THE JMMB GROUP LTD.

ANNUAL REPORT 2019

STRONG BONDS, **SOLID PARTNERSHIPS**


THE
JMMB
GROUP LTD.

OUR MISSION

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

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

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.

OUR PROMISE

We promise to keep your best interest at heart, and we will try to do so by listening to, understanding and caring for you and your family's unique needs, exceeding your greatest expectations by providing simple transparent solutions, oriented around you and your family's life goals.


TOGETHER
WE ARE
STRONGER
THE JAMB GROUP LTD.

THE JMMB GROUP LTD.

JMMB Bank

JMMB Investments

JMMB SECURITIES LTD
A Member of the Jamaica Stock Exchange

JMMB FUND MANAGERS LTD

JMMB INSURANCE BROKERS

JMMB Money Transfer

JMMB INTERNATIONAL

CAPITAL & CREDIT SECURITIES LIMITED

JMMB REAL ESTATE HOLDINGS LTD

JMMB Bank

JMMB Investments
(Trinidad and Tobago) Limited

JMMB SECURITIES
(T&T) Limited
A MEMBER OF THE TRINIDAD AND TOBAGO STOCK EXCHANGE

JMMB Express
FINANCE (T&T) LIMITED

JAMAICA MONEY MARKET BROKERS (TRINIDAD AND TOBAGO) LIMITED

JMMB
Puesto de Bolsa, S.A.
MIEMBRO DEL GRUPO JMMB
MIEMBRO DE LA BVRD

JMMB Bank
Banco de Ahorro y Crédito, S.A.

JMMB BDI AFP
Administradora de Fondos de Pensiones, S.A.
MIEMBRO DEL GRUPO JMMB

JMMB Funds
Sociedad Administradora de Fondos de Inversión, S.A.
MIEMBRO DEL GRUPO JMMB

JMMB HOLDING COMPANY SRL

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STRONG LEADERSHIP

STRONG REGIONAL KNOWLEDGE

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STRONG BONDS, SOLID PARTNERSHIP

JMMB GROUP 2018-2019 PERFORMANCE HIGHLIGHTS

YOUR FINANCIAL LIFE GOALS CENTRE

YOUR BEST INTEREST AT HEART

13,900+
GOAL PLANS CREATED

CLIENT GOALS ACHIEVED

5,800+
FINANCING GOALS ACHIEVED

1,500+
CAR GOALS ACHIEVED

375
BUSINESS FINANCING NEEDS MET

377
HOME PROPERTY GOALS MET

GROWING WITH YOU

25,100 NEW CLIENTS TO THE GROUP

TOTAL NUMBER OF CLIENTS ACROSS THE GROUP 316,700+

YOY GROWTH OF OUR CLIENT BASE 8%

YOUR FINANCIAL PARTNER ACROSS THE REGION

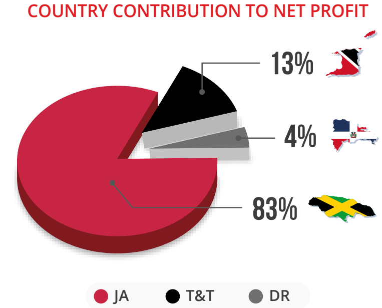
Country	Number of Branch Locations	Number of Companies (Client Facing)	Number of Financial Services
	2	4	11
	12	6	21
	8	4	15

J$18.04B
TOTAL OPERATING REVENUE

J$ 8.84B
NET INTEREST INCOME

J$ 3.87B
NET PROFIT

COUNTRY CONTRIBUTION TO NET PROFIT



EQUIPPING OUR TEAMS TO PARTNER WITH YOU

REGULATORY
LEADERSHIP
STRATEGIC
TECHNICAL
CORE

OUR COMPETENCY BUILDING FOCUS AREAS

6,996 Hours
of In-House Training Accessed Digitally

69,943
Total Training Hours

4.5/5 Average
Evaluation Score for In-House Trainings

26.4% of All Training Conducted on Building Technical and Soft Partnership Skills

1,169
Team Members Trained

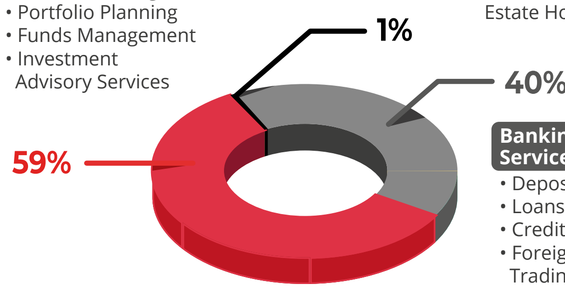
J$338.38B
TOTAL FUM

J$320.04B
TOTAL ASSETS

BUSINESS LINE CONTRIBUTION TO PROFIT BEFORE TAX

Financial & Related Services
- Securities Brokering
- Stock Brokering
- Portfolio Planning
- Funds Management
- Investment Advisory Services

Other
- Insurance Brokering
- Investment & Real Estate Holding



Banking & Related Services
- Deposits
- Loans
- Credit Facilities
- Foreign Currency Trading
- Remittances

SUSTAINED GROWTH, LONG-TERM EARNINGS AND INCREASED RETURNS

J$ 2.34
EARNINGS PER SHARE

49¢
DIVIDENDS PER STOCK UNIT (CENTS)

J$31.99
JSE CLOSING PRICE

23%
INCREASE IN CAPITAL GAINS TO SHAREHOLDERS

1 NEW BUSINESS LINE

JMMB Express FINANCE (T&T) LIMITED

On September 12th 2018, the Group birthed JMMB Express Finance T&T Ltd., a consumer finance company, and the first in a series of offerings and experiences specifically designed for clients underserved by traditional financial services.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the SIXTH ANNUAL GENERAL MEETING of JMMB Group Limited (the Company) will be held at the Jamaica Pegasus Hotel, Grand Jamaican Suite, 81 Knutsford Boulevard, Kingston 5, Jamaica on Wednesday, September 18, 2019 at 10:30 A.M. to consider and if thought fit to pass the following ordinary resolutions:

1. **TO RECEIVE THE REPORTS OF THE DIRECTORS AND AUDITORS AND THE AUDITED ACCOUNTS FOR THE TWELVE (12) MONTHS ENDED MARCH 31, 2019.**

   "THAT the Reports of the Directors and Auditors and the Audited Accounts for the year ended March 31, 2019 circulated with the Notice convening the meeting be adopted."

2. **TO RATIFY INTERIM DIVIDEND PAYMENTS AND DECLARE THEM FINAL.**

   "THAT the interim dividends of Twenty One Cents (21¢) paid on December 19, 2018 and Twenty Eight Cents (28¢) paid on July 5, 2019, making a total of Forty Nine Cents (49¢) 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 RE-APPOINT DIRECTORS**

   The directors retiring from office by rotation pursuant to Article 102 of the Company's Articles of Incorporation are Mr. Reece Kong, Mr. Wayne Sutherland, Mr. V. Andrew Whyte and Mrs. Audrey Welds who being eligible offer themselves for re-election.

   (a) "THAT Director Reece Kong who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company."

   (b) "THAT Director Wayne Sutherland who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company."

(c) "THAT Director V. Andrew Whyte who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company."

(d) "THAT Director Audrey Welds who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company."

4. TO APPOINT AUDITORS AND AUTHORISE THE DIRECTORS TO FIX THE REMUNERATION OF THE AUDITORS.

"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."

5. TO APPROVE DIRECTORS' REMUNERATION

"THAT the amount included in the Audited Accounts of the Company for the year ended March 31, 2019 as remuneration for their services as Directors be and is hereby approved."

Dated this 8th day of July 2019

By Order of the Board

Carolyn DaCosta
Secretary

REGISTERED OFFICE
6 Haughton Terrace
Kingston 10

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 Company's Registered Office at least forty-eight (48) hours before the time appointed for holding the meeting. The Proxy Form shall bear the stamp duty of J$100.00. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy Form.

CORPORATE PROFILE

27 YEARS BUILDING A VISION OF LOVE

Jamaica Money Market Brokers Limited opened its doors in November 1992 as the first Money Market Broker in Jamaica. This was to be the beginning of a legacy built on core values of integrity, care, honesty and openness underpinned by a Vision of Love. Twenty-seven years later, JMMB Group Limited, a holding company, was formed as the parent of the now Group of Companies, including Jamaica Money Market Brokers Ltd.. The Group of Companies serves over 316,000 clients and their families in Jamaica, Trinidad & Tobago and the Dominican Republic.

Genuine care for clients, credibility, talent and expertise have catapulted the Group of Companies to become a dynamic, international, multi-faceted financial institution that, unlike most, is committed to heart-to-heart connections and providing genuine, caring relationships, while proactively delivering personalised financial solutions across banking, investments and insurance brokerage services.

CORPORATE STRUCTURE

In 2015, Jamaica Money Market Brokers Limited, under an approved Scheme of Arrangement, became JMMB Group Limited, the holding company of the group of companies ('the Group') which includes JMMB Bank (Jamaica) Limited, JMMB Money Transfer Limited, Jamaica Money Market Brokers Limited, JMMB Insurance Brokers Limited, JMMB Fund Managers Limited, Capital & Credit Securities Limited, JMMB Real Estate Holdings, JMMB International Limited, JMMB Securities Limited, Jamaica Money Market Brokers (Trinidad and Tobago) Limited, JMMB Investments (Trinidad and Tobago) Limited, JMMB Securities (T&T) Limited, JMMB Bank (T&T) Limited, JMMB Express Finance (T&T) Limited, JMMB Holding Company SRL, Banco de Ahorro y Crédito JMMB Bank, S.A., JMMB Sociedad Administradora De Fondos De Inversion, S.A., JMMB Puesto de Bolsa, S.A. and AFP JMMB BDI, S.A..

This portfolio of companies has positioned the Group to become a financial force to be reckoned with, not only regionally but in the wider international marketplace, and has significantly strengthened its ability to truly deliver partnerships with clients in achieving their life goals.

STANDING FOR THE GREATNESS OF ALL

The Group's commitment to corporate social responsibility is actualized through the JMMB Joan Duncan Foundation. The Foundation seeks to positively impact individuals, communities and the nation through transformational projects whose primary objective is to unearth individual greatness resulting in a paradigm shift in attitudes and behaviours. This effort is carried out primarily through nation building projects, educational and transformational training as well as entrepreneurial transformation and hands-on community involvement.

MILESTONES

The Group is committed to maximizing client satisfaction through exceptional client care, world class financial advice and expertise, solid ethical business practices and its Vision of Love. Since the birth of Jamaica Money Market Brokers Limited in November 1992, the now group of companies has continued to grow and thrive in an ever evolving and increasingly globally competitive financial industry and has achieved several key milestones to date, namely:

- A 50% acquisition of shareholdings in Intercommercial Bank Limited (IBL) in 2004 and later full ownership of the IBL Group in 2013. This first brought commercial banking services to the Group and was the Group's initial step in building out banking services and offering clients an enhanced value proposition across the region. In late 2012, the Group opened JMMB Investments (Trinidad and Tobago) Ltd. adding investment services to the portfolio of companies in Trinidad and Tobago and rebranded IBL Bank to JMMB Bank (T&T) Ltd. in 2016. In 2018, JMMB Bank (T&T) Ltd. under its licensed merchant bank, launched a fully unsecured consumer lending entity under the brand JMMB Express Finance (T&T) Limited.

- The opening of JMMB Puesto de Bolsa in October 2007 in the Dominican Republic was part of a strategic decision to develop the money market in one of the largest Spanish-speaking Caribbean islands and enable the sale of investment products to the wider market. Since then the Group has added other business lines including banking through Banco de Ahorro y Crédito JMMB Bank, S.A. in 2015 as well as pension administration services through AFP JMMB BDI, S.A (AFP) and Mutual Funds through JMMB Sociedad Administradora De Fondos De Inversion (SAFI) both of which came in to being in 2016.

- The 2012 acquisition of the Capital & Credit Financial Group in Jamaica enabling the addition of banking, remittances and unit trust solutions to the existing investments and insurance brokering offerings.

- Jamaica Money Market Brokers Limited, under an approved Scheme of Arrangement, was delisted from the Jamaica Stock Exchange (JSE), Barbados Stock Exchange (BSE) and Trinidad and Tobago Stock Exchange (TTSE), and relisted as JMMB Group Limited on April 13, 2015.

- In August 2017, JMMB Merchant Bank transitioned to JMMB Bank (Jamaica) Limited.

LONG-TERM SUCCESS

The JMMB Group is poised for even greater success as it continues to streamline operational synergies and build-out core business lines by investing in infrastructure, technology and training, and improving service channel delivery. All of the phases of the Group's journey have been birthed out of a vision to ultimately build a regional financial services entity, equipped with all the solutions necessary to help individuals and businesses achieve their dreams.

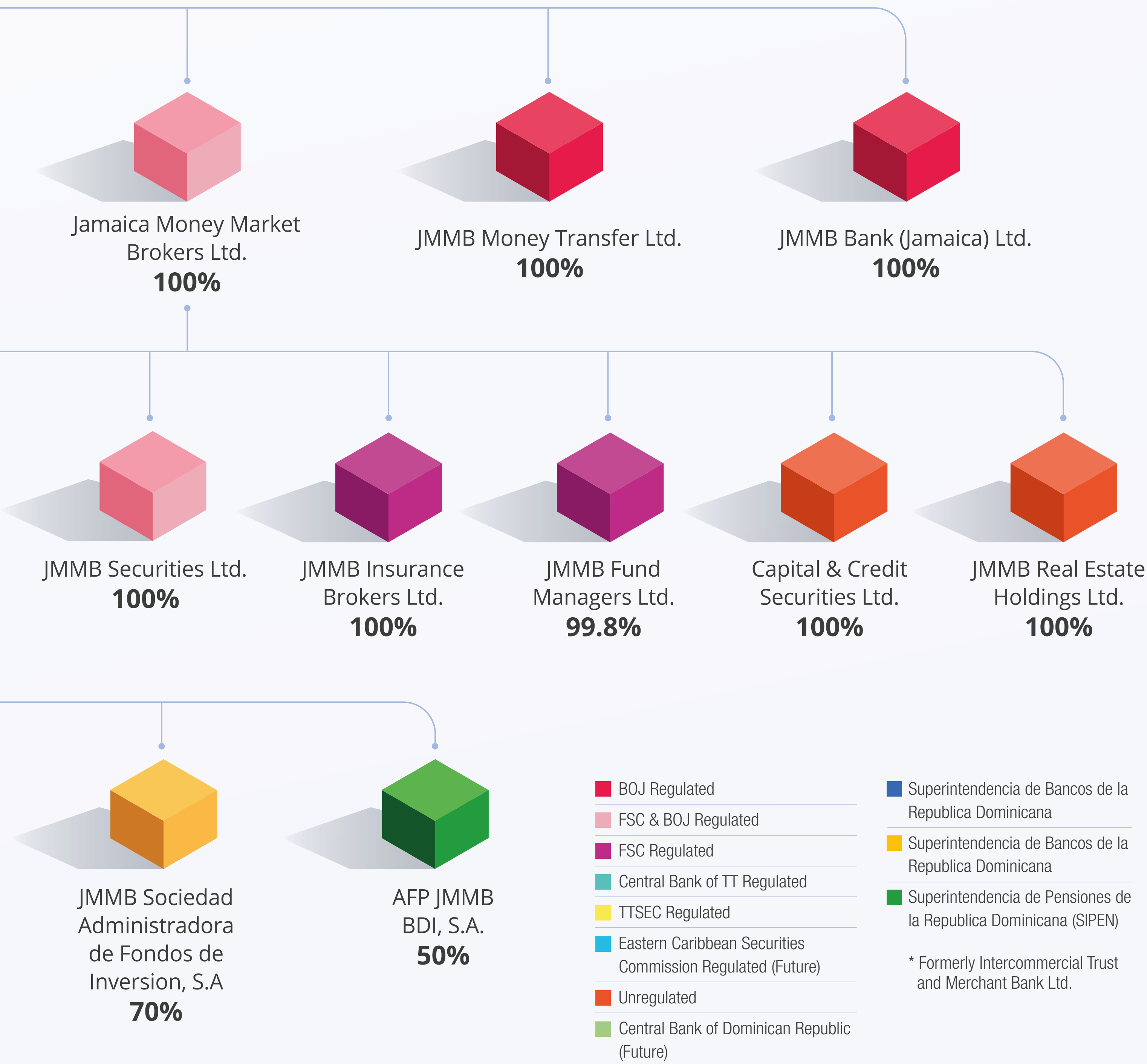

STRONGER
TOGETHER

THE JMMB GROUP LTD.

CORPORATE STRUCTURE

JMMB GROUP LTD.

- Jamaica Money Market Brokers (Trinidad & Tobago) Ltd. **100%**
  - JMMB Bank (T & T) Ltd. **100%**
    - JMMB Express Finance (T & T) Ltd.* **100%**
  - JMMB Investments (Trinidad & Tobago) Ltd. **100%**
    - JMMB Securities (T & T) Ltd. **100%**
- JMMB Holding Co. SRL **100%**
  - Banco de Ahorro y Credito JMMB Bank S.A. **90%**
  - JMMB Puesto de Bolsa S.A. **80%**
- JMMB International Ltd. **100%**


Jamaica Money Market Brokers Ltd.
100%
JMMB Money Transfer Ltd.
100%
JMMB Bank (Jamaica) Ltd.
100%
JMMB Securities Ltd.
100%
JMMB Insurance Brokers Ltd.
100%
JMMB Fund Managers Ltd.
99.8%
Capital & Credit Securities Ltd.
100%
JMMB Real Estate Holdings Ltd.
100%
JMMB Sociedad Administradora de Fondos de Inversion, S.A
70%
AFP JMMB BDI, S.A.
50%
BOJ Regulated
FSC & BOJ Regulated
FSC Regulated
Central Bank of TT Regulated
TTSEC Regulated
Eastern Caribbean Securities Commission Regulated (Future)
Unregulated
Central Bank of Dominican Republic (Future)
Superintendencia de Bancos de la Republica Dominicana
Superintendencia de Bancos de la Republica Dominicana
Superintendencia de Pensiones de la Republica Dominicana (SIPEN)
* Formerly Intercommercial Trust and Merchant Bank Ltd.

DR. ARCHIBALD CAMPBELL
GROUP CHAIRMAN

GROUP CHAIRMAN'S REPORT

J$ 3.87B
NET PROFIT

J$ 18.04B
OPERATING REVENUE

J$ 2.34
EARNINGS PER SHARE

We are pleased to submit the Annual Report for the JMMB Group Limited ("JMMBGL") for the year ended March 31, 2019. In the financial year 2018/19, JMMBGL and its subsidiaries ("the Group") continued to perform well, reflecting strong fundamentals and steady core growth. JMMBGL posted a net profit of J$3.87B and operating revenue of J$18.04B, an increase of 14% over the prior year. Earnings per share for the Group stood at J$2.34 as at the financial year end.

Overall, the core businesses of the Group continued to show steady growth with increased performance and growth from our Banking Business lines. We continue to put the capabilities in place to build out other areas of the Group's Business Model. Our regional growth plans and strategies underscore the performance of all the business lines across Jamaica, Trinidad and the Dominican Republic.

A more in depth analysis of the performance of each business line and our overall results is presented in the Management Discussion and Analysis section of this Report.

KEY HIGHLIGHTS OF THE FY 2018/19

In 2018/19, the JMMB Group continued its deliberate path in building out its presence in the Trinidad and Tobago market with the launch of our consumer finance business line, JMMB Express Finance (T&T) Ltd., which focuses on fair consumer lending practices that are in the best interest of our clients. The launch of this business line in Trinidad and Tobago, is a demonstration of the Group's commitment to financial inclusion for all and to provide, our clients with options to suit their needs at the different stages of their life cycle.

Our effort around financial inclusion is further deepened with our focus on our Small and Medium Enterprises, as we commit to partnering with these businesses, that contribute significantly to economic development across the region.

At the heart of our strategy is our clients who continue to have confidence in the vision and direction of the Group. Throughout 2018/19, we focused on further embedding our Financial Partnership strategy and culture which drives our service delivery to our clients. Through this partnership we are better able to understand our clients' needs, and provide suitable solutions which help us to deliver on our promise to our clients.

We are committed to transforming the way we work and improving our service delivery. As such, our focus remains in bolstering the platforms and channels, through which we interact and serve. The Group focused on improving processes and systems, in particular, strengthening our core banking platform, which will provide win/win results for all stakeholders in the short term.

In the Dominican Republic (DR), our savings and loans bank, Banco de Ahorro y Crédito JMMB Bank, SA, was noted as the fastest growing Bank in its category, in the DR for 2018. This is a promising achievement which is in line with our strategic thrust in the DR. We also celebrate with our DR team as the Pensions Fund Management Business– JMMB Administradora de Fondos de Pensiones (JMMB AFP), which was established in 2017, has surpassed the $RD 1 B milestone.

Wherever we operate, the Group and its team are committed to sharing with others and our communities. During the year, through our regional programs and the JMMB Joan Duncan Foundation, the Group made contributions that helped to positively impact lives and improve communities. Our Conversations for Greatness program in schools continues to inspire, empower and transform school administrators, teachers and staff by helping them unearth their greatness.

ACKNOWLEDGEMENTS

Our management team continues to lead with the confidence and knowledge to navigate the different business lines and markets in which we operate. The Board salutes our management team for their hard work and commitment to raising the JMMB Group flag high across all territories.

We are also very grateful for all our team members across the Group and wish to thank everyone for the role they each play, in delivering the Group's client value proposition and executing our strategy.

Thank you to our shareholders, who have demonstrated confidence in us and who continue to partner with us. We are truly committed to building shared value, and without you this would not be possible.

WELL POSITIONED FOR FUTURE SUCCESS

The JMMB Group has a highly capable team and the combination of our people, strategy and assets will build momentum into financial year 2019/20 and beyond, which is key to our future success.

We remain committed to building out our Regional Integrated Financial Services Model and its delivery through our Financial Partnership strategy. This is a critical pillar in expanding our regional footprint and providing our clients with exceptional client care while providing solid returns.

With the flexibility of our strong balance sheet, our proven track record of solid performance and growth, and our long-term strategy, the JMMB Group is well positioned for future success.

We thank you for your continued partnership as we continue our journey together.

Archibald Campbell Ph.D.
Group Chairman

TAKE A LEAP OF FAITH

THE JMMB GROUP LTD.

Seize the day.
Make your life extraordinary.

Robin Williams

BOARD OF DIRECTORS'

DR. ARCHIBALD CAMPBELL

Chairman

Life Mantra:
Your Word is your Bond

Areas of expertise:
• Academia • Accounting • Administration • Business Ethics
• Business Operations • Finance • Arbitration

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **100%**

Board ● ● ● ● ● ● ● **7/7**
Nominations and Corporate Governance ● ● **2/2**

Archibald is currently a Director at JMMB Bank, Chairman of the Board of Trustees of the JMMB Pension Fund and Trustee at the University of the West Indies Non-FSSU Staff Pension Scheme. He formerly served as a director at the University Hospital of the West Indies, a member of the Sugar Industry Divestment negotiation team and also as director of several entities that included hotels, Property Management, Banks, tertiary level institutions and a number of non-profit organisations. He was a lecturer at the University of the West Indies (UWI) where he taught Accounting as well as Risk Management in the Banking Degree. He also served as Bursar of the UWI and Chief Financial Officer with responsibility for maintaining relations with the seventeen (17) contributing Caribbean countries with regard to funding. He is a Chartered Accountant and is a Past President of the Institute of Chartered Accountants of Jamaica. He is a published author and speaker in the accounting and finance sectors. The holder of a Doctorate in Business Administration (DBA) and a M.Sc. in Accounting from the University of the West Indies, various international training and certification and over 40 years of experience in the industry.

KEITH DUNCAN

Executive Director and Group Chief Executive Officer

Life Mantra:
One love, always.

Areas of expertise:

• Administration • Business Ethics • Business Operations • Corporate Governance
• Finance • Investment Management • Strategic Planning

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **100%**

Board ● ● ● ● ● ● ● **7/7**

Keith is currently the CEO of the JMMB Group, a position which he has held since 2012. His success as CEO and Deputy Managing Director of JMMB made him the best candidate to take the group of companies into previously unchartered territories which lead it to new levels of success. Keith currently serves as Vice President of the Private Sector Association of Jamaica and is a former President of the Jamaica Securities Dealers Association. Keith is also the Co-Chair of the Economic Programme Oversight Committee. He holds the Chartered Financial Analyst designation, as well as, a B.A. (Economics) from the University of Western Ontario in Canada.

PROFILES

PATRIA-KAYE AARONS
Director

Life Mantra:
Desiderata... all of It

Areas of expertise:
• Academia • Administration • Business Ethics • Business Operation
• Crisis Management • Marketing • Public & Media Relations

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **71.43%**

Board ● ● ● ● ● ● ● **5/7**

Patria-Kaye is a well-known and widely respected member of the media fraternity and an entrepreneur. As CEO of Jamaica's only commercial confectionary company (Sweetie Confectionery) she brings a unique and invaluable combination of expertise and experience. As the 2017 recipient of the Entrepreneur of the Year Award from the Jamaica Chamber of Commerce and President Obama's Young Leaders of the Americas Fellow, Patria-Kaye has impacted the business landscape not only in Jamaica but also Fortune 500 Companies namely Western Union and Sharp Corporation. She holds a Master's degree in Management with a minor in Marketing from the University of Edinburgh.

DR. ANNE CRICK
Director

Life Mantra:
Die empty – To use every talent that God has put in me

Areas of expertise:
• Academia • Administration • Business Ethics • Corporate Governance
• Human Resource Management • Organizational Management

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **76.92%**

Board ● ● ● ● ● ● ● **5/7**

Nominations and Corporate Governance ● ● **2/2 - CHAIRMAN**

Culture and Human Development ● ● ● ● **3/4**

Anne who holds a Master's degree and a PhD in Organization Management is a Senior Lecturer and former Associate Dean and Department Head at the University of the West Indies in the Faculty of Social Sciences. She has served on several boards to include HEART Trust NTA, UCJ Hospitality and Tourism Advisory Board, the Jamaica Customer Service Association and the Jamaica Association for Training and Development. In addition to being an extensively published author/writer, she brings a wealth of knowledge and experience in managing large teams and developing senior leaders in private sector organizations.

BOARD OF DIRECTORS'

ANDREW COCKING
Director

Life Mantra:
In God I Trust

Areas of expertise:
• Administration • Banking • Business Ethics • Finance • Mergers

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **92.85%**

Board **7/7**

Finance **6/7**

Andrew brings to the Group over 30 years of experience in banking with over 20 years at the senior management level. A skilled negotiator and merger specialist, Andrew has had first-hand experience with international mergers involving combined assets of over US$1.7B. Andrew served as Deputy Group President of Capital and Credit Financial Group as well as an independent consultant. Prior to assuming this position, he served as President and CEO of Capital and Credit Merchant Bank for 11years.

PATRICIA DAILEY-SMITH
Director

Life Mantra:
To create a life I can be proud of

Areas of expertise:
• Accounting • Audit • Business Ethics • Business Operations • Finance

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **100%**

Board **7/7**

Audit **5/5 - CHAIRMAN**

Finance **7/7**

Patricia retired from the position of Audit Partner at KPMG having served the company both locally at varying senior management levels and as Senior Audit Manager in Ohio in the United States. Patricia has managed large portfolios which cover a wide cross-section of industries to include financial services, telecommunications, hospitality and tourism, manufacturing and healthcare. She brings to JMMB over 25years of experience and is an inexhaustible reservoir of knowledge in the areas of accounting, audit and finance.

PROFILES

AUDREY DEER-WILLIAMS

Director

Life Mantra:
If I can help but one person, my living will not be in vain.

Areas of expertise:
• Administration • Business Ethics • Treasury Operations • Investment Management • Process Improvement • Strategic Planning

2018 Board/Committee Membership

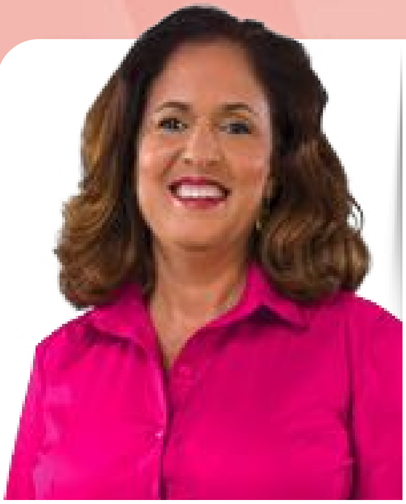
FY 2018/2019 Overall Attendance: **77.14%**

Board **5/7**

Culture and Human Development **4/4 - CHAIRMAN**

Risk **14/19**

Audrey is the Chief Technical Director assigned to the Social Security Division of the Ministry of Labour and Social Security. She has worked in various capacities in the United States in the finance industry prior to her service in the public sector in Jamaica. Audrey is a distinguished public servant whose extensive training and expertise in a multiplicity of areas has made her an invaluable resource. Audrey Deer-Williams holds an undergraduate degree in Economics and Accounting and a Master's degree in Business Administration.



DONNA DUNCAN-SCOTT

Executive Director and Human Development Officer

Life Mantra:
We were born to manifest the glory of God. It is not just in some of us, it is in every one of us."
– Marianne Williamson

Areas of expertise:
• Business Ethics • Business Operations • Corporate Governance
• People and Leadership Development • Organizational Culture Development
• Transformational Methodologies • Marketing • Finance

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **71.43%**

Board **5/7**

Donna has had extensive experience in the financial industry and as the current Group Chief Culture & Human Development Officer has chosen to shift her focus from overall executive leadership to culture and human development. Her team is responsible for creating and implementing the people-operating frameworks, people policies, processes and practices that support team members to realize the greatness within, to the benefit of themselves, our clients, the organisation and the society (Our Vision of Love). She holds a Bachelor's degree in Industrial Engineering, as well as a Masters in Business Administration from the Richard Ivey School of Business at the University of Western Ontario in Canada. She also holds the distinguished Chartered Financial Analyst designation.

BOARD OF DIRECTORS'

HUGH DUNCAN
Director

Life Mantra:
Don't grovel in the problem, find the solution and just fix it.

Areas of expertise:
• Administration • Asset based Finance. • Business Ethics • Corporate Banking • Corporate Governance • Global Relationship Banking • Investment Banking • Structured Trade Finance

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **85.71%**

Board ● ● ● ● ● ● ● **6/7**

Hugh's experience and expertise span a variety of critical disciplines in the banking and finance industry and he has served as the Head of Group Capital Markets at JMMB since 2012. Hugh operated at the CEO, Director and Vice President levels in Asia and some Caribbean territories. With over 20 years of international banking, trade and investment experience in senior positions, Hugh Duncan brings an uncommon and invaluable interplay of skills to his position. He has served and continues to serve on a variety of boards not only in Jamaica but also in other Caribbean territories. Hugh received his tertiary level education in Canada and holds a Bachelor's degree in Finance and Management and a Master's degree in Business Administration with a focus on Finance and Marketing.

DENNIS HARRIS
Director

Life Mantra:
Treat all persons with the respect you deserve and if a job is worth doing its worth doing well.

Areas of expertise:
• Strategy • Leadership • Finance and Accounting • Business Ethics • Business Operations • Corporate Governance

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **90.91%**

Board ● ● ● ● ● ● ● **7/7** Audit ● ● ● ● ● **4/5**

Finance ● ● ● ● ● ● ● **5/7** Nominations and Corporate Governance ● ● **2/2**

Cultural and Human Development ● ● ● ● **4/4**

Risk ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● **18/19 - CHAIRMAN**

Dennis is the Managing Director at Unicomer (Jamaica) Limited, known popularly as Courts. He is also the Executive Leader of the Unicomer Caribbean IT operations and the head of the USA Courts stores in New York. Prior to his MD appointment in 2011, he served as Regional Finance Director of Courts Caribbean and prior to relocating to Jamaica worked as Finance Director in the United Kingdom. As a certified accountant with over 40 years of experience both locally and internationally, Dennis brings an unparalleled wealth of experience and knowledge in the area of finance.

PROFILES

REECE KONG

Director

Life Mantra:
The only constant in life is change, so embrace it, so you can help shape it.

Areas of expertise:
• Information Technology • Administration • Business Ethics

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **90.32%**

Board **5/7**

Information System **5/5 - CHAIRMAN**

Risk **16/19**

With over two decades of experience as an information technology professional, Reece is the Managing Director and founder of RMP & Associates Limited, an information technology company that provides technological expertise to various government agencies, financial institutions and other corporate entities. Reece has held several senior positions at Advanced Integrated Systems (AIS) and was also a part of the technical team at Kingston Terminal Operators Limited.

H. WAYNE POWELL

Director

Life Mantra:
Integrity, the hallmark of life and your word, your bond.

Areas of expertise:
• Administration • Banking • Business Ethics • Business Operations • Finance
• Human Resource Management • Leadership Consultation

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **92.85%**

Board **7/7**

Culture and Human Development **4/4**

H. Wayne is currently a Business, Financial and Leadership Consultant who has previously served as Vice-President at Scotiabank International and Executive Vice-President at Scotiabank Jamaica. He has been recognized at the national level for his extraordinary contribution to the banking sector in Jamaica. As a finance, banking and leadership consultant, he brings to JMMB over 45 years of knowledge and experience in the financial sector, both locally and internationally. H. Wayne is also known for his contribution to nation building as a Justice of the Peace, as well as, through his affiliation with the Rotary Club and other Charitable Organizations.

BOARD OF DIRECTORS'

WAYNE SUTHERLAND

Director

Life Mantra:
Don't wish for it, work for it!

Areas of expertise:
• General Management • Finance • Marketing • Corporate Governance
• Business Ethics • Business Operations

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **100%**

Board ● ● ● ● ● ● ● **7/7**

Audit ● ● ● ● ● **5/5**

Information System ● ● ● ● ● **5/5**

Nominations and Corporate Governance ● ● **2/2**

Wayne is the former Managing Director of Butterkist Limited, Senior Director of Air Jamaica Ltd and a director of the Jamaican Securities Commission. He is currently a member of the First Angels Investor group and has personally invested in a number of companies over the past 12 years. Wayne currently serves the JMMB Group in many areas. He serves as a Director of JMMB Bank (T&T) Limited, JMMB Investments (Trinidad and Tobago) Limited, JMMB Securities (T&T) Limited and JMMB Express Finance Limited (T&T). Wayne holds a Bachelor of Science degree from University of the West Indies and an MBA from the Columbia University Graduate School of Business.

AUDREY WELDS

Director

Life Mantra:
Humility is the greatest virtue.

Areas of expertise:
• Academia • Administration • Business Ethics • Business Operations
• Corporate Governance • Legal/Regulatory

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **100%**

Board ● ● ● ● ● ● ● **7/7**

Nominations and Corporate Governance ● ● **2/2**

Audrey has distinguished herself as an outstanding attorney in both the private and public sectors with a career spanning over 35 years. She has been a Course Director at the Norman Manley Law School for over 10 years. Audrey is also an active member of the legal fraternity who has served on several sub-committees of the Jamaican Bar Association and currently serves on the Accounting Reports Committee and the Proceeds of Crime Act Committee of the General Legal Council.

PROFILES

V. ANDREW WHYTE
Director

Life Mantra:
Perfection is not attainable, but if we chase perfection, we can catch excellence - Vince Lombardi

Areas of expertise:
• Accounting / Finance • Banking • Risk Management • Corporate Governance
• Internal Audit

2018 Board/Committee Membership

FY 2018/2019 Overall Attendance: **97%**

Board ● ● ● ● ● ● ● **7/7**
Audit ● ● ● ● ● **5/5 - CHAIRMAN**
Finance ● ● ● ● ● ● ● **6/7**
Risk ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● **19/19**

Andrew is the Group Treasurer at the Jamaica Producers Group, a multi-national company with operations in Jamaica, The Netherlands, United Kingdom, Dominican Republic and the USA. He previously worked in the financial industry for just under 10 years. In addition to his training and experience, Andrew utilizes his Christian principles to guide his contribution. He has a Bachelor's degree in Chemical Engineering and a Master's degree in Business Administration.

CAROLYN DACOSTA
Corporate Secretary

Life Mantra:
In all things, be kind.

Areas of expertise:
• Corporate Governance • Financial Operations • Law
• Regulatory and International Compliance

Carolyn has served as Corporate Secretary for the JMMB Group Ltd. since May 16, 2012. She holds certification in Corporate Governance from Harvard Business School, an MBA in Finance as well as a Diploma in International Compliance from the Manchester Business School in the UK, an LLB (Law degree) from the University of London and a Bachelor's degree from the University of the West Indies. She brings an unparalleled combination of technical skills and experience to this critical role. In keeping with the Group's commitment to effective corporate governance, she ensures compliance with all relevant statutory and regulatory requirements, monitors changes in relevant legislation and ensures the taking of appropriate action, as required. Additionally, Carolyn is a Fellow of the International Compliance Association and a Justice of the Peace for the parish of St. Catherine.

TEN-YEAR STATISTICAL REVIEW

GROUP FINANCIAL DATA	YEAR ENDED 31-MAR-19 (J$`000)	YEAR ENDED 31-MAR-18 (J$`000)	YEAR ENDED 31-MAR-17 (J$`000)	YEAR ENDED 31-MAR-16 (J$`000)
Total assets	**320,036,257**	291,715,730	251,556,110	230,607,286
Investment securities	**205,972,359**	194,905,868	171,571,803	156,976,090
Loans and notes receivables	**67,947,268**	55,625,743	47,133,134	37,450,257
Other interest earning assets	**30,726,396**	28,957,274	21,810,160	25,731,228
Repurchase agreements	**163,907,891**	158,167,289	156,647,595	149,262,369
Customer deposits	**63,947,279**	52,165,066	49,087,517	41,296,373
Stockholders' equity	**31,104,276**	29,003,747	26,794,699	22,716,581
Funds under management	**338,379,728**	312,969,031	281,101,963	250,485,809

PROFITS AND DIVIDENDS	(J$`000)	(J$`000)	(J$`000)	(J$`000)
Operating revenue net of interest expense	**18,036,406**	15,840,957	14,650,056	11,424,075
Operating expenses	**12,989,242**	11,240,284	10,446,222	8,781,265
Profit before tax	**4,870,549**	4,352,989	4,156,046	2,595,557
Net profit	**3,868,406**	3,604,404	3,350,531	2,299,231
Dividends paid and proposed (in respect of the financial year)	**798,971**	766,360	733,749	603,304
Profit retained (in respect of the financial year)	**3,069,435**	2,838,044	2,616,782	1,695,926

FINANCIAL RATIOS				
Earnings per stock unit (cents)	**234**	218	203	139
Dividends per stock unit (cents)	**49**	47	45	37
Dividend payout ratio	**20.65%**	21.26%	21.90%	26.24%
Price earnings ratio (multiple)	**13.67**	11.93	8.28	7.21
Return on average equity	**12.87%**	12.92%	13.53%	10.35%
Return on average assets	**1.26%**	1.33%	1.39%	1.03%
Book value per stock unit (J$)	**18.44**	17.12	15.89	13.45
Net interest margin	**3.03%**	2.98%	2.94%	2.57%
Efficiency ratio (Admin. exp/ Revenue)	**71.62%**	70.54%	71.09%	76.64%

OTHER DATA				
Exchange rate J$ per US$1.00	**125.02**	125.32	128.22	121.70
Inflation rate (year over year) (%)	**3.40%**	3.90%	4.14%	2.90%
Market Price per share (JSE closing price-J$)	**31.99**	26.00	16.81	10.01
Number of stock units at year end	**1,630,552,532**	1,630,552,532	1,630,552,532	1,630,552,532
Market capitalisation	**52,161,375,499**	42,394,365,832	27,409,588,063	16,321,830,845

YEAR ENDED 31-MAR-15	YEAR ENDED 31-MAR-14	YEAR ENDED 31-MAR-13	YEAR ENDED 31-MAR-12	YEAR ENDED 31-MAR-11	YEAR ENDED 31-MAR-10
(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
217,715,302	206,706,119	166,860,961	124,736,554	113,019,058	122,975,370
157,226,757	145,777,726	138,412,944	108,153,801	98,233,393	104,887,535
31,924,543	26,551,175	10,227,126	-	-	-
18,944,984	23,979,406	3,890,913	5,929,366	3,996,291	6,113,434
144,501,658	143,302,425	135,907,311	107,591,924	97,068,266	102,844,985
38,463,504	35,887,750	7,567,380	-	-	-
21,723,064	18,688,980	17,212,876	10,872,131	9,402,331	6,890,736
238,695,980	223,584,330	165,584,482	121,683,458	111,423,910	122,876,617

(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
10,319,661	8,732,250	6,243,316	5,987,479	4,073,084	3,095,678
7,787,697	5,670,247	4,616,625	3,214,703	2,585,949	2,109,128
2,354,039	3,398,051	3,647,375	2,814,017	1,509,635	1,028,312
2,047,282	3,062,059	3,856,863	2,240,456	1,142,930	986,378
521,776	538,082	375,027	453,650	234,142	204,874
1,525,506	2,523,977	3,481,836	1,786,806	908,788	781,504

118	174	235	151	76	67
32	33	23	31	16	14
25.49%	17.57%	9.72%	20.25%	20.49%	20.77%
5.96	4.05	3.00	6.50	6.04	5.93
10.13%	16.83%	27.47%	22.10%	14.03%	16.15%
0.96%	1.58%	2.65%	1.88%	0.97%	0.84%
12.86	11.24	10.24	7.37	6.39	4.69
2.60%	3.02%	3.05%	3.10%	2.46%	1.71%
75.17%	64.86%	73.08%	53.59%	63.08%	67.80%

114.77	109.28	98.41	87.10	85.57	89.23
4.00%	8.35%	9.13%	7.30%	7.80%	13.31%
7.06	7.04	6.20	9.81	4.61	4.00
1,630,552,530	1,630,552,530	1,630,552,530	1,463,386,752	1,463,386,752	1,463,386,752
11,511,700,862	11,479,089,811	10,109,425,686	14,355,824,037	6,746,212,927	5,853,547,008

BELIEVE YOU CAN

"Positivity, confidence, and persistence are key in life, so never give up on yourself."

Khalid

REGIONAL MACROECONOMIC LANDSCAPE

GLOBAL PERFORMANCE IN 2018

The global economy experienced relatively strong growth in 2017 and the early part of 2018. However, the momentum slowed during the second half of 2018 owing to a combination of factors affecting some of the larger economies. Growth slowed in China consequent on tighter banking regulation to curb risk as well as because of the ongoing trade tension with the United States. The economies in the euro area weakened more than was expected as a result of decline in consumer and business confidence. The situation in the zone was not helped by the disruption in car production in Germany occasioned by a change in emission standards. Investment declined in Italy amid increasing credit risk and uncertainty. In emerging Asia, weaker external demand was a drag on growth while natural disaster negatively affected the Japanese economy.

The International Monetary Fund (IMF) estimated growth in the global economy of 3.6% in 2018 and is projecting that it will expand by 3.3% in 2019 and 3.6% in 2020. The outlook for 2019 and 2020 was revised downward by 0.1% and 0.4%, respectively, relative to the forecast in October 2018. The Fund is of the opinion that policy stimulus in China and improvements in global financial market sentiments will help buoy growth in the second half of 2019. This is likely to be complemented by improvement in the euro area and gradual stabilization of troubled emerging market economies, including the likes of Argentina and Turkey.

Over the medium term, global growth is likely to reflect the strength of economies such as China and India, whose growth are expected to remain robust compared to slower growth in advanced and emerging market economies. Population aging is likely to negatively affect labour productivity and the labour force in developed economies, resulting in drag on those sovereigns over the forecast horizon.

Real GDP growth is estimated to have expanded by 1% in Latin America and the Caribbean (LAC). This represents a 0.2% decline when compared to the previous year. The slowdown in growth in the region was due mainly to economic contraction in Argentina, Venezuela and Nicaragua as well as weaker than anticipated growth in the region's largest economy, Brazil. Amid currency volatility, which saw the pesos depreciating by over 50% during the year, Argentina GDP is estimated to have contracted by 2.5%. Years of unresolved structural encumbrances and weak external demand were the main factors involved in the economic contraction. Venezuela continues to be dogged by political turmoil, low oil production and economic sanctions imposed by the US, which have cut off investment flows from regular channels. Political crises, weak business and consumer confidence and elevated financial sector risks created the perfect condition to curtail growth in Nicaragua. All three of these economies are expected to contract in 2019. Brazil's economies experienced low growth of 1% amid policy bottleneck, weak external demand and relatively subdued commodity prices. The economy is expected to expand by 2% in 2019.

The economies in the Caribbean sub-region grew by an estimated 1.8% in 2018. Once again the Dominican Republic was the leading performer with real output expanding by 7%. Growth in Jamaica increased to 1.4%, doubling the outturn in 2017. While Trinidad and Tobago emerged from recession, the pace of economic expansion was relatively subdued at just 0.3%.

Resolution of the trade dispute between the United States and China could positively impact global growth. Risks, however, are tilted towards the downside as heightening trade tension and policy uncertainty could push growth below the forecast path. There is also the possibility that financial conditions could weaken leading to flight to quality and away from the assets of emerging markets leading to tighter credit conditions for these sovereigns. This does not redound positively for vulnerable economies, and the emergence of such episodes could cause deep financial distress for those sovereigns that are highly indebted, particularly those whose financial institutions are vulnerable.

COMMODITY PRICES

Commodity prices increased in the first half of 2018, but showed a generally downtrend during the second half of the year. At year end, commodity prices were higher when compared to 2017, but the gains were mixed as reflected in the World Bank's International Commodity Price Index. Non-energy prices expanded marginally by 1.2% while energy prices increased by 28%. Despite the year on year gain in 2018, energy prices retreated in the fourth quarter of 2018 on concerns about the global economy and trade tension between the US and China.

