
US$ cash and cash equivalents	0.70 – 1.50	–	–
£ cash and cash equivalents	1.00	–	–
J$ notes receivable	0.00 – 14.89	–	–
US$ notes receivable	4.24 – 10.39	8.75	–
J$ resale agreements	13.25 – 18.00	18.00	–
US$ resale agreements	0.48 – 10.00	3.10	–
£ resale agreements	8.00 – 8.50	–	–
J$ investments	12.60 – 17.00	13.10 – 24.62	13.75 – 19.50
US$ investments	0.00 – 9.01	10.75 – 11.75	3.87 – 12.75
£ investments	4.60	–	–
J$ repurchase agreements	3.00 – 16.00	10.00 – 15.25	10.00 – 13.55
US$ repurchase agreements	1.00 - 8.00	1.00 – 11.25	5.75 – 7.50
£ repurchase agreements	1.12 – 6.00	4.25 – 6.10	–
US$ loan payable	–	–	6.50

27. Financial instruments (cont'd)

(b) Financial instruments risks (cont'd):

(iii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to suffer a financial loss.

The group's financial instruments that are exposed to credit risk consist primarily of interest-bearing investments, cash and cash equivalents, resale agreements and notes receivable.

The group maintains cash and cash equivalents with major financial institutions which management believes to be strong and financially sound. The majority of the group's investments are in Government of Jamaica securities. The group holds investments in the securities of other Governments, the repayment of which is dependent on the financial stability of those countries' national economies.

The group obtains possession of collateral with a market value in excess of the principal amount loaned under resale agreements.

The group assesses, analyses and quantifies the credit risks associated with notes receivable through its internal credit rating system which assigns a credit rating to individual issuers, and determines acceptable exposure.

With the exception of investments in Government of Jamaica securities, there are no significant concentrations of credit risk.

The maximum exposure to credit risk is represented by the carrying value of financial assets in the balance sheet.

(iv) Foreign currency risk

The group is exposed to foreign currency risk on transactions that it undertakes in foreign currencies that give rise to the net currency gains and losses recognized during the year. Such exposures comprise the assets and liabilities of the group that are not denominated in its functional currency. The group ensures that the risk is kept to an acceptable level by monitoring its value at risk exposure.

At the balance sheet date, the Jamaican dollar equivalents of net foreign currency assets/(liabilities) were as follows:

	Company and Group	
	2007	2006
	($'000)	($'000)
United States dollars	3,466,742	5,432,263
Great Britain pounds	215,663	(362,622)
Euros	95,723	(390,223)
Trinidad and Tobago dollars	32,169	19,094
Barbados dollars	-	(3,496)
Canada dollars	7,328	(939)

27. Financial instruments (cont'd)

(b) Financial instruments risks (cont'd):

(v) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The market risk of the group's trading portfolio is reviewed regularly utilising Value at Risk (VaR), in addition to other quantitative and qualitative risk measures and analyses. The measures include the measurement of the portfolio's sensitivity to changes in interest rates and prices. A report summarising the VaR for the group's portfolio is submitted to the board monthly.

(vi) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at or close to its fair value. Prudent liquidity risk management requires the group to maintain sufficient cash and marketable securities, and have funding available through an adequate amount of committed facilities. The group manages this risk through (i) the maintenance of high levels of liquid investments and (ii) the forecasting and monitoring of the levels of cash investments and payouts.

28. Post-employment benefit

Pensions are the only post-employment benefits to which the group is committed. To better secure the payment of promised benefits, the company operates a defined-contribution pension scheme for the Group's employees who have satisfied certain minimum service requirements. The scheme is funded by equal contributions of employer and employee of 5% of pensionable salaries with an option for employees to contribute up to an additional 5% of pensionable salaries.

The scheme is administered by trustees and the assets are held separately from those of the group; some of the assets are included in funds being managed by the company [note 29(a)]. The scheme is subject to triennial actuarial valuations. The most recent actuarial valuation, which was conducted as at December 31, 2002, disclosed a surplus, which the trustees have decided will be allocated to the members accounts.

The contributions for the period amounted to $17,423,408 (2006: $14,203,667) for the company and $18,943,793 (2006: $15,288,211) for the group.

The pension benefit is the annuity that can be purchased by the amount standing to the credit of the member's account at the date of retirement.

29. Managed funds

(a) The company acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. This includes some of the assets of the company's pension fund (note 28). Although the company is the custodian of the securities in which the clients participate, it has no legal or equitable right or interest in these securities. Accordingly, the securities in which the clients' funds are invested have been excluded from these financial statements.

At March 31, 2007, for the company and the group, funds managed in this way amounted to $14,234,174,819 (2006: $10,801,592,391) which includes pension scheme contributions (note 28), inclusive of accrued interest, amounting to $113,143,579 (2006: $114,765,344) for the company and the group. The financial statements include the following assets held in/(liabilities payable to) the managed funds:

	Company and Group	
	2007 ($'000)	2006 ($'000)
Other receivables (net)	(59,997)	(114,520)
Investments (see note 8)	77,728	162,847
Interest payable	(16,378)	(40,639)
Repurchase agreements	(3,445,525)	(4,755,365)

(b) The company buys and/or negotiates promissory notes and debentures and then sells participations in them to investors, to whom it issues certificates of participation. The company has no legal or equitable right or interest in the securities sold but which remain in the company's custody for the purpose of collecting and distributing entitlements to beneficial holders; accordingly, they have been excluded from these financial statements.

At March 31, 2007, the face value of these certificates amounted to $222,175,852 (2006: $168,749,412) for the company and the group.