The general outlook is that commodity prices will grow at a sluggish pace in 2019 reflecting slower expansion in the global economy, in particular in China. Oil prices are expected to remain relatively stable despite the posture of the Organization of Petroleum Exporting Country (OPEC) to curtail output and keep prices elevated. Strong shale oil production and slower global growth will help to attenuate the impact of further action by OPEC on the oil market. There is however brewing geo-political tension in the Middle East involving the US and Iran, which if escalated beyond the current verbal rhetoric could shock the oil market and push prices beyond the expected path.

JAMAICA

The Jamaican economy has undergone a metamorphosis over the last 7 years and the benefits of fiscal and market reforms are having a positive impact on the economy, and some of the leading macroeconomic indicators. While real GDP growth remains relatively subdued, the pace of expansion is slowly increasing and there is heightened expectation about higher growth rate over the medium- to long-run. During CY 2018 the domestic economy expanded by 1.4%, which compares favourably against the annualized average growth of 0.9% over the 5 year period leading up to 2018. Three sectors largely contributed to the growth outturn: Agriculture, Mining & Bauxite, and Tourism.

Owing to generally favourable weather conditions there were high yields in most domestic agriculture products resulting the sector expanding by 4.2%. The sector also benefitted from the thrust of the Government of Jamaica to improve the linkages with the tourism industry. The re-opening of operation at the bauxite plant in Nain, St. Elizabeth and increasing capacity utilization helped to fuel expansion in output in Mining & Quarrying. There was also increase in the production of sand and aggregates buoyed by expansion in private and public construction activities. Positive external demand buoyed by improved economic developments in the US - robust real GDP growth, strong job labour market conditions, and increasing household income-influenced activities in the tourism sector. The sector benefitted as well from increased airlift, higher room count, increased occupancy rate for properties and higher spending per visitor.

Culminating with the expansion in the economy and growth in labour intensive industries, in particular tourism and the Business Processing and Outsourcing, unemployment continues to trend down. Data from the Statistical Institute of Jamaica (STATIN) reveals that the unemployment rate was 8% as at January 2019, which represents a decline of 2.4% when compared to the similar period in 2017.

BUDGET FOR FY 2019/20

The government plans to spend $803.2 billion which is relatively flat when compared to the expected expenditure for FY 2018/19 of $802.6 billion. Above the line spending, which excludes principal payment on debt, amounts to $629.4 billion and is $11.4 billion (1.9%) more than the programmed spending in the previous year. Included in this figure are recurrent and capital expenditure of $557.3 billion and $72.1 billion, respectively. Relative to the previous year, the outlay on recurrent expenditure is up $8.2 billion (2%) while spending on capital is up $3.3 billion (4.8%).

Below the line, the government will repay principal in the amount of $138.3 billion and expend $35.5 billion on 'Other' items, which include the recapitalization of the Bank of Jamaica.

To finance the budget the GOJ is relying on Revenue and Grants of $644.2 billion; loan inflows of $102.7 billion; and other inflows, which include receipts from Petro Caribe Development Fund, of $18.4 billion. Total inflows amount to $765.4 billion which when compared to total outflows of $803.2 billion leaves an overall deficit of $37.8 billion. A fiscal surplus (above the line revenue minus above the line expenditure) of $14.8 billion (0.7% of GDP) is programmed while a primary balance is expected at $150.9 billion (7% of GDP).

1.4%
EXPANSION IN DOMESTIC ECONOMY

2.4%
REDUCTION IN UNEMPLOYMENT

Figure 1: Abridged Medium-term Budget

	2017/18	2018/19	2019/20	2020/21	2021/21	2022/23
Revenue & Grants	**560,773.6**	**623,864.2**	**644,205.3**	**685,593.2**	**729,867.9**	**776,588.3**
Tax Revenue	496,894.6	535,710.5	575,710.5	612,185.9	651,910.3	693,337.7
Non Tax Revenue	53,249.9	73,654.6	59,608.5	64,109.8	68,174.7	72,976.5
Expenditure	**552,050.1**	**617,931.1**	**629,396.3**	**662,287.2**	**687,029.8**	**716,122.7**
Recurrent	502,244.0	549,128.0	557,285.7	585,737.5	605,123.8	628,385.6
Compensation of employees	193,283.5	200,480.6	210,442.8	226,395.1	242,236.4	259,481.7
Interest payment	135,181.0	136,204.7	136,125.4	138,083.4	130,564.8	124,965.3
Capital expenditure	46,806.1	68,803.1	72,110.6	76,549.7	81,906.0	87,737.1
Fiscal (deficit) / Surplus	**8,723.5**	**5,933.1**	**14,809.0**	**23,306.0**	**42,838.1**	**60,465.6**
Loan receipt	207,133.0	112,832.0	102,736.4	168,010.3	127,534.9	92,566.7
Amortisation	232,289.0	149,467.5	138,321.4	166,316.3	170,372.9	153,032.2
Net inflows / outflows others	(2,860.5)	(7,674.4)	(17,060.0)	(25,000.0)	-	-
Primary Balance	**143,904.5**	**142,137.8**	**150,934.4**	**161,389.4**	**173,402.9**	**185,430.9**
Overall Balance	**(19,294.1)**	**(38,376.8)**	**(37,836.0)**	**-**	**-**	**-**

Sources: JMMBIR and Ministry of Finance & Planning

What does the Budget Communicate?

The fiscal space created through the lowering of the debt stock and by extension reduction in debt servicing cost is allowing the government to, among other things, increase expenditure on high priority projects across various Ministries. Over the years the cost to service the debt and wages and salaries have crowded out capital spending. However, there is a paradigm shift as reflected in the amount that is programmed for capital spending this fiscal year; the outlay is $23.3 billion (54.1%) more than the projected expenditure in FY 2017/18. The higher spending on capital is a welcome sign, as it complements other initiatives that are being pursued to push growth on an elevated and sustained path. Improving the country's dilapidated physical infrastructure will certainly assist towards this end.

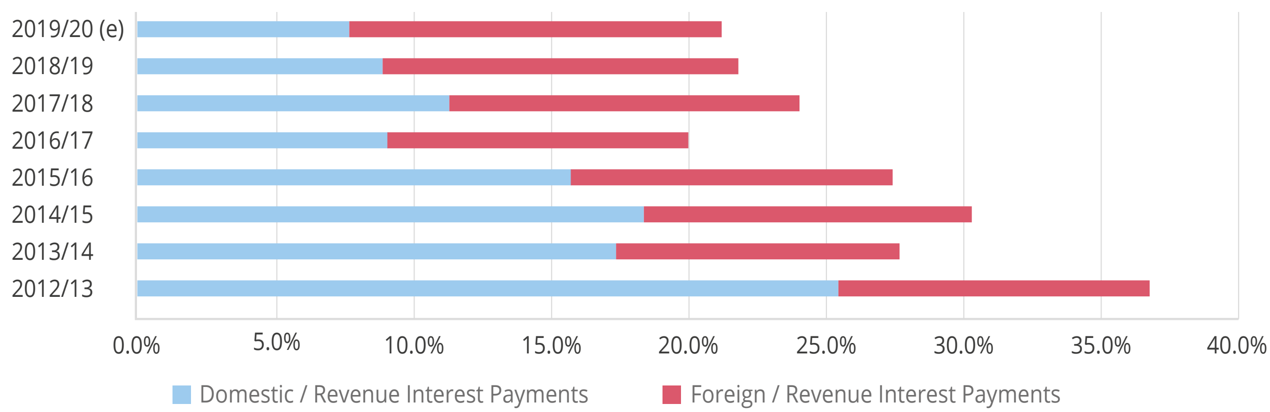
Sustained higher spending on capital in the future minimizes the likelihood of the political directorate missing fiscal targets so as to gain political capital at the end of an election cycle. In the past accelerated spending on capital unmatched by increase in tax revenues has proven to be very disruptive to the smooth functioning of the economy, as it led to higher than expected fiscal deficits and inflation. This in turn results in elevated levels of debt issuances to plug the budget deficit which crowd out private investments and stymie growth. In an era where a stable fiscal path and higher levels of capital spending are envisaged, the fiscal authority is in a good position not to bust the budget in order to pursue election objectives. As such, in the absence of shocks to the economy, we do not expect the actions of the past to be repeated in the future.

DEBT

The GOJ advised that the total stock of public debt at end-December 2018 was $1,944.1 billion which was $2.4 billion (0.1%) higher than at end-March 2018. The debt stock is projected to increase to $1,961.0 billion (96.4% of GDP) by the end of the fiscal year. Debt to GDP is expected to continue to fall gradually to74% by end-March 2022/23. As per the Public Debt Act the authority has committed to reducing debt to GDP to 60% by the end of FY 2025/26.

Debt servicing costs

Figure 2: Debt Service Costs



Sources: JMMBIR and the Ministry of Finance and Planning
e = expected

Over the past several years interest cost on the debt has fallen, particularly on the local currency side. The reduction reflects relatively benign external and domestic capital market conditions, as well as slow growth in debt accumulation. Overall the debt portfolio is comprised of 32% variable rate (VR) debt – domestic debt, 37.7%; and domestic debt, 28.9%. Variable rate debt in the GOJ portfolio is reset at a lower interest rate with fall in reference rates. LIBOR is the main reference rate used to re-price the international VR debt while domestic Treasury bill (T-bill) yields are used to re-price the local VR debt. Rate movements were mixed in 2018, T-bill yields declined by 200 basis points (bps) while the 3-month LIBOR increased on average 105 bps. Relative to 5 years ago LIBOR increased by 245 bps while T-bill yields declined by 620 bps. On a net basis the portfolio benefitted from the lower T-bill yields over the period.

It is likely that conditions will remain relatively accommodative in the capital markets for GOJ debt issuances. Slower expected real GDP growth in the global economy and low inflation expectation in the US may compel the Federal Reserve (Fed) to stay its policy rate increase in 2019. Likewise in Europe, slowing growth and concerns about Brexit, may also influence the European Central Bank to stay rate rise. As a result of expected overall market conditions, it is likely that LIBOR will remain relatively flat during the fiscal year. On the local side, subdued GOJ domestic issuances and accommodative monetary policy are likely to influence T-bill yields. Therefore yields are expected to remain relatively flat over the course of the fiscal year. If these conditions come to fruition then it is reasonable to expect that the debt service cost will fall in line with projection at the end of the fiscal year.

Maturity Profile of the debt

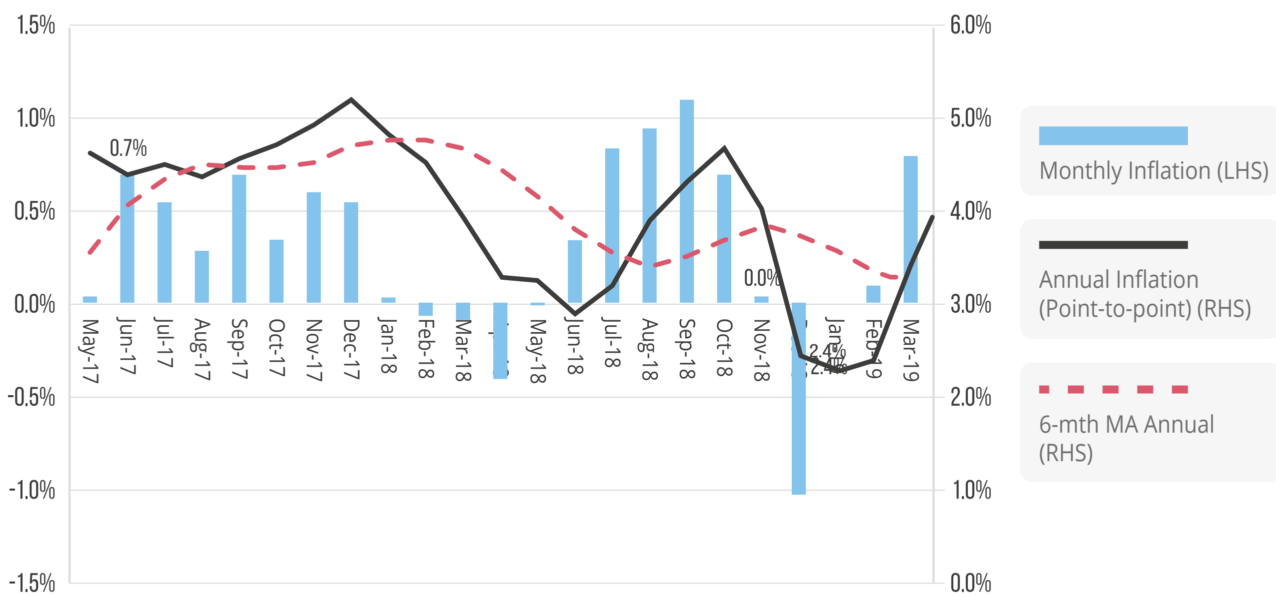
The size of the debt relative to GDP is falling, but there are concerns regarding bunching in the portfolio, that is the proportion of debt falling due over a short time horizon. The proportion of debt falling due in 1 year is over 10% while there is a sizeable portion that becomes due within the next 5 years. For now, market conditions are relatively favourable when compared to 2008-09 (external and domestic) and 2013 (domestic). However, sharp negative changes in market conditions could put upward pressure on interest rates and consequently GOJ debt service cost. Under extreme conditions the GOJ may find it very challenging to raise the requisite quantum of debt at the lowest rate in a given fiscal cycle, particularly in the external capital market. As such, due consideration should be given to extending the maturity profile of new issuances so as to reduce the refinancing risk that is inherent in the debt portfolio.

REVENUE MEASURES

In recognition of the burden that the tax paying public has had to bear in order to move the sovereign towards a sustainable fiscal and macroeconomic path, the Minister of Finance in his sectorial debate reduced taxes by $14.0 billion. The measures are geared to, among other things, encourage home ownership; allow for easy transferability of assets to collateralize loans; and reduce the drag on small business operation.

INFLATION

Figure 3: Inflation



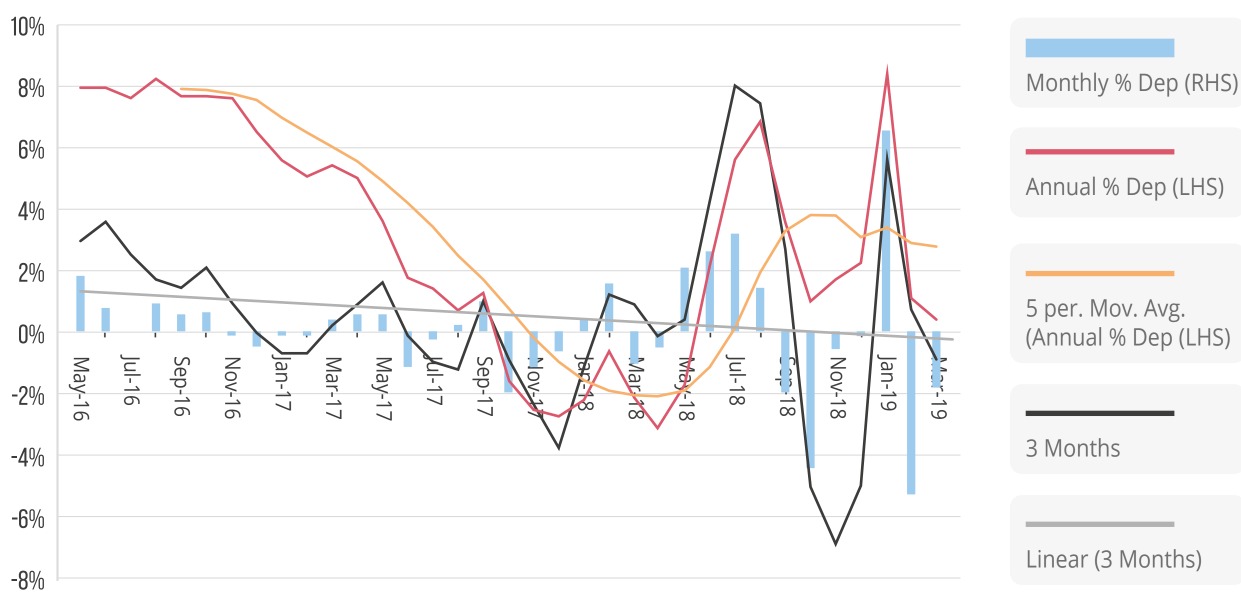
Sources: JMMBIR AND STATIN

For the calendar year to date, inflation rate at the end of March was 0.8% while the 12-month (fiscal year) inflation rate was 3.4%, which was marginally below the Central Bank's forecast range of 4% -6%. When compared to March 2018 the 12-month inflation rate was relatively lower. The movement in prices during the period was influenced by a combination of factors, including favourable weather conditions and a benign external environment. Prices for starchy food and vegetables produced locally rose marginally due in part to high levels of agricultural production occasioned by good weather. Overall, the domestic inflation rate was also influenced by slow external price adjustments, as commodities prices, with the exception of crude oil, increased marginally in 2018.

In keeping with the reforms in the domestic economy and prudent monetary policy, the Bank of Jamaica (BOJ) has moved away from an annual inflation target towards a continuous medium-term inflation target. This allows the Bank to assess the sovereign's inflation periodically and to use monetary tools available at its disposal to help influence the inflation trajectory. Towards this end, the BOJ reduced the policy rate three times during the FY 2018/19. The rate fell from 2.75% to 1.5%, which was geared towards helping to influence domestic economic outcomes by buoying the demand for consumables. Given the prevailing economic condition, the BOJ used its policy tool to intervene and push the inflation trajectory upwards, as there were indications that prices could have fallen way below the lower end of the forecast range. Adjustments in the policy rate coupled with movement in the domestic currency and higher oil prices helped to steer inflation upwards during the last three months of the fiscal year. Accordingly, headline inflation increased, but fell marginally short of the lower end of the BOJ's target.

In our assessment of the risk on inflation over the next year there are two events of significance that could push the inflation rate outside the targeted range: i) sharp increases in oil prices and ii) sustained drought condition for most of the year. In recent months tension has been mounting in the Middle East between the US and Iran. This emanates from the withdrawal of the US from the 2015 nuclear deal and subsequent announcement by Iran to resume the enrichment of weapons grade uranium. The US has moved military assets into the region and there are reports of the Iranian navy damaging oil tankers in the Gulf of Hormuz. Escalation in conflict or continuation of this posture by either sovereigns could push oil prices way beyond the US$65-US$70 forecast range. The island has been experiencing drought like conditions since the early part of the calendar year. Continuation of this weather pattern could negatively affect local food production. The materialisation of one or both events could result in inflationary pressures and push domestic prices above the BOJ's forecast range.

Figure 4: Exchange rate



Sources: BOJ and JMMBIR

Despite the looming risk to the inflation outlook, we envisage that Jamaica's inflation is likely to fall within the mid-point of the BOJ's forecast range in FY 2019/20 through to the medium term. The projected achievement of this objective is based on the Bank's policy anchor and our baseline outlook with respect to the evolution of external prices and domestic demand.

At March-end the Jamaican dollar (JMD) traded at an exchange rate of $126.47 to US$1, which translates into an annualized depreciation rate of 0.4%. The 12-month depreciation rate for the JMD at the end of the fiscal year masks the volatility that characterised the foreign currency market during the period. On a month-over-month basis the JMD appreciated by 1.8% in March having gained 5.4% in February. The cumulative 7.2% appreciation over both months only slightly offset the 6.6% depreciation in January.

The depreciation of the JMD for much of the period was characterised by high end-user demand relative to supply while the converse holds true during those periods where the local currency appreciated. The BOJ periodically intervened in the market through the BFXITT mechanism however this was not sufficient to stymie the volatility in the market.

While we envisaged that the JMD would fluctuate in value during the year, in keeping with US dollar liquidity levels and demand condition, the volatility observed was not reflective of economic fundamentals, nor was it in line with expectation. In fact, assessment of some of the salient macroeconomic variables that inform the currency dynamics point to a more stable depreciation path of the JMD. Of note international commodity prices, except oil, increased marginally during the fiscal year while Jamaica's external liquidity position was relatively stable, as reflected in net international reserves and the balance of payment account.

Over the course of FY 2019/20 we expect the JMD to fluctuate in value however we do not foresee the high levels of volatility that were observed in the previous year carrying over into the current period. Notwithstanding this view, we hasten to caution that continued rise in international interest rates in an environment where domestic rates remain stable, or move in the opposite direction, could result in further volatility. The prelude to this is funds migrating from investment portfolios in Jamaica in search of higher yields. While in the long run such condition is not expected to last due in part to the regulatory requirements that limit the net open position of US dollar assets/holdings by regulated financial institutions, in the near term corporates that fall below the threshold and those that are not bound by regulation can influence market conditions and cause the dollar to depreciate at a faster than expected pace. Additionally, sharp deterioration in Jamaica's terms of trade could also incite volatility in the foreign currency market.

INTEREST RATE

Treasury bills (T-bill) yields have declined sharply since 2017 amid increased confidence in the GOJ's economic programme; elevated J-dollar liquidity and overall decline in the GOJ borrowing requirements, which helped to contribute to liquidity conditions. During the month of March yields on the 90- and 180-day T-bills were 2.19% and 2.17%, respectively. Relative to the similar period in 2018, yields declined by 78 basis points (bps) and 100 bps, respectively.

The relatively low yields on T-bills reflect elevated levels of J-dollar liquidity due in part to accommodative monetary policy by the BOJ and lower borrowing requirements by the government. The monetary policy of the central bank is in keeping with the relatively low inflation environment and the Bank's aim to help steer domestic lending rates lower. However, as we have pointed out, this policy cannot be pursued indefinitely due to developments in the global economy. While the US has ceased further rate hikes for now, continued normalization of monetary policy in the US could put pressure on domestic monetary policy. It is highly possible that rising rates in the US could have a negative effect on Jamaica's external accounts, as a result of further narrowing in interest rate differentials between both sovereigns, which could result in funds flowing outwards from investment portfolios in search of higher returns.

The differential between the policy rate of the BOJ and US Federal Reserve is negative, as the Fed increased its policy rate by 25 bps in December, 2018 to an upper band of 2.75%. On the other hand the Bank of Jamaica reduced the policy rate during the same period by 25 bps to 1.75%.

The migration of funds from portfolio investments is a genuine concern for a number of central bankers across Latin America and the Caribbean. We have seen where the central banks in the other territories where JMMB operates have increased their policy rates during the second half of 2018 to mitigate this risk. The Fed is dovish on rate hikes for now but we do not envisage that this will hold in 2020. As such, when the Fed resumes the process of monetary normalisation it will put pressure on the BOJ to increase interest rates. However, to the extent that external conditions remain benign and domestic inflation is within the targeted range, the BOJ is likely to, at a minimum, maintain rates at around these levels to help push the GOJ's growth agenda.

Table 1: Selected Macroeconomic indicators

Indicator Name	2014	2015	2016	2017	2018 (e)	2019 (f)	2020 (f)
Population, mon	2.86	2.87	2.88	2.89	2.90	2.91	2.91
Real GDP, % y-o-y	0.7	0.8	1.4	0.6	1.4	1.9	2.1
GDP per capita, USD	4,857	4,939	4,869	4,869	5,286	5,539	5,829
Unemployment, % of labour force, eop	14.2	12.5	12.0	11.5	11.0	10.0	10.0
Inflation, % y-o-y, eop	6.2	3.7	1.7	4.7	6.0	6.5	7.5
Central Bank policy rate, % eop	5.75	5.25	5.00	3.50	3.50	3.50	4.00
JMD / USD, eop	114.33	119.98	128.85	124.58	-	-	-
Total revenue, % of GDP	25.7	24.8	25.9	28.0	28.9	29.9	30.2
Fiscal balance, % of GDP	0.1	-0.5	-0.3	0.1	0.5	1.0	1.1
Primary balance, % of GDP	7.2	7.1	6.9	7.8	7.9	7.9	7.6
Foreign reserves ex gold, USDbn	2.0	2.4	2.7	3.2	3.4	3.5	3.7
Import cover, months	4.6	5.9	5.6	5.8	5.0	5.4	5.5
Current account balance, % of GDP	-8.0	-2.8	-1.2	-3.1	-3.9	-4.2	-4.1
Total government debt, % of GDP	128.1	123.2	116.7	109.7	100.7	93.5	88.3
Total debt service, % of XGS	35.8	95.9	43.3	-	-	-	-
Interest payments, % of GDP	4.6	4.9	5.0	-	-	-	-

Sources: BMI and JMMBIR

OUTLOOK

Strong policy adjustments by the GOJ and the strengthening of domestic macroeconomic and fiscal resiliency will continue to have a positive impact on the local economy. Domestic interest rates have trended down; consumer and business confidence remain elevated; job market conditions are improving and debt levels are falling. Given the prevailing domestic and external conditions and our weighting on risks to the economy, we expect the overall economic condition to improve over the next year through to the medium term. Accordingly, we expect the economy to expand by 1.6%-2% in CY 2019. Generally we envisage that the GOJ will meet the fiscal target, and that some of the main macroeconomic variables will remain relatively well behaved. Although the general outlook for the sovereign is positive, there are growing risks, particularly on the external side, which could be disruptive to the domestic economy if they are realized.

Low borrowing appetite for debt from the GOJ and relatively benign monetary policy will help to set the agenda for FY 2019/20. Within the context of prevailing low interest rates and the high levels of optimism within the private sector, it is likely that household and business credit will expand. This however is a two edged sword, as on the one hand it will help to drive activities in the local market while on the other hand it could spark continued volatility in the foreign exchange market. In the main we expect that the expansion in credit and favourable external demand will help to positively influence the domestic growth outcome.

The foreign exchange market has experienced relatively high volatility during the period Q4:18 – Q1:19, which was not in line with expectation or the prevailing economic conditions. The currency was expected to fluctuate in value in 2018, but the wide swings were not anticipated. High currency volatility is not welcoming for businesses, particularly those that are highly dependent on external prices. It could lower confidence and lead to speculative forces re-entering the currency market. The BOJ and other stakeholders are working to develop a forward market for the purchase and sale of foreign currency to mitigate the risk of volatility. It is likely however that such a trading platform will not come to fruition in this fiscal year, as there are many issues that have to be addressed. That aside, the currency market is not expected to perform as it did in Q1:18 and Q2:19. Accordingly, volatility in the foreign exchange market is likely to subside and the local currency is expected to move in an orderly manner, reflecting the overarching liquidity and macroeconomic conditions.

Honour

EACH OTHER

THE
JMB
GROUP LTD

TRINIDAD AND TOBAGO

REVIEW

The recovery of the domestic economy driven by improvements in the energy sector continued apace in the first half of 2018, but slowed markedly during the second half of the year. As a result of this the domestic economy expanded by 0.3% in 2018. The slow pace of expansion culminated with maturation of aging oil fields resulting in lower crude oil output relative to the previous year. Gas production expanded but the impact on real growth was attenuated by relatively subdued prices. As a result of the slow pace of economic expansion over the last 5 years, the unemployment rate has been creeping upward. At the end of 2017 the unemployment rate was 4.8%, which is nearly 1% higher than it was in 2016.

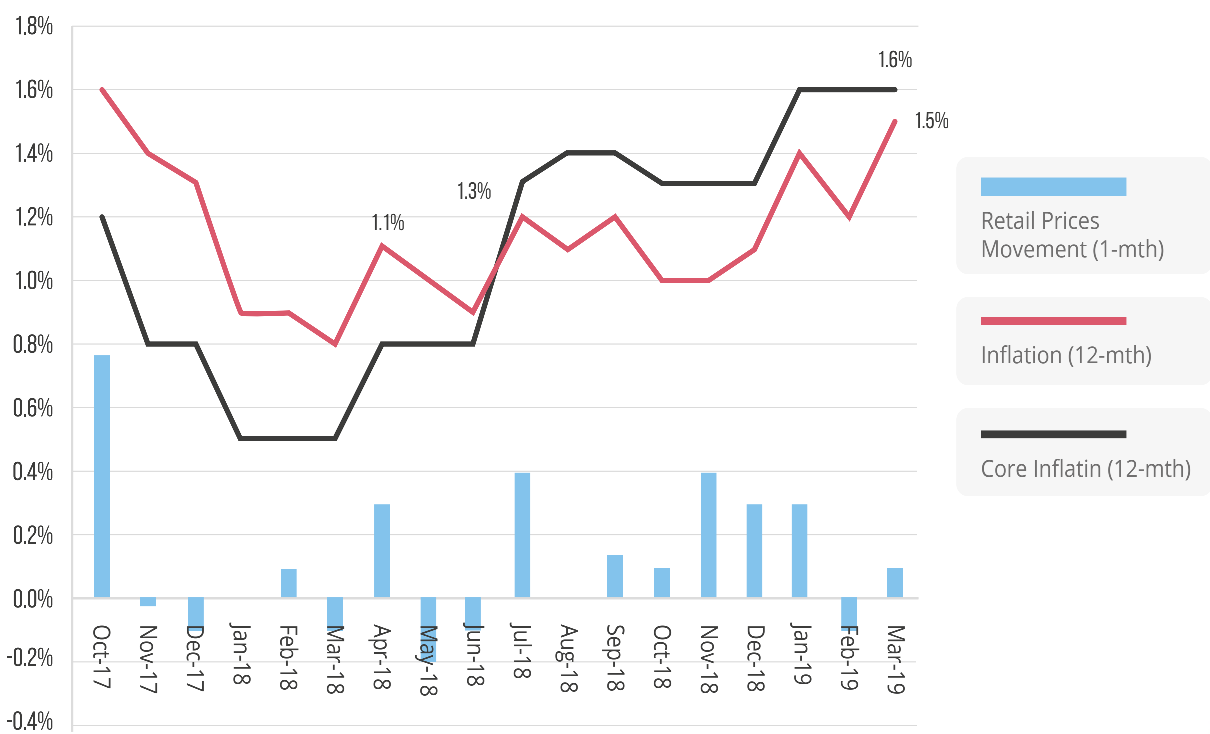
In line with the low economic growth and external price adjustments, headline inflation was muted during the fiscal year. Given the outlook on growth, developments in the international economy and the expected pace of credit expansion, inflation is likely to remain relatively subdued at least over the next 12 months.

Activities in the foreign currency market were relatively tight despite increase in the sales of petrocurrency. Demand outpaced supply, but the exchange rate of the TT-dollar relative to the US-dollar remained stable. This came at the expense of reduction in reserves, which declined by US$628 million (7.9%) for the period March 2018 to March 2019. At the end of the review period reserves stood at US$7.3 billion or 8.3 months of imports. The sovereign continues to haemorrhage reserves in order to preserve the domestic exchange rate. When compared to March 2017, reserves were down by US$1.7 billion, or 19.3%.

Within the context of increasing debt to GDP levels resulting from fiscal deficits and slow real GDP growth rate, the government has embarked on fiscal consolidation to cull the deficit, and in the process reduce debt levels. Preliminary estimates indicate that government spending is in line with what was programmed for FY 2019/20. At end-December 2018 the debt to GDP was 62.2%, which represents a full percentage point increase over the previous year. The debt has been on an upward path since 2010 where it stood at 35%. Elevated debt levels is a cause for concern, as it is a source of potential risk to the fiscal accounts.

INFLATION

Figure 5: Inflation



Sources: JMMBIR and CBTT

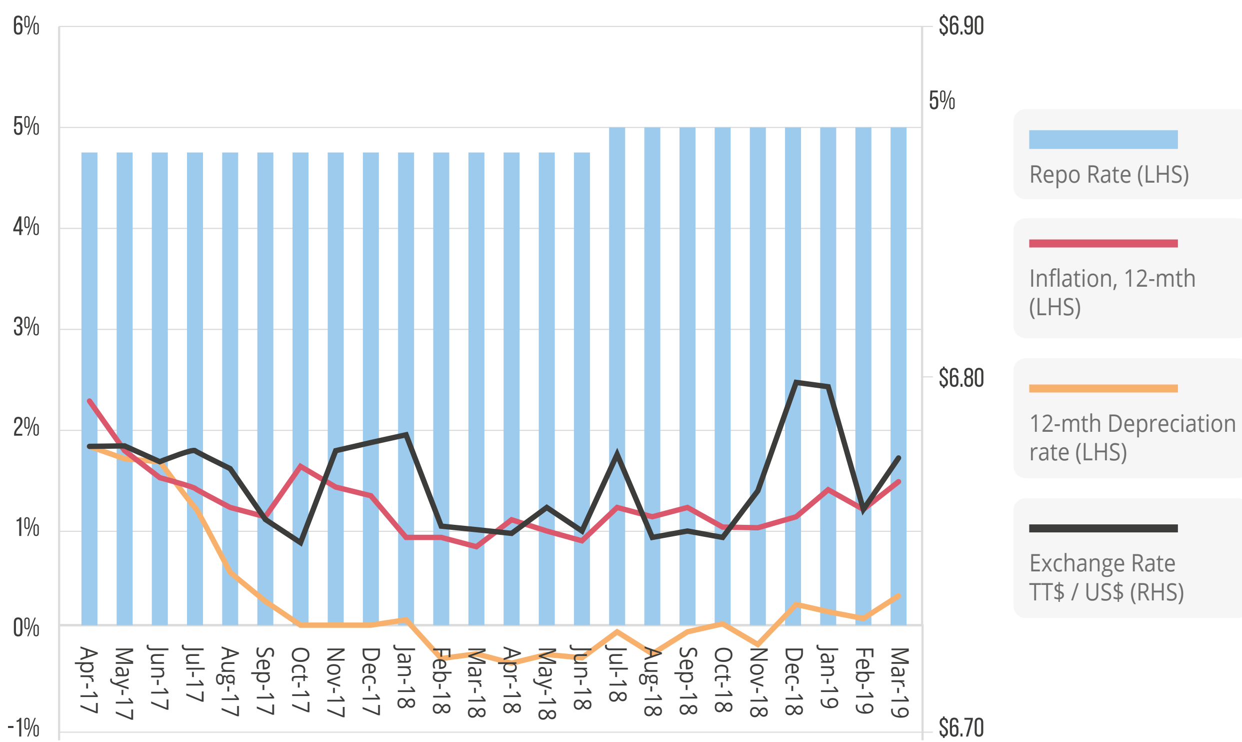
Inflation rate in Trinidad and Tobago remains low due in part to subdued food and external prices and relatively weak household demand. At the end of March the point-to-point inflation rate was 1.5%, which was slightly higher than the 1.2% recorded in February. However when compared to the previous year, headline inflation almost doubled. We were expecting a modest increase in the inflation rate, but downside risks persist in the form of a weak domestic economy, which put downward pressures on household consumption. Given the prevailing conditions in the domestic economy, we expect the inflation momentum to remain weak throughout 2019. Our outlook is further reinforced by the external conditions - a less robust global economy and subdued commodity prices. Notwithstanding this view, bad weather and other external shocks could push food and energy prices upward. We however assign a low probability to these events at this point in time. Accordingly we are expecting the status quo of low inflation to continue over the course of the year.

EXCHANGE RATE

As it ended in 2018, the domestic currency remained relatively flat during the first three months in 2019. At end-March the Trinidad and Tobago currency traded at an exchange rate of TT$6.77 to US$1, a depreciation rate of 0.3% when compared to March 2018. The relative stability of the domestic currency masks the supply constraint that exists in the market, as corporates and individuals are facing serious challenges in obtaining the requisite amount of US dollars needed. Consequent on this, a parallel market for the US dollar is very active where the TT-dollar is trading upward of TT$9 to US$1.

The local authority has kept the TT-dollar stable to the detriment of external reserves. At end-March net international reserves fell by US$628 million (7.93%) when compared to March 2018.

Figure 6: Selected Macroeconomic variables



Sources: JMMBIR and CBTT

The macroeconomic fundamentals are pointing towards depreciation of the TT-dollar. However given the entrenched mindset of the authority, there are genuine fears that depreciation could have negative political consequences. Despite pressures in the foreign currency market we expect the local currency to remain relatively stable throughout 2019. This however will come at the expense of continued decline in the country's reserves. It is highly probable that the parallel market will remain active owing to chronic shortage of hard currency.

In the absence of an external shock that boosts energy prices, reserves will continue to fall given the government's policy stance. The sovereign's external position is one of the factors informing its investment grade ratings by Standard and Poor's. If reserves are allowed to free fall, as is the case now, it could result in downward ratings pressure. This situation is untenable, however it is difficult to say if policy makers will be willing to act in the short run. What however is clear are the long-run implications of low external reserves. Thus, given the outlook on the economy over multiple periods, it is reasonable to expect depreciation in outer years. However, over the short-run the status quo of a relatively fixed exchange rate is likely to remain as is.

INTEREST RATE

Having held the policy rate at 4.75% since November 2015, the Central Bank of Trinidad and Tobago (CBTT) increased it by 25 basis points to 5% in July 2018. Subsequently rates have held steady through to March 2019. This comes against the background of continued pressure in the foreign currency market and negative interest rate differentials between TT- and US-dollar instruments. The CBTT faces the daunting task of staving off economic recession while trying to balance conditions in the foreign currency market. The domestic economy is struggling from the impact of subdued hydrocarbon prices, slow rise in output in the nonpetroleum sectors, and slowdown in household and government spending.

The CBTT has consistently gauged conditions in the domestic and external environment to determine the policy rate. Looking ahead the Fed has signalled the likelihood of increasing rates twice in 2019, but with the outlook on growth in the global economy not as optimistic as it was in late 2018 and with low inflation expectation in the US, The Fed may stay the expected rate adjustment until 2020. If this turns out to be correct, it will give the CBTT breathing room not to increase rates, at least in 2019.

OUTLOOK

The economic condition is expected to remain relatively subdued in 2019 despite the emergence of bright spots in the Petroleum sector. The start-up of the Angelin gas platform and other energy related projects supported by output from the Juniper field are likely to boost real GDP growth during the first quarter. However, accelerated growth in the overall economy is likely to be attenuated by slow expansion in government spending and low growth in the non-petroleum sector. Based on our baseline forecast, we are expecting relatively slow expansion in domestic spending and low GDP growth across the Caribbean, which are the main sources of demand for Non-Petroleum products. This supports our outlook with respect to growth in the sector and by extension the overall economy. Given the foregoing the domestic economy is expected to expand by 0.5% in 2019 and increase to around 1.5% in 2020.

Within the context of slow economic growth and relatively subdued inflation, the CBTT is likely to keep the repo rate fixed during 2019. This however is conditioned on the Fed remaining dovish throughout the period. Although Trinidad & Tobago maintains relatively tight control over capital movement, vast deviation between US- and TT-dollar interest rates could put further pressure on the foreign exchange market. Thus, if the Fed were to deviate from the current monetary stance and accelerate the pace of interest rate adjustments it is likely that the CBTT would be forced to adjust rates upwards, albeit with a lag.

Depreciatory pressures in the foreign currency market are likely to persist throughout 2019, as the monetary authority is not expected to change its policy stance. It is our opinion that the authority will acquiesce to political pressure and as such the currency will remain stable at least in 2019. This however will be to the detriment of falling reserves. Even though the reserves are relatively high, they have been bleeding at a rate of over 9% per annum over the last two years. In the absence of higher levels of output in the Petroleum sector and attendant foreign currency inflows, it is hard to envisage the TT-dollar remaining stable over the medium- to long-run. Further deterioration in Trinidad & Tobago's external reserve position could negatively affect the sovereign credit rating.

Love

IS THE ANSWER

DOMINICAN REPUBLIC

REVIEW

The Dominican Republic was the fastest growing economy in Latin America and the Caribbean in 2018 with real GDP growth of 7%. The pace of economic expansion was supported by growth in Construction (12.2%), Manufacturing in the Free zones (8.1%), Agriculture (6.3%), and Tourism (5.7%). Enabling macroeconomic policies that are favourable business formation and benign external conditions continue to fuel real GDP expansion. As a result of the strong growth momentum over the last decade, per capita GDP has risen from US$5,151 in 2009 to US$7,880 in 2018, which translates into an annualized growth rate of 4.3%.

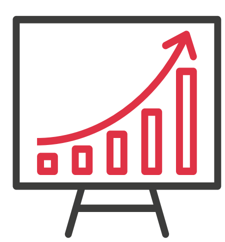
The US is one of the Dominican Republic's main trading partners accounting for over 40% of tourist arrivals and a significant proportion of exports. Due to relatively robust US growth rate underpinned by expansion in household income, the Dominican Republic economy has benefitted in 2018 through higher visitor arrivals and increased exports from the free zones.

Despite overall improvements in the domestic economy and reduction in unemployment, the sovereign is beset with many challenges, particularly on the fiscal side. For example the correlation between economic growth and government revenues is weak due to the large tax break given to high growth sectors, such as tourism and the free zones. As a result growth in government has not kept pace with the rate of economic expansion. Arising from moderate fiscal deficits over the years, debt levels are rising and debt service cost to government revenues is relatively elevated when compared to peers. The fiscal deficit was estimated at 3% of GDP in 2018 and is expected to remain relatively unchanged over the medium term. Notwithstanding expected robust GDP growth, the debt level is expected to grow incrementally due to fiscal deficit and the high level of foreign debt which is impacted by exchange rate movement.

Structural changes are slow in coming, but with the pending construction of a coal-fuelled electricity plant at Punta Cana the fiscal accounts could benefit. Government subsidy to the electricity sector is expected to fall by around 0.5%-0.6% of GDP over the next several years.

7.0%
GROWTH IN GDP

4.3%
ANNUALIZED GROWTH RATE



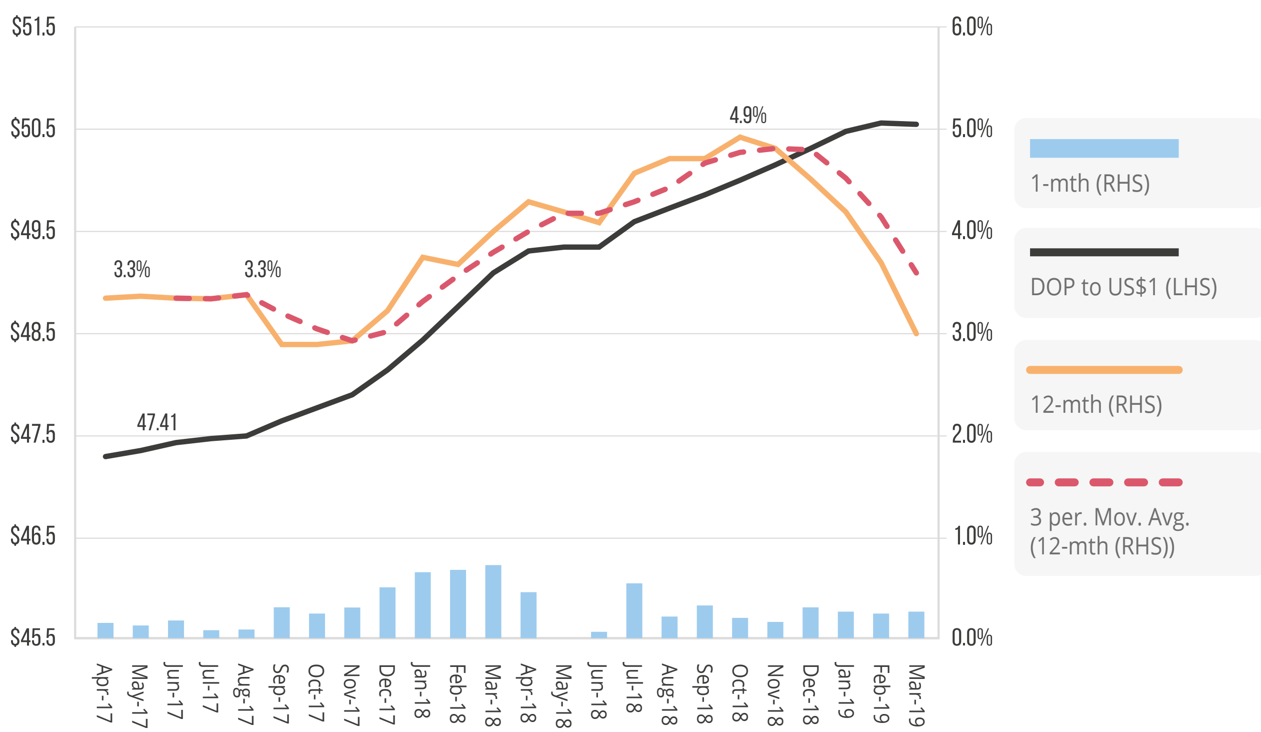
INFLATION

The 12-month inflation rate in March of 1.5% was well below the Central Bank's targeted range of 3% - 5%. Inflation rate has fallen below the policy range since November 2018 due to the pass-through effect of relatively subdued crude oil prices, generally low international prices and favourable domestic weather condition. Given the outlook on global growth and energy prices, we expect inflation to remain relatively low for much of 2019. Being a net importer of energy, domestic prices are likely to adjust marginally due to slow rise in oil and other commodity prices, as well as modest depreciation of the pesos.

Given this outlook we expect inflation to remain below the policy range for much of the first half of the year and thereafter slowly trend towards the lower end of the range.

Downside risks to the world economy appear to outweigh the upside risks at this time. If downside risks are realized then inflation could remain muted longer than expected. While the likelihood of upward price pressures appear low, in an environment where prices are increasing we expect the Central Bank to utilize the tools at its disposal to curtail prices within the targeted range. Given our assessment of the external and local economic environment we are expecting inflation to end the year at the lower end of the policy range due to the prevailing global economic conditions.

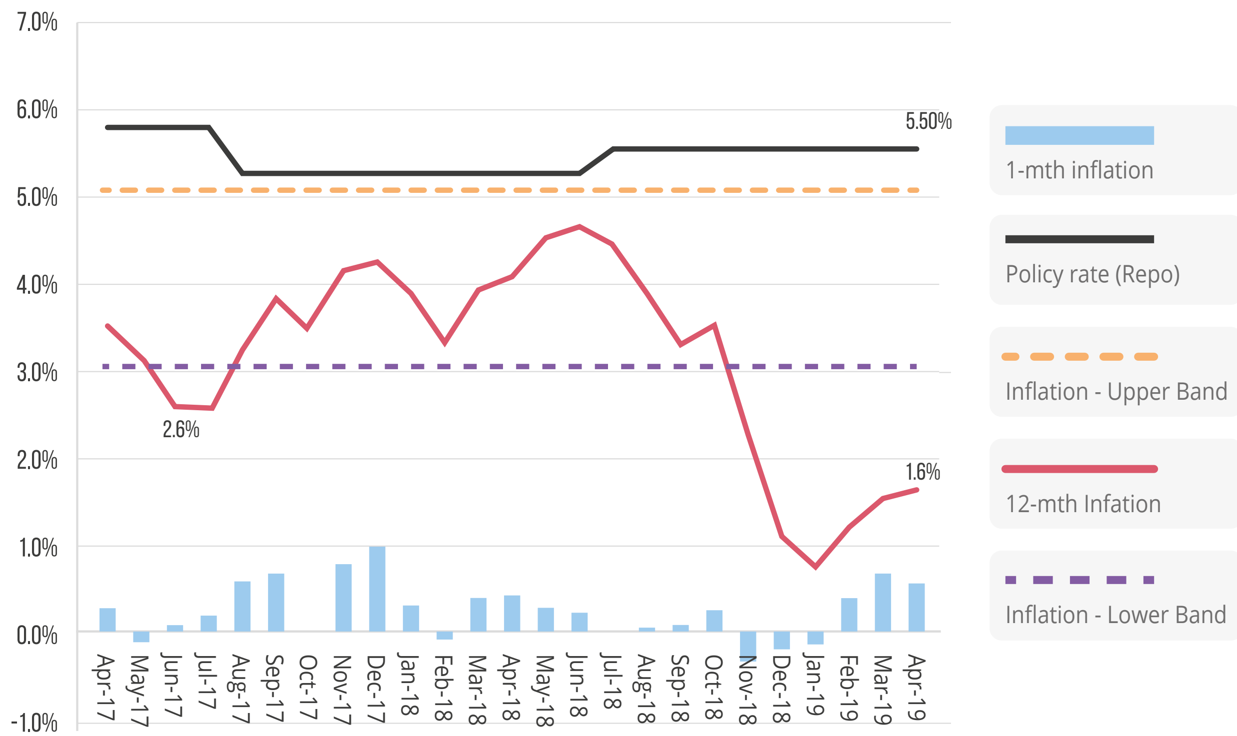
Figure 7: Inflation Rate



Source: JMMBIR and BCRD

EXCHANGE RATE

Figure 8: Exchange Rate: DOP/USD



Source: JMMBIR and BCRD

At end-March the DOP traded at an exchange rate of DOP 50.55 to US$1 which represented a depreciation rate of 0.26% month-over-month. For the 12-month period the DOP depreciated by 3.0% which compares favourably to the similar period in 2018 where the domestic currency depreciated by 4.0%.

The decline in the pace of depreciation reflects the action of the Central Bank to temper pressures in the foreign currency market. The programme commenced with an increase in the policy rate in the second half of 2018. Owing however to the high real GDP growth rate that prevails, the demand for foreign currency slowly eased over the last two quarters.

The demand for foreign currency has since weakened, reflecting a combination of monetary policy and lower international prices. At the macro level we envisage that the current account deficit will remain narrow due to strong growth in tourism and relatively low international prices. Consequently we expect relatively stable demand and supply conditions to prevail for the rest of the year and as such the pace of depreciation of the domestic currency should remain subdued. Under this condition we are of the opinion that the Central Bank will continue to accumulate foreign reserves for the remainder of 2019.

INTEREST RATE

At its monetary policy meeting in March 2019, the Central Bank of the Dominican Republic (BCRD) maintained the monetary policy rate at 5.5% per annum. The Bank noted that it continues to pay attention to international and domestic conditions and stands ready to act in the event of changing macroeconomic dynamics that warrant action.

The Bank expects domestic inflation to remain relatively low owing to conditions in the external market, particularly low oil prices. The current account deficit contracted to 1.4% in 2018 as a result of improvement in external earnings, particularly tourism and remittance. There was also improvement in the fiscal accounts – reduction in the fiscal deficit against higher revenue flows and increased spending. These positive developments resulted in higher external reserves.

We do not foresee a shift in the policy rate in 2019 in light of recent developments in the global economy, local conditions and the outlook for the domestic economy for the rest of the year.

OUTLOOK

Real GDP expanded by 7% in 2018 consequent on increased activities in tourism, construction and exports from the Free zones. The growth momentum is likely to continue through to 2019, albeit a little less robustly than the previous year. It is envisaged that the sectors which drove growth in 2018 will continue to drive the growth dynamics in 2019.

The inflation momentum is expected to remain subdued as a result of relatively weak international prices. With slowdown in global growth and weaker inflation expectation in the US the Fed is likely to stay further rate increases in 2019. This will incentivize the BCRD to keep the policy rate static. Thus overall domestic interest rates are expected to remain relatively stable. Pressure has subsided in the foreign currency market and we anticipate that with the prevailing tight monetary conditions the status quo will continue to hold.

Risks to the domestic economy are fairly balanced at this time. We are not expecting any negative deviation in the sovereign's balance of trade and fiscal position. Our outlook is that the domestic macroeconomic environment will remain relatively stable throughout 2019 with real GDP growth remaining strong, fuelled by continued rise in tourist arrivals and high household demand.

If you set goals and go after them with all the determination you can muster, your gifts will take you places that will amaze you

Les Brown

SET HIGH GOALS

KEITH DUNCAN
GROUP CHIEF
EXECUTIVE OFFICER

MANAGEMENT DISCUSSION AND ANALYSIS

J$ 3.87B
NET PROFIT

J$18.04B
OPERATING REVENUE

J$ 8.84B
NET INTEREST INCOME

The Management of JMMB Group Limited (JMMBGL) is responsible for the integrity and objectivity of the information contained in the Management Discussion and Analysis (MD&A).

The MD&A is prepared to enable readers, clients and shareholders to assess the operations and financial performance of JMMBGL for the financial year ended March 31, 2019 compared with prior years. It should be read in conjunction with the JMMBGL's financial statements.

The information conveyed is based on the informed judgment of management with appropriate consideration to materiality. In this regard, management maintains a system of accounting and reporting that provides for the necessary internal controls to ensure that transactions are properly authorized and recorded; assets are safeguarded against unauthorized use or disposal and liabilities fully recognized. Importantly, the system of control is continually reviewed for effectiveness and is supported by written policies and guidelines, qualified personnel, and strong internal audit and risk assessment procedures.

The financial information disclosed in this MD&A is consistent with JMMBGL's audited consolidated financial statements and related notes for the financial year ended March 31, 2019. Unless otherwise indicated, all amounts expressed are in Jamaican dollars and have been primarily derived from JMMBGL's financial statements which are prepared in accordance with International Financial Reporting Standards (IFRS).

This MD&A may contain forward looking statements. Forward looking statements are statements made based on assumptions or predictions of the future which may not necessarily be realized. Although JMMBGL believes that in making any such statement its expectations are based on reasonable assumptions, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected.

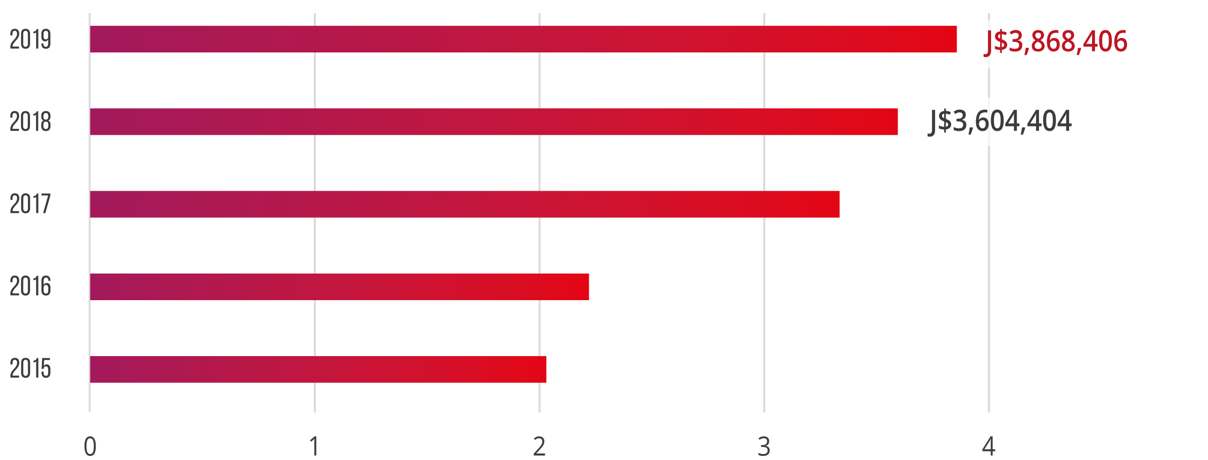
The JMMB Group Limited ("JMMBGL") is pleased to present the achievements and results of its Group of companies ("The Group") for financial year ending March 31st 2019.

SUMMARY OF RESULTS AND ACHIEVEMENTS

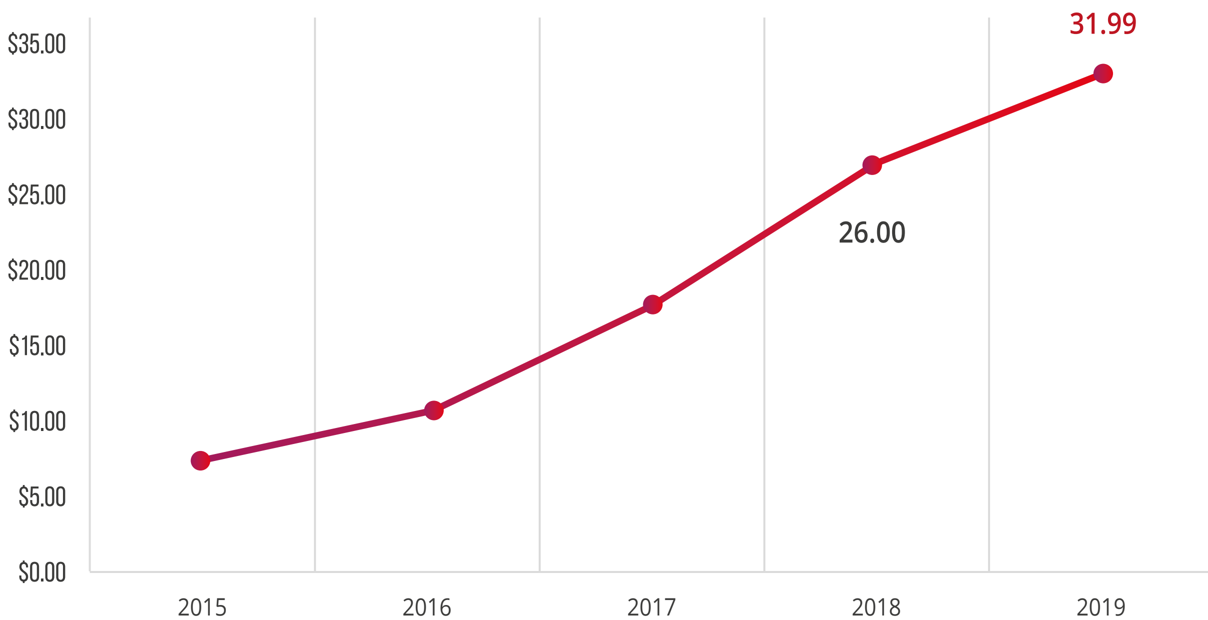
Solid Growth and Performance

The Group continued to post positive results and solid growth in key performance areas during the year under review. Net profit grew by 7% moving the total for the year to J$3.87B while operating revenue, net of interest expense, which grew by 14% ended the year at J$18.04B and net interest income, which also grew by 14%, ended the year at J$8.84B. JMMBGL's stock closing price on the Jamaica Stock Exchange (JSE) as at March 31, 2019 was J$31.99, up from J$26.00 in the prior year. This growth represents a 23% increase in capital gains to shareholders for the financial year.

NET PROFIT (J$ '000)



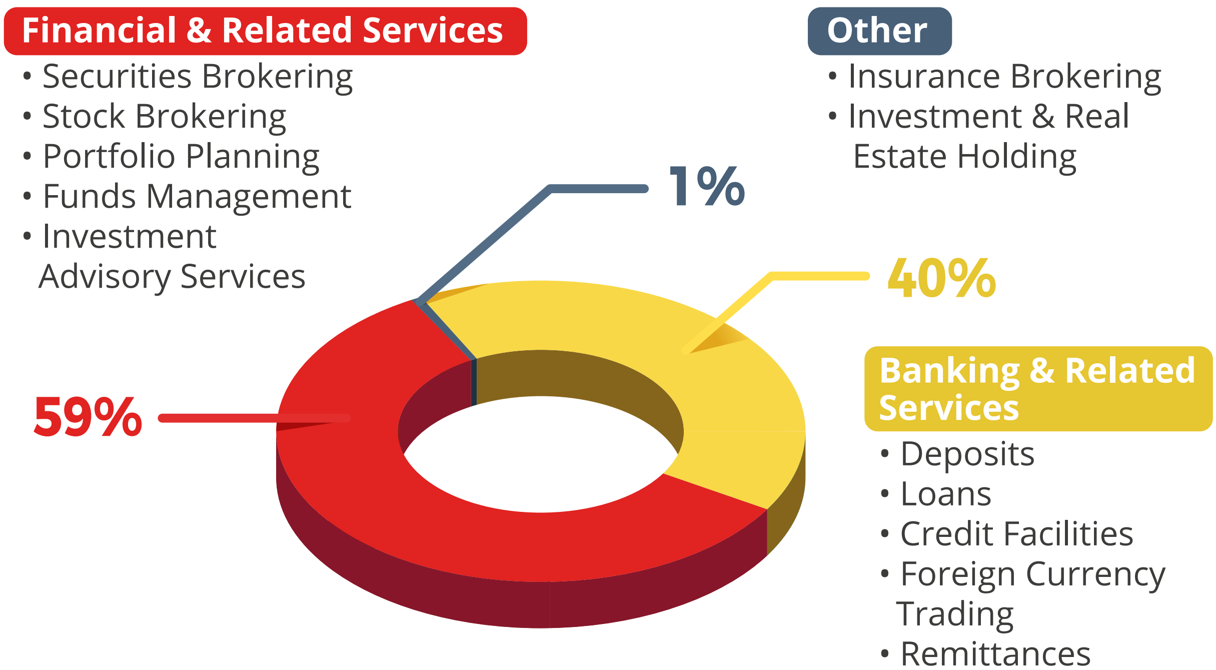
JSE CLOSING PRICE (J$)



Regional and Business Line Diversification at Work

The Group's strategy to improve stakeholder value via the build out of a regional integrated financial services business model continues in full swing and initiatives to diversify risk, expand operations and drive revenues from newer business lines and markets continue to show positive results.

BUSINESS LINE CONTRIBUTION TO PROFIT BEFORE TAX



Banking and Related Services

The build out of the Group's banking business line continues to tangibly impact the Group's bottom line as contribution to profit before tax has moved to 40% up from a 23% contribution in the previous financial year.

Financial year 2018/19 was also the first full financial year of operations for the newest commercial banking entity to the Group, JMMB Bank (JA) Ltd., having received regulatory approval to transition from merchant banking to commercial banking in August 2017. The year of operations saw net operating revenue increase by 47% ending at J$3.96B. The Bank's deposit base saw an increase of 26% over the prior period ending the year at J$38.71B and its loan portfolio showed growth of 26% totaling J$6.94B at year end. This loan portfolio and deposit base growth continued to outpace the overall growth of the Jamaican market.

The Group's Dominican Republic savings and loans bank, Banco de Ahorro y Crédito JMMB Bank, S.A., achieved operating profit of J$14.5M for the year. This is a significant improvement over the previous financial year and is an important milestone as the Bank posted its first profitable year after having operated at a loss since the Group took over the entity in financial year 2015/16.

The Group's Trinidad and Tobago operations launched a new business line, JMMB Express Finance (T&T) Ltd. (JEF), under its merchant banking licence. This new business line, birthed out of the Group's financial inclusion strategy, offers unsecured consumer loans up to TT$40,000 (or approximately J$765,200). After only 6 ½ months of operations, JEF has amassed a client base over two thousand strong and has booked just under TT$30 million in loans.

Financial and Related Services

The entities comprising the Group's investments business line in the Dominican Republic saw growth of 25% of total Funds under Management (FUM) for the financial year while total FUM in Jamaica and Trinidad and Tobago grew by 2% and 15% respectively.

Our teams in Trinidad and Tobago continued to deepen brand awareness and demonstrably strengthen their commitment to the market. To this end, the JMMBSC (T&T) Investments operations in Trinidad and Tobago placed 2nd only to the lead broker in the largest public offering in the country's history, National Investment Fund, with subscriptions totaling TT$1.3B relative to total subscriptions of TT$7.3B.

The Group's pensions fund management business in the Dominican Republic, JMMB Administradora de Fondos de Pensiones (JMMB AFP), which was birthed in late 2017, achieved a significant milestone in surpassing the $RD 1B milestone for managed funds. In Jamaica, Collective Investment Schemes (CIS) managed by the Fund Managers business line represented 12.4% of the total market compared to 11% at the start of the financial year. And, when further ranked by unit trust FUM, the CIS ranked the fourth largest in Jamaica.

Rounding highlights of the Group's performance is the Capital Markets business line which achieved significant growth year over year with transaction volumes growing by 120% to J$44B relative to J$20B in the prior year.

Growing and Partnering with Clients

The Group's solid financial performance has been driven by widening our client base and deepened client relationships. Over 25,000 clients joined the Group during the year under review, representing an 8% growth in our client base.

We also continued to partner with clients supporting them on their journey to financial freedom.

- In Jamaica, through our financial planning conversations, we created over 13,900 goal-plans to support and enable clients achieving their dreams and life goals. We continue to partner with clients throughout their journey by continuous tracking and monitoring of agreed milestones.

- Our banking business line continued to support clients' financing goals as our teams closed out over 5,800 financing goals in Jamaica, the Dominican Republic and Trinidad and Tobago.

Over 1,500 clients were able to purchase their first car or upgrade as we saw a 22% increase in car goal achievement across the Group. Likewise, 375 clients achieved their goals of home/property acquisition/expansion.

- Our teams also partnered with 377 businesses, 35% more than in the prior year, including providing small and medium sized companies with critical financing, support and guidance to achieve their company goals and objectives.

YOUR BEST INTEREST AT HEART

13,900+ GOAL PLANS CREATED

CLIENT GOALS ACHIEVED

5,800+ FINANCING GOALS ACHIEVED

1,500+ CAR GOALS ACHIEVED

375 BUSINESS FINANCING NEEDS MET

377 HOME PROPERTY GOALS MET

As in the previous financial year, we remained committed to improving key aspects of our clients' experience with us. We therefore continued our focus in Jamaica on getting 'Back to Basics', with key objectives of addressing pain points in client onboarding and account opening, wait time at all our locations and the consistent delivery of partnership across all channels.

IMPROVING THE WAY WE PARTNER WITH CLIENTS

- FINANCIAL PARTNERSHIP EMBEDDING
- ONBOARDING AND ACCOUNT OPENING
- WAIT TIME IN BRANCHES

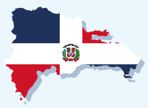
Our teams were relentless in monitoring and improving key performance indicators and targets set by channel and pain point type. After almost one year of consistent focus, discipline and change around the way our teams work, marked improvements were seen as:

- The branches achieved the set target for wait time 74% of the time
- The average time target set for new client onboarding (inclusive of a full goal planning conversation and account opening) was achieved 70% of the time.

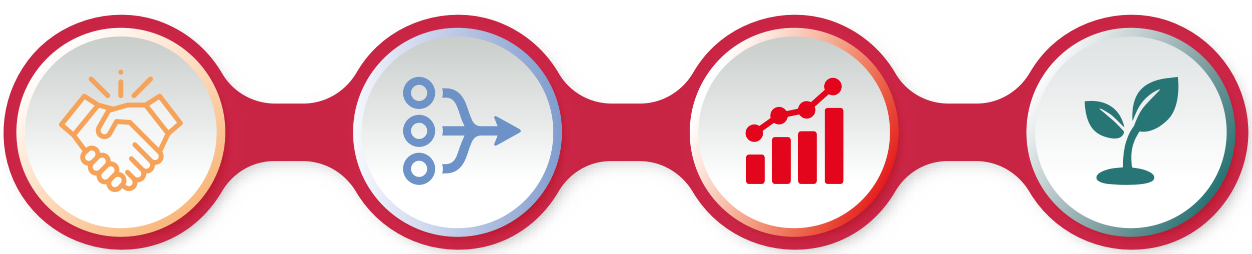
In improving our ability to deliver integrated financial services we have been deeply focused on ensuring our branch locations are configured to truly deliver on our promise of 'Partnership' and 'Best Interest'. Financial year 2018/19 thus saw the upgrade of the Fairview branch location in Montego Bay to a fully integrated branch location. This brings the total number of fully integrated branch Locations (Financial Life Goals Centres) to seven (7) for the Group in Jamaica.

As we have expanded and increased our footprint across the region, the number of financial services accessible to clients has continued to increase. To date, clients in the DR can access up to eleven (11) financial services across four (4) business lines while in T&T clients can access up to fifteen (15) financial services across four (4) business lines and in Jamaica clients can access up to twenty-one (21) financial services across six (6) business lines.

YOUR FINANCIAL PARTNER ACROSS THE REGION

Country	Number of Branch Locations	Number of Companies (Client Facing)	Number of Financial Services
	2	4	11
	12	6	21
	8	4	15

JMMB GROUP REGIONAL INTEGRATED FINANCIAL SERVICES STRATEGY 2012-2020

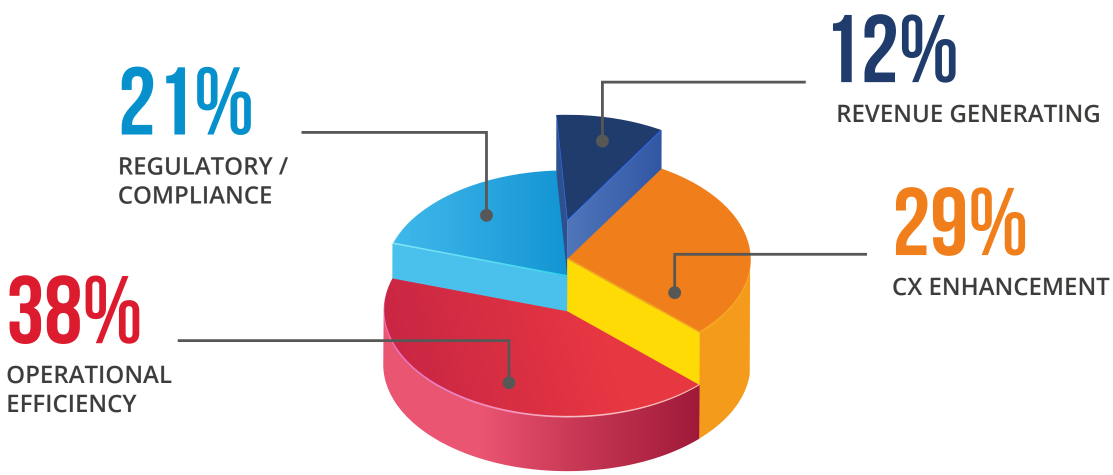


Financial year 2018/19 saw a refined focus aimed at intensifying the consolidation and growth arms of our strategy. A central focus of the execution of these arms is maintaining emphasis on maximizing strategic synergies and extracting operational efficiency from the entire portfolio of companies across the Group while driving the growth of key business lines in all three territories.

Projects and Business Process Improvements, Big Wins for the Group

The projects undertaken during the year were intended to support the growth of the banking and investments business lines, improved client access, expanded services offered on digital channels and the standardization of the Group's country and business line operations. To this end, the Group was able to complete seven (7) projects, four (4) of which supported business line revenue generation across the Group while three (3) were aimed at improving clients' experiences in branch and on digital channels.

GROUP BPI SUMMARY



Additionally the Group, to improve our ability to achieve quick client wins and key business objectives, revised its approach to executing business process improvement initiatives. This yielded significant wins and achieved critical efficiencies for the Group, by creating simpler and more optimal processes, making it easier to do business with us.

The year also saw several projects dedicated to the upgrade of retail and business client access to Moneyline, the Group's online transaction platform. These upgrades included expanded transactions and access for corporate and business banking clients in Jamaica as well as upgraded access for the Group's Dominican Republic business lines.

FY 2018/19 GROUP STRATEGIC PROJECTS

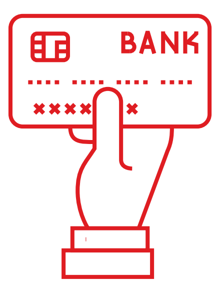
Client Experience & Partnership	Client Access		Operations	
Online Banking Upgrades - Retail Business (Group)	Build Out ATM Network (JA)	New Integrated Location (JA)	Banking Business Line Standardization (Group)	Integrated Locations Standardization (Group)
COMPLETED	IN PROGRESS	COMPLETED	IN PROGRESS	IN PROGRESS

Standardization: One Group. One Client. One Experience.

Three of the strategic projects which commenced during the year fall squarely within the Group's mantra of 'One Group. One Client. One Experience.' In preparation of the Group's continued expansion, this mantra has been the backdrop against which we have been streamlining the operations of key functions and business lines and our clients' experiences across business lines and countries.

This has been an extensive undertaking for the Group inclusive of the rationalization of our products/ solution sets, service providers for key technology support services, as well as our business lines' core systems. Financial year 2019/20 will see the first deployment of this revised group-centered approach implemented as the banking business line is standardized with one core banking platform, a fulsome solution set and an in-branch experience that is supported by standardized technology, processes and systems across the Group. The expectation is that all integrated branch locations will deliver partnership in a standardized way and that the experience will be the same for all clients across the territories while still recognizing the individuality of clients and the nuances of cultures.

Group Strategic Initiatives



Card and Payments Solutions Coming Soon!

The Group, in developing and embedding core experience and service delivery elements, has recognized that while certain service delivery and solutions competencies exist at varying levels across business lines and channels within the Group, there are still significant gaps which impact key business lines' ability to fully meet critical client needs. One such gap currently within the Group is payment solutions, in particular, card services.

The Group also recognizes that the addition of these services is required to bolster the provision of solutions across key channels (digital) and thus improve our ability to fully deliver integrated financial services. Moreover, as the payments industry continues to grow, driven by global innovation trends as well as market behavior/ demand, the Group's competitiveness in Jamaica, Trinidad and Tobago, and the Dominican Republic is increasingly hinged on an ability to fully and consistently deliver basic (and increasingly more advanced) electronic payments solutions. It is with this in mind that the Group embarked on a comprehensive exploration of payments services during the financial year. The first phase of the roll out of this strategy will see the launch of Visa Debit Card and proprietary ABM services in Jamaica in the coming financial year. The following phases will see the addition of credit card and point of sale solutions in the Dominican Republic, Jamaican and Trinidad and Tobago markets.

Partnering with Small and Medium Enterprises

The Group's commitment to the region and the economic development of the territories in which we operate is further illustrated in our strategy and approach to partnership with SMEs at every stage of their business life cycle.

During the financial year the team undertook to redefine the way business clients are served and supported and developed a comprehensive framework which, at its heart, is client centric in:

- Addressing basic needs and pain points,
- The development of solutions which consider the industry type, unique needs and stage of the business and,
- The design of an integrated approach to service delivery which leverages and makes easily accessible the expertise of service providers external to the Group.

In its implementation, the Group is focused on several critical initiatives including:

- Designing a specific identification onboarding and supporting framework,
- Launching a SME resource center to support SMEs through their business lifecycles,
- Building capacity and capability to specialize in delivering SME services and solutions,
- And adjusting our credit adjudication framework and risk appetite to ensure financing is more accessible and that it is easier to do business with the Group.

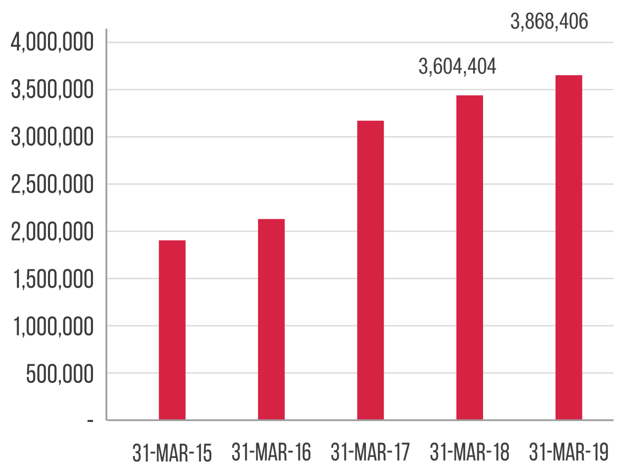
The SME Resource Center has had a successful "soft" launch in Jamaica and to date has a pipeline of over 200 clients. These clients have access to a full suite of support services including internal coaching from JMMB Bank (Ja) Ltd. specialists and ecosystem partners who offer resources to accelerate the growth of their businesses. A full launch is anticipated for the first half of the upcoming financial year. The JMMB Group is truly committed to making a difference for this underserved community and is confident that it will yield long-lasting success for the businesses, JMMB and the countries in which we operate.

2018/2019 GROUP FINANCIAL PERFORMANCE

Net Profit

Over the past five years, net profit for the JMMB Group has continued on a positive trajectory. At the end of March 31, 2019, the Group posted record net profit of J$3.87B which was 7% or J$264M higher than the prior period.

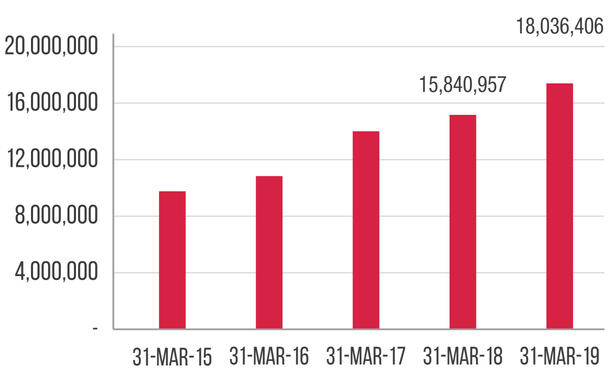
Group Net Profit (in J$'000)



Operating Revenue

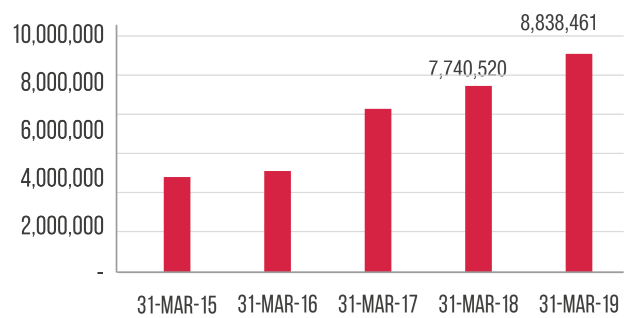
Net operating revenue amounted to J$18.04, reflecting growth of 14% or J$2.20B. All revenue lines recorded growth, with the exception of gains on securities trading.

Group Operating Revenues Net of Interest Expense (in J$'000)



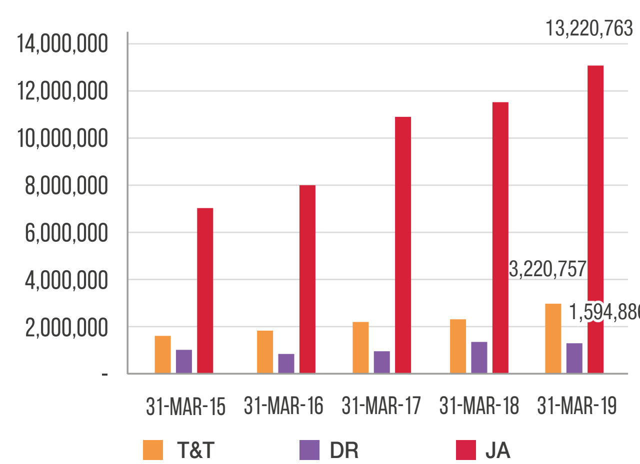
Net Interest Income (NII) grew by 14% or J$1.10B to J$8.84B and reflected growth in the investment and loan portfolios coupled with effective spread management. Foreign Exchange (FX) Trading increased by 78% or J$1.05B to J$2.40B, reflecting increased activities in the banking segment. Fees earned from managed funds totalled J$1.14B, up from J$690M in the prior period. This was on account of organic growth as managed funds and collective investment schemes across the Group experienced significant growth. Other fees and commission also grew by J$238.9M or 20% to J$1.42B primarily as a result of increased capital markets transactions as well as other value-added services to clients. The Group's trading strategy exceeded expectations, delivering results of J$4.23B compared to J$4.87B in the prior period.

Net Interest Income (in J$'000)



Country Contribution to Operating Revenue

Country Contribution to Group Operating Revenue (in J$'000)



The Group's Jamaican entities' contribution to Group operating revenue was J$13.22B reflecting growth of J$1.53B or a 13% increase over the prior period of J$11.69B. This was due to growth in all revenue lines, except trading gains. Of note is NII which increased by 13% or J$686.2M to J$5.85B, while fees earned from managing funds increased by 67% to J$1.04B and FX trading gains grew by 69% to J$1.65B.

The Group's Trinidad and Tobago entities' contribution to Group operating revenue grew by 27% ending at J$3.22B. This was due largely to increased NII and FX trading gains. NII grew by 14% or J$245.8M to J$2.06B on account of larger investment and loan portfolios. FX trading gains increased by 98% or J$371.3M to J$748.5M.

The Group's Dominican Republic entities' contribution to Group operating revenue was flat at J$1.59B as increases in other revenue line items were offset by reduction in trading gains. Of note is NII which increased by 22% or J$165.9M to J$927.2M on account of larger investment and loan portfolios.

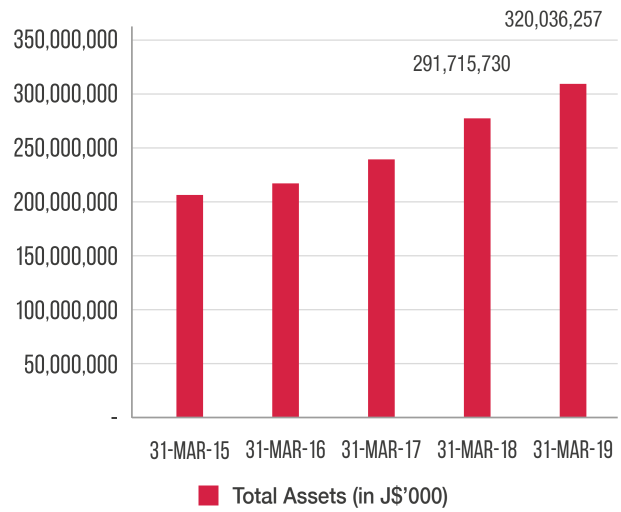
Efficiency

In the 2018/19 financial year, administrative expenses moved from J$11.24B to J$12.99B. This was primarily attributable to increases in staff cost to support new sales capacity, costs incurred on transactions associated to business expansion initiatives undertaken during 2018/19 as well as project activities related to operational efficiency and standardization. Given these activities, the Group's efficiency ratio moved from 71% to 72%. In the coming financial year, the Group will focus on extracting operational efficiencies through the implementation of its standardization and process improvement project which will commence with the deployment of one core banking platform, product/solution set and an in-branch experience that is supported by standardized technology, processes and systems for the banking business line across the Group.

Total Assets

The JMMB Group's total asset base grew by J$28.32B to J$320.04B over the period. This was mainly due to increases in Loans and Notes Receivable as well as Investment Securities. Loans and Notes Receivable as at March 31, 2019 was J$67.95B and reflected growth of J$12.32B or 22% as all the loan portfolios across the Group increased.

Total Assets (in J$'000)

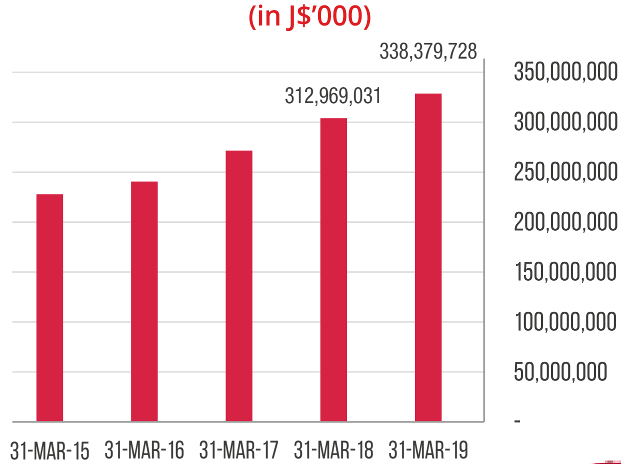


The investment portfolio increased by J$11.07B or 6% to J$205.97B.

The growth in asset base was mainly funded by customer deposits and repurchase agreements which stood at J$63.9B and J$163.9B respectively.

Total FUM

Clients' Funds under Management (in J$'000)



As at March 31, 2019, total clients' funds under management (on and off balance sheet) stood at J$338.38B. This reflected growth of 8% or J$25.41B and was due mainly to increases in customer deposits, repurchase agreements, unit trusts as well as pension funds.

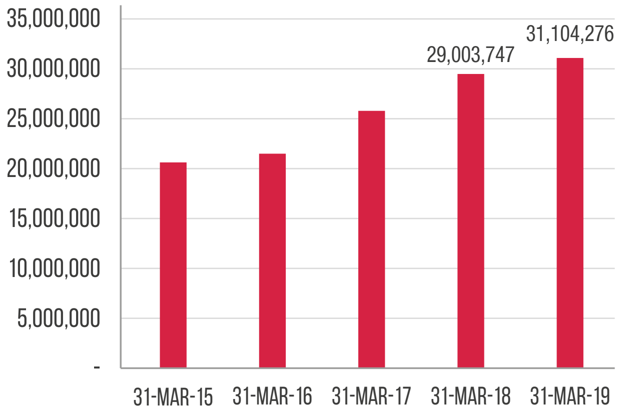
Capital Adequacy

All entities within the JMMB Group continue to maintain regulatory capital adequacy requirements comfortably above the regulatory minimum requirements for each territory. The Group utilizes the Internal Capital Adequacy Assessment Process (ICAAP) prior to the start of each fiscal year to assess capital requirements for projected growth as well as potential stress events in the upcoming year. The Group's policy is to always maintain a strong capital base that exceeds regulatory requirements in order to achieve continued growth of the business and maintain market confidence.

Shareholders' Equity

As at March 31, 2019, total shareholders' equity stood at J$31.10B. This reflected an increase of 7% or J$2.1B which was due largely to the Group's improved profitability.

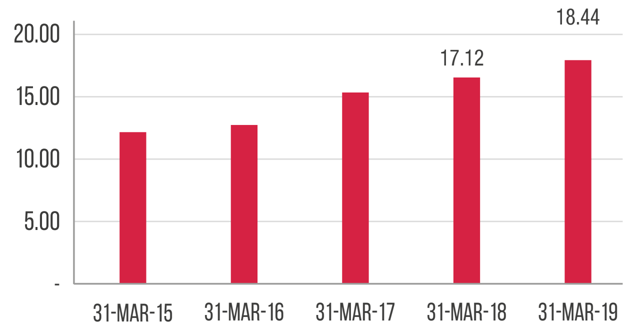
Total Shareholders' Equity (in J$'000)



Book Value per Stock

At the end of the 2018/19 financial year, the Group's book value per share of common stock was J$18.44 compared to J$17.12 in the prior period.

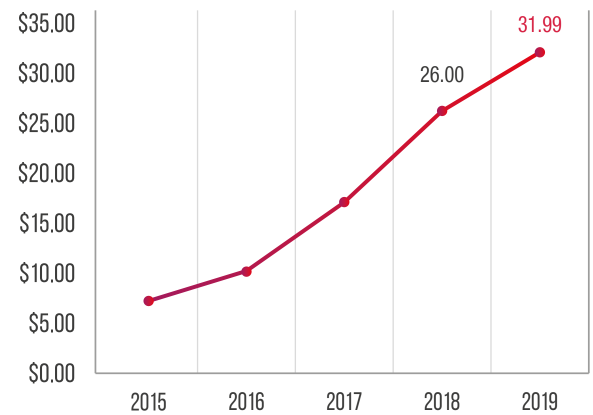
Book Value per Stock Units (in J$'000)



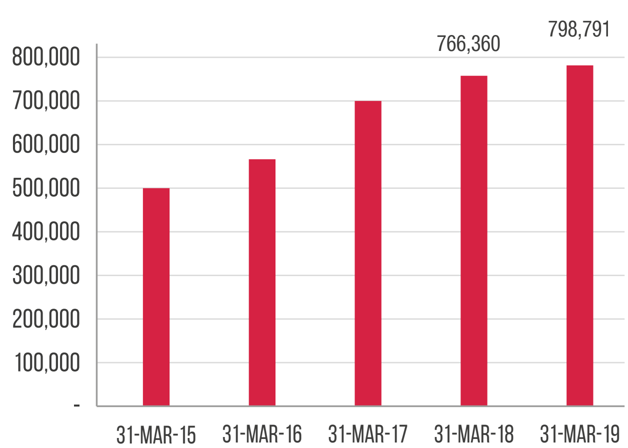
JSE Closing Price

The Group's stock closing price on the JSE as at the end of the financial year was J$31.99, up from J$26.00 in the prior year. This movement represents a 23% increase in capital gains to shareholders for the financial year.

JSE Closing Price (in J$'000)



Dividends Paid and Proposed in respect of the Financial Year (in J$'000)



Shareholders' Return

Total dividends paid and proposed in respect of 2018/19 financial year amounted to J$799M. The Group's performance over the period continued to drive positive shareholder returns and demonstrated our focused commitment to driving sustainable growth, achieving long-term earnings and increased returns to our shareholders.

LOOKING AHEAD, FINANCIAL YEAR 2019/20 AND BEYOND

We believe this year's results tangibly underscore the efficacy of the Group's regional diversification strategy and value proposition of integrated financial services tailored to meet clients' unique needs. The Group therefore remains committed to its focus on business line and regional diversification, driving revenue growth in key business lines, increasing efficiencies and capitalizing on opportunities to strengthen the Group's portfolio of companies.

To this end the Group's strategic focus under the growth arm of its strategy for financial year 2019/20 includes:

New Growth

- New Business Lines
- New Segments
- New Markets

NEW AND ENHANCED BUSINESS LINES

Under this arm of our strategy we will be rolling out new solutions including:

- New Private Equity Funds
- New Investment Management Solutions

FINANCIAL INCLUSION

Our Financial Inclusion strategy will continue in earnest as we deepen Trinidad and Tobago market penetration of JMMB Express Finance (T&T) Ltd. by:

- Expanding client location access,
- Increasing strategic partnerships, and
- Exploring technology based product enhancement and expansion.

Growth

Existing Business Line

- Scale Start Ups
- Expand Market Share
- Solidify Market Dominance

BUSINESS DEVELOPMENT

The region has been seeing unprecedented M&A activity in the financial services sector over the last few years as assets become available for sale with parent companies from developed markets divesting their Latin American and Caribbean exposures.

Against this backdrop, the Group, constantly reviews its portfolio of companies with a view to capitalizing on opportunities to strengthen business lines, scaling up with efficiencies, and leveraging strategic alliances to improve operations, product/solution sets and service delivery. The Group believes that exploring business development opportunities is critical to providing shareholders with sustainable and attractive returns and has therefore placed strategic focus on:

- Enhancing our positions in our local markets to take significant market share and be market leaders to scale existing business lines to dominate operating markets.

- Leveraging and augmenting our capabilities to expand and strengthen our existing business lines and grow in new ones

- Achieving the required scale of growth and returns beyond the geographic limitations of our existing territories.

- Enhancing our mission and vision of transforming and re-imagining the financial industry around the ethos of "best interest" and "financial partnership"

- Achieving even greater ROE than the levels being experienced in specific existing business lines especially in the light of changes in our operating environment.

Business Development Strategy in Action

On Wednesday, May 15th, 2019, JMMB Group announced its commitment to invest a minimum of US$200 million in Alignvest Acquisition ll Corporation (AQY), which is a publicly-traded Special Purpose Acquisition Corporation that is listed on the Toronto Stock Exchange. AQY is currently set to acquire 100% of the ordinary shares of Sagicor Financial Corporation (SFC). Upon the completion of AQY's acquisition of SFC, AQY and SFC will then collapse into a new single entity (New Sagicor). Following the completion of the investment transaction, the Group will own no less than 20% of the shareholdings of New Sagicor. SFC is a leading financial services provider in the Eastern Caribbean, Trinidad and Tobago, and Jamaica with growing presence as a provider of life insurance products in the United States.

The Group's acquisition of a minority stake in New Sagicor is a major investment, and will give the Group a unique opportunity to participate in the future growth of a market leader in the Caribbean insurance, banking and asset management sectors. Additionally, New Sagicor will become an associated company of JMMB Group and, as part of the agreement, the Group will have the right to nominate two eligible and qualified directors to serve on the board of directors of New Sagicor. Those nominees are initially expected to be the Group's Chairman and Group CEO.

The Attractiveness of this Transaction

Sagicor Group has an attractive return profile with strong growth in net income and book value delivering approximately 17% return on average equity. A 175-year old institution spanning twenty two (22) countries, Sagicor Group has 50% market share in core markets having historically seen strong growth. Sagicor Group's insurance operations is the largest player in the Jamaican and Barbados markets in terms of policies written, and is expected to continue dominating these markets. Sagicor Group's growth is now supplemented by other business lines, a robust pipeline of acquisition opportunities. Sagicor has indicated that, consistent with its historical performance and growth opportunities, it expects to achieve net income of US$77 million for its 2019 financial year.

Potential Impact of Transaction

The Group will be undertaking this transaction below book value and will see a straight flow through to its income statement given its potential stake of at least 20%. This return on equity and earnings per share accretive investment, materially diversifies the Group's income stream and is in line with its strategy of diversifying earnings throughout the entire Caribbean.