30. Lease commitments

Commitments under non-cancellable operating lease agreements, expiring between 2007 and 2010, amounted to $23,506,000 at March 31, 2007 (2006: $67,728,000). The lease rentals are payable as follows:

	Company and Group	
	2007 ($'000)	2006 ($'000)
Within one year	8,205	16,213
Subsequent years	15,301	51,515
	23,506	67,728

31. Contingent liability

As indicated in note 28, the company's business includes managing funds on behalf of clients. The Commissioner, Taxpayer Audit and Assessment Department ("TAAD"), wrote to the company in 2005 advising that consideration received for this service is subject to General Consumption Tax ("GCT"). However, in common with other licensed securities dealers providing this type of service in Jamaica, the company has not charged or paid GCT on the consideration received for this service. Counsel for the Jamaica Securities Dealers Association has written to the TAAD giving reasons why the consideration concerned is not subject to GCT. Based on the foregoing, the amount of the liability, if any, in respect of the relevant periods ended on March 31, 2007 has not yet been determined.

32. New and revised standards and interpretations effective in 2006

The following standards and interpretations became effective during the year. However, they did not result in any change in accounting policies and did not have any effect on the company's financial position or operating results.

		Effective for annual reporting periods beginning on or after:
IFRS 6	Exploration for and Evaluation of Mineral Resources	January 1, 2006
IFRIC 4	Determining whether an Arrangement Contains a Lease	January 1, 2006
IFRIC 5	Rights to Interest Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	January 1, 2006
IAS 19 Amendments	Actuarial Gains & Losses, Group Plans and Disclosures Amendments	January 1, 2006
IAS 39 Amendments	Financial Instrument Cash Flow Hedge Accounting for Amendments Forecast Intra-group Transactions	January 1, 2006
IAS 39 Amendments	Financial Guarantee Contracts Amendments	January 1, 2006

33. New and revised IFRS and interpretations that are not yet effective

At the date of authorisation of the financial statements, there were certain new standards, amendments to standards, and interpretations which were in issue but were not yet effective. These are as follows:

	Effective for annual reporting periods beginning on or after:
• *IFRS 7 Financial Instruments: Disclosures* and the *Amendments to IAS 1 Presentation of Financial Statements: Capital Disclosures* require disclosures about the significance of financial instruments for an entity's financial position and performance, and qualitative and quantitative disclosures on the nature and extent of risks. IFRS 7 and amended IAS 1, which become mandatory for the group's 2008 financial statements, will require additional disclosures with respect to financial instruments and share capital.	January 1, 2007
• *IFRS 8 Operating Segments* requires disclosures based on the components of the group that management monitors in making decisions about operating matters as well as qualitative disclosures on segments. The standard is not expected to have any impact on the financial statements as the group has no distinct reportable segments at this time	January 1, 2008
• *IFRIC 8 Scope of IFRS 2 Shared-based Payment* addresses the accounting for share based payment transactions in which some or all goods or services received cannot be specifically identified. IFRIC 8 is not considered relevant to the group and is not expected to have any impact on the financial statements.	May 1, 2006
• *IFRIC 9 Reassessment of Embedded Derivatives* requires that a reassessment of whether embedded derivative should be separated from the underlying host contract should be made only when there are changes to the contract. IFRIC 9, which becomes mandatory for the group's 2008 financial statements, is not expected to have any impact on the financial statements.	June 1, 2006
• *IFRIC 10 Interim Financial Reporting and Impairment* prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset at cost. IFRIC 10 may have an impact on the financial statements in the future.	November 1, 2006

33. New and revised IFRS and interpretations that are not yet effective (cont'd)

	Effective for annual reporting periods beginning on or after:
• *IFRIC 11 – IFRS 2 – Group and Treasury Share Transactions* addresses the classification of a share-based payment transaction (as equity or cash-settled), in the financial statements of the entity whose employees are entitled to the share-based payment, where equity instruments of the parent or another group co-operative are transferred in settlement of the obligation. IFRIC 11 is not considered relevant to the group and is not expected to have any impact on the financial statements.	March 1, 2007
• *IFRIC 12 Service Concession Arrangements* addresses the accounting requirements for public-to-private service concession arrangements in private sector entities. IFRIC 12 is not considered relevant to the group and is not expected to have any impact on the financial statements.	January 1, 2009
• *IAS 23 Borrowing Costs* removes the option of immediately recognising all borrowing costs as an expense, and requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset. IAS 23 is not expected to have any impact on the financial statements.	January 1, 2009

FORM OF PROXY

I/We ____

of ____

being a member/members of JAMAICA MONEY MARKET BROKERS LIMITED hereby

appoint ________________________________ of __________________________________

or failing him/her ____________________________of _______________________________

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the Knutsford Court Hotel, 11 Ruthven Road, Kingston 10, Jamaica on Monday, October 17, 2007 in the Blue Mountain Suite at 10:00a.m. and at any adjournment thereof.

RESOLUTIONS	FOR	AGAINST
No. 1		
No. 2		
No. 3 (a)		
No. 3 (b)		
No. 3 (c)		
No. 3 (d)		
No. 3 (e)		
No. 4		

Dated this _________________________ day of _________________________ 2007.

Place
Stamp
Here
$100

____
Signature

Notes

1. In the case of a Body corporate, this form should be executed under Seal or under the hand of an office or attorney duly authorised.

2. The Form of Proxy must be completed, impressed with stamp duty of $100 and lodged at the office of the Registrar of the Company, KPMG Regulatory & Compliance Services, The Victoria Mutual Building, 6 Duke Street, Kingston at least forty-eight hours before the time appointed for holding the meeting. The stamp duty may be paid by adhesive stamp(s), which are to be cancelled by the person executing the Proxy.

3. The Proxy need not be a Member of the Company.

4. In the absence of instructions, the Proxy may vote or abstain from voting as he thinks fit on any other matter which may properly come before the meeting.