The Group's Growth Trajectory

As the Group continues to explore business development opportunities, the Group expects to deliver greater levels of returns to shareholders.

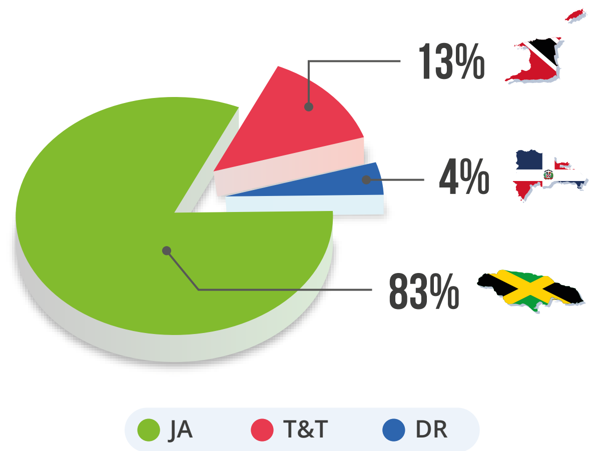
COUNTRY OPERATING RESULTS

Country Operating Results

For the year under review, country contribution to net profit was slightly more diversified with contribution from Jamaica moving down from 86% to 84%. Contribution from Trinidad and Tobago primarily accounted for this having moved from 8% in the prior year to 13% for the period under review. Contribution from the Group's Dominican Republic operations moved from 6% in the previous year to 4% for the year under review.

The following sections detail country and segment operating results for financial year 2018/19 and provide a strategic outlook for the upcoming financial year.

Country Contribution to Net Profit



JAMAICA

Overview – Strong Growth and an Improved Macroeconomic Environment

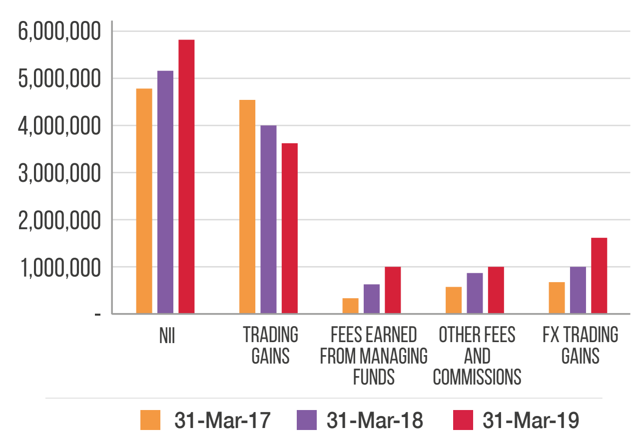
Against a backdrop of marked improvement in Jamaica's macroeconomic fundamentals, resulting in improved investor sentiment and business confidence, the Group's Jamaican entities delivered strong performances in financial year 2018/2019, contributing significantly to Group profit.

Country Contribution to Group Operating Revenue

The Group's Jamaican entities' contribution to Group operating revenue was J$13.22B reflecting growth of J$1.53B or a 13% increase over the prior period of J$11.69B. This was due to growth in all revenue lines, except trading gains. Of note is Net Interest Income (NII) which increased by 13% or J$686.2M to J$5.85B, while fees earned from managing funds increased by 67% to J$1.04B and Foreign Exchange (FX) trading gains grew by 69% ending the year at J$1.65B.

The operating results of the Group's entity operations in Jamaica are based on the business line segment to which they contribute as detailed on the following page:

Composition of JMMB Jamaica Operating Revenue (in J$'000)



Segment	Entities
Investment Management	• Jamaica Money Market Brokers Limited • JMMB International Limited • JMMB Fund Managers Limited • JMMB Securities Limited
Banking	• JMMB Bank (Jamaica) Limited
Remittance	• JMMB Money Transfer Limited
Insurance Brokerage	• JMMB Insurance Brokers Limited

INVESTMENT MANAGEMENT

Overview – Solid Partnerships, Solid Performance

Jamaica's investment management segment delivered solid performance during the financial year, posting operating profit of J$2.49B.

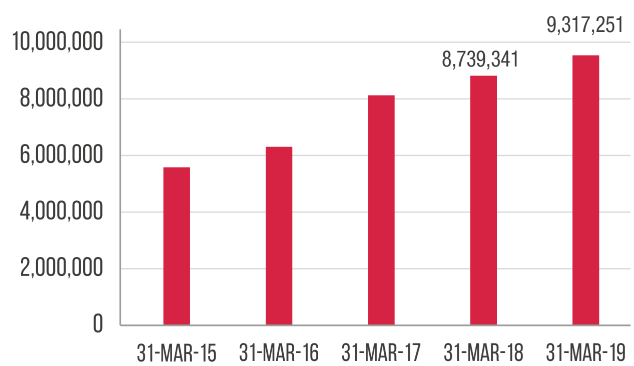
In keeping with the strategic direction set for the segment, our team continued to partner with and engage clients around solutions designed to help them meet their goals. To this end, our off-balance sheet strategy continued in earnest as the team continued to build and offer our clients off- balance solutions as part of a diversified portfolio. The team additionally sought to enrich client experience through continued client education and engagement activities.

OPERATING RESULTS

Operating Revenue

The Investment Management segment reported net operating revenue of J$9.32B for the financial year ended March 31, 2019. This reflected growth of 7% on account of improvement in the Asset Management business line.

Operating Revenue Net of Interest Expense (in J$'000)



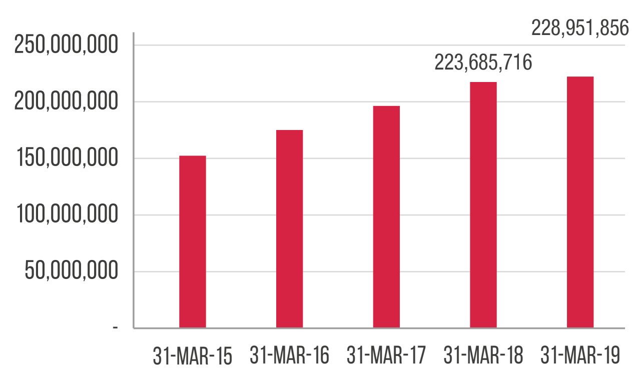
Asset Management

The Asset Management business line includes on balance sheet funds that generate NII and off balance sheet funds which provide fee income.

The business line experienced another credible year against continued stability in the economy. Investor confidence in the financial markets remained strong year over year.

The Government of Jamaica (GoJ) continued to exceed its macroeconomic targets which

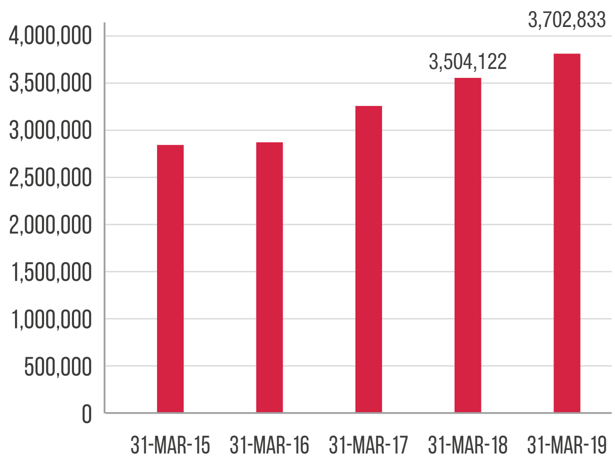
Total Funds under Management (in J$'000)



resulted in general stability of the financial markets. However, as part of an initiative to drive efficiency, it consolidated the surplus funds of various government departments and agencies into central treasury at the Bank of Jamaica. The broker community was, as a result, negatively impacted. Notwithstanding this, total clients' Funds under Management [1] (FUM) grew by 2% to J$228.95B. This was on account of an increase in off-balance sheet FUM.

The pull from the GoJ's departments and agencies resulted in a 5% decline in on-balance sheet FUM. Local interest rates, however, fell during the year as a result of increased market liquidity and low Government borrowing demand. This resulted in an increase in NII which totalled J$3.70B, up 6% over the prior period.

Net Interest Income (in J$'000)



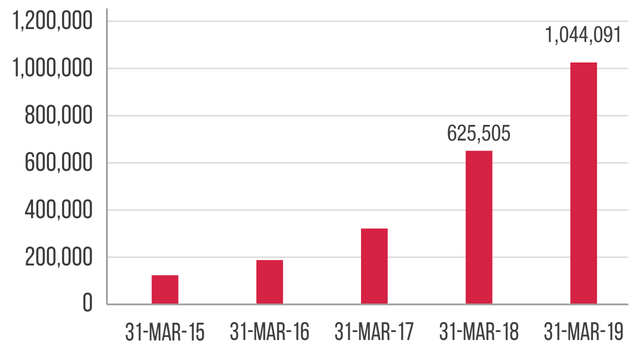
Off Balance Sheet FUM

Off-balance sheet FUM rose by 9% due to organic growth. The main growth drivers were pension funds and unit trusts as we continued to assist clients to fulfill their long-term financial goals through our off-balance sheet solutions. The team additionally ramped up efforts to support clients with effective retirement planning. As such, fees earned from managed funds reflected a 67% growth at J$1.04B.

Collective Investment Schemes (CIS) – Forging Sustainable Financial Partnerships

During the 2018/19 financial year, CIS FUM increased by J$5.57B or 21% to J$31.7B. This was due primarily to organic growth which reflected continued client confidence in the value proposition of our range of CIS. At the end of the year, our CIS represented 12.4% of the total market in Jamaica compared to 11% at the start of the financial year. Even further, when ranked by unit trust FUM, our CIS ranked the fourth largest in Jamaica.

Fees Earned from Managed Funds (in J$'000)



Our teams continue to offer discretionary portfolios to clients providing them with a pre-determined mix of funds geared towards achieving a particular goal. Clients therefore have the option to invest in any one fund or a pre-determined mix of funds geared toward their specific investment goal.

Pensions - Strengthening Partnerships through Client Engagement and Financial Education

For the 2018/2019 financial year, overall pension FUM increased by 20% or J$2.72B to J$16.14B. Sustained efforts to strengthen partnerships with our existing client base as well as the consistent reinforcement of the importance of their long term financial security is attributable to this strong growth in pension FUM.

The pension suite of services and solutions ranges from pooled funds to segregated fund management and other customized service offerings. The financial year had three core areas of strategic focus:

- Client Engagement,
- Financial Education, and
- Operational Efficiency

[1] Total Funds under Management include on-balance sheet customer liabilities as well as managed funds. Clients' bond and equity holdings are excluded.

This created a framework within which to forge stronger partnerships with our clients and proactively meet their needs in an increasingly dynamic financial environment. The team continued to deepen our client engagement model via the administrative system implemented in the 2017/18 financial year. This further supported our strategic initiatives as system capabilities on the Group's online transaction platform, Moneyline, have been enhanced to facilitate client empowerment.

Asset Management Outlook for 2019/20

Funds under management are expected to continue to grow in the coming financial year. As it pertains to on-balance sheet FUM, market liquidity is expected to remain high as the Bank of Jamaica maintains its low interest rate stance.

With unemployment at an all-time low and further positive economic growth expected, strong growth is forecasted for our off-balance sheet holdings. We will continue to market CIS as a choice investment vehicle that affords a wider cross-section of clients the opportunity for better risk-adjusted returns. We are encouraged by enhanced client engagement around retirement planning and extend our support by deepening our efforts at financial client education programs tailored for retirement goal attainment. We will additionally continue to enhance our suite of on and off balance sheet product offerings as required to help clients meet their financial goals.

The pool of available CIS is expected to continue to expand as market participants continue building out their respective product suites. Market awareness and acceptance of CIS is expected to continue to improve as the CIS, their features, and benefits are promoted broadly.

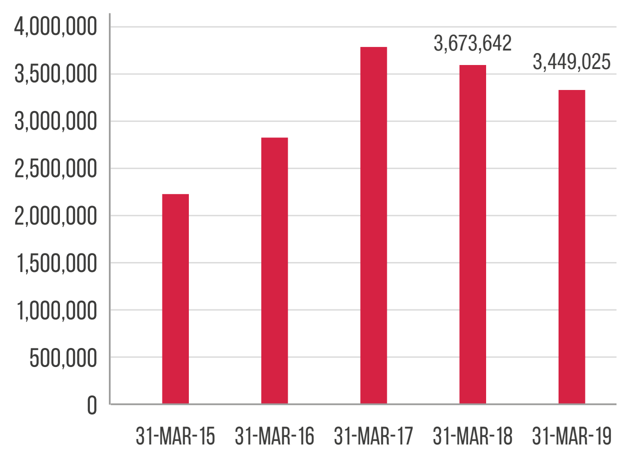
Treasury Management

The Treasury management business line includes cambio, bond and equity trading for our proprietary portfolio as well as equity trading commission. Solid performance was recorded during the financial year with stable revenue of J$4.03B compared to J$4.10B in the prior period (numbers exclude equity trading commission).

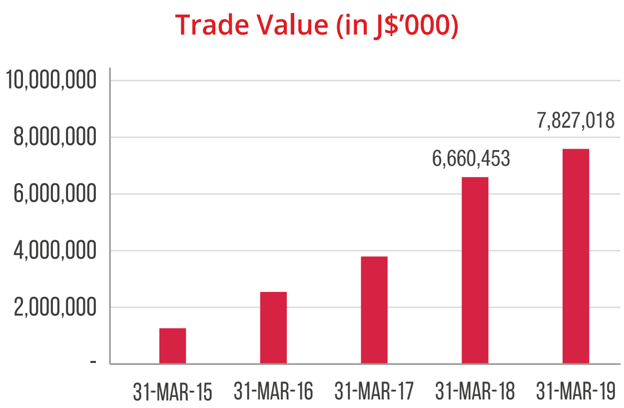
Bond and Equity Trading – Credible Performance in a Challenging Environment

Trading Gains for equities and fixed income for the year stood at J$3.5B compared to J$3.7B in the prior period. This performance came against the background of a global bond market with low volatility and low interest rates which limited trading opportunities. In contrast, the local equities market performed solidly for the year, with the Jamaica Stock Exchange (JSE) being recognized by Bloomberg as the top performing market in the world for 2018.

Gains on Securities Trading (in J$'000)



Gains from equity trading for our proprietary portfolio was J$175.8M compared to J$94.4M in the prior year. The local market continued to perform positively, buoyed by a strong macroeconomic outlook. The JSE Combined Index increased by 32% compared to 27% for the previous financial year. This was likely due to the low interest rate environment as investors re-allocated funds to the equities market in search of higher returns. As a result, there was strong growth in our local equity brokerage business as trade value for the year increased by 18% to J$7.83B compared to J$6.66B in the prior period. There was significant growth in our retail segment which registered a 193% increase in equity trading value year over year due to our focus on providing timely equity recommendations and the convenience of using, Moneyline, the Group's online transaction platform for trading equities.



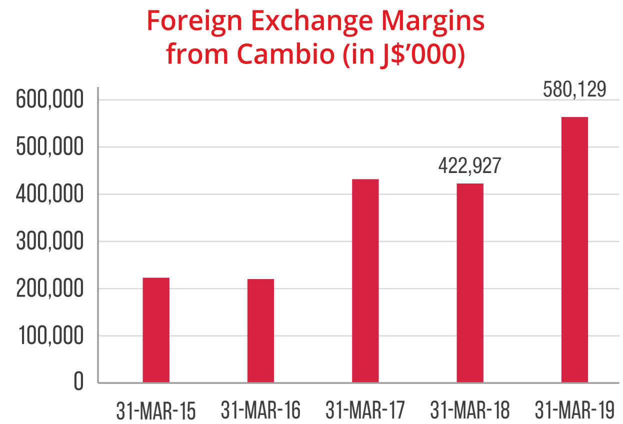
Bond and Equity Trading Outlook for FY 2019/20

The IMF recently revised downward its forecast for global economic growth from 3.5% to 3.3%, citing significant risks. These include trade disputes and geo-political tensions. If these risks materialize, this could negatively impact emerging markets. In response, the US Fed appears more accommodative in its policy stance and analyst consensus is that there is an 80% chance of reduction in the benchmark fed funds rate. If the Fed reduces rates, then emerging market assets will become more attractive. We are nimbly positioning our bond portfolio to capitalize on all market opportunities locally and globally. Given the low interest environment, there is a deliberate focus on trading local and regional corporate papers.

We expect the equities market to continue on a positive trajectory with increased opportunities as the Jamaican economy continues to improve and investor confidence remains positive. We will continue to focus on our clients by providing best in class service and solutions via our online platform and access to our qualified and capable research team. We will also continue to build regional synergy with our operations in Trinidad and Tobago as investor interest in cross border trading continues to grow.

Cambio – Identifying Profitable Opportunities amid Volatility

The cambio industry continued to experience consolidation due to the impact of de-risking by commercial banks, increased regulations and increased operating costs.



During the year, the Jamaican dollar experienced increased volatility with two-way movement in currency rates over the year due to supply and demand seasonality. Despite the challenges, our cambio operations recorded strong performance with gains of J$580.1M, up from J$422.9M in the prior period.

The performance over the year was attributed to increased focus on partnership with our institutional clients as we provide the most efficient solutions in satisfying our clients' foreign exchange needs. We continued to rank as a dominant player in the Foreign Exchange (FX) market with cambio operations in the investment management division representing approximately 5% of the FX market.

Cambio Outlook for FY 2019/20

For the 2019/20 financial year, the Bank of Jamaica (BoJ) is expected to remain active in monitoring the market and using the B-FXITT tool to address any abnormalities in market conditions. Jamaica's Net International Reserves (NIR) is expected to remain at historically high levels which should limit any concerns over the supply of foreign currency. Due to volatility in local FX rates the BoJ, in conjunction with the dealers, is in the process of establishing a FX forward market. The BoJ is also intensifying efforts for market participants to access and publish FX data that should augur well for market transparency. Furthermore, as the market becomes adjusted to a low interest environment, we expect fewer refinancing deals which could negatively impact FX trading volumes.

Capital Markets - Growth Through Strategic Partnerships

The core focus of the Capital Markets business line is the origination, structuring and execution of tailored debt and equity funding instruments for our valued corporate, government and institutional clients in Jamaica and the wider Caribbean region.

During the 2018/19 financial year, the team continued to build on the solid foundation laid in Jamaica over the past three years, as a preferred partner for capital market transactions. The team continued to build relationships in the other jurisdictions in which the Group operates, while strengthening linkages with our internal corporate and investment banking partners to achieve wider client coverage and enhanced value-added funding solutions.

Resultantly, the Group's Capital Markets business line achieved significant growth year over year with transaction volumes growing by 120% to J$44B relative to J$20B in the prior year. The team successfully structured and executed several notable deals during the year including:

- Broker for J$12B bond for an international investment bank
- Co-broker for J$5.2B bond for Zodiac Caribbean Ventures
- Arranger and placement agent for J$2.9B preference share for West Indies Petroleum
- Arranger, placement agent and underwriter for J$2.39B in bonds for Texaco
- Arranger for structured products amounting to J$2.1B for Caidoz Holdings

Capital Markets Outlook 2019/20

Given the prevailing low interest rate environment, our Capital Market business line is poised to contribute significantly to the financial growth of the Group and to increase shareholder value in the new financial year and beyond. In the coming year, the team will entrench our regional footprint and increase market share while adhering to our core value proposition of being client focused, solution oriented and agile in the delivery of products while collaborating with our valued financial partners and stakeholders.

BANKING

Overview - Solidifying the Bank's Presence in the Commercial Banking Sector

With the addition of commercial banking to the portfolio of entities in Jamaica, the team is now positioned to offer new and existing clients a full suite of financial services and access to first class financial advice and solutions. In solidifying the Bank's presence in the commercial banking sector, the team has been expanding the bank's footprint and continues to explore innovative, technology based ways to broaden the Bank's reach islandwide. During the year under review, we continued to execute our strategy to integrate banking solutions and services in conjunction with our investment management services as a means of deepening the Bank's reach and enabling the seamless delivery of solutions and services at the Group's integrated locations, financial life goal centres, islandwide.

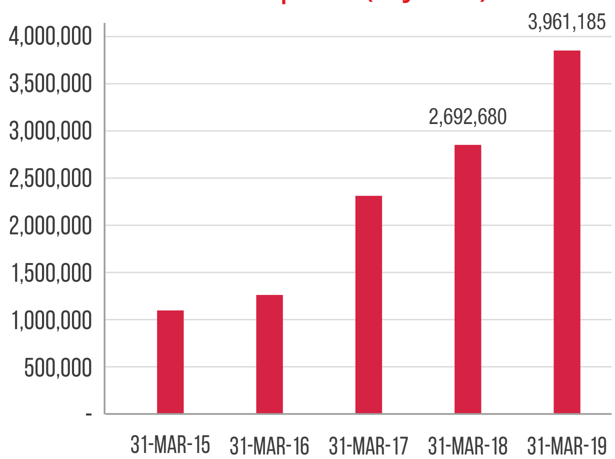
OPERATING RESULTS

Operating Revenue

The banking segment delivered another solid year's performance with operating profit totaling J$1.43B at financial year end.

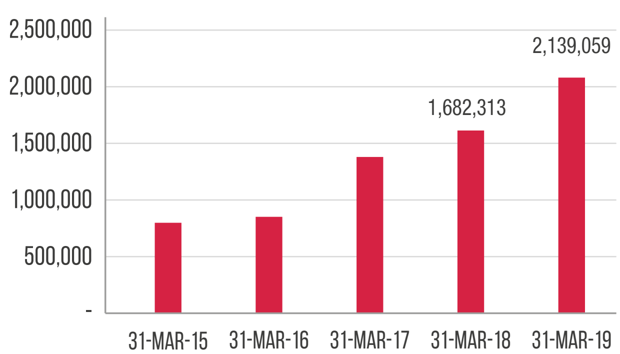
Net operating revenue for the year stood at J$3.96B reflecting growth of 47% or J$1.27B which was due mainly to strong growth in net interest income (NII) and foreign exchange (FX) trading. Core revenues which consisted of NII, banking fees and foreign currency trading, consequently increased to J$3.28B, an increase of J$934.6M or 40% over the prior period.

Operating Revenue Net of Interest Expense (in J$'000)



NII increased by 27% to J$2.14B compared to J$1.68B in the prior period. This was due to strong growth in the loan portfolio.

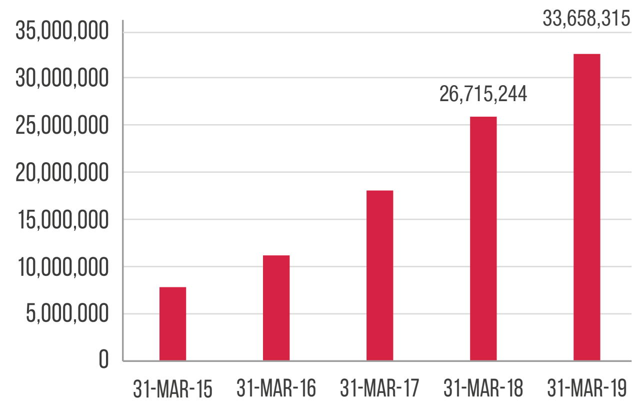
Net Interest Income (in J$'000)



Loan growth was driven in particular by our suite of borrowing solutions which are designed to meet the unique needs of our corporate and retail clients.

During the year, net loans increased by 26% to J$6.94B. For the same period, total loans in the commercial banking sector grew by 17%. This year's loan portfolio growth has thus continued to outpace the overall growth of the Jamaican market.

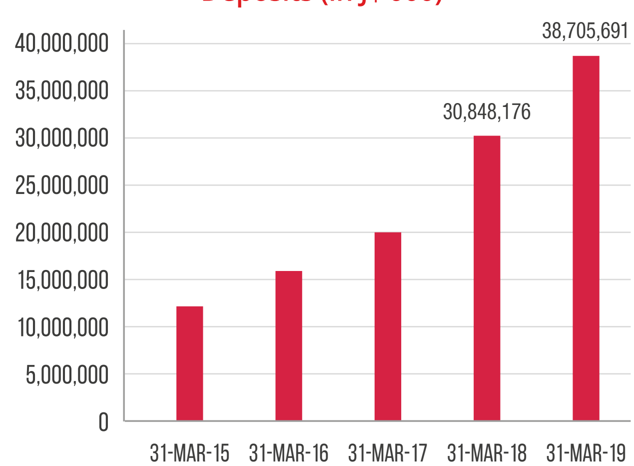
Net Loans (in J$'000)



Given the growth in the Bank's loan portfolio, dependence on interest income from investment securities was much reduced. As such, we reduced a significant portion of the investment portfolio which resulted in gain on sale of investment securities of J$677.4M.

This year's strong loan growth performance was funded predominantly by significant growth of the Bank's deposit base. As at financial year end, the deposit base totalled J$38.71B which reflected a 26% increase over the prior period. This rate of growth outpaced the year over year growth rate for deposits in the commercial banking sector which was 7%.

Deposits (in J$'000)



Banking Outlook for FY 2019/20

In the coming financial year the team will continue to focus on improving client satisfaction and engagement by closely monitoring and addressing client feedback. The bank also intends to increase its footprint by at least one additional location during the year, in line with the Group's access strategy for Jamaica. Client access will continue to be a key focus as the Bank also received regulatory approval to roll out a proprietary ATM network to provide clients with additional touch-points across the country. In addition to the foregoing, the Bank will continue to build out its suite of commercial banking solutions which, in their design, respond to client demand and market trends and are tailored to meet clients' unique needs and achieve their goals.

REMITTANCE

Overview - Solid Strategic Partnerships

Our Money Transfer operations include nine (9) international partners which offer services in over 155 countries across the world. Clients currently access local and international money transfer services, and NHT refunds via an island wide network of over 100 agents (many of which are opened on weekends and for extended hours), as well as at JMMB Bank (Jamaica) Limited locations. Clients are additionally able to have funds deposited at any financial institution in Jamaica including foreign currency accounts denominated in USD, CAD and GBP currencies.

As the team continues to bolster the governance framework for this business line, we collaborate with our partners to ensure that AML/CFT programs are adhered to while we continue to implement best practice procedures for the protection of clients. The team is also focused on streamlining key processes, improving client access and embedding service standards with the partners comprising our service delivery network.

Our improved operations and enhanced value proposition were reflected in the segment's performance as there was a marked increase in remittance inflows from the three major inbound corridors, namely the USA, UK and Canada.

Operating Results

For the period under review, the remittance segment achieved a substantial increase in transaction volumes, which resulted in approximately 75% increase in remittance fees and considerable increase in Operating Revenues, when compared to FY 2017/18. In addition, operating expenses were contained for financial year 2018/19, which led to improved return on average equity (ROAE) and efficiency ratios, which moved from 47% to 55% and 56% to 47% respectively over prior year. The team remains committed to improving operating efficiency by investing in automated processes, engaging in revenue enhancement strategies and diversifying product and service offerings. As strong governance is a key area of focus, we continue to strengthen our compliance program through annual online AML/CFT training for all our agents and utilize advanced features of our core payment platform to detect 'Black-listed' persons and create profiles of recipients who may be considered high risk.

Remittance Outlook for FY 2019/20

For the 2019/20 financial year, the team will seek to further increase market share and diversify our portfolio through improved value-added offerings, targeted expansion and increased client access. The team will also continue to explore strategies to add new agent locations and corridors. The medium term strategy for the growth of this business line will see the team exploring digital payment solutions and service as we seek to become a dominant, disruptive payment services provider in Jamaica and the wider Caribbean.

INSURANCE BROKERAGE

Overview

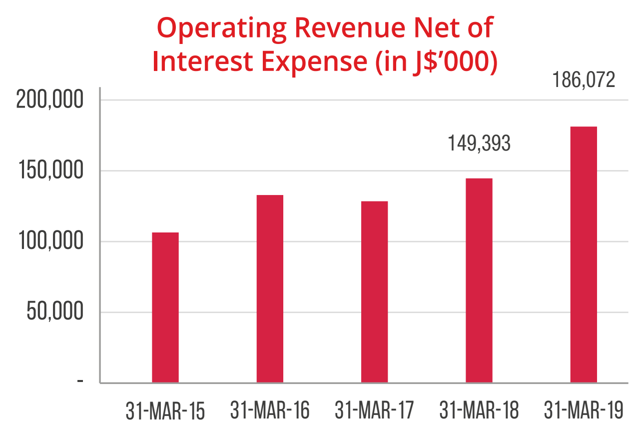
Our insurance brokerage provides further value added service to clients as we assist them in sourcing competitively priced solutions to meet their insurance needs. We also offer a variety of insurance packages which are designed to meet clients' personal and corporate needs.

Operating Results

The Insurance Brokerage segment reported operating profit of J$46.2M.

Net operating revenue totalled J$186.1M for the financial year. This reflected growth of 25% on account of improvement in the commission and fee income generated. Commission and fee income increased by 24% to J$179.2M for the year as reduced rates were offset by an increase in new business. New business growth, 23%, was driven by our expanded sales network given our strategy to ensure that there is an insurance presence at the seven (7) integrated locations, (financial life goal centres) in Jamaica, thus expanding the team's reach.

During the year, the business segment benefitted from improved efficiency due to enhanced key processes associated with renewals as well as the further development of electronic interfaces with our insurance partners.



Insurance Brokerage Outlook for FY 2019/20

Rates are expected to taper off in the upcoming financial year. We will thus deepen our financial partnership strategy by ensuring that there is an insurance presence in at least two other integrated branch locations. We will also be expanding our Life and Health unit and will deepen the relationship with our clients and strategic partners to achieve a greater presence in the insurance industry. Improved efficiencies are expected to be realized through the continued optimization and enhancement of key processes supporting our core services and solutions.

JAMAICA STRATEGIC OUTLOOK 2019/20

Under the consolidation, growth and new growth arms of the Group's strategy, the specific focus for the Group's Jamaica operations in the coming financial year will include:

New Growth
- New Business Lines
- New Segments
- New Markets

FINANCIAL PARTNERSHIP

Improve Client Experience
Continue emphasis on improving in branch experience - 'Back to Basics'

Roll out one new integrated location

Client Engagement
Drive enhanced client contact activities through the use of data

Growth
Existing Business Line
- Scale Start Ups
- Expand Market Share
- Solidify Market Dominance

REVENUE

New Solutions
Funds: Private Equity and Real Estate

Investment Management Solutions

Structured Products

Financial Partnership
Embed integrated approach to service delivery by partnering across business lines

Consolidation
Maximise strategic synergies & extract operational efficiency from the Group's entire portfolio

EFFICIENCY

Drive efficiency
Increased coordination around segment and country functions to drive efficiencies.

Partnership Productivity
Improve partnership productivity through the use of data

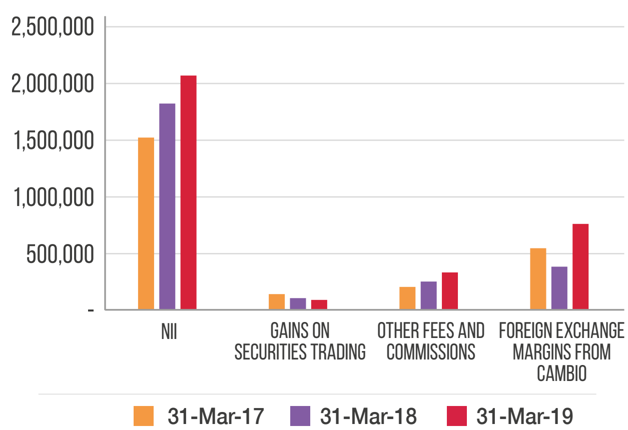
TRINIDAD & TOBAGO

Overview – Growth Despite Challenging Economic Climate

Despite a challenging economic climate, the Group's operations in Trinidad and Tobago reported operating profit of J$678.4M. This reflected growth of 128% or J$380.4M as revenue increases eclipsed expenses growth. Operating expenses increased by 13% to J$2.54B.

For the year, net operating revenue increased by 27% or J$678.5M to J$3.22B. This was due to growth in all revenue lines with the exception of trading gains. Of note, is foreign exchange

Composition of JMMB Trinidad Operating Revenue (in J$'000)



(FX) trading gains which increased by 98% or J$371.3M to J$748.5M as we capitalized on favourable market opportunities. Net Interest Income (NII) increased by 14% or J$245.8M to J$2.06B as there was material growth in both the loan and investments portfolio.

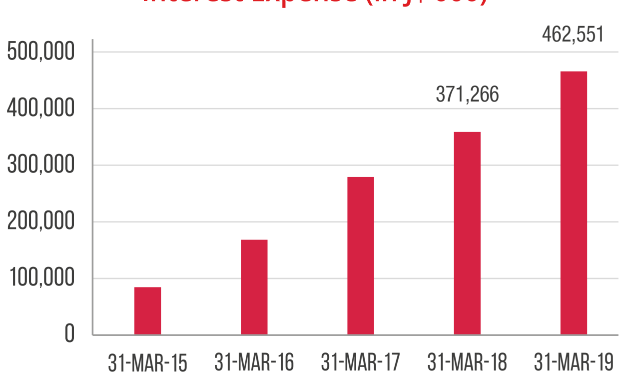
The operating results of the Group's entity operations in Trinidad and Tobago are based on the business line segment to which they contribute as detailed below:

Segment	Entities
Investment Management	• JMMB Investments (Trinidad & Tobago) Limited • JMMB Securities (Trinidad & Tobago) Limited
Banking	• JMMB Bank (Trinidad & Tobago) Limited • JMMB Express Finance (Trinidad & Tobago) Limited

INVESTMENT MANAGEMENT

The Investment Management segment delivered solid performance during the 2018/19 financial year as we increased market presence, delivered holistic financial solutions and focused on enhancing client experience. As a result, net operating revenue grew by 25% to J$462.6M on account of consistent growth across major business lines.

Operating Revenue Net of Interest Expense (in J$'000)

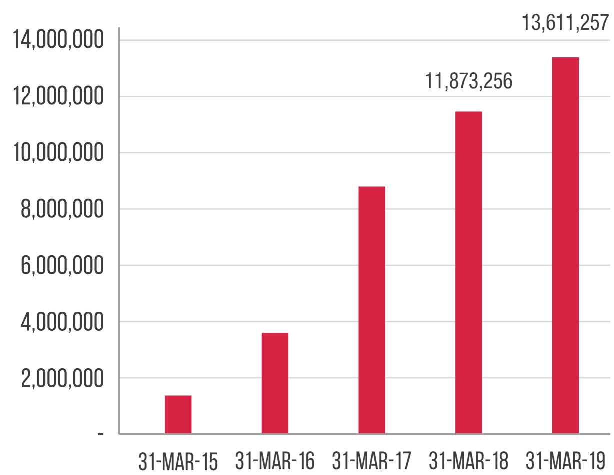


ASSET MANAGEMENT

Leveraging the Group's Brand Equity for Continued Growth

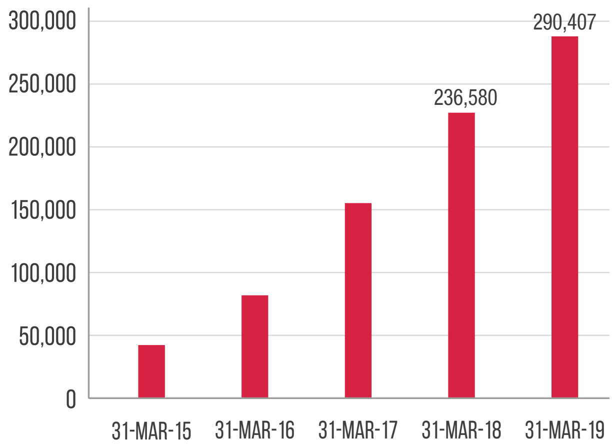
The Asset Management business line reflects our on balance sheet funds which generate net interest income. Our Asset Management business experienced robust growth despite the economic situation in Trinidad and Tobago. Total clients' fund under management increased by 15% or J$1.74B to J$13.61B. Growth was supplemented by the secured notes which were upsized and re-issued during the year and increased by 40%. These secured notes were issued without parental guarantee.

Total Funds under Management (in J$'000)



Given the foregoing, NII continued, as it had in the last five years, on a positive trajectory as it increased by 23% to J$290.4M. Of note, is the investment portfolio which increased by 22% or J$2.65B to J$14.79B.

Net Interest Income (in J$'000)



Asset Management Outlook for 2019/20

Funds under management are expected to continue to grow in the coming 2019/20 financial year. Even though the economic climate is expected to remain challenging, we will continue to build our brand presence and leverage the Group's strong brand equity in this business line. Critical to this objective is financial education outreach and we will continue engagement activities with a focus on increasing financial literacy.

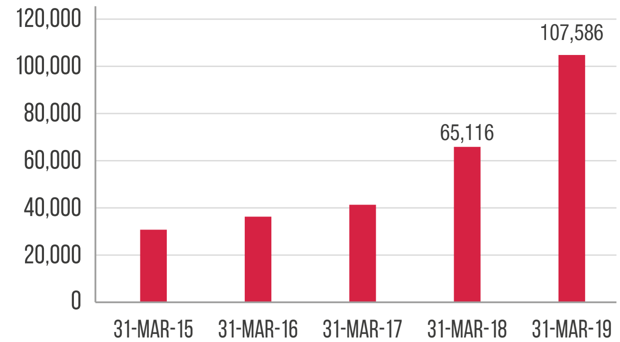
TREASURY MANAGEMENT

Identifying and Capitalizing on Market Opportunities

The Treasury Management business line includes bond and equity trading for our proprietary portfolio as well as equity trading commission. Financial year 2018/19 was the best yet for this business line as we posted a record revenue.. of J$172.1M which reflected growth of 28%. This growth was attributed to higher fees and commission on local equity trades.

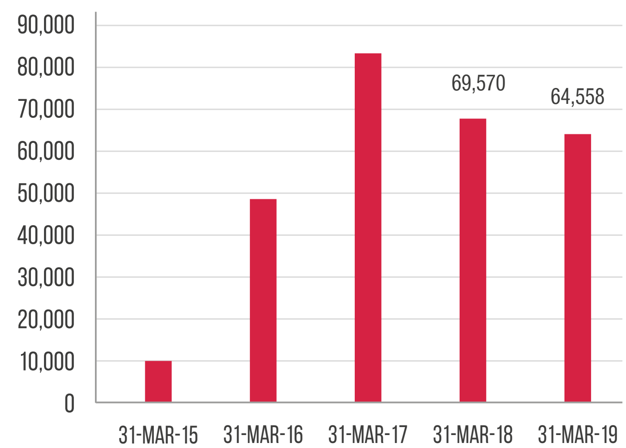
Fees and commission grew by 65% or J$42.5M to J$107.6M as a result of local equity and international trades through our online trading platform.

Fees and Commission Income (in J$'000)



Our share of the local equities trading market grew and was supported by several large transactions during the year. Of particular note was our success in the government's National Investment Fund (NIF) issue which ranked the team Second Place Broker with subscriptions totalling TT$1.3B relative to total subscriptions of TT$7.3B.

Gains on Securities Trading (in J$'000)



Additionally, our international equities trading saw significant growth in both trade value and new clients. As a result, revenue grew by 81% with a 90% increase in the client base. This outcome was due to marketing efforts whereby the team identified and engaged existing and prospective clients desirous of accessing the assets in foreign markets.

Total assets held on behalf of clients increased by 96% over the prior period. Fixed income trading gains declined from J$69.6M to J$64.6M. This performance came against the background of a global bond market with low volatility and low interest rates which limited trading opportunities.

Treasury Management Outlook for FY 2019/20

Fee and commission income from local equities have shown consistent growth over the years despite a subdued equities market. We will, however, continue to identify profitable local opportunities while expanding the client base. This will be supported by timely and well-researched reports as well as capitalizing on regional synergies with the Group's operations in Jamaica as investor interest in cross border trading continues to grow.

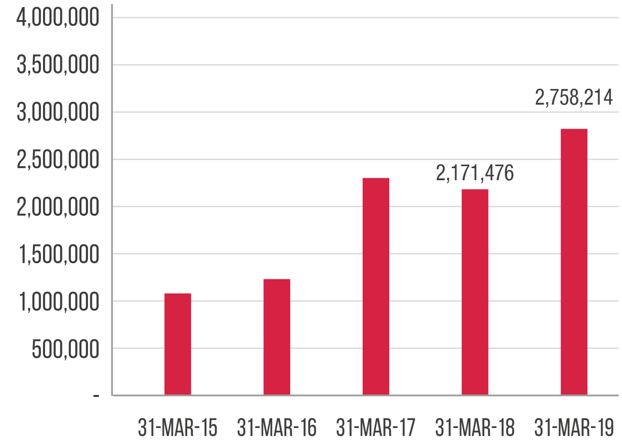
Given that the bond trading in Trinidad and Tobago is predominantly in the emerging market space, the outlook is similar to Jamaica. Despite high levels of uncertainty in the outlook for the global bond market, the team will continue to proactively monitor the market with a view to profiting from market opportunities while minimizing downside risk in the trading portfolio. Given the low interest environment, we will also focus on trading local and regional corporate papers.

BANKING

Operating Results

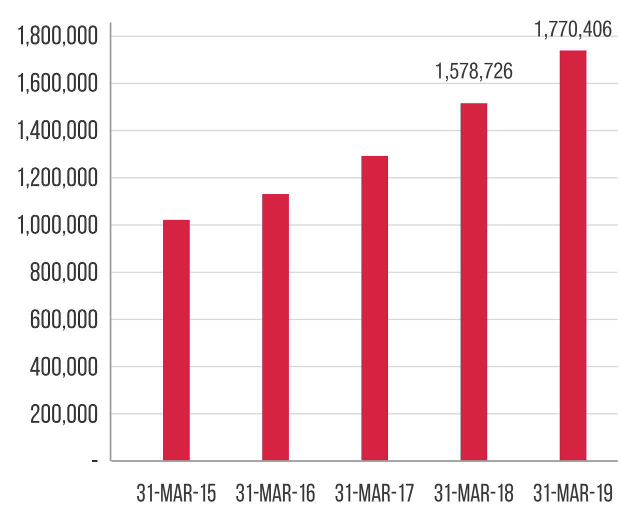
The Banking segment delivered a stellar performance in the 2018/19 financial year with operating profit of J$515.7M. Notably, operating revenue increased by 27% or J$586.7M to J$2.76B. This favourable performance was due mainly to improved net interest income and FX trading gains.

Operating Revenue Net of Interest Expense (in J$'000)



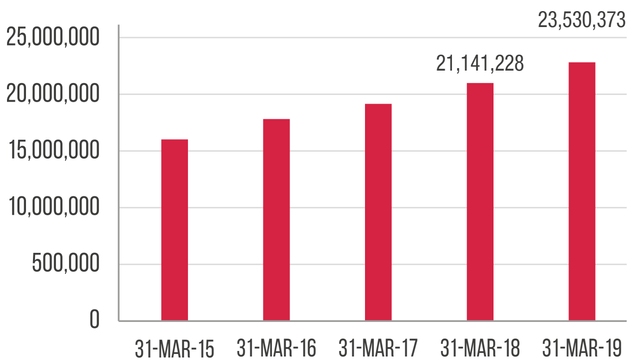
Net interest income (NII) for the year increased by 12% from J$1.58B in the period to J$1.77B, continuing the steady and consistent growth trajectory over the last five years. This performance was achieved despite the spread compression in the market. Lending rates fell over 40 bps between December 2017 and March 2019 while average deposit rates trended upward over the same period. This growth in NII stemmed from a larger loan portfolio in spite of shocks to the labour market due to companies in the energy and non-energy sectors which undertook major restructuring exercises which, in turn, resulted in significant job losses. The loan portfolio was also positively impacted by the introduction of the Bank's new unsecured consumer lending business line.

Net Interest Income (in J$'000)



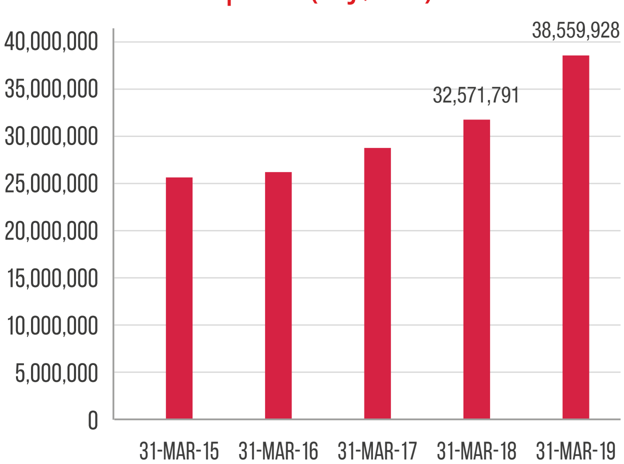
While the lending market (represented by the loan portfolios of banks and non-bank financial institutions) reported growth of 4% over the period under review, our loan portfolio increased by 11% to J$23.53B. Over the year, we also successfully managed the credit quality of the loan portfolio through effective monitoring and close engagement with our clients. While the main objective of the investment portfolio is to provide a strong liquidity base, we took advantage of opportunities to swap out lower yielding assets with investments generating a better risk-return profile.

Net Loans (in J$'000)



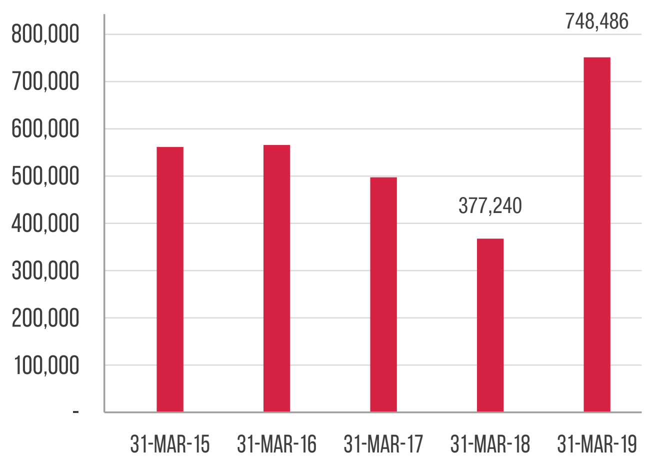
The Bank's deposits base registered growth of J$5.99B or 18% over the prior year totalling J$38.56B at the end of the period. There was a similar increase in our customer base.

Deposits (in J$'000)



Foreign Exchange (FX) trading gains was another source of significant revenue growth as there was strong demand for USD and we were able to capitalize on synergies across jurisdictions to improve supply. The performance over the year was attributed to increased focus on partnership with our institutional clients as we provided the most efficient solutions in satisfying our clients' foreign exchange needs. Consequently, our cambio operations recorded strong performance with gains of J$748.5M up from J$377.2M in the prior period, reflecting growth of 98%.

Foreign Exchange Margins from Cambio (in J$'000)



Financial Inclusion and The Birth of JMMB Express Finance (T&T) Ltd.

On September 12 2018 the Bank, through its subsidiary JMMB Express Finance (T&T) Limited (JEF), officially opened the doors of its first location in Central Trinidad offering fully unsecured consumer lending with individual loans up to TT$40,000 (or approximately J$765,000). The response from this segment of the market has been overwhelming, with clients having the ability to complete their loan application online, and receive a response (approval or otherwise)

within 24 hours while experiencing the Group's philosophy of exceptional client care and knowing that we have their best interest at heart!

Expanding Footprint, Delivering Sustainable Results

In quick succession, two more branches were opened in December 2018 in North and South Trinidad amid similar exuberance and market uptake such that by the end of March 2019, after only 6 ½ months of operations, JEF had amassed a client base of over two thousand strong and booked just under TT$30 million in loans

Banking Outlook for FY 2019/20

The team has spent significant effort in building the foundation of a strong brand presence in Trinidad and Tobago. To drive further growth, the team will implement structural change in the Bank's deposit profile to cheaper core deposits, grow lending market share and capitalize on efficiencies post the implementation of the Group's standardization project. For the newest business line under the banking segment, JEF, the team will launch new locations, set out to capture market share of 5% and will position the business as the finance house of choice for established strategic partners in the coming financial year.

TRINIDAD & TOBAGO STRATEGIC OUTLOOK 2019/20

In line with the Group's overarching focus on driving revenue growth in key business lines, increasing efficiencies and capitalizing on opportunities to strengthen core business lines in the Group's portfolio, the specific focus of Trinidad and Tobagos operations will include:

New Growth

- New Business Lines
- New Segments
- New Markets

AGGRESSIVE MARKET SHARE GROWTH FOR ALL BUSINESS LINE TO DRIVE REVENUE

- Market Share Acquisition - JMMB Express Finance (T&T) Ltd.
- Market Share Penetration - JMMB Bank (T&T) Ltd.
- Market Share Penetration - JMMB Investments (T&T) Ltd.

Growth

Existing Business Line

- Scale Start Ups
- Expand Market Share
- Solidify Market Dominance

FINANCIAL PARTNERSHIP AND CLIENT EXPERIENCE EMBEDDING

- Implement and Embed processes, technology, targets and monitoring tools to support financial partnerships and an enhanced client experience across channels.
- Deepen relationships with existing clients supported by integrated partnership teams and solutions
- Expand Client Access - Two New Locations

Consolidation

Maximise strategic synergies & extract operational efficiency from the Group's entire portfolio

EFFICIENCY AND STANDARDIZATION

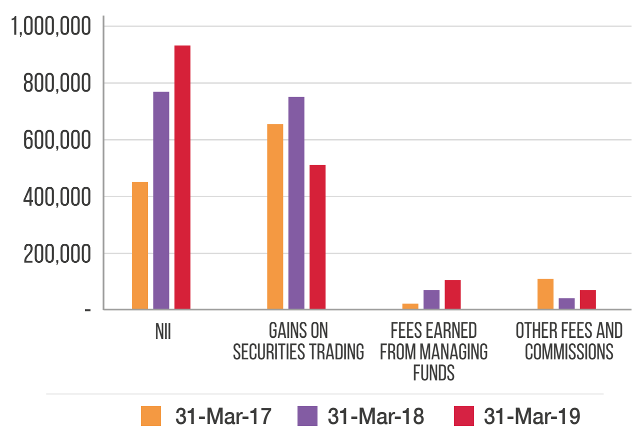
- Implement new core banking platform and standardized solution sets
- Implement country shared cost structure for key support functions and services

DOMINICAN REPUBLIC

Overview - Country Contribution

For 2018/19 financial year, the Group's Dominican Republic operations' operating revenue was stable at J$1.59B. This was due to growth in all revenue lines with the exception of trading gains. Notably, Net Interest Income (NII) increased by 22% or J$165.9M to J$927.2M on account of larger investment and loan portfolios. Additionally, fees earned from managing funds increased by 53% or 34.1M to J$99M and other fees and commissions grew by 59% or 24.3M to J$65.2M.

Composition of JMMB Dom Rep Operating Revenue (in J$'000)



Growth in these revenue lines was offset by a decline in trading gains which moved from J$741.8M in the prior period to J$503.4M. This reflected adverse market conditions of high interest rates and low liquidity which limited trading activity. Notably, the market was uncharacteristically liquid in the second half of the prior year which augured well for trading.

Operating profit declined by 32% to J$149M despite only marginal increases in costs. Operating expenses grew by 4% or J$59M to J$1.45B and was due largely to investment in capacity building and sustainable growth initiatives for the mutual funds and pension management business lines.

The operating results of the Group's entity operations in the Domincan Republic are based on the business line segment to which they contribute as detailed below:

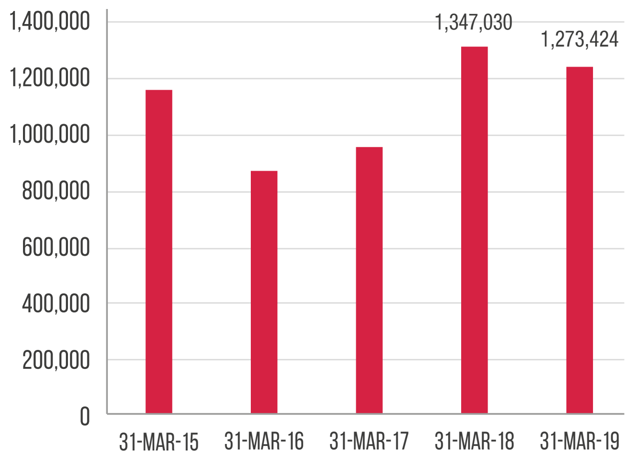
INVESTMENT MANAGEMENT

Segment	Entities
Investment Management	• JMMB Puesto de Bolsa, S.A (Securities Broker) • JMMB Sociedad Administradora de Fondos de Inversion, S.A. (Fund Management) • AFP JMMB BDI, S.A. (Pension Funds Administrator)
Banking	• Banco de Ahorro y Crédito JMMB Bank, S.A.

Operating Results

The Investment Management segment delivered credible performance during the 2018/19 financial year as we then continued to offer financial solutions consistent with our clients' life goals. For the year, net operating revenue declined by 6% to J$1.27B on account of reduced performance in the Treasury Management business line. We, however, remained focused on the execution of our long-term strategic plan to drive market share expansion and sustainable growth across all entities.

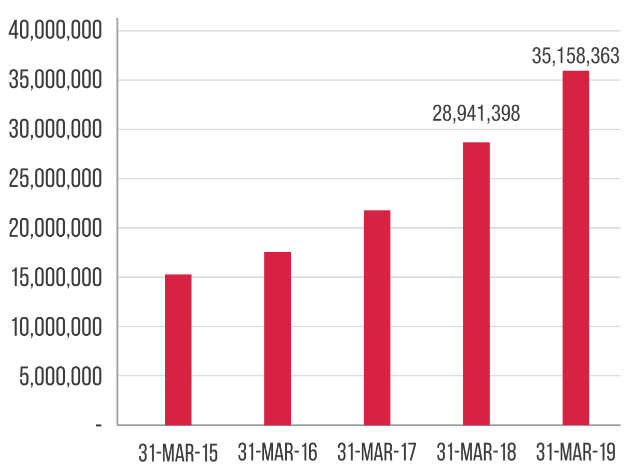
Operating Revenue Net of Interest Expense (in J$'000)



Asset Management

The Asset Management business line includes our on balance sheet funds which generate net interest income (NII) as well as off balance sheet funds which provide fee income.

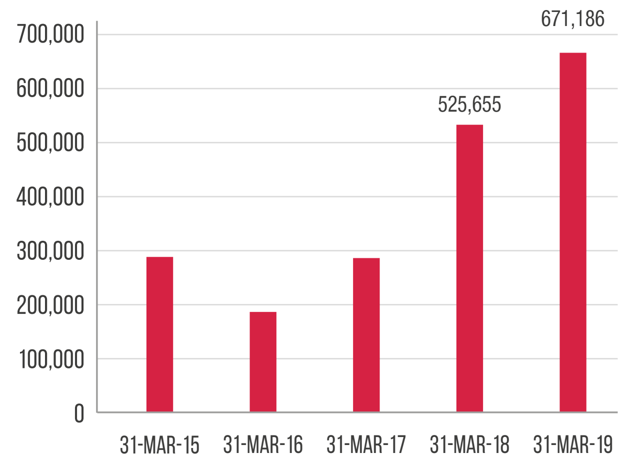
Total Funds under Management (in J$'000)



This business experienced another strong year against continued growth in the economy. There continued to be a strong appetite for on and off balance sheet products and the team leveraged the Group's brand equity to drive growth. This strategy continued to be successful as growth in our client base has ranged between 8% and 15% over the past three years.

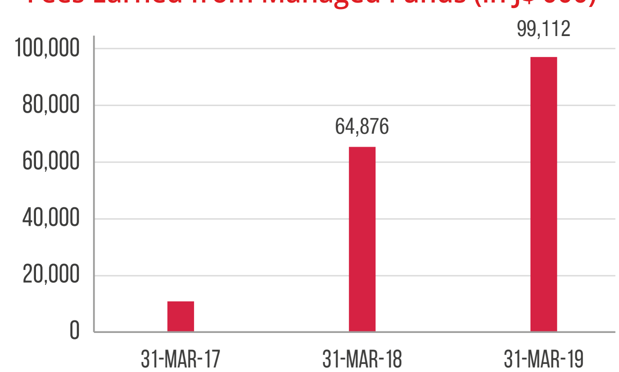
Total clients' funds under management (FUM) consequently grew by 21% to J$35.16B as both and off balance sheet products reflected strong growth.

Net Interest Income (in J$'000)



On-balance sheet FUM increased by 12% or J$3.07B to J$28.36B as the team grew the client base by 15% over the prior year. FUM growth was reflected in the investment portfolio which increased by 9% or J$2.56B to J$29.96B. Moreover, the team actively managed our spread over the period. Given these factors, NII increased 28% ending the year at J$671.2M.

Fees Earned from Managed Funds (in J$'000)



Off-balance sheet FUM rose by 86% and this was largely due to the fact that financial year 2018/19 was the first full year of operations for the pension management business line. Additionally, the funds business line continued to experience robust growth as we support clients in fulfilling their long-term financial goals through our off-balance sheet solutions. As such fees earned from managed funds reflected a 53% growth ending the year at J$99M.

Collective Investment Schemes (CIS) – Delivering Long-term Value

During the 2018/19 financial year, CIS FUM increased by 33% or J$934.6M to J$3.76B. This was due to organic growth which reflected client confidence in the value proposition of our range of CIS. At the end of the year, we had four (4) funds geared towards varying investment objectives and we continue to review our suite of solutions to ensure that value is maximized for our clients and that we are adequately positioned to meet their needs. Notably, an additional tranche of our Real Estate Investment Trust (REIT) was successfully launched at the start of the financial year.

Pensions – Successful First Year of Operation, Highest Return in the Sector

For the 2018/2019 financial year, our Pension business line had its first full operational year and saw pension FUM increasing by 266% or J$2.21B to J$3.03B as well as a 437% growth in our client base. The team's primary focus for the financial year was the transfer of team members from our strategic partners' businesses. Of note is that our pension business had the highest return for clients in 2018 in the pension fund sector in the Dominican Republic.

Asset Management Outlook 2019/20

Funds under management are expected to continue to grow in the coming financial year, given the strong economic growth forecast. We will therefore:

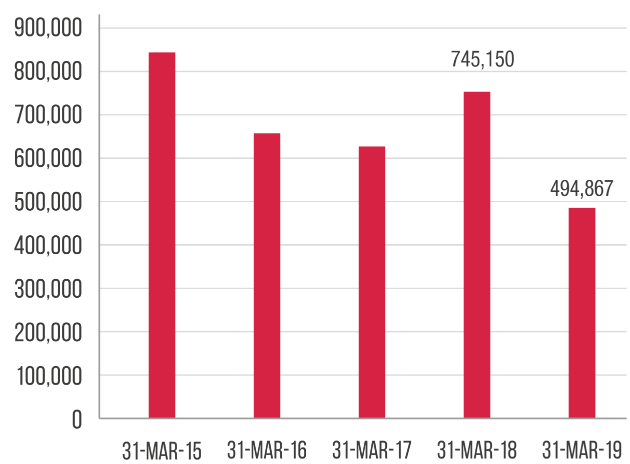
- Continue to focus on our client experience and financial partnership, ensuring that we remain in our clients' world while providing best in class financial solutions,
- Focus on process improvement as our client base continues to grow,
- Continue to position our off-balance sheet products as part of our client offerings, and,
- Launch a new USD Money Market fund in the coming year.

Treasury Management

Identifying and Capitalizing on Market Opportunities

The Treasury Management business line reflects trading of our proprietary bond portfolio. There was a dip in performance during the financial year revenue fell to J$494.9M from J$745M in the prior period. This reflected adverse market conditions of high interest rates and low liquidity which limited trading activity. Notably, in the second half of the prior year, the market was uncharacteristically liquid which augured well for trading.

Gains on Securities Trading (in J$'000)



Treasury Management Outlook for FY 2019/2

Given that the bond trading in the Dominican Republic is predominant in the emerging market space, the outlook is similar to Jamaica and Trinidad and Tobago. Despite high levels of uncertainty in the outlook for the global bond market, we will continue to proactively monitor the market so that we can profit from market opportunities while minimizing downside risk in our trading portfolio. Given the low interest environment, we will focus on the active trading of the domestic sovereign and corporate bonds.

BANKING

Operating Results

Fastest Growing Bank in its Category

Financial year 2018/19 saw the banking segment deliver another solid performance with operating profit ending at J$14.5M.

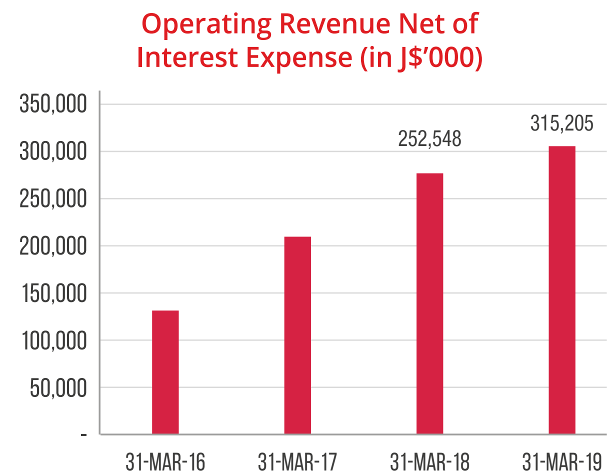
Net operating revenue for the year totalled J$315M for the financial year. This reflected growth of 25% or J$62.7M and was due mainly to strong growth in net interest income (NII) and commission income. Net operating revenue was also driven by a focus on treasury activities through gains from the investment portfolio and an increased presence in the foreign exchange (FX) Market.

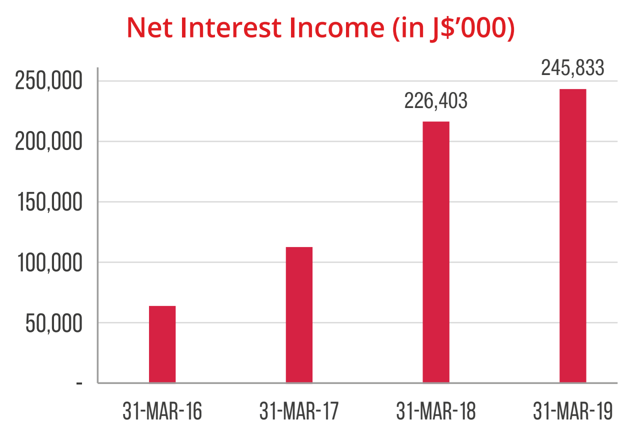
NII increased by 9% to J$245.8M compared to J$226.4M in the prior period. This was due to strong growth in the loan portfolio and active management of our cost of funds

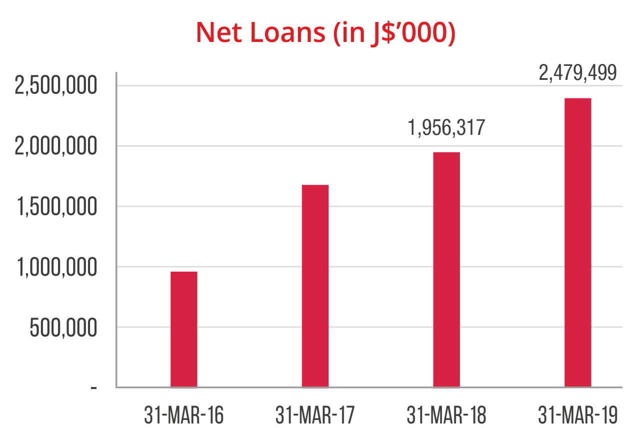
During the year, net loans increased by 27% or J$523M to J$2.48B. This was driven mainly by lending to the commercial sector (predominately small and medium size enterprises) and, to a lesser extent, retail lending. The credit quality of the portfolio remained high, as with above average market growth, the delinquency ratio was 1.28%.

This was among the lowest in the industry and demonstrates the team's ability to aggressively grow the business while maintaining a healthy portfolio.

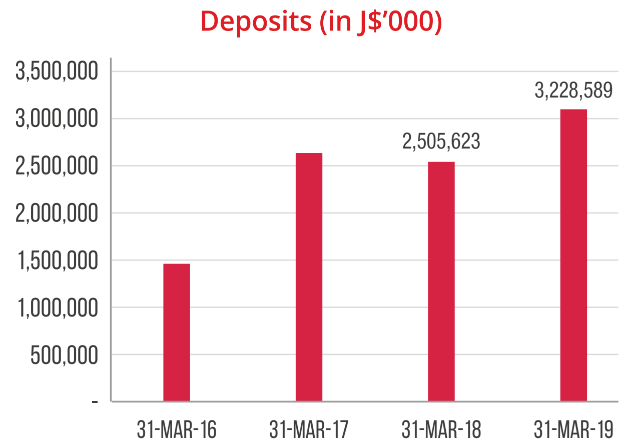
The Bank's net loan growth was the highest growth among the banks in the savings and loans sector. This reflected the team's objective of positioning the Bank as a key player in the savings and loan sector through the provision of a comprehensive suite of financial solutions tailored to meet clients' needs. Also of note is the growth of the Bank's client base which increased 30% over the prior period.







Loan growth was funded predominantly by significant growth of the deposit base. At the end of March 31, 2019, the deposit base totalled J$3.23B which was a 29% increase over the prior period. This deposit growth rate was also the highest growth among the banks in the savings and loans sector.



Banking Outlook for FY 2019/20

In maintaining the pace of growth for the Bank, the team will be focused on strengthening the Bank's loan solutions to grow the portfolio, rolling out purpose based solutions to provide a diversified suite of financial solutions and the penetration of the Dominican Republic's northern region via the launch of a new integrated branch location. The team will also be seeking to gain efficiency benefits via the transition to the Group's core banking system and expand the Bank's solution set as part of the Standardization project.

DOMINICAN REPUBLIC STRATEGIC OUTLOOK 2019/20

For the upcoming year the Group's operations in the Dominican Republic will be focused on inorganic growth for the Banking business line and will commence exploring opportunities for mergers and acquisitions in the savings and loans space. The team will also be implementing and managing changes to banking segment's operations coming out of the Group's standardization project. Notwithstanding this major focus, the entities in the Dominican Republic will also remain focused on creating sustainable growth, driving efficiency and achieving solid operating results across all business lines, in line with the consolidation and growth arms of the Group's strategy. The specific focus will include:

Growth

Existing Business Line

- Scale Start Ups
- Expand Market Share
- Solidify Market Dominance

New Growth

- New Business Lines
- New Segments
- New Markets

Consolidation

Maximise strategic synergies & extract operational efficiency from the Group's entire portfolio

Financial Partnership

- Continued focus on the growth of start up entities
- Drive partnership around client segmentation to better drive integrated service delivery
- Build out REIT solution
- Roll out new solutions:
  - New Fund solutions
  - New Purpose Based solutions

DRIVE REVENUE

- Expand client access roll out 1 new integrated location
- Build out corporate team and solutions
- Deepen relationships with existing clients supported by integrated partnership teams and solutions

Efficiency and Standardization

- Implement new core banking platform and standardized solution sets
- Increase coordination around segment and country functions to drive efficiencies
- Manage costs to improve the overall profitability of the portfolio of companies

Experience

TEACHES WISDOM

THE JMMB GROUP LTD

JMMB GROUP CAPITAL MARKETS

Propelling businesses to the next level

ZODIAC INTERNATIONAL INVESTMENTS LTD.
US$40,000,000
Senior Secured Notes due 2018, 2019 & 2019
CO-BROKER AND SELLING AGENT
JANUARY 2017

JAMAICA CANE PRODUCTS SALES LIMITED
J$700,000,000
Inventory Monetization
ARRANGER AND PLACEMENT AGENT
APRIL 2017

WEST INDIES PETROLEUM
J$1,286,200,000
12.00% Cumulative Redeemable Preferance Shares due 2022
ARRANGER AND PLACEMENT AGENT
JULY 2017

NORTH STAR DEVELOPMENT
US$1,850,000
Simultaneous Private Offer of Subordinated Notes & Equity
ARRANGER AND PLACEMENT AGENT
MARCH 2017

West
J$424,223,751
IPO of 169,689,500 Ordinary Shares
LEAD BROKER
DECEMBER 2017

ZODIAC INTERNATIONAL INVESTMENTS LTD.
US$30,000,000
Fixed Rate Secured Notes due 2023
CO-BROKER AND SELLING AGENT
JANUARY 2018

LASCO FINANCIAL SERVICES
J$1,500,000,000
Fixed Rate Unsecured Bond due 2023
CO-BROKER AND SELLING AGENT
FEBRUARY 2018

CWC CALA HOLDINGS LIMITED
Voluntary offer to acquire outstanding minority shares of Cable & Wireless Jamaica Limited
ARRANGER & LEAD BROKER
MARCH 2018

Hardware & Lumber / Rapid / Agro
J$750,000,000
12.00% Senior Unsecured Notes due 2022
CO-ARRANGER PLACEMENT AGENT
MARCH 2018

M&A ADVISORY AND ACQUISITION FINANCING
J$500,000,000
Fixed Rate Secured Bond due 2020
ARRANGER AND PLACEMENT AGENT
M&A FINANCIAL ADVISOR
MARCH 2018

CAIDOZ HOLDINGS LIMITED
J$2,100,000,000
Structured Products
ARRANGER AND PLACEMENT AGENT
APRIL 2018 & FEBRUARY 2019

JMMB Investments Jamaica Money Market Brokers Limited
US$19,000,000
Fixed Rate Unsecured Bond due 2023
ARRANGER AND PLACEMENT AGENT
MAY 2018

The JMMB Group's Capital Markets Unit creates tailored capital markets and investment banking solutions for clients. We provide value-added services in the areas of **equity capital markets**; **debt capital markets**; and **mergers and acquisition advisory services** – including bonds, IPOs, acquisition financing, preference shares and sale and leaseback structures.

JAMAICA CANE PRODUCTS SALES LIMITED
J$1,050,000,000
Inventory Monetization
ARRANGER AND PLACEMENT AGENT
JUNE 2018 & SEPTEMBER 2018

THE JMMB GROUP
J$5,890,000,000
Senior Unsecured Bond 6.25% due 2020
LEAD ARRANGER AND PLACEMENT AGENT
JULY 2018

INTERNATIONAL INVESTMENT BANK
J$12,000,000,000
Senior Unsecured Bond 7.40% due 2027
PRINCIPAL
JULY 2018

J$1,600,000,000
Fixed Rate Unsecured Bond due 2021
ARRANGER, BROKER AND UNDERWRITER
JULY 2018

J$2,394,905,000
Unsecured USD Indexed Bond 8.50% due 2024
ARRANGER, PLACEMENT AGENT AND UNDERWRITER
SEPTEMBER 2018

WEST INDIES PETROLEUM
J$2,901,007,712
Cumulative Redeemable Preference Shares due 2023
ARRANGER AND PLACEMENT AGENT
SEPTEMBER 2018

ACQUISITION FINANCING
J$270,000,000
Fixed Rate Secured Two Tranche Bonds due 2020 & 2025
ARRANGER AND PLACEMENT AGENT
NOVEMBER 2018

EPPLEY
J$500,000,000
7.50% Cumulative Redeemable Preference Shares due 2024
LEAD BROKER AND LISTING AGENT
NOVEMBER 2018

SALE WITH LEASE OF COMMERCIAL REAL ESTATE
J$930,000,000
SOLE ARRANGER AND PLACEMENT AGENT
NOVEMBER 2018

ZODIAC CARIBBEAN VENTURES LTD.
J$5,200,000,000
CO-BROKER AND SELLING AGENT
DECEMBER 2018

THE JMMB GROUP
J$2,500,000,000
Fixed Rate Unsecured Notes due 2020
LEAD ARRANGER AND PLACEMENT AGENT
FEBRUARY 2019

J$800,000,000
Unsecured Fixed Rate Notes due 2020
CO-ARRANGER AND PLACEMENT AGENT
MARCH 2019

STRUCTURED REVERSE REPURCHASE AGREEMENT
US$7,000,000
ARRANGER
MARCH 2019

Transactions occurred during the period April 1, 2017 and March 31, 2019.
This advertisement appears as a matter of record only.

GROUP EXECUTIVE LEADERS

KEITH DUNCAN

GROUP CHIEF EXECUTIVE OFFICER

As the Group Chief Executive Officer serving in this capacity since 2005, Keith is tasked with determining the strategic direction of the Group in an ever- evolving marketplace. Under his leadership, the JMMB Group, has continued to grow and expand in new areas of the industry both locally and regionally.

A former President of the Jamaica Securities Dealers Association, Keith is currently the Vice President of the Private Sector Organization of Jamaica. He continues to contribute to the nation through various roles including as co-chair of the Economic Programme and Oversight Committee (EPOC). He holds the Chartered Financial Analyst designation as well a Bachelor of Arts degree in Economics from the University of Western Ontario in Canada.

PETA-GAYE BARTLEY

GROUP CHIEF INTERNAL AUDITOR

Peta-Gaye has been a member of the JMMB family for the past 3 years and has already established a standard of excellence in the overall strategy and execution of internal audits across the Group. She has had over a decade of experience in the internal audit field in large and medium sized organizations across several industries in Jamaica and the wider Caribbean region prior to her appointment to the JMMB Group.

Peta-Gaye holds a Bachelor's degree in Accounting and Management Studies as well as certification in Internal Auditing and Fraud Examination. She is also a Chartered Accountant and a Fellow of the Association of Chartered Certified Accountants (U.K).

DAMION BROWN

GROUP CHIEF INVESTMENT OFFICER

Damion brings a wealth of knowledge from his previous positions as Economist at the Bank of Jamaica, as well as Principal at the Bermuda Monetary Authority. As Group Chief Investment Officer, he is responsible for managing the performance of the proprietary investments across the Group and the deployment of capital.

In addition to holding a BSc and MSc in Economics from the University of the West Indies, Damion also has several professional certifications including Chartered Financial Analyst (CFA Institute) and Financial Risk Manager (Global Association of Risk Professionals).

CAROLYN DACOSTA

GROUP CHIEF COMPLIANCE OFFICER

With a Bachelor of Laws degree from the University of London, a Bachelor of Arts degree from the University of the West Indies, Diploma in International Compliance and an MBA in Finance from the Manchester Business School, Carolyn is adept at meeting her responsibilities, which include ensuring that the JMMB Group is compliant with all applicable laws, regulations and guidance notes and maintaining the defined standards of corporate governance, in all the territories in which the JMMB Group has operations.

She also oversees the establishment, implementation and monitoring of the Group's compliance program within the regulatory framework and ensures compliance with all relevant statutory and regulatory requirements, monitors changes in relevant legislation and ensures the taking of appropriate action, as required. Carolyn is also a Fellow Member of the International Compliance Association and a Justice of the Peace for the parish of St. Catherine.

GROUP EXECUTIVE LEADERS

DONNA DUNCAN-SCOTT

GROUP CHIEF CULTURE & HUMAN DEVELOPMENT OFFICER

As the Chief Culture and Human Development Officer, Donna guides the heart of the JMMB Group. Through the development of people operating frameworks, people policies, processes and practices, her team supports team members in realizing their greatness, to the benefit of themselves, our clients, the organization and the society (Our Vision of Love).

Donna has a B.Sc. in Industrial Engineering, as well as an MBA from the Richard Ivey School of Business at the University of Western Ontario in Canada. She also holds the distinguished Chartered Financial Analyst designation

PATRICK ELLIS

GROUP CHIEF FINANCIAL OFFICER

For the last 11 years Patrick has held the post of Group Chief Financial Officer, a role which includes the oversight and execution of the Company's strategic and financial operations. Chief among his responsibilities are the preparation of financial statements, regulatory reporting, assessing the viability of possible acquisitions, as well as financial management for JMMB's operations in Jamaica, Trinidad & Tobago and the Dominican Republic.

Patrick holds an MBA (Finance) from the Manchester Business School and is also a Fellow of the Association of Chartered Certified Accountants (U.K.), a Fellow of the Institute of Chartered Accountants of Jamaica as well as a Certified Public Accountant.

PAUL GRAY

INTERIM COUNTRY CHIEF EXECUTIVE OFFICER – DOMINICAN REPUBLIC

With over 20 years of experience in the financial industry, Paul brings a wealth of knowledge and experience to his role of Interim Chief Executive Officer for the Dominican Republic, of which subsidiaries includes JMMB Puesto de Bolsa, JMMB Bank, JMMB BDI Administradora de Fondos de Pensiones, SA and JMMB Sociedad Administradora de Fondos de Inversiones. As Country CEO, Paul is responsible for the overall strategic direction as well as having complete oversight of the country's operations. Prior to this assignment, Paul served as the Group's Chief Investment and Treasury Officer.

Paul also serves as Vice-President of the Board of Directors for JMMB Sociedad Administradora de Fondos de Inversiones and member of the Board of Directors of JMMB Insurance Brokers Limited.

He also holds a Master's degree in Finance from the Manchester Business School UK and has received professional training in treasury, asset/liability and risk management, both locally and overseas.

GREGORY HINES

GROUP CHIEF BUSINESS SUPPORT OFFICER

As the Chief Business Support Officer, Gregory is responsible for Small and Medium Enterprise (SME) business strategy development and implementation across the group. He brings a wealth of multi-national industry knowledge and experience from working in Barbados, Trinidad & Tobago, Jamaica and the United Kingdom. Gregory has specialist knowledge and experience in mergers, acquisitions, divestures, strategy and new business development.

Gregory holds an MBA in Corporate Finance and Strategy, a Master's degree in Economics and a Bachelor's degree in Accounting and Economics.

GROUP EXECUTIVE LEADERS

JULIAN MAIR

GROUP CHIEF INVESTMENT STRATEGIST

With over 20 years of experience in the financial services sector, Julian currently operates as JMMB's Group Chief Investment Strategist. In addition to his position at JMMB, he has played a significant role in the development of Jamaica's capital market. His work experience includes positions at Dehring, Bunting and Golding Limited (now Scotia Investments Jamaica Limited) and JMMB. A former Managing Director of Lets Investment Limited, his leadership resulted in the boutique operation becoming a global player in the trading of internationally issued securities.

Julian is a founding member and current Vice-President of the Jamaica Securities Dealers Association (JSDA), and also serves various institutions as a director, including JMMB Securities Limited, JMMB International Limited, JMMB Puesto de Bolsa; Factories Corporation of Jamaica; Supreme Ventures Racing and Entertainment Ltd. and the Jamaica Stock Exchange.

JANET PATRICK

FINANCIAL CONTROLLER – PLANNING AND STRATEGY

Janet has been with the JMMB family for the last 20 years having first served as Chief Accountant before being promoted to Financial Controller in 2007. In her current role, her extensive experience in accounting and auditing are called upon, as she has direct responsibility for the preparation of the Group's budgets and forecasts, financial management reporting and taxation.

Prior to joining JMMB, Janet garnered extensive experience in the financial sector, primarily as a member of the senior audit staff of KPMG Chartered Accountants working on major audit assignments and several special projects, spanning various industries. Janet is a chartered accountant with a Diploma in Business Administration (Accounting) from the University of Technology, Jamaica.

DERECK RAJACK

GROUP CHIEF RISK OFFICER

Dereck serves as Group Chief Risk Officer. He brings to the position over 15 years of experience in the investment and banking sectors having worked at senior managerial levels in market and credit risk. , He was also an adjunct lecturer for five years at the Arthur Lok Jack Graduate School of Business. Dereck is responsible for setting the vision and strategy for the risk function across the Group as well as developing, managing and refining the qualitative and quantitative risk framework, in order to support effective decision making.

Dereck holds a Bachelor's degree in Mathematics (First Class Honours) from the University of the West Indies as well as the Certified Financial Risk Manager (FRM) professional qualification from the Global Association of Risk Professionals (GARP).

KERRY-ANN STIMPSON

GROUP CHIEF MARKETING OFFICER

Kerry-Ann is accountable for the development and implementation of the Group's marketing strategy. She is an expert financial marketer, and a firm believer in the need to create out-of-the-box marketing strategies to drive deeper client engagement and create the 'win' for brands. Under her leadership, the marketing function has both maintained the JMMB brand's unique positioning in a competitive market, and strengthened its role as a key revenue support unit for all subsidiaries within the Group.

She holds a Bachelor of Science (BSc) degree, with a major in Management Studies and minor in Economics, from the University of the West Indies and a Master of Business Administration (MBA), with a specialisation in marketing, from the Robert H. Smith School of Business, at the University of Maryland, College Park, Maryland, in the United States.

GROUP EXECUTIVE LEADERS

CLAUDINE TRACEY
GROUP CHIEF STRATEGY OFFICER

Claudine joined the JMMB Group team as Group Chief Strategy Officer in 2016, bringing a well-decorated career in risk management, strategic management, business analytics, project management, compliance and product development to bear on the role. As the Group Chief Strategy Officer, she is tasked with providing strategic support and innovative solutions to create and unlock opportunities for sustainable growth and value of all its stakeholders.

Claudine holds a Bachelor of Science and a Master of Business Administration (MBA) in Economics and Psychology and Banking and Finance, respectively, from the University of the West Indies, Mona. These are complemented by certification in International Risk Management. She is also an Accredited Director and the chairperson of Turner Innovations and sits of the Board of Innovate 10X. She is a passionate advocate for the MSME community and serves the sector in many areas including as a business mentor.

GUILLERMO ARANCIBIA
BUSINESS DIRECTOR FOR LATIN AMERICAN REGION

Guillermo joined the JMMB family with over 20 years' experience in the financial sector specializing in commercial banking. He worked for over 19 years with the Citigroup in regional management positions for Latin America. Guillermo is charged with seeking new opportunities to expand our regional presence and grow our business lines.

He had the responsibility for operations in the 14 countries in which Citibank operated. Guillermo also served as Manager of Corporate Communications, Products and Channels at Grupo Altas Cumbres and as General Manager, Corporation Financiera Miravalles in Costa Rica, before joining JMMB.

He brings to the JMMB family a variety of skills including special skills in banking, prudent risk management, strategic financial planning and mergers and acquisitions.

HEADS OF ENTITIES

RONALD CARTER

CHIEF EXECUTIVE OFFICER – JMMB INVESTMENTS TRINIDAD AND TOBAGO LTD. AND JMMB SECURITIES TRINIDAD AND TOBAGO LTD.

Ronald's extensive experience in financial services and investment management spans 25 years across the Caribbean and the United States. In addition to being a successful entrepreneur, he has held several senior positions within a number of top tier global financial institutions and has successfully led businesses in wealth and investment management, capital markets and corporate banking. He is responsible for the leadership and strategic oversight of JMMB's Trinidadian – based subsidiaries: JMMB Bank, Intercommercial Trust & Merchant Bank Limited, JMMB Investments (Trinidad & Tobago) Limited and JMMB Securities (T&T) Limited

Ronald holds a BSc (Honors) degree in Business Management with a major in Accounting from the University of the West Indies and a Master of Business Administration with a concentration in Finance from the New York University-Leonard N. Stern School of Business.

KEISHA FORBES-ELLIS

CHIEF EXECUTIVE OFFICER – JAMAICA MONEY MARKET BROKERS LTD.

Keisha embodies a true JMMB success story, having joined the company 22 years ago as a Trading Assistant. Keisha has been promoted through the ranks of the trading department where she successfully traded JMMB's portfolios in various capacities. Prior to her current role as CEO, she was Head of Trading and Treasury. Keisha provides leadership and oversight in the development and execution of the strategy for JMMB and JMMB Securities Limited. She is charged with the responsibility for the growth and development of the company through its stock brokerage offerings, cambio services, portfolio management offerings, as well as the overall asset management business line of the company.

Keisha holds a Master's degree in Banking and Finance from Mona School of Business, UWI and a Bachelor's degree in Business Management from Nova South Eastern University.

HEADS OF ENTITIES

SHARON GIBSON

CHIEF EXECUTIVE OFFICER – JMMB MONEY TRANSFER LIMITED

An experienced financier who boasts over 20 years at the managerial level in the industry, Sharon brings a track record of achievement and excellence to her position as CEO. Before joining the JMMB team, she held several senior positions at National Commercial Bank (NCB) including remittance, customer service, project management, product development and operations. During her stint at NCB, she climbed the ranks while broadening her experience, serving as Product Development Manager, Customer Service Manager and Operations Manager. She also served as Chair of the Audit Committee of the NCB Cooperative Credit Union.

Sharon holds an Executive Master of Business Administration (EMBA) from the University of the West Indies, Mona in addition to other professional designations, including AICB from the Canadian Institute of Bankers. She also holds a Diploma in Management Studies from the Jamaica Institute of Management (JIM). Sharon is currently the Vice President of the Jamaica Money Remitters Association.

SHERON GILZEAN

CHIEF EXECUTIVE OFFICER – JMMB INSURANCE BROKERS LIMITED

Sheron has served as CEO of JMMB Insurance since 2017 after being promoted from her previous position as General Manager. Sheron boasts a wealth of experience with in depth knowledge of the insurance industry, having amassed more than 30 years of experience in claims and underwriting, risk management, team building and relationship management.
Sheron has also been a part-time lecturer at the College of Insurance & Professional Studies since 2003, and is also an Executive and Chartered Member of the Jamaica Society of Insurance Professional and Technicians (JSIPT).

Her educational achievements complement her experience; she is the holder of both an undergraduate and postgraduate degree from the UWI, Mona and a Fellow Chartered Insurance Professional with the Insurance Institute of Canada and she recently completed her Risk Management certification through the Insurance Institute of Canada.

She is also the past Treasurer and a Distinguished member of the Kiwanis Club of Constant Spring and a Charter Member of the Kiwanis Club of Young Professional, Kingston.

ELSON JAMES

CHIEF EXECUTIVE OFFICER – JMMB EXPRESS FINANCE LIMITED

Though a recent addition to the JMMB team, Elson has already begun to build a track record of excellence as he spearheaded the design and launch of the newly formed JMMB Express Finance (T&T) Limited, an arm of The JMMB Group primarily focused on providing unsecured loans to the Trinidad and Tobago market.

Elson has held several management positions at financial giants such as Citibank, American Express, Ryder Systems and Unicomer, and brings valuable multi-national working experience gained in the Caribbean, the United States and Asia. With more than twenty years of consumer and corporate finance experience, Elson has been expanding his track record of profit creation and improvement.

JUAN JOSE MELO PIMENTEL

CHIEF EXECUTIVE OFFICER – BANCO DE AHORRO Y CREDITO, S.A.

Juan has been a part of the JMMB Family for over 10 years. He is a financial professional and entrepreneur with over 10 years' experience in business valuation, mergers and acquisitions.

He has a degree in Industrial Engineering from the Ponticia Universidad Catolica Madre y Maestra and an MBA in Finance from the University of Comillas, Spain. In August 2009, he joined the JMMB family as Director of Investment Banking and was appointed Chief Executive Officer for the Dominican Republic effective June 1, 2019.

HEADS OF ENTITIES

NIGEL ROMANO

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER –
JMMB BANK (T&T) LIMITED

Nigel is a Chartered Accountant with extensive international banking and accounting experience, having worked in countries such as Indonesia, Hong Kong, Singapore and the Philippines. At JMMB Bank, Nigel is charged with setting the overall strategic direction and delivering operational excellence, ensuring that every client experience is easy, enjoyable, empowering and in their best interest.

Nigel holds a BSc in Management Studies and an MSc in Accounting from the University of the West Indies and is a member of the Institute of Chartered Accountants of Trinidad and Tobago. He is committed to life-long learning and growth and is currently pursuing his online MBA at the Jack Welch Management Institute.

Nigel will retire on July 31, 2019

JEROME SMALLING

CHIEF EXECUTIVE OFFICER – JMMB BANK (JAMAICA) LIMITED

Jerome joined the JMMB Group team in 2012 boasting an esteemed 24-year career in banking. His career has included tenures in senior management positions at Scotiabank, RBC Caribbean and at the RBC Royal Bank's National Office in Toronto, Canada. His experiences in banking have allowed him, alongside a dedicated team, to steer the JMMB Bank on a path of profitability following its acquisition as part of the Capital and Credit Financial Group.

Jerome holds an MBA and a Bachelor's degree in Business & Professional Management from the H. Wayne Huizenga Business School, Nova Southeastern University, Florida, USA. Jerome is also a Fellow of The Institute of Canadian Bankers and completed executive training at the University of Pennsylvania's Wharton Business School.

CHRISTOPHER WALKER

CHIEF EXECUTIVE OFFICER – JMMB FUND MANAGERS LIMITED

Christopher joined the JMMB team in September 2012, following JMMB's acquisition of the Capital and Credit Financial Group (CCFG). A veteran financier, having served over 22 years in the financial services industry, Christopher was appointed to his current position at the helm of JMMB Fund Managers Ltd. in April 2013. His current post sees him continuing to offer expert leadership and guiding the strategic positioning of the Company's off-book client portfolio, with particular focus on collective investment schemes (CIS) and pension funds. In this capacity he also acts as Chairman of the Group Client Portfolio Investment Committee.

Complementing his vast experience is a BSc in Management and Economics from the University of the West Indies, Canadian Investment Manager Designation from the Canadian Securities Institute and a Master in Business Administration degree from the University of Liverpool.


DREAM
BIG!

You can do anything as long as you have the passion, the drive, the focus, and the support.

Sabrina Bryan

CORPORATE GOVERNANCE

JMMB Group Limited and its directors continue to maintain a high standard of governance in line with the laws, regulations and best practices in the jurisdictions in which the Company and its subsidiaries operate.

The Board of Directors of JMMB Group Limited (JMMBGL) has met bi-monthly and has continued the progression towards achieving the strategic goals and objectives of the Group, whilst concurrently providing leadership and effective governance. In March 2019, the customary annual review of the goals and objectives was undertaken to measure progress in the achievement of strategic goals and to assess the environmental impact on the companies within the Group.

The Directors and Management are committed to high standards of governance that are consistent with regulatory expectations and evolving best practices, and are aligned with our strategy and risk appetite. We believe that good governance is not just about overseeing the JMMB Group and its practices, but doing so in a way that is transparent. It involves the Board actively engaging with all stakeholders, knowing the respective business lines and their risks, understanding the challenges and opportunities of a changing industry and economy and challenging management where necessary. Good governance also involves setting robust standards and principles that will guide the JMMB Group to success as well as help clients thrive and our communities prosper – all while ensuring that we are constantly enhancing value for our shareholders.

This report provides a summary of the work of the Board and its committees over the past financial year and covers JMMB Group Limited, as well as its subsidiaries and affiliates. We will also summarise the corporate governance structures, principles and practices that we believe promote the effective functioning of the subsidiaries' Boards and enable the JMMB Group to satisfy the governance expectations of regulators and stakeholders within the territories in which we operate.

The Corporate Governance Policy applies to all companies in the JMMB Group. JMMB Group Limited Board of Directors and its committees have oversight responsibility for the subsidiaries' Boards and their committees. The Board of Directors proactively adopts governance policies and practices designed to align the interests of the Board and management with those of shareholders and other stakeholders, and to promote the highest standards of ethical behaviour and risk management at every level within the organisation. The Group's corporate governance framework is subject to ongoing review, assessment and improvement.

Definitions:

Company	JMMB Group Ltd.
"Director" or "Directors"	The person(s) who is (are) a member(s) of the Board
"Executive Director"	A director who is a member of the management team JMMB Group Ltd. or its subsidiaries and affiliates.

"Independent Director"	Director who is not: • An employee of a company within the Group within the last five years; • A person holding five per centum or more of the shares of the company or a connected person; and • A party to a significant economic or other relationship with the company within the last five years.
"Non- Executive Director"	A director who is not part of the current management in the JMMB Group
"JMMBGL"	JMMB Group Ltd.
"JMMB Group" or "the Group"	The group of companies comprised of JMMBGL, its subsidiaries and affiliates (A list of the companies can be found at Note 1 of the Audited Financial Statements).
"JSE"	The Jamaica Stock Exchange
"BSE"	Barbados Stock Exchange
"Subsidiary"	A company over which JMMB Group Limited has control
"TTSE"	Trinidad and Tobago Stock Exchange

The core principles defined:

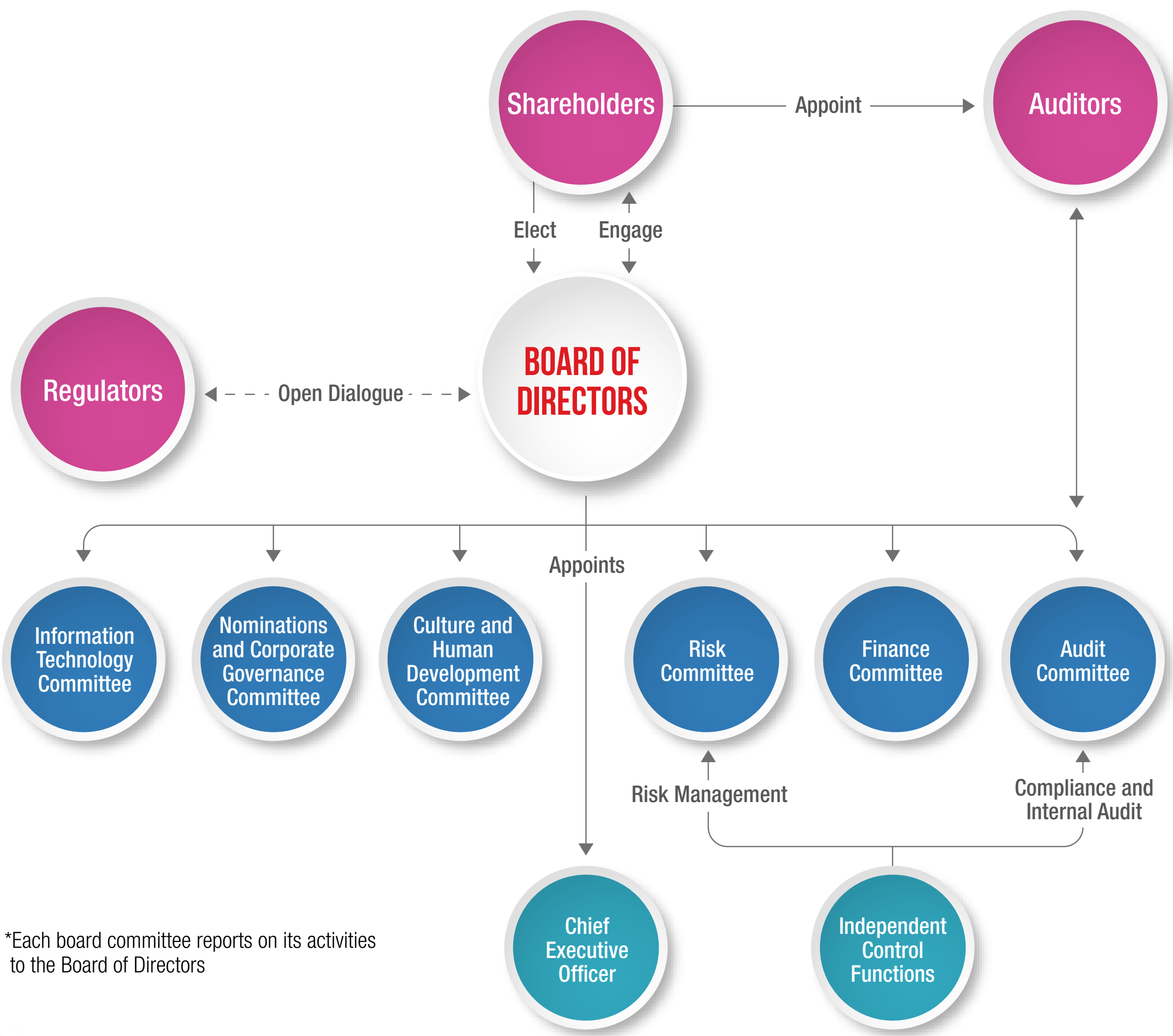
Conduct and culture	By setting the tone from the top, the Board champions JMMB Group's values of love, trust, openness, integrity and good governance
Stewardship	Directors are stewards of the Company exercising independent judgement and safeguarding the interest of shareholders
Risk oversight	The Board oversees the frameworks, policies and processes to identify and manage the risks faced by the Group
Independence	Independence from management is fundamental to the Board's effective oversight, and mechanisms are in place to ensure its independence
Strategic oversight	Directors are key advisors to management, advising on strategic direction, objectives and action plans, taking into account business opportunities and the JMMB Group's risk appetite.
Continuous improvement	The Board is committed to continuously improving its corporate governance principles, policies and practices (found at Note 1 of the Audited Financial Statements).
Accountability	Transparency is a hallmark of good governance. The Board is committed to clear and comprehensive financial reporting and disclosure, and constructive shareholder and stakeholder engagement.

For the Financial year 2018/19, the Board deliberated on several matters, including but not limited to the following:

- Group strategies and strategic direction
- Financial performance
- Bank Standardisation
- Centralisation
- Review of capital structure and dividend
- Review and approval of policies
- Operational performance
- Governance and compliance matters
- External financial reporting
- Changes in regulatory environment and impact on the Group
- Changes in information technology
- Risk Management
- Corporate Culture
- Human Resources
- Review of Group organizational structure
- Corporate Social Responsibility

OUR GOVERNANCE STRUCTURE

Our governance structure establishes the fundamental relationships among the Board, its committees, management, shareholders and other stakeholders. We set our culture and values, as well as, our strategic and corporate objectives, and we determine our plans for achieving and monitoring performance through this structure.



*Each board committee reports on its activities to the Board of Directors

ROLE OF THE BOARD OF DIRECTORS

The JMMBGL Board makes major policy decisions, participates in strategic planning and reviews management's performance and effectiveness. The Board is guided by the laws and regulations of the various jurisdictions in which it operates. The Board reviews and makes decisions about strategic directions and delegates other decisions to its board committees or management using a board approved decision rights matrix. As provided by our policies, management may require board approval for some matters that exceed a certain dollar value or may have significant impact on the JMMB brand.

ROLE OF THE BOARD CHAIRMAN

Dr. Archibald Campbell is our independent Board Chairman. Having an independent, non-executive Board Chair enhances management's accountability and the Board's independent oversight. The Board Chair leads board and shareholder meetings and is responsible for the management, development and effective functioning of the Board. The Chair has the deciding vote if a board vote results in a tie.

He attends and participates in committee meetings as needed and is a member of the Nominations and Corporate Governance Committee.

The Board Chair:

- Advises the Group CEO on major issues and liaises between the board and senior management
- Participates in the orientation of new directors and the continuing development of current directors
- Along with the Nominations and Corporate Governance Committee Chair, conducts the Board's effectiveness evaluation and plans board succession and recruitment
- Interacts with directors and senior executives on a regular basis
- Meets with regulators, shareholders and other stakeholders on behalf of the Board when needed, and
- Meets periodically with independent directors of our subsidiaries.

The Board reviews and approves the Board Chair's mandate, while the Nominations and Corporate Governance committee, under the direction of its Chair, annually assesses the effectiveness of the Board Chair in fulfilling his mandate. Our Corporate Governance Policy, which contains the mandates of the Board, board chairs and board committees may be found at www.jmmb.com.

OUR APPROACH TO SUBSIDIARY GOVERNANCE

JMMB Group takes an enterprise-wide approach to subsidiary governance. The board and its committees oversee subsidiary governance on an entity and country level.

The Office of Strategy Management monitors the performance of JMMB Group's subsidiaries through a number of business line meetings, bringing together local expertise and global oversight. This centralized approach provides consistency and transparency, enabling us to be responsive to evolving business needs, best practices and regulatory requirements and expectations.

Our overall policies are determined at the group level with consultation at the various country subsidiary boards which enhances our strong governance. Active and engaged subsidiary boards play a key role in overseeing our entities in the various jurisdictions. Our subsidiaries' boards are comprised of independent directors with specific skills and experience to assist the board in challenging management and furthering the strategic priorities of JMMBGL and its subsidiaries. We continue to accelerate diversity on our subsidiary boards and to leverage the subsidiary board experience to build talent for growth across the Group. Continuous and open dialogue with shareholders and other stakeholders is a key priority for us. The Board encourages all stakeholders to provide timely and meaningful feedback.

There are many ways in which people can engage with us and access important information:

Board of Directors	Stakeholders can communicate with the directors or the board chair as described at **shareholderquery@jmmb.com**
Management	The CEO, group executive and senior management may be contacted at **info@jmmb.com**
Investor relations	Investors are encouraged to communicate with us via our email address **info@jmmb.com**

OUR CODE OF ETHICS AND CONDUCT

The JMMB Code of Ethics and Conduct ("the Code") promotes standards of desired behaviour that apply to directors, senior management and all team members. It includes the responsibility to be truthful, respect others, comply with laws, regulations and our policies, and engage in practices that are fair and not misleading. Each year directors and team members must acknowledge that they have read and understood the Code, and certify that they are in compliance with it.

The Company has adopted the Code of Ethics and Standards of Professional Conduct of the Association for Investment Management and Research (AIMR®) and each new team member is trained in this area during orientation. There is also a mandatory annual refresher course for all team members and directors.

BOARD INFORMATION

The Chairman and the Group CEO, supported by the Company Secretary, ensure procedures are in place to give the Board timely access to the information it needs to carry out its duties. To ensure timely access to information, directors:

- Receive a comprehensive package of information at least five (5) days prior to each board and committee meeting
- Have access to board committee meeting minutes
- Participate in annual and biannual strategic sessions
- Have full access to senior management and team members
- Receive educational material on matters that affect our business
- Identify their continuing education needs through discussions at board or committee meetings
- Receive timely updates on matters that may affect the business's performance and reputation
- Are kept abreast of all regulatory matters such as regulatory audits, changes in regulations or guidelines and outcomes of meetings with regulators, to name a few.

BOARD EXPERTISE

The Directors of the Board are selected on the criteria of proven skill and ability in their particular field of proficiency, and a diversity of outlook and experience which directly benefits the operation of the Board as the custodian of the business.

A full biography of each Board member, inclusive of their area(s) of expertise, is provided in the report (see Profile of Directors).

BOARD DELEGATION

The Board has delegated specific responsibilities for Audit, Risk, Nominations and Corporate Governance, Information Systems, Finance and Culture and Human Development to Committees. The Board and each of its Committees have written approved terms of reference setting out their respective roles and responsibilities and limits of authority.

The committee on which each director serves is included in their director's profile.

Each Committee's terms of reference is included in the Group's Corporate Governance Policy which may be found at www.jmmb.com.

COMMITTEE REPORTS

1. Report of the Audit Committee

As an integral part of the Group's corporate governance structure, the Group's Internal Audit Department and its activities are guided by a Charter approved by the Group Audit Committee. The Department reports to the Group Audit Committee which ensures independence in the Department's review of the effectiveness of the Group's risk management, governance and internal control processes. The scope of the Department's review includes assessing areas such as corporate governance, risk management, the efficiency and effectiveness of management's controls over the company's operations (including safeguarding of assets), the reliability of financial and management reporting and compliance with laws and regulations.

The Group's internal audit assessment of internal controls is based on the standards set by the control criteria framework of the Committee of Sponsoring Organisations of the Treadway Commission (COSO Internal Control Framework). This model evaluates the internal control measures adopted by management. All audits are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

In its oversight of the internal audit function, the Group Audit Committee reviews Internal Audit's assessment of the adequacy and effectiveness of the Group's internal controls, compliance with legal, statutory, regulatory and other requirements and management of risk. The Committee, during the course of its activities, also reviews management reports on regulatory, risk and fraud-related matters. Additionally, some members of the Group Audit Committee also sit on the Audit Committees of subsidiary companies.

The Group Audit Committee Chairman reports to the JMMBGL Board on all significant issues considered by the Committee.

During the financial year under review, the Committee achieved the following:

- Reviewed and approved the Group's audit plan and strategy while ensuring the plan is designed to assist the Group to achieve its strategic objectives.

- Reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's internal control system.

- Reviewed reports on certain key business processes and assessed recommendations to improve their effectiveness and efficiency.

- Reviewed the adequacy and effectiveness of the controls incorporated in the implementation of new systems/processes.

- Received and reviewed audit reports from subsidiary Board Audit Committees.

The issues identified during the financial year have been or are being addressed by the process owners.

There were five (5) meetings for the year.

2. Report of the Culture and Human Development Committee

The purpose of the JMMB Group Culture and Human Development Committee is to assist the Board of Directors in discharging its duties with regard to team members, ensuring that the activities are consistent with the policies and directives of the boards of the JMMB Group. The Committee formulates and reviews the compensation programmes for board members and senior officers. In doing so, it ensures that compensation is consistent with the Group's objectives, strategy and control environment to guarantee truth, fairness and compliance with the legal requirements of the countries in which the Group operates and consistency with its mission and values.

During the year, the Committee continued its focus on harmonizing the Group's people policies, training and development of team members, leadership training, succession planning and implementation of our Human Resources Management Information Systems.

There were five (5) meetings for the year.

3. Report of the Finance Committee

The Finance Committee has responsibility for oversight of the Group's financial reporting, ensuring that fair, balanced and comprehensible reports are produced that comply with International Accounting Standards. The Committee maintained oversight of the review process and submitted certification to the Board to enable it to be in a position to approve the financial statements.

The Group has robust controls, procedures and systems that are designed to ensure that information is disclosed in a timely manner to the regulators and the market.

The Committee met and reviewed the following:

- Audited and unaudited financials
- The impact of IFRS 9 requirements
- Updated financial policies
- Implementation of Oracle Cloud Financial Management System which will improve financial reporting for the Group as well as Cost Accounting
- Auditor independence

During the year ended March 31, 2019, the Committee reviewed the external auditor's independence, the scope of non-audit services and independence safeguards with KPMG Chartered Accountants, the Group's external auditor.

As part of the review, the Committee received and reviewed confirmation in writing that, in KPMG's professional judgement, the independence and objectivity of the audit engagement partner and audit staff were not impaired.

The Committee was satisfied throughout the year that the objectivity and independence of KPMG were not in any way impaired.

There were seven (7) meetings for the year.

4. Report of the Information Technology Committee

The Information Systems (IS) Committee assists the Board in its oversight of technology strategy and its investments made in support of the strategy and technology risk. The Committee has specific responsibility for establishing structures, mechanisms and processes that ensure that information technology (IT) is controlled and delivers value to the business. The responsibilities of the committee include:

- Guiding the Group as to the future of technological developments
- Linking IT strategy and goals to the business strategy and goals
- Leading the development of a process framework, based on generally accepted practices that align, control and measure IT activities
- Ensuring that there is consistent and relevant communication between IT and the business on strategic and operational activities, issues and opportunities
- Directing the development and implementation of a performance measurement mechanism to monitor IT-related strategic and operational activities across the Group
- Leading the development of a robust IT risk management framework with clearly defined and articulated responsibilities across the Group
- Providing oversight to ensure that IT policies are adhered to and procedures exist to reinforce defined policies

During the year the Committee focused on the following areas:

- Aligning IT Strategy to ensure the capacity to operationalize the overall Group strategy
- Reviewing and aligning planned infrastructure upgrades needed to enhance regional integration
- Aligning Group capacity to handle standardization initiative
- Aligning Group IT to an effective Service Model and Service Level Agreement needed to drive regional IT efficiencies
- Reviewing change in development standards to ensure more disciplined and effective development methodologies
- Reviewing evolution of core banking system for Group deployment and commercial banking transition

There were six (6) meetings for the year.

5. Report of the Nomination and Corporate Governance Committee

The Board appreciates the importance of diversity in promoting strong corporate governance, competitive advantage and effective decision-making. The Nomination and Corporate Governance Committee is responsible for periodically determining the appropriate skills, perspectives, experience and characteristics required of Board candidates, considering the Group's needs and Board composition.

Relevant criteria in this determination include culture fit, knowledge , experience and skills in areas that are critical to the Group, richness of views brought by different personal attributes such as gender and age, and personal characteristics such as integrity and judgment.

In assessing candidates and selecting nominees for the boards, diversity is an important factor that is taken into consideration by the Committee. As such, the Committee has in place as an objective that at least 30% of board members should be women. We have surpassed this target for JMMBGL and continue our efforts in improving the ratio for the Group as a whole in due course.

Two (2) meetings of the Committee were held for the year.

6. Report of the Risk Committee

The Group has an enterprise-wide risk management framework in place to identify, assess, manage and report risks and risk-adjusted returns on a consistent and reliable basis.

The role of the Board Risk Committee is to ensure that a comprehensive risk management framework is enacted by management as well as to promote an appropriate risk management culture, on behalf of the Board. The Risk Committee's oversight responsibilities with regard to the risk management framework and the underlying compliance monitoring and governance structure include overseeing risk exposures and strategies in relation to the following:

- Capital Allocation
- Credit
- Market (inclusive of interest rate, liquidity, counterparty, concentration, foreign currency exposure and equity risks)
- Operations
- Compliance
- Legal
- Reputation

The Risk Committee approves the Group's risk policies and its risk appetite statement, including risk limits, which are then presented to the JMMBGL Board of directors for ratification.

The Risk framework is designed to achieve business outcomes consistent with the Group's risk-return expectations and includes:

- The Group Risk Appetite Statement and Internal Capital Adequacy Assessment frameworks
- Group-wide risk management policies for each of the principal risk areas
- Major risk limits to manage exposures and risk concentrations
- Appropriate monitoring and reporting of business risks

During the year, the Risk Committee monitored management's compliance with the Group risk management framework, including high-level policies and limits. It also reviewed and made recommendations to the Board of Directors on key policies for ratification relating to capital (that underpin the Internal Capital Adequacy Assessment Process), liquidity, credit and other material risks. These are overseen and reviewed by the Board generally on an annual basis. Significant transactions that could impact the overall financial strength or reputation of the Group were brought to the Committee for consideration and approval. The Committee also discussed preparations needed to address the anticipated changes in the regulatory framework and industry conditions over the next few years.

The Risk Committee met a total of nineteen (19) times to review policies, deliberate on capital market transactions and oversee the general risk framework.

BOARD EVALUATION

It is best practice for the board to conduct an analysis of its own operations and to that end the Board conducts an annual performance review process. The assessment for the year under review included a peer and self-assessment. The collated results were discussed by the Group and Corporate Governance Committee with the goal of determining whether changes were required. No significant issues were identified. All actions from the previous years' assessments have been addressed.

DIRECTORS' COMPENSATION

JMMB Group compensates its directors fairly and responsibly in alignment with the Group's strategy. For the financial year a total of JA$100,323,000 was paid to the directors across the Group in Jamaica, Trinidad and Tobago and the Dominican Republic, an increase of 5.42 % over last year's figure of JA$95,166,000. For the Company, the amount paid for the financial year was J$38,966,000 an increase of JA$3,581,000.00. The increase in fees is due to inflationary cost as well as additional meetings required for discussions on critical activities such as Bank Standardization and Capital Market Transactions.

DIRECTORS' CONTINUING PROFESSIONAL EDUCATION

The Directors attended various training sessions including:

1. Proceeds of Crime Act (POCA)
2. Adapting the Board to the Digital Age
3. Innocent Flirtation or Punishable Sexual Harassment

4. Jamaica Data Protection Bill
5. Understanding the Implications for your Company Under the European Union Data Protection Regulation

REGULATORY COMPLIANCE

The Compliance Department ensures compliance with laws, regulations, guidance notes, policies and standards of good governance in the territories within which the Group operates. The Group Chief Compliance Officer provides a bi-monthly compliance report to the Board of Directors for the Company and each subsidiary. The report provides details on, among other matters, changes in the regulatory environment in which the entities operate as well as information on regulatory audits and 'Know Your Client' matters.

The Board is satisfied that compliance issues raised during the financial year have been properly addressed and resolved and that there are no material unresolved issues.

The Board understands the regulatory framework under which the Group operates and cooperates with regulators to ensure that the financial system is safe and sound.

The Board and Management therefore:

- maintains open communication with the regulators;
- complies promptly and fully with requests for information as required by law;
- keeps abreast of the findings of on-site examination processes and directs management to determine whether similar problems exist elsewhere in the Group and take corrective action; and
- ensures that there is annual training of all team members and directors on the Proceeds of Crime Act, Code of Ethics, 'Know Your Client and Employee' and any new regulations.

No significant issues were identified in regulatory audits conducted during the financial year.

CONFLICT OF INTEREST

Declaration of interest is required where personal or business relationships or interests of directors and management may conflict with that of the Group. Where there is deemed to be a conflict of interest, the director or management team member will recuse themselves from that portion of the meeting when the matter is being discussed.

CORPORATE GOVERNANCE INDEX

JMMBGL received a Corporate Governance Index (CGI) rating of "A" in the last round of ratings conducted by the JSE on listed companies. The Board has reviewed and discussed the rating criteria and is working to ensure that where improvements are needed, these are effected.

POLITICAL CONTRIBUTION

JMMB Group, in its commitment to the best interest of the territories in which it operates, contributes to the democratic process. In Jamaica, it has been our policy to contribute equal amounts of money to the two major political parties for their respective campaign initiatives.

SHAREHOLDER ENGAGEMENT AND COMMUNICATION

Members of the Board of Directors make themselves available to engage with shareholders and encourage them to express their views. The Board is committed to maintaining and improving dialogue with shareholders in order to ensure that the objectives of both the Group and the shareholders are understood. The Board has an open door policy whereby any shareholder or any team member may contact the Chairman via the Company Secretary or by sending emails to shareholderquery@jmmb.com. The Board also views the Annual General Meeting as an opportunity to communicate with and engage our shareholders. We are committed to this openness and are available to discuss any concerns with our clients and other stakeholders.

The Company uses email alerts and actively promotes downloading of all reports from its website which enhances the speed and equality of shareholder communication. As part of our commitment to 'Going Green' and preserving the earth for future generations, the Company has taken full advantage of provisions within its Articles of Incorporation by allowing the website to be used as a means of communication to and from shareholders, where they have not requested hard copy documents.

Please note that copies of the Minutes of the previous Annual General Meeting will be available at the Annual General Meeting. Should you need an electronic copy, please email the Corporate Secretary at Carolyn_dacosta@jmmb.com or the Deputy Company Secretary at Claudine_campbell-bryan@jmmb.com.

YOUR VIEWPOINT IS IMPORTANT

We value your support, and encourage you to share your opinions, suggestions and concerns with us. You can do so by emailing the Company Secretary at shareholderquery@jmmb.com, or writing directly to the Chairman, Archibald Campbell, c/o JMMB Group Limited, 6 Haughton Terrace Kingston 10.

Anne Crick Phd
Chairman Group and
Corporate Governance Committee

Integrity

IS KEY

THE JMMB GROUP LTD

RISK MANAGEMENT

Given the ever-changing financial landscape in which the JMMB Group operate in, we continuously monitor our operating environment. This is especially so for the territories in which we have a presence namely Jamaica, Trinidad and Tobago and the Dominican Republic, as well as, markets that can impact the outlook for these jurisdictions, in order to proactively manage our risk exposures.

Risk management is the process of identifying, assessing and controlling threats to an organization's capital and earnings. These risks stem from a wide variety of sources, including legal liabilities, strategic management errors, accidents, natural disasters and market uncertainty associated with the effect of changes on the value of assets and liabilities due to market factors.

MAJOR RISK RELATED DEVELOPMENTS FOR FY 2017/18

There was increased regulatory risk arising from the changes to the laws governing the financial sector as it pertains to liquidity and capital management. While implementation of the Basel II framework within the Caribbean could affect the industry, the JMMB Group has taken the stance of pre-empting the process so as to minimize the impact when new regulations become mandatory.

Global

- The global financial system continues to strengthen in response to extraordinary policy support, regulatory enhancements, and the cyclical upturn in growth. This occurred within the context of tightening monetary policy in the United States, increased geopolitical risks among Middle East and East Asian economic powers and increased trade tensions between the world's two largest economies - China and the United States. This resulted in increased market volatility in global equity and fixed income markets which was reflected in regional global fixed income instruments.

- Since the start of 2019, global economic indicators have pointed to a slowdown in many of the major economies prompting the US Federal Reserves to pause its rate hike schedule which triggered an inversion in the US yield curve for the first time since 2007. This early warning indicator - usually a reliable predictor of a pending recession in the US – resulted in a pickup in market volatility in the first quarter of 2019.

Jamaica

- Macroeconomic stability in Jamaica has been entrenched and is evidenced by low inflation, a build-up of reserves and decline in the current account deficit.

- However, market factors reflected slightly elevated currency and liquidity risk in the context of the GOJ executing its liability management strategy by buying back its USD global bonds maturing between 2019 and 2025. This resulted in the universe of liquid assets essentially being reduced which is an on-going concern to the sector. Likewise, with the US Fed Funds increasing at a gradual pace throughout the year, this supported an upward drift in US interest rates which placed upward pressures on Emerging Market yields. This upward pressure on GOJ yields was ameliorated by continued reductions in Jamaica's sovereign risk premium.

- There was a reduction in system liquidity due to seasonal withdrawal at the end of the calendar year (2018), a reduction in government deposits and higher than expected withdrawals from Specified and Other Financial Institutions. This was largely due to exposure to government entities, in particular the Petrocaribe Development Fund, as the Government withdrew funds from the system into the Central Treasury Management system managed by the BOJ.

- The country's credit rating was upgraded by S&P to B+, with a stable outlook in October 2018. The rating upgrade reflected the country's prudent fiscal policy stance, improving macroeconomic and strengthening regulatory environment.

- FSC published guidelines for the Retail Repo Mismatch Ratio which was implemented as an early warning indicator in March 2018, with reporting starting at the ending of December 2018.

Dominican Republic

- The economy continued to reflect positive macroeconomic variables with punctuation of elevated currency and money market interest rate risk as the Central Bank aimed to maintain its commitment to conducting monetary policy with a view towards achieving its inflation target and controlling its local currency devaluation.

- Continued advancement in market infrastructure, regulatory framework and investor demand for suitable financial products continue to facilitate JMMB's growth within the Dominican Republic and provide opportunity for expansion in the financial solutions offered to clients.

- Entities in Dominican Republic began transitioning to IFRS reporting from their local Generally Accepted Accounting Principles (GAAP) which could impact the interpretation of the financial position of market participants.

- The local regulator engaged all Puestos in public consultation regarding their liquidity risk management. The new liquidity rules are aimed to be broad ranging from corporate governance to risk factors.

Trinidad and Tobago

- The economic conditions continue to be challenged in Trinidad despite the increase in oil and gas prices throughout the year, resulting in increased pressure on the local currency as the interest gap between USD and TTD continue to narrow.

- At the Ministry of Finance mid-year budgetary review, the Minister of Finance indicated that the government would support a managed depreciation of the currency and contemplate support to the state petroleum firm.

- Given the large international reserves of the country, the movement in the exchange rate of currency pairs fluctuated within a very narrow range in line with inflation levels. As we continue to expand our operations in this territory, we expect market conditions to remain relatively stable as fiscal adjustments are implemented.

TOP EMERGING RISK

GLOBAL MACROECONOMIC RISK

A synchronized slowdown in global economic growth has resulted in the IMF cutting its growth forecast for the global economy twice in Q1 2019. Emerging risks include Britain's exit from the European Union, high debt in some countries, trade tensions and a general sense of unease in financial markets.

POLITICAL RISK

Political risks in Europe particularly in the UK, as it relates to Brexit, and the US, with its divided houses of Congress risk political gridlock in these jurisdictions, which could potentially reflect an inability to respond to economic challenges in the context of an economic slowdown.

IT & CYBER RISK

Financial institutions are particularly exposed to cyber risk due to their reliance on critical infrastructures and their dependence on highly interconnected networks. These critical infrastructure risk exposures represent a Single Point of Failure and any successful attack could have wide-ranging consequences. With the continued rise in Fintech amidst the government's financial inclusion strategy, this risk exposure is expected to increase.

REGULATORY RISK

As some central banks and regulators within the region continue to improve the regulatory environment the implementation of Basel II & III and other liquidity risk measurements will constrain the ease of doing business for financial institutions within these jurisdictions.

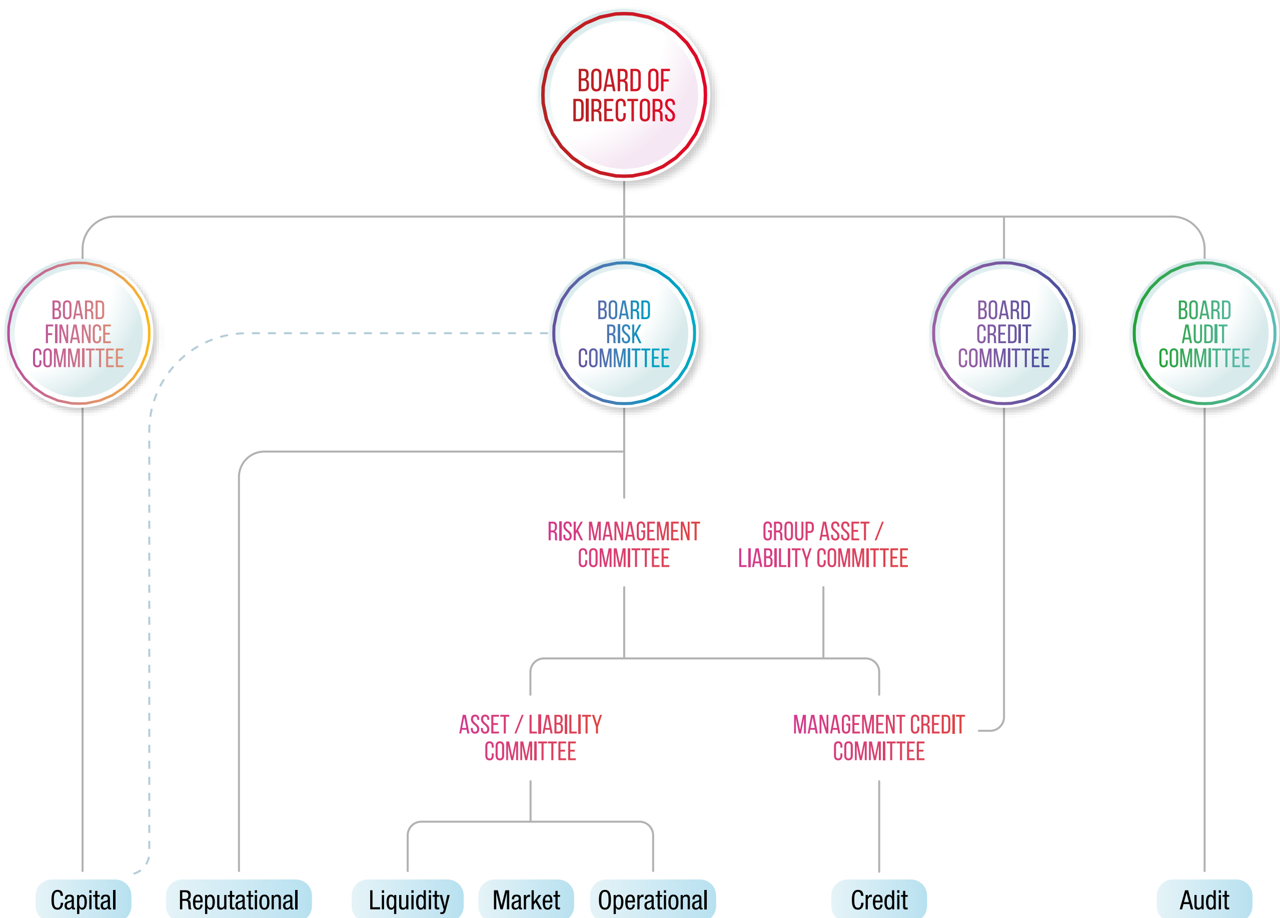
The JMMB Group continues to adjust its financial and investment profile and actively manage its risk exposures to position itself, to take advantage of market opportunities and ensure resilience even if significant adverse market conditions should develop in global markets or in any of the jurisdictions in which we operate.

RISK GOVERNANCE FRAMEWORK: SAFEGUARDING STAKEHOLDERS' INTEREST

Our unique value proposition remains at the core of all our undertakings in the JMMB Group. Since 'we always keep the customers' best interest at heart', the JMMB Group invariably takes proactive measures to safeguard the best interest of our stakeholders. This is within the context of a robust capital and risk management framework, whereby the risk universe is accurately identified; material risk factors are then continuously measured, monitored, controlled and reported. The limit and breach escalation system provides a mechanism for risk control, with limits based on the risk appetite for each major risk approved by the Group Board of Directors having been reviewed and approved by the Group Board Risk Committee. This also occurs in the context of the Internal Capital Adequacy Assessment process (ICAAP) where strategy is assessed on an annual basis against the approved risk appetite and the capital requirements necessary for maintaining an acceptable risk profile is determined. This is a central component of the organization's strategy for managing risk to create value.

The Board of Directors of the JMMB Group determines the overall level of acceptable risk, with active oversight provided by the Board Risk Committee that approves and monitors the supporting risk tolerances. Thus, the Board Risk Committee provides strategic direction for the Group and ensures that the risk governance framework remains strong. The risk management hierarchy that has consistently guided our activities is shown in Figure 1.

Figure 1. The JMMB Group risk management hierarchy



The Board Risk Committee is directly supported by other committees within the Group. These include the Risk Management, Credit Management and Asset Liability Management Committees which convene regularly and more closely monitor the risk exposures of the Group and its subsidiaries against the limits set by the Board Risk Committee in keeping with the Group's stated risk appetite. Furthermore, to ensure that risk management is a part of the fabric of the Group, members of the Group Risk Department are included on committees that address the strategic objectives of the Group.

FIRST LINE OF DEFENCE

- Risk Owners
- Business line and Support Functions
- Treasury

SECOND LINE OF DEFENCE

- Risk Oversight
- Risk Management and Compliance functions
- Financial Analysis and Reporting Function

THIRD LINE OF DEFENCE

- Independent Assurance
- Audit Function (Internal and External)

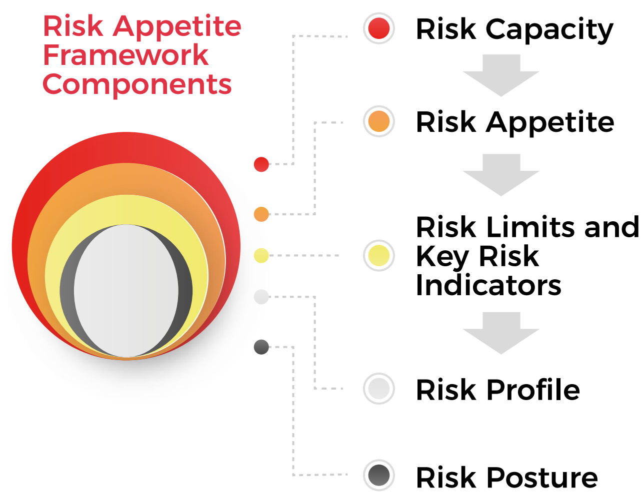
On an annual basis, the JMMB Group institutes an internal capital adequacy assessment process (ICAAP) which supports our strategies and provides a comprehensive view of the risk profile and capital requirements of the Group and its subsidiaries. It also provides the mechanism to adjust our business operations and strategies given changes in the internal and external environments.

GENERAL STATEMENT OF RISK APPETITE

The risk appetite framework for the Group is formulated as the premise on which the Board of Directors provides strategic direction to the organization and as such provides strong guidelines for policies and management decisions.

Our risk appetite statement framework is approved by the JMMB Group's Board of Directors and broadly articulates that we assume the Group Board Risk Committee will not contemplate any strategies that reasonably threaten the financial stability of the Group. JMMB's goal to become a regional integrated financial services provider that is preferred by clients will take precedence over short term volatile strategies that threaten this goal. Capital and liquidity strategies will be employed to ensure that the maximum amount of risk that the Group and by extension each subsidiary, is willing to undertake is in line with their business objectives.

To ensure consistent alignment with the risk appetite statement, the risk appetite framework is documented and the respective risk policies are periodically updated which serve as the basis for risk monitoring and control.



THE JMMB GROUP RISK POLICY OVERVIEW

The JMMB Group risk policy is the overarching document that formally outlines the risk management approach of the overall Group. The policy explores the principal risk exposures of the JMMB Group from an enterprise level and further outlines a process for the determination and management of new risk exposures. Outside of strategic and reputational risks, these risks include market risk, credit risk, liquidity risk and operational risk as well as the issues of risk aggregation, capital adequacy, and capital allocation. By effectively implementing and managing this risk framework, we ensure the long term earnings stability of the Group by effectively managing all types of risks.

Consequently, the framework identifies the methodologies to be used to identify, quantify and manage risk, utilizing international best practice and outlines an enterprise-wide risk management process that supports the effective identification and management of risk. The JMMB Group Risk policy is the reference for our risk governance framework and provides the basis for articulating the policies for the other subsidiaries, as well as, the policies for individual risk exposures.

RISK MANAGEMENT PRINCIPLES AND CULTURE

The JMMB Group remains committed to the following core principles of its risk management framework:

i. The importance of full board ownership of risk governance and the conviction that such oversight responsibility can be enhanced by the specific focus of a board risk committee.

ii. There is a vibrant risk management culture embedded in the organization inclusive of the Board, Senior Management, Team Leaders and all team members throughout the entities in the Group who are aware of, and aligned with, their roles and responsibilities in risk management through regular training and the prevalence of risk-based assessments in decision making throughout the Group.

iii. Best practice risk management techniques are employed in managing the various risks to which the Group is exposed and adequate resources are allocated to the management of risk.

iv. Risks undertaken are within our risk appetite framework and there are effective, dynamic and adaptive processes for the ongoing identification, measurement and management of material risk exposures.

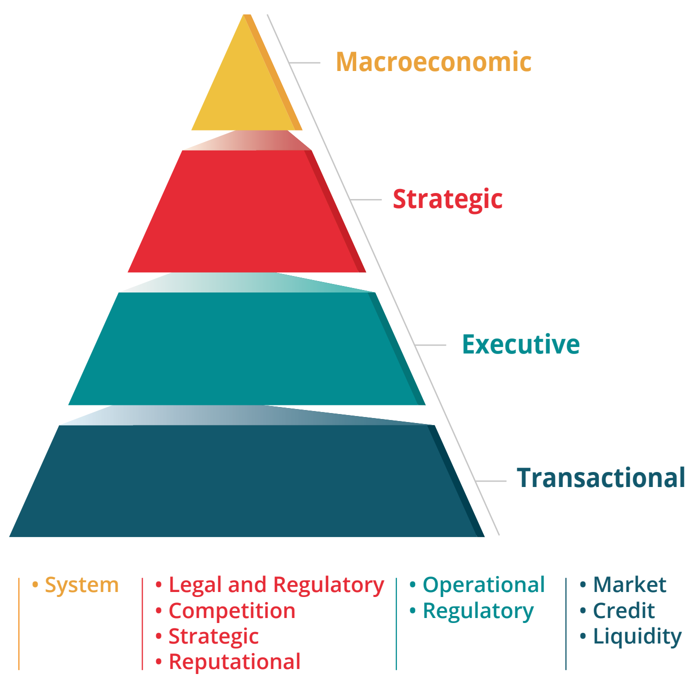
v. The enterprise is adequately capitalized to protect against the effects of major shocks to the Group as well as its subsidiaries on a stand alone basis.

vi. Data quality is continuously monitored in order to achieve timeliness, transparency, accuracy, completeness and relevance of reporting.

vii. The operating environment for each jurisdiction is taken into consideration and risk management techniques are tailored to adequately support each entity.

RISK MEASUREMENT, CONTROL AND REPORTING

The assessment of the material risk exposures includes both quantitative and qualitative approaches, thus ensuring optimal balance between model outputs and the extensive experience of our management team. Given the ever-changing landscape in which the Group operates, these models and techniques are validated periodically to ensure that they are efficient, adequately capturing the risk factors, and in alignment with applicable international best practices. Our data quality is also assessed for accuracy and sufficiency. These risk assessment processes, and the management of material risk exposures are documented in our various risk policies and procedures.



The operations of the JMMB Group give rise to the following material risk exposures: I) market risk, II) credit risk, III) liquidity risk and IV) operational risk V) Regulatory VI) Reputational

TOOLS USED TO MEASURE RISK

I. Market Risk

Market risk is commonly defined as, the likelihood that there is a decline in the value of assets due to adverse movements in market factors such as interest rates, foreign exchange rates and equity prices.

In accordance with international best practices, the JMMB Group monitors both the market risk exposures within individual entities and consolidated exposures across the countries in which we operate. There is no single measure to capture market risk and therefore we use various metrics, both statistical and non-statistical, to assess risk including:

1. Value-at-risk (VaR)
2. Stress testing
3. Non-statistical risk measures
4. Other sensitivity assessments

Value-at-Risk (VaR), is a widely used risk metric, provides a single measure that captures the potential loss in the portfolio over a specific time period and for a given probability. Stress testing and reverse stress testing considers plausible movement in market factors – interest and foreign exchange rates and equity prices- and the impact on our current financial position. Note 29 (d) provides details of VaR levels throughout the financial year.

The JMMB Group also utilized non-statistical risk measures and other sensitivity techniques such as duration which reflects an instrument's sensitivity to interest rate risk as well as repricing gaps which approximate the potential change in net interest income. Likewise, periodic stress testing of our net open position (NOP) to determine the currency risk exposure at a point in time, based on plausible 'worst-case' adverse movement in currency pairs, is conducted. Note 29 (d) (i) provides additional details on our foreign currency exposures.

II. Credit and Counterparty Risk

Credit risk is the potential for loss due to failure of a borrower to meet their contractual obligation to repay a debt in accordance with the agreed terms. The JMMB Group is exposed to credit risk from its lending and investment activities. The Board specifies a tolerance level for credit risk, which is actively managed by the credit and market risk teams for the loan and investment portfolios.

Using internally developed quantitative qualitative models, fundamental research, and augmented with the use of third-party research, where practicable, we assign ratings and determine exposure limits to counterparties arising from lending and investing activities.

Given the expansion of the Group geographically and the increased diversity of clients, we continuously aim to improve and standardize our credit and counterparty risk management capabilities to better manage Group-wide exposures.

III. Liquidity Risk

Liquidity risk is the risk that a financial institution's condition and soundness will be challenged by an inability or perceived inability to efficiently meet both expected and unexpected current and future cash flow and collateral needs to raise margin funding. Liquidity risk is consequential as it usually arises from other issues such as credit deterioration and market disruption. It is actively managed within the Group with both short-term and long-term horizons.

The ability of the JMMB Group to maintain or generate sufficient cash resources to meet its obligations as they fall due on acceptable terms is critically important, since an inability to do so can quickly undermine the viability of the Group's operations. Thus, the JMMB Group proactively approaches liquidity management to ensure that this position is never compromised. The JMMB Group commits to:

1. Ensuring that sufficient liquidity is available to satisfy clients' requests in a timely and cost-efficient manner.

2. Maintaining adequate liquidity cushion in excess of anticipated needs, which ensures that in the event of exceptional liquidity requirements, obligations can be met until normalcy is resumed.

3. Investing liquidity reserve in a manner that emphasizes principal protection and availability on demand.

4. Maintaining market confidence in the jurisdictions in which we operate.

While there is an overall Group liquidity risk policy which specifies liquidity principles and minimum liquidity requirements for the Group, as well as, other guidelines and limits which provide stronger assurance that all obligations can be met despite very stressful market conditions, it is expected that all subsidiaries will prudently manage their liquidity risk.

Key liquidity metrics monitoring include liquidity coverage ratios (LCR), liquidity gaps, overall liquid assets to total assets and available liquid assets are regularly monitored to ensure that liquidity objectives are not compromised. Desired capital and liquidity levels are adjusted according to evaluations of market conditions and liquidity conditions.

IV. Operational Risk

Operational risk may be defined as, "the risk of loss from inadequate or failed internal processes, people and systems or from external events." The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The JMMB Group's operational risk framework seeks to limit operational risks to acceptable levels within the Group, even as the geographical presence and complexity of operations increase. Appropriate control systems and processes, along with operational redundancies and business recovery plans act to safeguard against significant disruptions in our operations. A rigorous compliance framework and independent internal audit programme exists alongside the Group business continuity policy to ensure that controls are maintained and all material risks are properly identified and adequately managed. These all support our aim of helping our clients achieve their financial life goals in the safest and most customer friendly way possible.

V. Regulatory Risk

Regulatory risk may be defined as, "the risk of having the 'license to operate' withdrawn by a regulator, being fined or having conditions applied (retrospectively or prospectively) that adversely impact the economic value of an enterprise." JMMB embraces the importance for the Group to develop a team approach to identifying, understanding, and managing regulatory risks.

Given the expansion of the Group geographically, it is particularly important that the team have an intimate understanding of the nuanced differences in regulations across jurisdictions in standardizing reporting frameworks across the group.

VI. Reputational Risk

Reputational risk at JMMB Group is defined as, "the risk of possible damage to our brand and reputation, and the associated risk to earnings, capital or liquidity arising from any association, action or inaction which could be perceived by stakeholders or regulators to be inappropriate or inconsistent with the JMMB's values and beliefs as outlined in our Vision of Love."

BUSINESS CONTINUITY

The Group's Business Continuity Plan (BCP) encompasses a defined set of planning, preparatory and related activities which are intended to ensure that the critical business functions will either continue to operate despite serious incidents or disasters that might otherwise have interrupted its operations, or will be recovered to an operational state within a reasonably short period. The oversight of Business Continuity falls largely within the sphere of Risk Management.

The objectives of the Group's BCP are to:

1. Protect human life.
2. Identify processes critical to the operations of the Group and safe guard the Group's assets.
3. Provide tested plans which, when executed, will permit timely and efficient recovery and resumption of the Group's critical business functions.
4. Minimize the inconvenience and potential disruption of service to internal and external customers.
5. Describe the organizational structure necessary for executing the plan.
6. Identify the equipment, procedures and activities for recovery.
7. Ensure that the reputation and financial viability of the Group is maintained at all times.
8. Ensure compliance with regulatory requirements.

The BCP is focused on minimizing the down time and data loss within the thresholds identified by the Group. The plan is meant to minimize the loss to the Group and or negative impact to customer service as a result of serious incidents or disasters that may occur for some time.

Group standards are supported by periodic reviews undertaken by the Internal Audit department.

RISK MONITORING AND CONTROL

The Risk Management Framework is delivered via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring in the context of the market environment and business strategy. In setting limits, the Group takes into consideration factors such as market volatility, liquidity, and overall approved risk appetite.

Periodic reports are used to inform the decisions of senior management and the Board Risk Committee with a clear understanding of the Group's risk profile including its exposure, compliance with risk limits, and reflect management's strategies and tactics while ensuring compliance with the Board's expressed risk tolerance. In the event of a breach, the Group Risk Department consults with senior management and the line of business management to determine the appropriate course of action required to return the applicable positions to compliance.

Honesty

IS THE BEST WAY

THE JMMB GROUP LTD

SET A GOAL AND GO FOR IT!

“The direction of your focus is the direction your life will move. Let yourself move toward what is good, valuable, strong and true.”

Ralph Marston

GONE GREEN
ENVIRONMENTAL REPORT

INCREASING EFFICIENCIES, GOING GREEN AND REDUCING EXPENSES

JMMB has now successfully completed 2 Solar installations at 6 Haughton Terrace and Portmore Client Care building which were commissioned in Dec 2018. Installation is on schedule at 17 1/2 Phoenix to be completed on June 20 2019.

These 3 projects were done at a combined invested cost of approximately US$115,000 and is in line with the strategic objective of the JMMB Group to reduce its carbon footprint by 'Going Green'. The solar systems will have the combined capacity of 70 kWp. and are currently saving JMMB $2 mil JA per year on average, with a payback period of 4 years.

The Portmore location has reduced its oil dependency by 35% while Phoenix will reduce its dependency by 20% with the use of clean renewable energy, thereby, reducing its carbon emission by over 535,052 kg per year. We are committed to building out our renewable energy landscape and will continue as planned on going green at other locations.

Key Highlights:

AN ADDITIONAL:

70,000 kWh CLEAN ELECTRICITY TO BE GENERATED PER YEAR

23% AVERAGE REDUCTION IN OIL ENERGY DEPENDENCY

$2.6 Mil AVERAGE YEARLY ENERGY BILL SAVINGS (with 17 1/2 Phoenix included)

INFORMATION TECHNOLOGY REPORT

Financial year 2018/19 was a year of evolution and change for Information Technology (IT) for the JMMB Group. It was the year our Chief Information Officer (CIO) of almost twenty years, Sheldon Powe, left us to head Innovate 10X, a joint venture between Fintech enterprise with the JMMB Group.

Innovate 10X, A JMMB Group FinTech Spin Off, specializes in supporting businesses at varying stages of their life cycle with navigating the digital landscape inclusive of identifying, creating and deploying integrated, end-to-end digital solutions. They also support leading companies from strategy through to execution with solving complex business challenges. With direct access to these services, the Group through its partnership with 10X, is fast tracking its ability to develop and deploy across business lines and channels world class, innovative solutions, experiences and services for clients across the region. During the year under review, our teams worked closely with 10X on three new solutions through which we expect to bring the Group's approach to partnership to the digital space, improve our clients' experiences on our digital channels, while making interacting with us easier and more enjoyable.

CHANGING THE WAY WE WORK

In addition to our partnership stake in Innovate 10x the Group also embarked on restructuring our Internal team into more focused development teams including the creation of a Digital Services Development team with specific responsibility for Online and Client facing systems, an area we expect to be critical to our success in the upcoming year.

To complement these structural changes the development process was reviewed and restructured from design through to development and deployment to produce a new workflow process. This revised process was designed to more effectively and efficiently manage the life cycle of IT change from conceptualization through execution. The Group has already begun to reap the benefits of this approach with improved delivery in seven (7) Projects (5 in the Digital Services Portfolio) and twenty four (24) Business Process Improvement initiatives (BPIs) during the financial year. This enhanced rate of deployment and delivery to the businesses across the Group is expected to further improve as we continue to refine and optimize this process to drive improved service delivery to clients, thereby yielding improved results for the Group.

SUPPORTING GROUP STANDARDIZATION

To effectively deliver regional integrated financial services, the Group has been deliberate in putting in place the operational elements required to efficiently deliver on its mantra of "One Group. One Client. One Experience." To this end, the IT team has been instrumental in the standardization project being undertaken by the Group, leading in particular on the rationalization of service providers for key technology support services, as well as the Group's business lines' core systems. Financial year 2019/20 will see the deployment of Visa Debit Card and proprietary ABM services in Jamaica, one core banking platform across the Group as well as standardized technology, processes and systems supporting a standardized in-branch experience. This shift is expected to yield tremendous benefits to the Group, in particular efficiencies gained from having all IT team members incorporated into a functional Group structure. Out of this we expect an improved capacity to leverage competencies across the Group and derive advances through the synergistic interaction of a talent pool from across 3 countries cohesively working together.

Another major initiative which started in 2018/19 and will carry forward into 2019/20, has been a push to simplify our technology stack. This simplification complements our standardization and centralization project as it makes management, coordination and scaling easier- a foundational element of the Group's future growth and expansion across the region.

RUNNING THE BUSINESS

Whilst these large initiatives dominate our landscape, the core business of Group IT, 'running the business', cannot be put on pause. To that end, the team continued to harden our security with constant reviews of current and evolving threats and added scale to our back office infrastructure with an upgrade of our server capacity to increase the capacity of our private cloud infrastructure. A project is slated for the coming financial year to explore moving to a hybrid cloud which will increase our resilience and provide greater capacity to scale on demand.

Work on our datawarehouse continued in financial year 2018/19 and we are currently close to 80% of all business line and subsidiary systems being pulled into the warehouse. We expect this to be completed in the upcoming financial year. The operational role of the warehouse for reporting and data integration commenced during the year and we are looking forward to its expanded usage in the coming year to, in particular, support data analytics, activity costing and profit optimization.

MARKETING REPORT

Causing people to experience love and helping them to realize the greatness that is within them, is why JMMB exists. Our caring, heart-to-heart connections, which personify our relationships with our current and prospective clients, team members and shareholders, is at the core of our unique kind of financial partnership. Simply put, the differentiated positioning of the JMMB Group is summarised in our corporate tagline – Your Best Interest at Heart.

The 2018/2019 financial year was another successful year for JMMB Group Marketing function. Our marketing strategies and plans were driven by three primary strategic imperatives: (1) building awareness and strengthening the equity of the JMMB brand; (2) facilitating the organization's financial growth, by strengthening revenue generation and (3) supporting exceptional client experiences.

While the specific marketing strategies and plans in each of the three countries, in which we have operations (the Dominican Republic, Jamaica and Trinidad and Tobago), differ; they are all fundamentally designed to best support each country's growth objectives and brand management needs.

KEY MARKETING HIGHLIGHTS:

Jamaica

- In the 2018/2019 financial year, the JMMB Group continued to specifically enhance its digital marketing and client insight capabilities, in order to support meeting our clients' financial needs, by reviewing their portfolios and offering other solutions, across the business lines, where we identified an unmet need that would help our clients meet their financial goals.
- The JMMB Group in Jamaica rebranded its branch locations to become integrated Financial Life Goals Centres, providing integrated financial services under one roof, as the organisation strengthens its ability to partner with clients to achieve their financial goals.

Trinidad & Tobago

- JMMB Express Finance Ltd, a consumer finance entity, predicated on financial inclusion, was officially launched to the market. An integrated marketing campaign married traditional, digital and social media strategies, to ensure brand visibility and drive lead generation. The campaign communicated the message of financial equity, and reassured clients that JMMB Express Finance not only understands their challenges, but is prepared to be a partner at every stage of their financial journey.
- The JMMB Group continued to support entrepreneurship through iniatives that provided financial education, as well as sound financial advice to the budding entrepreneurs and above-the-line sponsorships.

The Dominican Republic

- The Chief Financial Officer (CFO) Club, a quarterly event, designed exclusively for top CFOs of the country, was re-launched. The intimate networking event, creates an environment where like-minded persons can share their challenges and success stories. A notable subject matter expert is also invited to speak.
- The JMMB TeVe (TV) Live Session initiative, which provides personal finances and money management information to millennials, via social media channels, was rolled out during the financial year.
- JMMB After Work programme, a live TV series, that takes an in-depth look at a broad range of issues in economics and finance, was launched.

SHOW THAT YOU Care

THE JMB GROUP LTD

OUR VISION OF

JMMB seeks to create an organisational environment in which team players can achieve their full potential. Accordingly, the teams at JMMB are committed to a long-term ongoing process of holistic development that recognises the complete development of the individual. JMMB is therefore, a medium through which individuals may have dreams for themselves; and can extend those dreams beyond the organisation into an infinite, prosperous and abundant society and universe. Each person is loving and respectful of each other, and represents an important link in a chain of LOVE, serving each other, sharing ideas, building each other. Hence the JMMB vision is shared by all team players.

The JMMB team is clear that the organisation is based on UNCONDITIONAL LOVE and MUTUAL RESPECT. This LOVE is expressed in ongoing day to day working relationships and performance. Unconditional love is expressed in every interaction and is the foundation upon which the organisation rests. Love motivates the JMMB team to serve our clients who are a very special part of our family. The driving force of the organisation is to provide opportunities for team players to expand their potential, to recognise the power within and their ability to fully express and manifest this power to the benefit of the individual, the organisation and the society. In the process, all individual and organisational goals are achieved.

This is the central ethos / philosophy of JMMB and becomes more challenging as the organisation increases in size. This innovative approach to life represents a new way of looking at the world, where equality and equity are dominant. Hence, this represents a paradigm shift.

JMMB is therefore, actively and publicly involved in charitable and voluntary activities within the society and recognises and accepts its social responsibility, understanding that it has everything to do with JMMB which is part of the link in the wider chain. With this perspective, the JMMB team recognises diversity, while celebrating differences among team members, realising that there are commonalities that bind members together. When this "One-Ness" is accepted, nurtured and developed, this enhances the ongoing implementation of the shared vision. The intention is to ensure that wherever conflict exists, we aspire to a positive outcome.

JMMB is committed to life in all its abundance. Accordingly, team players recognise the links between the organisation and the wider society and the inter-relatedness of all life. In keeping with this, JMMB is committed to being actively concerned with the conservation, preservation and sustenance of the natural environment in order to ensure sustainable development.

The atmosphere that JMMB is in the process of developing, may be defined as an energy field where overlapping circles of creativity, passion, excitement, fun and laughter coexist in a dynamic process that ultimately leads to higher levels of self-actualization; hence, the achievement of the organisational mission. This is a loving, caring and honest atmosphere where ideas are valued and shared openly; where a balance is created between aspirations and practical aspects of work and life, between actualization and potential. There are no fears, no limitations, no boundaries. Team members are therefore expected and encouraged to be genuine, taking responsibility to express anything they feel, knowing that it is safe to do so. To ensure this, JMMB is committed to providing an open forum for ideas to be discussed, tested and implemented in order to help each other grow.

Team members, therefore, envision JMMB as the premier financial institution of its kind: successful, professionally managed with excellent team members giving exceptional client care and striving to achieve excellence in all areas of life. Team members see JMMB continuing to expand beyond Jamaica, retaining its spiritual characteristics and therefore, developing all the disciplines required for its continued success.

DECLARATION

I believe so strongly in myself that I will not get defensive by criticism as I know that every experience is an opportunity for growth. I will nurture and build my fellow team players. I will use every opportunity to praise and give thanks. I embrace the uncertainty that forms part of my vision. I have a strong enough faith to know that everything that happens along my path happens for a reason, and that all things work together for my good.

GROUP CULTURE AND HUMAN DEVELOPMENT

JMMB GROUP CULTURE AND HUMAN DEVELOPMENT OVERVIEW

Joan Duncan's unique vision was grounded in her core beliefs that there is greatness in every human being and in the power of unconditional love to release that greatness. It is those same beliefs that, to this day, still motivate the JMMB Group to honour each person and to have the best interest of all at heart. Our mission is to ensure everything we do at JMMB, is ultimately to help everyone to experience love and to realize the greatness in themselves, their families and their communities.

It is undeniable that the JMMB Group fosters a family environment through our people policies, cultural activities, learning and development opportunities and manifestation of the vision of love. It is for this reason we are proud of the strong bonds and partnerships that are the foundation for our JMMB Family.

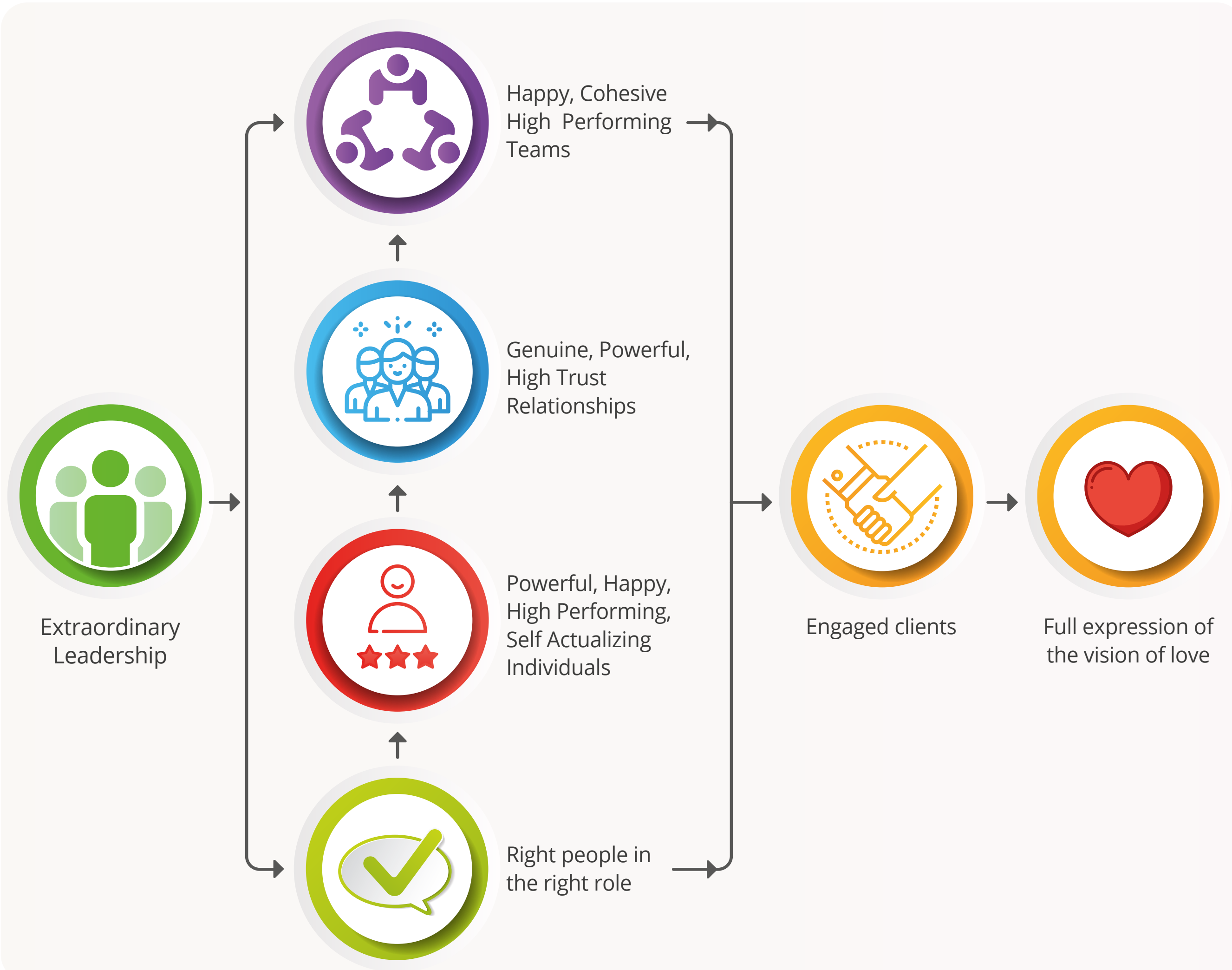
The JMMB Group focuses on three bottom lines:

1. Our Team Members realizing their purpose, passion, potential, goals and dreams.
2. Our clients realizing their goals and dreams.
3. Our shareholders realizing good returns on their investments while contributing to an organization that is in turn contributing to building the communities in which we operate.

EXTRAORDINARY LEADERSHIP

Consistent with our family success model, by deepening extraordinary leadership, we will impact all three bottom lines.

JMMB FAMILY SUCCESS MODEL



GROUP LEADERSHIP DEVELOPMENT PROGRAM

With our focus on a building extraordinary leadership, the JMMB Group launched our first formal Leadership Development Program in October 2018 with 154 Team Leaders participating across all three countries. The Program includes four tracks:

LEADERSHIP DEVELOPMENT TRACKS

The **Leadership Development Plan** which consists of a growth journey through strengthening your skills as leaders and consists of three phases:

EMERGE

Will allow me to take my leadership beyond my current functions and build the capabilities to manage and lead teams or process.

EVOLVE

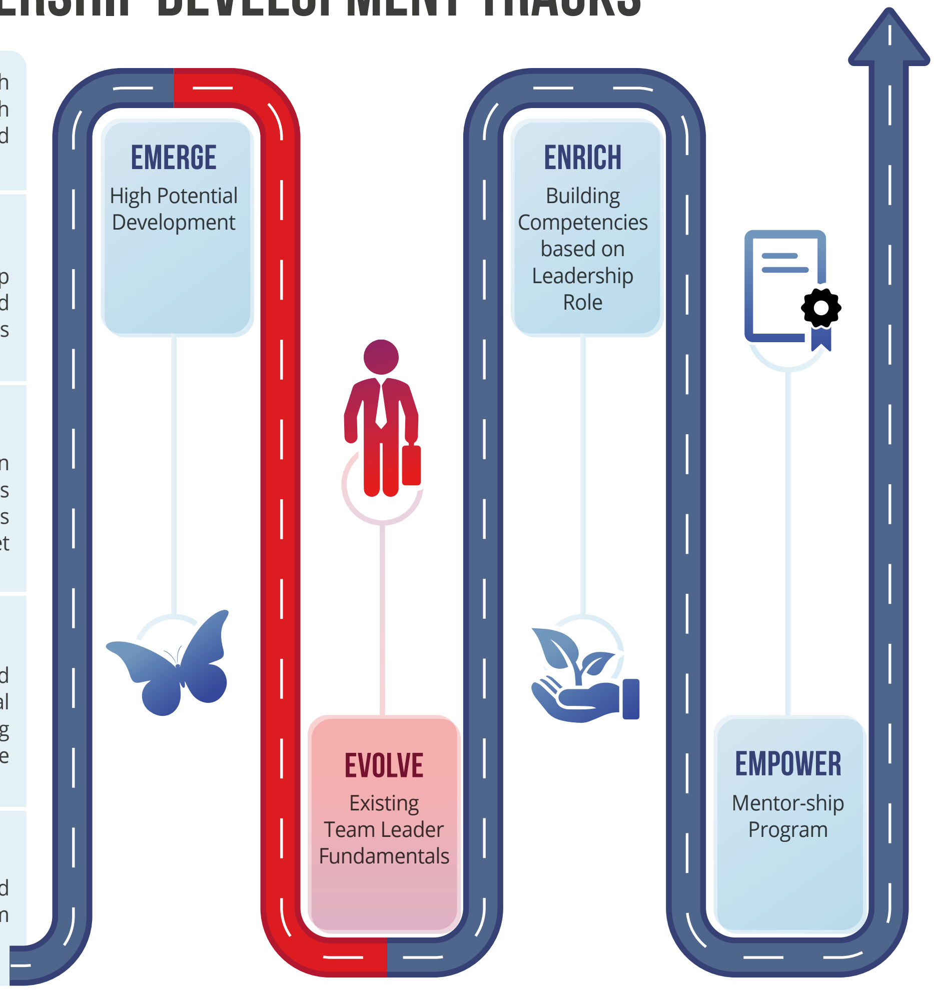
Will provide me with the foundation learning and development opportunities to successfully lead at JMMB. These skills will support my personal growth, mind-set shift, realization of my potentials.

ENRICH

Will provide me with the tools and knowledge to master critical competencies. These differentiating competencies will address gaps in my role and strengthen my ability to perform.

EMPOWER

Will provide me with the skills and resources to influence high potential team members in acting their Mentoc.



Based on Leadership development needs and to support all tracks in the program, we made the decision to establish a strong foundation with our existing Team Leaders and start with the Evolve track. The Evolve Track provides existing Team Leaders with the foundation learning and development opportunities to successfully lead at JMMB. The objective of the program includes closing leadership gaps and deepening the family success model. Through the varying modalities of the program, Team Leaders build the skills to support personal growth, mind-set shift and realization of their potential. The team leaders are provided with the opportunity to have a coach to support them through a 5 module, one year program.

PARTICIPANT TESTIMONIALS

Jamaica: Joan Edwards - Branch Manager, Personal Portfolio Management Center

“ *I have grown tremendously from the Leadership Development Program. It has given me greater insights into what influences people’s behavior and allows me to tailor my responses to better manage each situation. The LDP program has given us tools to better understand each person*

I lead and interact with and what are their motivators and their fears. I have a much greater understanding and appreciation for the 6 basic human needs and how these drive people's responses.

Overall my greatest take away so far is that while I am not responsible for the persons I lead I am responsible to them to be a good role model. And my aim and my desire is to be the best team Leader they will ever meet in their life.

Trinidad: Samantha Boucher – Corporate Manager, Internal Audit

It gives me a warm feeling to know that my employer – my JMMB family, values us enough to invest in us as Leaders in our leadership development journey; this is a great motivator. Being given the opportunity to experience Tony Robbins' Lead Coach at the beginning of some of the Modules 'for free' is amazing, since I also follow Tony on social media. Even more phenomenal, is that we each got to select a personal coach of our choice, from a list of professional coaches in the industry.

PARTICIPANT FEEDBACK

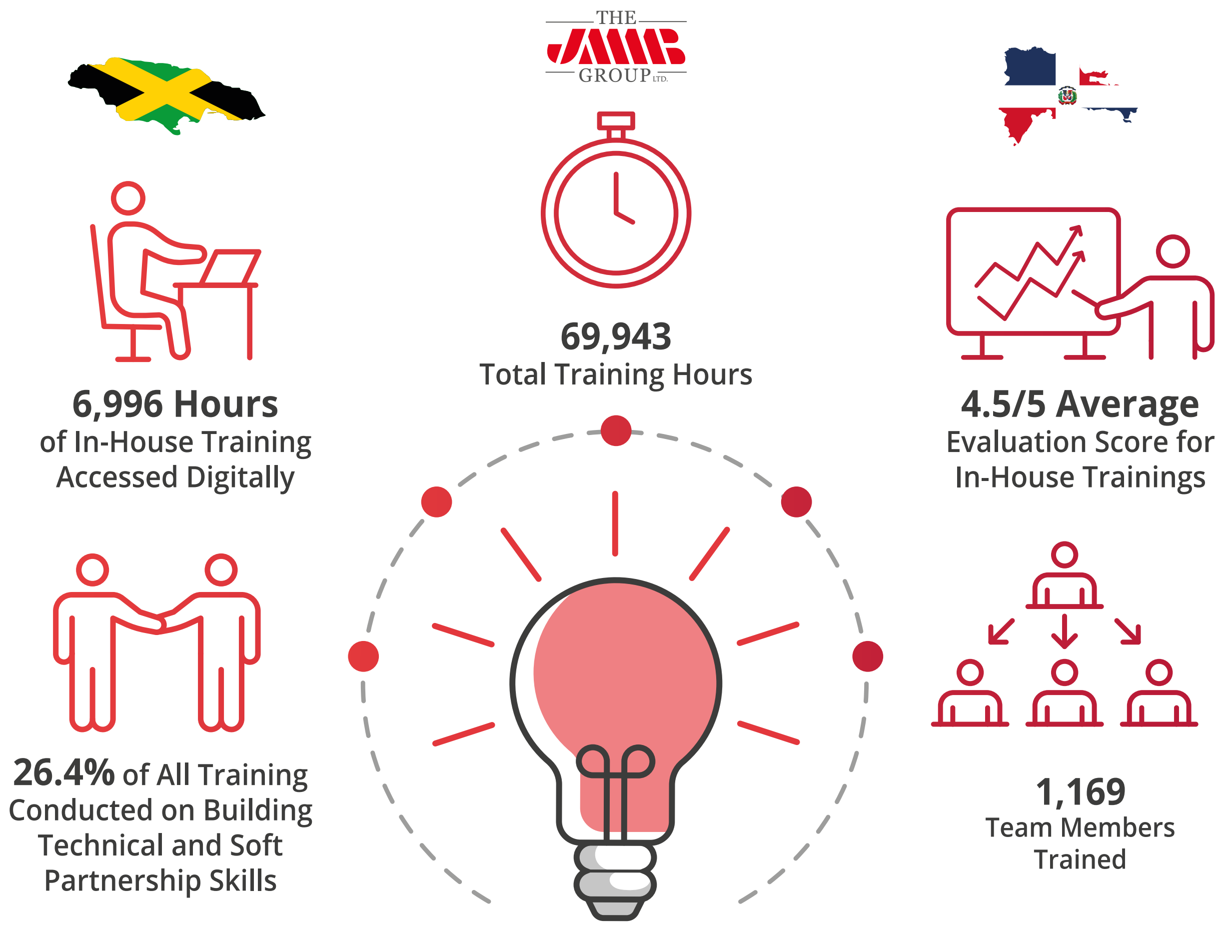
TEAM MEMBERS REALIZING THEIR PURPOSE, PASSION, POTENTIAL, GOALS AND DREAMS

To further support our Team Members realizing their purpose, passion, potential, goals and dreams we provide:

1. Holistic Learning and Development Opportunities
2. Culture based Hiring and Selection Practices
3. Encouraging Entrepreneurship
4. Cultural activities to support an integrated life
5. Unique benefits

1. HOLISTIC LEARNING & DEVELOPMENT OPPORTUNITIES

Through our holistic learning and development opportunities 1,169 team members completed 69,943 training hours. The average evaluation score for the 6,996 hours of JMMB in-house trainings conducted was 4.5 out of 5.



JMMB Regulatory Trainings - Mandatory Training created and facilitated to reduce the JMMB's risk of exposure via Cyber-security, AML, Social Media and Regulatories.

4% 1% 1%

JMMB Leadership Trainings - This included Coaching learning session and the Leadership Development Program.

6% 6% 3%

JMMB Strategic Trainings - Adapt to your needs and capture audience's attention.

6% 11% 2%

JMMB Technical Trainings - These trainings included sessions in-house and external that were utilized to improve targeted knowledge and skills of TMs

85% 25% 31%

JMMB Core Training - These trainings included Mary Gober Training, Culture Training, and Orientation Training.

57% 63%

2. HIRING & SELECTION

We want potential Team Members to join the JMMB family to pursue their passions, grow with the organization and fulfill their true purpose. It is therefore critical for us to maintain and support our culture when hiring potential Team Members. During the selection process potential Team Members are not only assessed if they are a technical fit but also a cultural fit for the organization. Culture fit is one of the most critical criteria for our selection process. Even after being hired team members complete a probation period where they are then assessed on meeting key objectives, soft skills and their overall cultural fit. We have observed Team Members flourish in roles when their values align with those of JMMB (love, care, integrity, honesty & openness). They are able to be who they are by flourishing in an organization that supports their values.

3. NURTURING THE ENTREPRENEURIAL SPIRIT

VOL Excerpt - "The JMMB Group is therefore a medium through which individuals may have dreams for themselves; and can extend those dreams beyond the organization into an infinite prosperous and abundant society and universe"

Empower Team Members Through Entrepreneurship

The JMMB Group embraces our unique way of being and we are one of the few trendsetters that openly encourage our Team Members to pursue entrepreneurial ventures, outside of their full-time obligations at JMMB. By doing this we support Team Member to pursue additional dreams and also promote the same financial freedom we do for our clients. This year we hosted a promotional expo Healthy Lifestyle Quarter: "Reap What You Sow – Financial Planning Expo", approximately 30 team members were given the opportunity to showcase their personal entrepreneurial ventures, ranging from retail – clothing, jewellery, art, and accessories, to pastry-making and other professional services.

We further support Team Members to pursue their individual goals and find their passion and purpose by developing Personal Development Plans. Annually Team Members own and develop their holistic plans which they share with their Team Leaders for support. The development plans help uncover the Team Member's true passions, purpose and what truly makes them feel fulfilled.

4. CULTURAL ACTIVITIES TO SUPPORT AN INTEGRATED LIFE

Work-Life Integration

We understand that work and life are one experience and focus on ways to support our Team Members.

- Flexi-Time - Depending on the role, Team Members are provided with the opportunity to work from home or have varying work hours.
- Nursery- Team Members are provided with an on-site nursery or funding to have peace of mind that their child is being taken care of while they are at work. The nursery at the Jamaica Head Office was recognized for breastfeeding best practices by Young Child Feeding Committee in the Ministry of Health.

"The driving force of the organization is to provide opportunities for team players to expand their potential, to recognize the power within and their ability to fully express and manifest this power to the benefit of the individual, the organization and the society."

DOMINIC VICTOR

FROM SECURITY GUARD TO BRANCH HEAD AT JMMB EXPRESS FINANCE

Dominic started his career with JMMB in 2010 as a security guard and has manifested the vision of love (VOL) by accomplishing his dream. Dominic shared through our family environment, that his fellow Team Members saw more in him than he saw in himself. Without a financial background Dominic was adopted and guided by the Executive Leaders in his first role as an Executive Driver and continued his development and learning journey. His next role as a Client Care Officer provided him with experience to change his life personally and academically as he continued to grow with JMMB. Dominic shared that "Nothing is impossible" and JMMB "saw the spark and ignited the flame".

Wellness Quarter

VOL Excerpt - "The JMMB Group is seeking to create an organizational environment in which team players can achieve their full potential. Accordingly, the teams within the Group are committed to a long-term ongoing process of holistic development that recognizes the complete development of the individual".

To deepen and manifest the Vision of Love, the JMMB Group provides quarterly activities to support the physical, financial, relationship, passion, purpose and spiritual well-being of all Team Members.

5. UNIQUE BENEFITS

Consistent with JMMB's Vision of Love, our People Policy Guidelines reflect a focus not only on our client and corporate welfare, but also on our welfare, growth, holistic development and well-being. We have unique benefits to stand for our team member's best interest and ensure we are in their world. A few unique benefits:

- Paternity Leave- standing for both parents in the family. Our male Team Members are also provided with leave when they have or adopt children.
- ePay – online option is provided for team members to conveniently order lunch from varying restaurants.
- Break- Team Members are provided with a light morning snack at their desks.
- Gym – onsite accessibility or, where an actual location does not exist, Team Members receive gym benefits.

TEAM MEMBERS SUPPORTING CLIENTS TO REALIZE THEIR GOALS & DREAMS

BACK-TO-BASICS (B2B)

To support our Team Members to provide the experience to help our clients realize their goals and dreams we rolled out a Back to Basics initiative. Back to Basics (B2B) was a call for the JMMB Team to review, refresh and recommit to the fundamentals that make us JMMB – who we are, what we do, how we do what we do and why we do what we do. As we prepared to launch our Financial Life Goals Centre in the FY 2018/19, B2B became the driver for us to reduce some key pain points for our clients, to make significant impact in improving client experience across all channels (online, telephone and branch).

We sought to reduce wait time and account opening time; all while improving follow up, consistency in information sharing specifically related to account opening requirements and solutions offered. We also wanted to continue to remain true to who we are at our core – being solution oriented. On June 23 and 24, 2018 members of our Frontline along with select Support Teams, came together to explore how individually and collectively we could reduce our major client pain points garnered through surveys and mystery shopping.

Our mission during those two days was to leave with clear action plans to give us specific results to improve our client experience even before any systems change or processes were reviewed.

Getting Back to Basics required team re-engagement and ownership of the client experience, which called for all hands on deck. During the B2B workshops, team members made role specific commitments around changes they would implement that could have an immediate impact on our clients' experience. We established Service Level Agreements (SLAs) and monitoring mechanisms were implemented across all branch locations and the Client Care Centre.

A B2B Competition was launched in September 2018 where we actively measured and tracked wait time and onboarding time across frontline teams, and offered monthly incentives to teams with the highest average success rate and highest average improvement rate. A Steering Committee was also formed which included leadership at varying levels to ensure active engagement and support around different B2B initiatives across the wider team.

We have seen significant improvements in the targeted areas since the launch of our B2B program, which played a key factor in determining our readiness to launch our Financial Life Goals Centres (FLGCs). The B2B initiative continues to show the heart and true commitment of the team to ensure we remain true to our commitment to exceptional client care as well as the objective of remaining the undisputed leaders in client care.

CLIENT EXPERIENCE STORY

"MY BEST INTEREST AT HEART"

'At JMMB I feel like family, I am not just a number," is the words used, by marriage officer and longstanding client at the Ocho Rios Branch, Garland Black to describe his experience with JMMB. Garland admits that his experience with JMMB has been made even better by the service provided by Geovanni Johnson, client support officer at the branch; who depicts the 'vision of love' of JMMB by delivering exceptional client experience and going the extra mile for his clients. Adding, "He takes the trouble out of banking... making (everything) accessible and easy...while taking the time to (carefully) explain and ensure that you understand each step."

Now well on his way to being debt-free, Garland credits the stellar advice given by Geovanni and the support of the Ocho Rios team, in helping him to consolidate his debt and to better manage his finances. He is pleased to now have a more manageable monthly payment, while still building his investment portfolio, step-by-step. “If it wasn’t for (this) help from Geovanni, I would not be able to manage my financial life in this way,” said Black. Adding that Geovanni is a true ambassador of the values that JMMB stands for - standing for greatness of others and acting in the best interest of clients.

So impressed with his JMMB experience, Garland has made it a true family experience, by inviting his wider family to make JMMB their financial home too.

He reveals that an experience with Geovanni transforms your day, “if you come in the branch and you are having a bad day, after interacting with Geovanni you leave feeling satisfied and with the peace of mind, knowing that your finances are in good hands.” Although singing praises to Johnson, Garland admits that his experience is just one example of the way that Geovanni takes care of his clients. He often watches with amazement each time he visits the branch the ease in which Johnson multi-tasks by giving each client due attention and serving their various needs, while balancing his other responsibilities as a client support officer.

So moved was Black by the genuine care shown by Geovanni, he extended a plaque of appreciation, to just say ‘thank you.’

WHAT I LIKE MOST ABOUT JMMB:

> “*I feel like I am family and I feel valued and I like I am not just a number. The team, esp. Geovanni takes the time to explain any transaction or new processes to me in a simple and clear way. They make banking accessible and easy.*”

I HAVE BEEN ABLE TO:

> “*...be on the path of debt-freedom, through solid financial partnership and providing a financial solution that meets my needs, with a debt-consolidation loan. This has allowed me to significantly reduce my debt and achieve my goals. Without JMMB I would not have been able to balance my finances in this way.*”

JAMAICA

CLIENT APPRECIATION
JMMB client is caught having a good time with JMMB Group's Donna Duncan-Scott, executive director, culture and human development and Jessica Lawrence-Johnson, Group Change Support Services Manager, at the recent client appreciation day festivities held at the Haughton Terrace branch location.

HER FLOW
JMMB's Christine Benjamin and Kadia Douglas join Her Flow conceptualizer, Shelly-Ann Weeks to present period kits to Veneisha Williamson-Carty, guidance counsellor, Vere Technical High School during a school visit.

BRANSON
Lisandra Rickards, CEO, Branson Centre of Entrepreneurship Caribbean adds her 'seal of approval' by signing an agreement with JMMB Group, to facilitate training of select JMMB Group small and medium-sized enterprises (SME) clients, during the signing ceremony.

SHARE THE LOVE
Little D'Andra Barnes (seated) is all smiles, as she is visited by JMMB's chief investment officer, Damion Brown, (centre) who is all decked out as Santa Claus. Also sharing in the moment is Dr. Christopher Tufton, Minister of Health.

SPEAKERS AT THE RECENT JMMB HER WEALTH SEMINAR (L-R) Terri-Karelle Reid, media personality, Patria-Kay Aarons, CEO, Sweetie Confectionery, JMMB's Felecia Williams, life coach and corporate manager, marketing, Diana Samuels, CEO of D&L Apparel, shares in a photo op. a JMMB Her Wealth seminar, which explored the topic achieving financial freedom.

MONTEGO BAY INVESTOR FORUM
Racing towards 'symbolic financial freedom' against financial roadblocks are: (L-R) Taneisha Hines, Amanda Myers, Christopher Kerr, Sindy Gordon and Derron Sharpe at a JMMB Investor Forum, designed to empower and educate the investing public about financial management.

JAMAICA CONT'D

MAY PEN PAINT & SIP
Manager, client partnership JMMB May Pen branch, Lorraine Dunn (standing) pauses to take a closer look at the masterpieces being created.

THANKSGIVING
JMMB Group CEO, Keith Duncan shares a warm embrace with branch manager, JMMB Bank- Portmore Michelle Whitely during the company's recent Thanksgiving Service, held at Jamaica College Auditorium, under the theme, 'Gratitude is a Must.'

UWI VENTURE COMPETITION
Kim Mair (right), CEO of JMMB Joan Duncan Foundation takes a closer look at one of the drones presented by Team PreeLab at the Vincent HoSang UWI Venture Competition.

CANCER SOCIETY
Yulit Gordon (left), executive director at Jamaica Cancer Society and Carla Girod gives a thumbs up to the JMMB team for making a donation towards the fight against breast cancer.

SCULPT & PAINT
Carlene Mattocks (right), client relations officer at JMMB Haughton Terrace branch demonstrates the true meaning of partnership, as she assists Camise Gordon-Ffolkes of Latin American Express to create her masterpiece at the JMMB Sculpt & Sip. of D&L Apparel, shares in a photo op. at JMMB Her Wealth seminar, which explored the topic- achieving financial freedom.

TRINIDAD AND TOBAGO

Chief Marketing Officer, Lisa-Maria Alexander welcomes invitees to the official launch of JMMB Express Finance. (At the table L-R JMMB Group Chairman Archibald Campbell; CEO JMMB Express Finance, Elson James; JMMB Bank CEO, Nigel Romano; JMMB Investments CEO, Ronald Carter.

LET'S ALL HAVE CAKE!
CEO JMMB Express Finance, Elson James, share a moment with the first team members of JMMB Express Finance.

JMMB EXPRESS
CEO of JMMB Express Finance, Elson James (centre) is assisted by JMMB Group Chairman, Archibald Campbell (left) and JMMB human resource consultant, Diana Burgess to cut the ribbon, during the launch of JMMB Express Finance.

SAY CHEESE!
JMMB Group Team Members strike a pose at the Group's Town Hall Meeting.

AND HE'S A WINNER
JMMB Express Finance San Fernando Branch Manager, Dominic Victor proudly accepts his door prize at the Group's Town Hall Meeting.

SAY YEAH!
L-R JMMB Express Finance Supervisor Cristene Ramlal- Tookai and JMMB Express Finance Chaguanas Branch Manager at the Group's Town Hall Meeting.

TRINIDAD AND TOBAGO CONT'D

Some of the members of the JMMB Express Finance Team at the JMMB Group End of Year Event.

Members of the JMMB Investments Team making memories at the Make a Memory networking events hosted by JMMB Investments.

Business Banking posse shine at the JMMB Group End of Year event.

Port of Spain Branch Manager and Chief Retail Officer Roysce Ramsaran are all smiles at the JMMBTT End of Year Celebration.

Chief Marketing Officer, Lisa- Maria Alexander is serenaded by veteran calypsonian Kenny G (JMMBTT End of Year Celebration).

Cross section of the attendees at the JMMBTT End of Year Celebration.

ALL SMILES! JMMBTT End of Year Celebration

L-R Assistant Manager Operations Peggy-Anne Jones and Corporate Manager Operations Rosemary Alves share smiles and memories at the JMMB Group End of Year Event.

DOMINICAN REPUBLIC

DAMION RISK PRESENTATION
Damion Brown, Chief Risk Officer for JMMB Group, during a presentation held in the offices of the SIMV Regulators to the Risk Managers of all Puestos showcasing JMMB as an good practice

CFO CLUB EVENTS
JMMB in Dominican Republic continues to build relations with the CFOs in these events held quarterly by invitation only exclusively for CFOs.

PORSCHE EXPERIENCE

A small group of clients were invited to experience driving a Porsche for one day, driving from Santo Domingo to Punta Cana.

JOAN DUNCAN FOUNDATION

Compelled by a strong commitment to our corporate social responsibility, the JMMB Joan Duncan Foundation's path to nation building and people empowerment continues to be guided by JMMB's core values of love, openness, honesty, integrity and care. This commitment is strongly demonstrated in initiatives focused primarily on youth entrepreneurship, education, transformational leadership, capacity building and community development.

The Foundation continues to champion its mission to develop, support and steward transformational initiatives in education and entrepreneurship to create and inspire positive change. As responsible corporate citizens, team members are involved in outreach initiatives geared towards the empowerment of people and their communities which are facilitated by the network of branches Island wide.

Given the JMMB Group's regional footprint and international diversification, it was incumbent on us to expand the focus of the Foundation. The enhanced vision therefore, is "THE POSITIVE TRANSFORMATION OF LIVES AND NATIONS, TO SUPPORT THE CREATION OF ONENESS AND THE REALIZATION OF GREATNESS".

As we deepen our relationships in all the territories within which we operate, the JMMB Joan Duncan Foundation will emerge as a culturally relevant, CSR contributor in those countries, remaining grounded by our core values and areas of focus.

NATIONAL PROJECTS

"CONVERSATIONS FOR GREATNESS" (CFG)

School administrators, teachers and staff across Jamaica continue to be inspired, empowered and transformed by Conversations for Greatness. The program has touched 88 schools across all 14 parishes, supporting approximately 5,600 staff members to tap into their greatness, becoming even more passionate and committed transformational leaders. The workshops have profoundly impacted the teaching and learning environment of schools, strengthening interpersonal relationships and fostering mindset change towards possibility thinking while promoting a culture of accountability, oneness, integrity and love. Conversations for Greatness encourages school staff to further tap into their creativity and to support their students and wider school community in 100% accountability for producing extraordinary results. As principal of Allman Town Primary, Ms. Latoya Nesbitt has stated, "Because of Conversations for Greatness, I have seen growth in myself. I am no longer making myself small. I am bold. I am not only convinced but I am convicted that I am great and there is greatness within me and in others."

We are thankful for the commitment of our impacted schools and to our partners and volunteers for their continuous support.

MultiCare Youth Foundation (MYF/ Y.U.T.E.)

The MultiCare Youth Foundation's (MYF) YUTE&YOU annual mentorship training programme is primarily funded by the JMMB Joan Duncan Foundation. The programme facilitated 8 training workshops benefitting a total of 78 mentors and 115 mentees, in Kingston and Montego Bay, during the period April 2018 to March 2019. A total of 97 matches were established between caring adult mentors and mentees, who have committed to developing trusting, supportive and enduring relationships for a minimum period of one year.

JMMB Joan Duncan Foundation has supported the MultiCare Youth Foundation and its YUTE programme over the past nine years.

CHILD RESILIENCY PROGRAMME

The JMMB Joan Duncan Foundation continues to support the operations of the Child Resiliency Programme of the Violence Prevention Alliance which is an after school programme for children at risk for violence in Kingston and Montego Bay. In Kingston, 12 primary schools from violence prone communities meet at the YMCA and Boys Town centres. The Foundation provided cooked meals for each of the 120 vulnerable children, as well as transportation to and from the centres. Additional support was provided to purchase materials for literacy, IT, sports and cultural activities and well as for life skills training, parenting seminars and staff development seminars.

Chairman of JMMB Joan Duncan Foundation, Patricia Sutherland (seated, centre) makes story time fun for the little ones at Waterford Infant School on Read Across Jamaica Day, May 8. The JMMB team from its Portmore branch also used the occasion to recognize and celebrate the teachers by presenting the teachers with gift certificates. Other JMMB representatives also visited various schools islandwide to participate in Read Across Jamaica Day, which is designed to foster a love of reading in children in Jamaica and the Diaspora.

Support to the programme in Montego Bay, located at Sam Sharpe Teachers College and Falmouth All Age, included the provision of transportation and meals for the 100 referrals for 2018-2019 and facilitated the inclusion of 2 additional feeder schools to the already existing 10 schools.

EDUCATION

SCHOLARSHIPS

Continuing our commitment to support the educational dreams of students from the primary to tertiary level, over one hundred (100+) students received educational grants, bursaries or scholarships for academic year 2018-19. We remain committed to ensuring that future generations are equipped to fully contribute to a prosperous society.

JOAN DUNCAN SCHOOL OF ENTREPRENEURSHIP, ETHICS & LEADERSHIP

Honouring the life and legacy of JMMB's late co-founder, the 5th Annual Joan Duncan Memorial Lecture, was presented in conjunction with the University of Technology, Jamaica (UTech) on May 16th, under the theme, "Political Leadership: An Enabler or Disabler to Jamaica's Economic Development?" The keynote speaker was Dr. D. K. Duncan, former Member of Parliament, former Cabinet Minister and former General Secretary of the People's National Party.

UWI ENDOWMENT

The Joan Duncan/JMMB Endowment was established to provide scholarships and bursaries, student development and training programmes at the University of the West Indies (UWI) and to support Mona School of Business Management (MSBM) academic staff development.

Pictured here are Janice Julian of Caribbean Food Delights and Vincent HoSang Family Foundation and the top three teams in the Vincent HoSang UWI Venture Competition, namely: Shaneica Lester of Team Skolastic Oasis (2nd place team), Shanalee Cawley and Kristoffer Henry of Team Eco-Structure (1st place team), Kevonne Martin of Research Aid Plus (3rd place team) and Patricia Sutherland, chair of the JMMB Joan Duncan Foundation. The occasion was the Vincent HoSang UWI Venture Competition Finals and Awards Ceremony, which took place recently at UWI Regional Headquarters.

READ ACROSS JAMAICA

In demonstrating the importance of reading and literacy to the young mind, we were pleased to have once again participated in Read Across Jamaica Day. Team members from various branches read to students at several schools and donated books to classroom or school libraries.

JFF COACHING EDUCATION PROGRAMME

In the 2018-19 period under review, the JMMB Joan Duncan Foundation continued to be the title sponsor for the coaching education programme of the Jamaica Football Federation.

This partnership began in 2009 and the Foundation is now one of the longest partners in football. After a near decade during which nearly 800 coaches were accredited under the JMMB/JFF /Utech, Ja Coaching School, the JFF agreed with JMMB that the time had come to look at all other aspects of the program.

Hence 2018 began a process of review for creating a new vision for football and identifying target areas.

Emerging from these discussions was the agreement to place greater focus on youth coaches. As a result, the JMMB Joan Duncan Foundation committed to support a CONCACAF D License course for coaches at the Primary level. This is to begin in summer 2019 and is being done in association with Insports. A decision was also taken to host workshops under the theme "Safeguarding our Children in Sport". This will start in May 2019 targeting the 800 coaches already certified and is being driven by The University of Technology, Jamaica utilising material developed by CONCACAF.

The JFF Technical Committee also reviewed the curriculum of the Advance level 1 and level 2 courses seeking to ensure that the content was in keeping with the Technical and Development plans of the JFF and reflects the transformational leadership approach that the Foundation is committed to. This new content will be reflected in the courses to be offered in 2019 and beyond.

Yulit Gordon (left), executive director at Jamaica Cancer Society and Carla Girod gives a thumbs up to the JMMB team for making a donation towards the fight against breast cancer. The JMMB Group team recently made a donation, of over J$100K, to assist the Cancer Society to provide mammograms to rural women who are unable to afford it; in keeping with the Society's thrust towards close the gap of access to cancer services between rural and urban area women.

While a new vision and focus, Jamaica's football coaching program is assured of a strong as ever partner in the JMMB Joan Duncan Foundation.

AUGUST TOWN SPORTS DEVELOPMENT

Acknowledging the importance of sports as an intervention strategy in community development, the Foundation's relationship with the August Town Sports Development Foundation continues with the support of their various football programmes designed to keep at risk youth involved in positive extra-curricular activities.

ENTREPRENEURSHIP

To encourage the development of young entrepreneurs, the JMMB Joan Duncan Foundation continued its support for major entrepreneurial competitions at the secondary and tertiary levels, in order to nurture young entrepreneurs and inspire corporate social responsibility in new business ventures. In fulfilling our promise to support competition among tertiary institutions to develop innovative business plans, the Foundation once again sponsored the UWI Venture Challenge Competition, Junior Achievement Jamaica and the Katalyxt Youth Innovators competition.

COMMUNITY INVOLVEMENT

"Recognising the link between the organisation and the wider society and the inter-relatedness of all life," our branches and team members continue to be active in the communities within which we operate. The teams devote their time, talent and financial assistance towards various activities, as they seek to empower individuals within their communities. During the course of the year, team members were involved in activities across the areas of education, sports and general outreach.

Kim Mair (left, background), JMMB Joan Duncan Foundation CEO and Father Richard Ho Lung, founder of Missionaries of the Poor share a little quality time with a few of the young ladies from the St. Andrew Home for Girls and the Wortley Home for Girls, during the intermission of 'Parables', the latest production from Father Ho Lung and Friends, which took place recently (October 7) at the Courtleigh Auditorium. The Foundation used the occasion to treat over 30 girls from the St. Andrew Home for Girls and the Wortley Home for Girls.

CHILDREN'S TREAT

A fantastic time was had by all when wards of two children's homes, St. Andrew Home for Girls and the Wortley Home for Girls, were treated by JMMB team members to a lovely Sunday matinee at Father Holung's fundraiser "The Parables" on October 7th. The children enjoyed music, dance and fellowship with team members for a memorable occasion.

LABOUR DAY AND 5KS

In championing community development, the JMMB team supported Labour Day initiatives in Mandeville and Ocho Rios, as well as additional community based projects around the island.

JMMB team members, their friends and families donned their sneakers and took part in many 5K run/walks including Sagicor Sigma, Food for the Poor, Jamaica Reach to Recovery's Pink Run and UWI/CB for Education. Members accepted the challenge to embrace healthier life styles while making a positive social impact.

CUMI – COMMITTEE FOR THE UPLIFTMENT OF THE MENTALLY ILL

The JMMB Joan Duncan Foundation continues to be a strong and consistent supporter of this gem of a programme which celebrates 27 years of community service. The CUMI Rehabilitation Day Centre Programme located in Montego Bay assists clients in dealing with life challenges and mental health issues through empowering them to manage their mental health treatment plans and providing life coping skills to re-settle them into normal community settings and assisting those who are capable, to empower them with employment.
The Foundation was also a major sponsor of the annual fundraising event CUMI 'Come Run' event in September, which saw the participation of several team members.

TRANSFORMATIONAL TRAINING

Embedded within the vision of the JMMB Group is the unwavering belief that everyone has greatness within and that each of us has a significant part to play in creating the future that we desire for generations to come. Our Vision of Love serves as an ongoing reminder of JMMB's commitment to having a positive impact on individuals, communities, the nation and indeed the world.

In keeping with this commitment, recipients of funding from the JMMB Joan Duncan Foundation, receive more than a financial contribution. No matter the size or nature of the contribution, every individual or entity that receives funding is invited to participate in the one-day version of our transformational workshop- Conversations for Greatness (CFG), aimed at tapping into and unleashing our individual and collective greatness. In the true JMMB spirit originally championed by our co-founders Joan Duncan and Dr. Noel Lyon, participants are empowered by a possibility thinker mindset and given practical tools as they continue on their journey to make their unique mark toward an "infinite, prosperous and abundant society and Universe" (VOL).

Individuals from all walks of life have benefited from the one-day CFG. From community based organizations, to sports coaches to academic scholarship recipients, the CFG One-day Module has touched the lives of over 2,700 individuals. The resulting mindset transformation and practical tools shared have positively impacted, families, communities and organizations and will have a ripple effect for generations to come.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED MARCH 31, 2019

The Directors of JMMB Group Limited are pleased to present their report for the year ended March 31, 2019, and submit the Consolidated Income Statement and the Consolidated Statement of Financial Position.

GROUP RESULTS

- Operating revenue net of interest expense was **J$18.04 billion (2018: J$15.84)**
- The profit before income tax was **J$4.87 billion (2018: J$4.35 billion)**
- The profit attributable to equity holders of the parent after income tax was **J$3.82 billion (2018: J$3.56 billion)**
- Shareholders' equity was **J$31.1 billion (2018: J$29.00 billion)**

The Directors recommend that the interim dividends paid on December 19, 2018 and July 5, 2019 be ratified and declared as final and that no further dividend be paid in respect of the year under review.

In accordance with Article 105 of the Company's Articles of Incorporation, the Directors retiring from office by rotation are Mr. Reece Kong, Mr. Wayne Sutherland , Mr. V. Andrew Whyte and Mrs. Audrey Welds who, being eligible, offer themselves for re-election.

The auditors, KPMG Chartered Accountants, have indicated their willingness to continue in office pursuant to Section 154 of the Companies Act, 2004.

The Directors wish to thank management and all team members of the Group for their performance during the year under review.

As always, we wish to express our sincere appreciation to the clients and our shareholders for their continued support and partnership.

By Order of the Board
Dated this July 1, 2019

Carolyn DaCosta
Secretary

EMBRACE

Openness

THE JMMB GROUP LTD.

FINANCIAL REPORTS

INDEPENDENT AUDITORS' REPORT

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of JMMB Group Limited ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), set out on pages 175 to 284, which comprise the Group's and Company's statements of financial position as at 31 March 2019, the Group's and Company's profit and loss accounts, statements of profit or loss and other comprehensive income, changes in stockholders' equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 March 2019, and of the Group's and Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. *Fair value of investments*

Key Audit Matter *[see notes 17 and 30(a)]*	*How the matter was addressed in our audit*
The Group's investments measured at fair value represent 61% (2018: 61%) of the Group's total assets. 99% (2018: 99%) of these investments were categorised as Level 2 in the fair value hierarchy, as no quoted prices are available for these instruments. Valuation of these investments, although based on observable inputs, involves the exercise of judgement and the use of assumptions. Management used valuation techniques which require inputs such as market yields obtained from established yield curves. These assumptions are subject to significant judgement, and could therefore result in a material misstatement.	Our procedures in this area included the following: • Assessing and testing the design and operating effectiveness of the group's controls over the determination and computation of fair values. • Challenging the reasonableness of yields/prices by comparison to independent third party pricing sources. • Assessing the reasonableness of significant assumptions used by such third-party pricing sources. • Involving our own valuation specialists to determine/obtain yields/prices of specific securities and comparing these yield/prices to those used by management. • Assessing the adequacy of the disclosures, including the degree of estimation involved in determining fair values and the sensitivities to key assumption.

KPMG

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

2. *Measurement of expected credit losses on financial assets*

Key Audit Matter [see notes 4 and 29(b)]	*How the matter was addressed in our audit*
IFRS 9 was implemented by the Group on 1 April 2018. The standard is new and complex and requires the Group to recognise expected credit losses ('ECL') on financial assets. The determination of ECL is highly subjective and requires management to make significant judgement and assumptions. The key areas requiring greater management judgement include the determination of significant increase in credit risk ('SICR'), the determination of probabilities of default, loss given default, exposures at default and the application of forward-looking information.	Our procedures in this area included the following: • Obtaining an understanding of the models used by the Group for the calculation of expected credit losses, including governance over the determination of key judgements and assumptions. • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key data inputs into the IFRS 9 impairment models. • Testing the completeness and accuracy of the data used in the models to the underlying accounting records on a sample basis. • Involving our financial risk modelling specialists to evaluate the appropriateness of the Group's impairment methodologies, including the SICR criteria used and independently assessing the assumptions for probability of default, loss given default and exposure at default and the incorporation of forward-looking information.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (continued)

2. Measurement of expected credit losses on financial assets (continued)

Key Audit Matter [see notes 4 and 29(b)]	*How the matter was addressed in our audit*
The identification of significant increase in credit risk is a key area of judgement as the criteria determine whether a 12 - month or lifetime loss allowance is recorded. IFRS 9 requires the Group to incorporate forward-looking information, reflecting a range of possible future economic conditions, in measuring expected credit losses. Significant management judgement is used in determining the economic scenarios. Significant management judgement and assumptions are also used in determining the appropriate variables and assumptions in an appropriate model used in the measurement of the expected credit losses. The use of these judgements and assumptions increases the risk of material misstatement and is therefore an area of increased audit focus. In addition, disclosures regarding the Group's application of IFRS 9 are key to understanding the change from IAS 39 as well as explaining the key judgements and material inputs to the IFRS 9 expected credit loss results.	Our procedures in this area included the following (continued): • Assessing the adequacy of the disclosures of the key assumptions and judgements as well the details of the transition adjustment for compliance with the standard.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 7-8, forms part of our auditors' report.

Report on additional matters as required by the Jamaican 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, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Cynthia Lawrence.

KPMG

Chartered Accountants
Kingston, Jamaica

June 5, 2019

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Appendix to the Independent Auditors' report

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

To the Members of
JMMB GROUP LIMITED

Appendix to the Independent Auditors' report (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

JMMB GROUP LIMITED

Consolidated Profit and Loss Account

Year ended 31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2019 $'000	2018 $'000
Net Interest Income and Other Revenue			
Interest income from securities, calculated using the effective interest method	6	17,583,697	15,879,081
Interest expense	6	(8,745,236)	(8,138,561)
Net Interest Income		**8,838,461**	**7,740,520**
Fee and commission income	34(i)(ii)	1,424,885	1,185,993
Gains on securities trading, net		4,097,335	4,816,692
Net income from financial assets at fair value through profit or loss (FVTPL)		130,179	56,690
Fees earned from managing funds on behalf of clients		1,143,140	690,421
Foreign exchange margins from cambio trading		2,402,406	1,350,641
Operating Revenue Net of Interest Expense		**18,036,406**	**15,840,957**
Other income			
Dividends		54,851	23,677
Other		44,939	70,598
		18,136,196	**15,935,232**
Operating Expenses			
Staff costs	7	(7,126,972)	(6,021,797)
Other expenses	8	(5,862,270)	(5,218,487)
		(12,989,242)	(11,240,284)
		5,146,954	**4,694,948**
Impairment loss on financial assets	9	(278,615)	(342,645)
Gain on disposal of property, plant and equipment		2,210	686
Profit before Taxation		**4,870,549**	**4,352,989**
Taxation	10	(1,002,143)	(748,585)
Profit for the Year		**3,868,406**	**3,604,404**
Attributable to:			
Equity holders of the parent		3,820,119	3,555,260
Non-controlling interest	28	48,287	49,144
		3,868,406	**3,604,404**
Earnings per stock unit	11	**$2.34**	**$2.18**

The notes on pages 186 to 284 are an integral part of these financial statements

JMMB GROUP LIMITED
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year ended 31 March 2019
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2019 $'000	2018 $'000
Profit for the Year		**3,868,406**	**3,604,404**
Other comprehensive income			
Item that may not be reclassified to profit or loss:			
Unrealised gains on equity securities at fair value through other comprehensive income (FVOCI)		505,276	-
Items that may be reclassified to profit or loss:			
Unrealised losses on debt securities at FVOCI		(617,447)	(242,119)
Related tax	22	(49,968)	4,487
Foreign exchange differences on translation of foreign subsidiaries		(390,836)	(456,586)
Total other comprehensive loss, net of tax		(552,975)	(694,218)
Total comprehensive income for the year		**3,315,431**	**2,910,186**
Total comprehensive income attributable to:			
Equity holders of the parent		3,377,770	2,706,562
Non-controlling interest	28	(62,339)	203,624
		3,315,431	**2,910,186**

The notes on pages 186 to 284 are an integral part of these financial statements

Consolidated Statement of Financial Position
31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2019 $'000	2018 $'000
ASSETS			
Cash and cash equivalents	13	30,726,396	27,837,273
Interest receivable		3,733,190	3,429,115
Income tax recoverable		238,441	999,611
Loans and notes receivable	14	67,947,268	55,625,743
Other receivables	15	5,314,152	2,055,252
Securities purchased under agreements to resell	16	-	1,120,001
Investment securities	17	205,972,359	194,905,868
Investment properties	19	489,616	489,616
Intangible assets	20	1,757,568	1,602,513
Property, plant and equipment	21	3,283,332	3,217,877
Deferred income tax assets	22	360,893	115,130
Customers' liability under acceptances, guarantees and letters of credit as per contra		213,042	317,731
		320,036,257	**291,715,730**

The notes on pages 186 to 284 are an integral part of these financial statements

JMMB GROUP LIMITED
Consolidated Statement of Financial Position (cont'd)
31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2019 $'000	2018 $'000
STOCKHOLDERS' EQUITY			
Share capital	23	1,864,554	1,864,554
Retained earnings reserve	24(a)	9,605,055	9,605,055
Investment revaluation reserve	24(b)	2,114,147	1,752,810
Cumulative translation reserve	24(c)	(499,014)	(87,147)
Retained earnings		16,981,202	14,776,222
		30,065,944	27,911,494
Non-controlling interest	28	1,038,332	1,092,253
		31,104,276	**29,003,747**
LIABILITIES			
Customer deposits		63,947,279	52,165,066
Due to other financial institutions		190,888	347,948
Securities sold under agreements to repurchase	25	163,907,891	158,167,289
Notes payable	26	37,036,156	27,561,706
Redeemable preference shares	23	16,348,615	17,843,757
Deferred income tax liabilities	22	175,180	451,084
Interest payable		1,602,491	1,385,823
Income tax payable		1,464,064	1,292,843
Other payables		4,046,375	3,178,736
Liabilities under acceptances, guarantees and letters of credit as per contra		213,042	317,731
		288,931,981	**262,711,983**
		320,036,257	**291,715,730**

The financial statements on page 175 to 284 were approved for issue by the Board of Directors on 5 June 2019 and signed on its behalf by:

Archibald Campbell — Chairman

Keith P. Duncan — Group Chief Executive Officer

The notes on pages 186 to 284 are an integral part of these financial statements

JMMB GROUP LIMITED
Consolidated Statement of Changes in Stockholders' Equity
Year ended 31 March 2019
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	Share Capital $'000	Retained Earnings Reserve $'000	Investment Revaluation Reserve $'000	Cumulative Translation Reserve $'000	Retained Earnings $'000	Total Attributable to Equity holders of the Parent $'000	Non-Controlling Interest $'000	Total $'000
Balances at 31 March 2017		**1,864,554**	**9,605,055**	**2,202,115**	**312,246**	**11,922,100**	**25,906,070**	**888,629**	**26,794,699**
Total comprehensive income for 2018									
Profit for the year		-	-	-	-	3,555,260	3,555,260	49,144	3,604,404
Other comprehensive loss:									
Unrealised losses on available-for-sale securities, net of tax		-	-	(449,305)	-	-	(449,305)	211,673	(237,632)
Foreign exchange differences on translation of foreign subsidiaries' balances		-	-	-	(399,393)	-	(399,393)	(57,193)	(456,586)
Total other comprehensive loss		-	-	(449,305)	(399,393)	-	(848,698)	154,480	(694,218)
Total comprehensive income		-	-	(449,305)	(399,393)	3,555,260	2,706,562	203,624	2,910,186
Transactions with owners of the company:									
Dividends paid to ordinary stockholders	12	-	-	-	-	(701,138)	(701,138)	-	(701,138)
Balances at 31 March 2018		**1,864,554**	**9,605,055**	**1,752,810**	**(87,147)**	**14,776,222**	**27,911,494**	**1,092,253**	**29,003,747**
Adjustment on initial application of IFRS 9	4(a)	**-**	**-**	**391,819**	**-**	**(832,474)**	**(440,655)**	**8,418**	**(432,237)**
Adjusted balances as at 1 April 2018		**1,864,554**	**9,605,055**	**2,144,629**	**(87,147)**	**13,943,748**	**27,470,839**	**1,100,671**	**28,571,510**
Total comprehensive income for 2019									
Profit for the year		-	-	-	-	3,820,119	3,820,119	48,287	3,868,406
Other comprehensive income:									
Unrealised losses on investment securities at FVOCI, net of tax		-	-	(30,482)	-	-	(30,482)	(131,657)	(162,139)
Foreign exchange differences on translation of foreign subsidiaries' balances		-	-	-	(411,867)	-	(411,867)	21,031	(390,836)
Total other comprehensive loss		-	-	(30,482)	(411,867)	-	(442,349)	(110,626)	(552,975)
Total comprehensive income		-	-	(30,482)	(411,867)	3,820,119	3,377,770	(62,339)	3,315,431
Transactions with owners of the company:									
Dividends paid to ordinary stockholders	12	-	-	-	-	(782,665)	(782,665)	-	(782,665)
Balances at 31 March 2019		**1,864,554**	**9,605,055**	**2,114,147**	**(499,014)**	**16,981,202**	**30,065,944**	**1,038,332**	**31,104,276**

The notes on pages 186 to 284 are an integral part of these financial statements

Consolidated statement of Cash Flows
Year ended 31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2019 $'000	2018 $'000
Cash Flows from Operating Activities			
Profit for the year		3,868,406	3,604,404
Adjustments for:			
Interest income	6	(17,583,697)	(15,879,081)
Interest expense	6	8,745,236	8,138,561
Income tax charge	10	1,002,143	748,585
Impairment loss on financial assets	9	278,615	342,645
Amortisation of intangible assets	20	242,857	193,038
Depreciation of property, plant and equipment	21	417,195	393,675
Gain on sale of property, plant and equipment		(2,210)	(686)
Dividend income		(54,851)	(23,677)
Unrealised gains on trading securities		(130,179)	(56,690)
Foreign currency translation (gain)/loss		(104,661)	109,246
		(3,321,146)	(2,429,980)
Changes in operating assets and liabilities:			
Income tax recoverable, net		761,170	252,451
Loans and notes receivable		(12,914,319)	(8,691,273)
Other receivables		(3,263,781)	(510,090)
Securities purchased under agreements to resell		1,120,001	(204,995)
Customer deposits		11,782,213	3,077,549
Due to other financial institutions		(157,060)	(70,365)
Other payables		867,639	731,946
Securities sold under agreements to repurchase		5,740,602	1,519,694
		615,319	(6,325,063)
Interest received		17,279,622	15,391,522
Interest paid		(8,528,568)	(7,911,518)
Taxation paid		(1,402,557)	(512,578)
Net cash provided by operating activities (Page 181)		**7,963,816**	**642,363**

The notes on pages 186 to 284 are an integral part of these financial statements

	Notes	2019 $'000	2018 $'000
Cash Flows from Operating Activities (Page 180)		**7,963,816**	**642,363**
Cash Flows from Investing Activities			
Investment securities, net		(11,192,454)	(24,087,626)
Dividend received		54,851	23,677
Investment properties, net		-	(16,484)
Purchase of intangible assets	20	(395,905)	(305,909)
Purchase of property, plant and equipment	21	(483,363)	(583,446)
Proceeds from disposal of property, plant and equipment		2,210	4,788
Net cash used in investing activities		**(12,014,661)**	**(24,965,000)**
Cash Flows from Financing Activities			
(Redemption)/issue of redeemable preference shares, net	23	(1,495,142)	9,209,334
Notes payable		9,474,450	23,036,400
Dividends paid to ordinary shockholders	12	(782,665)	(701,138)
Net cash provided by financing activities		**7,196,643**	**31,544,596**
Effect of exchange rate changes on cash and cash equivalents		(256,675)	(279,839)
Net increase in cash and cash equivalents		2,889,123	6,942,120
Cash and cash equivalents at beginning of year		27,837,273	20,895,153
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	**30,726,396**	**27,837,273**

The notes on pages 186 to 284 are an integral part of these financial statements

JMMB GROUP LIMITED

Company Statement of Profit or Loss Account and Other Comprehensive Income

Year ended 31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2019 $'000	2018 $'000
Net Interest Income and Other Revenue			
Dividends	27(ii)	906,033	1,252,100
Foreign exchange (losses)/gains		(306,697)	66,371
		599,336	1,318,471
Operating Expenses	8	(129,862)	(116,069)
		469,474	1,202,402
Interest income	6	1,281,822	455,554
Interest expense	6	(1,289,331)	(500,548)
Impairment loss on financial asset	9	(139,546)	-
Profit before Taxation		322,419	1,157,408
Taxation	10	(192)	(60)
Profit for the year, being total other comprehensive income		**322,227**	**1,157,348**

The notes on pages 186 to 284 are an integral part of these financial statements

JMMB GROUP LIMITED

Company Statement of Financial Position

31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2019 $'000	2018 $'000
ASSETS			
Cash and cash equivalents	13	17,046	1,090
Interest receivable		218,538	106,507
Income tax recoverable		112,767	34,060
Loans and notes receivable	14,27(i)	22,148,784	5,821,425
Other receivables	15	224,275	36,333
Securities purchased under agreements to resell	16	941,084	9,484,200
Investment securities	17	19,556	19,556
Due from subsidiary	27(i)	-	758,212
Interest in subsidiaries	18	11,776,407	10,297,644
Property, plant and equipment	21	313	313
		35,458,770	**26,559,340**
STOCKHOLDERS' EQUITY			
Share capital	23	1,864,554	1,864,554
Retained earnings		6,548	596,610
		1,871,102	**2,461,164**
LIABILITIES			
Notes payable		8,277,541	-
Redeemable preference shares	23	16,348,615	16,374,398
Interest payable		182,802	115,054
Due to subsidiary	27(i)	8,768,350	7,586,011
Other payables		10,360	22,713
		33,587,668	**24,098,176**
		35,458,770	**26,559,340**

The financial statements on page 175 to 284 were approved for issue by the Board of Directors on 5 June 2019 and signed on its behalf by:

Archibald Campbell — Chairman

Keith P. Duncan — Group Chief Executive Officer

The notes on pages 186 to 284 are an integral part of these financial statements

JMMB GROUP LIMITED

Company Statement of Changes in Stockholders' Equity
Year ended 31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	Share Capital $'000	Retained Earnings $'000	Total $'000
Balances at 31 March 2017		**1,864,554**	**140,400**	**2,004,954**
Profit, being total comprehensive income for the year		-	1,157,348	1,157,348
Transaction with owners of the company:				
Dividends paid to ordinary stockholders	12	-	(701,138)	(701,138)
Balances at 31 March 2018		**1,864,554**	**596,610**	**2,461,164**
Adjustment on initial application of IFRS 9	4(a)	-	(129,624)	(129,624)
Adjusted balances at 1 April 2018		**1,864,554**	**466,986**	**2,331,540**
Profit, being total comprehensive income for the year		-	322,227	322,227
Transaction with owners of the company:				
Dividends paid to ordinary stockholders	12	-	(782,665)	(782,665)
Balances at 31 March 2019		**1,864,554**	**6,548**	**1,871,102**

The notes on pages 186 to 284 are an integral part of these financial statements

Company Statement of Cash Flows
Year ended 31 March 2019
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2019 $'000	2018 $'000
Cash Flows from Operating Activities			
Profit for the year		322,227	1,157,348
Adjustments for:			
Interest income	6	(1,281,822)	(455,554)
Interest expense	6	1,289,331	500,548
Impairment loss on financial assets	9	139,546	-
Dividend income	27(ii)	(906,033)	(1,252,100)
		(436,751)	(49,758)
Changes in operating assets and liabilities:			
Income tax recoverable, net		(78,707)	(2,767)
Loans and notes receivable		(16,862,649)	112,920
Other receivables		(187,942)	(22,373)
Other payables		(12,353)	19,559
Securities purchased under agreements to resell		8,809,236	(9,140,788)
Due from subsidiary		(94,826)	(530,835)
Due to subsidiaries		556,614	715,727
		(8,307,378)	(8,898,315)
Interest received		1,169,791	423,004
Interest paid		(1,221,583)	(463,203)
Net cash used in operating activities		**(8,359,170)**	**(8,938,514)**
Cash Flows from Investing Activities			
Dividends received		906,033	1,252,100
Investment securities, net		-	900,000
Investment in subsidiaries		-	(1,517,936)
Net cash provided by investing activities		**906,033**	**634,164**
Cash Flows from Financing Activities			
Note payables		8,277,541	-
Redeemable preference shares, net	23	(25,783)	9,005,936
Dividends paid	12	(782,665)	(701,138)
Net cash provided by financing activities		**7,469,093**	**8,304,798**
Net increase in cash and cash equivalents		15,956	448
Cash and cash equivalents at beginning of year		1,090	642
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	**17,046**	**1,090**

The notes on pages 186 to 284 are an integral part of these financial statements

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

(a) JMMB Group Limited (the "Company") is incorporated and domiciled in Jamaica. The registered office of the Company is located at 6 Haughton Terrace, Kingston 10, Jamaica. The principal activity of the Company is that of holding equity investments in business enterprises.

(b) JMMB Group Limited has interest in several subsidiaries which are listed below. The Company and its subsidiaries are collectively referred to as "the Group".

Name of Subsidiary	% Shareholding Held by Parent/Subsidiary		Country of Incorporation	Principal Activities
	Parent	Subsidiary		
Jamaica Money Market Brokers Limited and its subsidiaries	100		Jamaica	Securities brokering
JMMB Securities Limited		100	Jamaica	Stock brokering
JMMB Insurance Brokers Limited		100	Jamaica	Insurance brokering
JMMB Real Estate Holdings Limited		100	Jamaica	Real estate holding
Capital & Credit Securities Limited		100	Jamaica	Investment holding and management
JMMB Fund Managers Limited		99.8	Jamaica	Fund management
JMMB International Limited		100	St. Lucia	Investment holding and management
JMMB Bank (Jamaica) Limited	100		Jamaica	Commercial banking
JMMB Money Transfer Limited	100		Jamaica	Funds transfer
Jamaica Money Market Brokers (Trinidad and Tobago) Limited and its subsidiaries	100		Trinidad and Tobago	Financial holding company
JMMB Investments (Trinidad and Tobago) Limited and its subsidiary		100	Trinidad and Tobago	Securities brokering
JMMB Securities (T&T) Limited		100	Trinidad and Tobago	Stock brokering
JMMB Bank (T&T) Limited and its subsidiary		100	Trinidad and Tobago	Commercial banking
JMMB Express Finance (T&T) and its subsidiary Limited, formerly Intercommercial Trust and Merchant Bank Limited		100	Trinidad and Tobago	Merchant banking and consumer financing
JMMB Holding Company, SRL and its subsidiaries	100		Dominican Republic	Investment holding and management
JMMB Puesto de Bolsa,S.A.		80	Dominican Republic	Securities brokering
JMMB Sociedad Administradora de Fondos de Inversion, S.A.		70	Dominican Republic	Mutual fund administration
Banco Rio De Ahorro Y Credito JMMB Bank S.A		90	Dominican Republic	Savings and loans bank
AFP JMMB BDI S.A.		50	Dominican Republic	Pension funds administration services

During the year, Jamaica Money Market Brokers Limited transferred ownership of JMMB Holding Company, SRL to the Company. During the previous financial year, Jamaica Money Market Brokers Limited also transferred ownership of Jamaica Money Market Brokers (Trinidad and Tobago) Limited and its subsidiaries to the Company. Both transfers were made at book value.

2. Statement of Compliance and Basis of Preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

This is the first set of the Group's financial statements in which IFRS 9, *Financial Instruments* and IFRS 15, *Revenue from Contracts with Customers* have been applied. Changes to significant accounting policies are described in note 4.

Details of the Group's accounting policies are included in note 34.

(b) Basis of preparation:

The financial statements are prepared on the historical cost basis, except for certain financial instruments and investment properties which are measured 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 expressed in thousands of dollars unless otherwise stated.

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

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.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 3.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities in the next financial year and judgements that have a significant effect on the amounts recognised in the financial statements, include the following:

(a) Key sources of estimation uncertainty

(i) Impairment of financial assets

Policy applicable under IFRS 9 from 1 April 2018

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and fair value through other comprehensive income (FVOCI) is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in notes 29(b) and 34(b), which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are required in applying the accounting requirements for measuring expected credit loss (ECL), such as:

- Determining criteria for significant increases in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in notes 29(b) and 34(b).

Policy applicable under IAS 39 prior to 1 April 2018

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 there may be a measurable decrease in the estimated future cash flows from investments, loans, notes receivable and other financial assets, for example, repayment default and adverse economic conditions. The specific component of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes assumptions about a counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit and Market Risk functions.

(ii) Fair value of financial instruments

There are no quoted market prices for a significant portion of the Group's financial assets and liabilities. Accordingly, fair values of several financial assets are estimated using prices obtained from a yield curve. The yield curve is, in turn, obtained from a pricing source which uses indicative prices submitted to it by licensed banks and other financial institutions in Jamaica. There is significant uncertainty inherent in this approach. The fair values determined in this way are classified as Level 2 fair values.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(a) Key sources of estimation uncertainty (continued)

(ii) Fair value of financial instruments (continued)

Some other fair values are estimated based on quotes published by broker/dealers, and these are also classified as Level 2. The estimates of fair value arrived at from these sources may be significantly different from the actual price of the instrument in an actual arm's length transaction (see notes 17 and 30).

(iii) Impairment of intangible assets

Impairment of intangible assets with indefinite useful lives is dependent upon management's internal assessment of future cash flows from the intangibles. That internal assessment determines the amount recoverable from future use of these assets. The estimate of the amount recoverable from future use of these assets is sensitive to the discount rates and other assumptions used (note 20).

(b) Critical accounting judgements in applying the Group's accounting policies

The Group's accounting policies which require the use of judgements in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements include the following:

Policy applicable under IFRS 9 from 1 April 2018

(1) Classification of financial assets:

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding requires management to make certain judgements on its business operations.

(2) Impairment of financial assets:

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit losses (ECL) and selection and approval of models used to measure ECL requires significant judgement.

Policy applicable before 1 April 2018

Classification of financial assets:

- In classifying financial assets or liabilities as "trading'', the Group has determined that they meet the description of trading assets and liabilities set out in accounting policy 34(b).

- In designating financial assets and liabilities at fair value through profit or loss, the Group has determined that they have met the criteria for this designation set out in accounting policy 34(b).

4. Changes in Significant Accounting Policies

The Group applied IFRS 9 and IFRS 15 from 1 April 2018. A number of other new standards are also effective from 1 April 2018, but they do not have a material effect on the Group's financial statements.

The adoption of IFRS 15 did not impact the timing or amount of fee and commission income from contracts with customers and the related assets and liabilities recognised by the Group.

The effect of initially applying these standards is mainly attributed to the following:

- an increase in impairment losses recognised on financial assets;
- reclassification of fair value measurement of certain investment securities;
- additional disclosures related to IFRS 15 [see note 34(i)(ii)]; and
- additional disclosures related to IFRS 9 [see notes 17 and 29(b)].

IFRS 9 *Financial Instruments*

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

As permitted by the transitional provisions of IFRS 9, the Group elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves of the current period.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of the business model within which a financial asset is held;
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL; and
- The designation of certain investments in equity instruments not held for trading as at FVOCI.

As a result of the adoption of IFRS 9, the Group has adopted consequential amendments to IAS 1 *Presentation of Financial Statements*, which require separate presentation in the statement of profit or loss and other comprehensive income (OCI) of interest revenue calculated using the effective interest method.

Additionally, the Group has adopted consequential amendments to IFRS 7 *Financial Instruments: Disclosures,* that are applied to disclosures about 2018, but have not been applied to the comparative information.

Further details of the specific IFRS 9 accounting policies applied in the current period (as well as the previous IAS 39 accounting policies applied in the comparative period) are described in more detail in note 34(b).

4. Changes in Significant Accounting Policies (Continued)

IFRS 9 *Financial Instruments (continued)*

(a) The impact, net of tax, of transition to IFRS 9 on the opening retained earnings, investment revaluation reserve and non-controlling interest is as follows:

Retained earnings:

	The Group	The Company
	$'000	**$'000**
Balance as at 31 March 2018	**14,776,222**	**596,610**
Reclassification of investment at FVOCI to FVTPL	64,897	-
Recognition of expected credit losses under IFRS 9:		
Loans and notes receivables	(362,338)	(102,112)
Securities purchased under agreements to resell	-	(27,512)
Investments	(624,112)	-
Other financial assets	(2,683)	-
Related deferred tax	91,762	-
	(832,474)	(129,624)
Opening balance under IFRS 9 as at 1 April 2018	**13,943,748**	**466,986**

Investment revaluation reserves:

	The Group
	$'000
Balance as at 31 March 2018 under IAS 39	1,752,810
Reclassification of investments at FVOCI to FVTP	(64,897)
Recognition of expected credit losses:	
Investments at FVOCI	576,960
Related deferred tax	(120,244)
	391,819
Opening balance under IFRS 9 at 1 April 2018	**2,144,629**

Non-controlling interest:

	The Group
	$'000
Balance as at 31 March 2018	1,092,253
Recognition of expected credit loss under IFRS 9	8,418
Opening balance under IFRS 9 at 1 April 2018	**1,100,671**

4. Changes in Significant Accounting Policies (Continued)

IFRS 9 *Financial Instruments (continued)*

(b) Classification and measurement of financial instruments

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The standard eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities as IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

For an explanation on how the Group classifies and measures financial instruments under IFRS 9, see note 34(b).

The following table and the accompanying notes explain the original measurement categories under IAS 39 and the new measurement categories and amounts under IFRS 9 for each class of the Group's financial assets and financial liabilities as at 1 April 2018.

4. Changes in Significant Accounting Policies (Continued)

IFRS 9 *Financial Instruments (continued)*

(b) Classification and measurement of financial instruments (continued)

		The Group				
	Note	Original classification under IAS 39	New classification under IFRS 9	IAS 39 Carrying amount at 31 March 2018 $'000	Impairment losses $'000	IFRS 9 carrying amount at 1 April 2018 $'000
Financial assets						
Cash and cash equivalents		Loans and receivables	Amortised cost	27,837,273	-	27,837,273
Interest receivable		Loans and receivables	Amortised cost	3,429,115	-	3,429,115
Loans and notes receivable		Loans and receivables	Amortised cost	55,625,743	(362,338)	55,263,405
Other receivables		Loans and receivables	Amortised cost	2,055,252	(2,683)	2,052,569
Securities purchased under resale agreements		Loans and receivables	Amortised cost	1,120,001	-	1,120,001
Investments – debt securities		Loans and receivables	Amortised cost	13,954,698	(47,480)	13,907,218
Investments – debt securities		Available-for-sale	FVOCI	176,708,971	-	176,708,971
Investments –equity securities		Available-for-sale	FVOCI	1,036,332	-	1,036,332
Investments –equity securities		Available-for-sale	FVOCI	38,435	-	38,435
Units in unit trust funds	(i)	Available-for-sale	FVTPL	286,429	-	286,429
Money market funds		Available-for-sale	FVTPL	944,003	-	944,003
Investments – debt securities	(ii)	Held-to-maturity	FVOCI	368,732	-	368,732
Investments – debt securities		FVTPL	FVTPL	1,337,123	-	1,337,123
Investments –equity securities		FVTPL	FVTPL	231,145	-	231,145
Total financial assets				**284,973,252**	**(412,501)**	**284,560,751**
Financial liabilities						
Customer deposits		Amortised cost	Amortised cost	52,165,066	-	52,165,066
Security sold under agreement to purchase		Amortised cost	Amortised cost	158,167,289	-	158,167,289
Due to other financial institutions		Amortised cost	Amortised cost	347,948	-	347,948
Redeemable preference shares		Amortised cost	Amortised cost	17,843,757	-	17,843,757
Interest payable		Amortised cost	Amortised cost	1,385,823	-	1,385,823
Notes payable		Amortised cost	Amortised cost	27,561,706	-	27,561,706
Other payables		Amortised cost	Amortised cost	3,178,736	-	3,178,736
Liabilities under acceptances, guarantees and letters of credits		Amortised cost	Amortised cost	317,731	-	317,731
Total financial liabilities				**260,968,056**	**-**	**260,968,056**

4. Changes in Accounting Policies (Continued)

IFRS 9 Financial Instruments (continued)

(b) Classification and measurement of financial instruments (continued)

			The Company		
	Original classification under IAS 39	**New classification under IFRS 9**	**IAS 39 Carrying amount at 31 March 2018 $'000**	**Impairment losses $'000**	**IFRS 9 Carrying amount at 1 April 2018 $'000**
Financial assets	Loans and receivables				
Cash and cash equivalents	Loans and receivables	Amortised cost	1,090	-	1,090
Interest receivable	Loans and receivables	Amortised cost	106,507	-	106,507
Loans and notes receivables	Loans and receivables	Amortised cost	5,821,425	(102,112)	5,719,313
Other receivables	Loans and receivables	Amortised cost	36,333	-	36,333
Securities purchased under agreements to resell	Loans and receivables	Amortised cost	9,484,200	(27,512)	9,456,688
Investment – certificate of deposits	Loans and receivables	Amortised cost	648	-	648
Investments - other	Available-for-sale	FVOCI	18,908	-	18,908
Due from subsidiaries	Loans and receivables	Amortised cost	758,212	-	758,212
Total financial assets			**16,227,323**	**(129,624)**	**16,097,699**
Financial liabilities					
Redeemable preference shares	Amortised cost	Amortised cost	16,374,398	-	16,374,398
Interest payable	Amortised cost	Amortised cost	115,054	-	115,054
Due to subsidiary			7,586,011	-	7,586,011
Other payables	Amortised cost	Amortised cost	22,713	-	22,713
Total financial liabilities			**24,098,176**	-	**24,098,176**

(i) Under IAS 39, the Group's investment in unit trusts were designated as FVTPL because they were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as mandatorily measured at FVTPL under IFRS 9.

(ii) Certain Government of Jamaica securities were classified as held-to-maturity under IAS 39. Based on the Group's assessment of its business model, it has determined that these securities are held within an overall portfolio to collect the contractual cash flows as well as to sell. These securities have therefore been reclassified to fair value through other comprehensive income (FVOCI) under IFRS 9.

4. Changes in Accounting Policies (Continued)

IFRS 9 *Financial Instruments* (continued)

(c) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

Transition

The Group has determined that application of IFRS 9's impairment requirements at 1 April 2018 results in an additional allowance for impairment as follows:

	The Group	The Company
	$'000	$'000
Loss allowance at 31 March 2018 under IAS 39	1,683,604	-
Impairment recognised at 1 April 2018 on:		
Investment securities	49,109	-
Loans and notes receivables	362,338	102,112
Securities purchased under agreement to resell	-	27,512
Other receivables	2,683	-
Loss allowance at 1 April 2018 under IFRS 9	2,097,734	129,624

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations.

The Group applied IFRS 15 on 1 April 2018 retrospectively in accordance with IAS 8 without any practical expedients. The timing or amount of the Group's fee and commission income from contracts with customers was not impacted by the adoption of IFRS 15. The impact was limited to the new disclosure requirements [see note 34(i)(ii)].

5. Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group's activities are organised into three main business segments:

(i) Financial and related services which include securities brokering, stock brokering, portfolio planning, funds management and investment advisory services.

(ii) Banking and related services which include taking deposits, granting loans and other credit facilities, foreign currency trading and remittance and related services.

(iii) Other represents insurance brokering, investment and real estate holding.

	The Group				
	2019				
	Financial & Related Services	Banking & Related Services	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	17,829,152	8,864,792	187,488	-	26,881,432
Inter-segment revenue	1,860,662	67,205	-	(1,927,867)	-
Total segment revenue	19,689,814	8,931,997	187,488	(1,927,867)	26,881,432
Segment results	3,146,495	1,964,770	35,689	-	5,146,954
Impairment loss on financial assets	(278,615)	-	-	-	(278,615)
Gain on disposal of property plant and equipment	2,210	-	-	-	2,210
Profit before tax	2,870,090	1,964,770	35,689	-	4,870,549
Taxation					(1,002,143)
Profit for the year					3,868,406
Total segment assets	290,101,882	107,566,733	1,633,943	(79,266,301)	320,036,257
Total segment liabilities	260,553,825	94,105,957	1,571,582	(67,299,383)	288,931,981
Interest income	11,592,016	5,985,539	6,142	-	17,583,697
Interest expense	6,847,633	1,897,603	-	-	8,745,236
Operating expenses	7,934,697	4,896,049	158,496	-	12,989,242
Depreciation and amortisation	413,365	235,368	11,319	-	660,052
Capital expenditure	466,904	345,259	67,105	-	879,268

5. Segment Reporting (Continued)

	The Group				
	2018				
	Financial & Related Services	Banking & Related Services	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	17,139,431	6,784,443	149,919	-	24,073,793
Inter-segment revenue	1,116,401	50,496	-	(1,166,897)	-
Total segment revenue	18,255,832	6,834,939	149,919	(1,166,897)	24,073,793
Segment results	3,459,991	1,038,586	(2,293)	-	4,496,284
Impairment loss on financial asset					(143,981)
Gain on disposal of property plant and equipment					686
Profit before tax					4,352,989
Taxation					(748,585)
Profit for the year					3,604,404
Total segment assets	259,306,390	88,644,730	1,553,156	(57,788,546)	291,715,730
Total segment liabilities	231,315,422	75,735,726	1,507,620	(45,846,785)	262,711,983
Interest income	10,717,493	5,155,311	6,277	-	15,879,081
Interest expense	6,419,995	1,718,566	-	-	8,138,561
Operating expenses	7,199,321	3,888,692	152,271	-	11,240,284
Depreciation and amortisation	387,579	187,259	11,875	-	586,713
Capital expenditure	563,204	294,329	48,306	-	905,839

6. Net Interest Income/(Expense)

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Interest income, calculated using the effective interest method				
Cash and cash equivalents	52,222	60,828	-	10
Loans and notes receivable	5,507,218	4,649,552	952,446	368,078
Resale agreements	40,887	81,833	329,376	73,571
Investment securities	11,983,370	11,086,868	-	13,895
Total interest income	**17,583,697**	**15,879,081**	**1,281,822**	**455,554**
Interest expense				
Repurchase agreements	5,177,315	5,854,204	-	-
Notes payable	1,229,144	544,540	272,742	-
Customer deposits	1,171,182	1,170,479	-	-
Redeemable preference shares	1,167,595	569,338	1,016,589	500,548
Total interest expense	**8,745,236**	**8,138,561**	**1,289,331**	**500,548**
Net interest income/(expense)	**8,838,461**	**7,740,520**	**(7,509)**	**(44,994)**

7. Staff Costs

	The Group	
	2019	2018
	$'000	$'000
Salaries and benefits, including profit-related pay	5,580,652	4,737,246
Statutory payroll contributions	445,104	406,630
Pension costs (note 31)	228,492	198,856
Training and development	150,343	121,560
Other staff benefits	722,381	557,505
	7,126,972	**6,021,797**

8. Other Expenses

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Marketing, corporate affairs and donations	547,849	541,797	44,573	55,293
Depreciation and amortisation	660,052	586,713	-	-
Directors' fees	100,323	95,166	38,966	35,385
Irrecoverable – GCT	339,762	279,109	-	-
Insurance	152,452	172,146	-	-
Auditors' remuneration	126,519	94,757	6,937	5,680
Asset tax	476,121	430,079	-	-
Information technology	606,606	577,460	-	-
Legal and professional fees	911,904	774,186	28,050	12,233
Repairs and maintenance	192,079	187,359	-	-
Travel and entertainment	89,847	117,792	5,492	1,670
Office rental	370,920	348,581	-	-
Security	190,064	178,956	5,489	2,727
Stationery, printing and postage	122,418	122,008	-	-
Utilities	258,932	238,772	-	-
Bank charges	334,864	173,217	322	186
Other	381,558	300,389	33	2,895
	5,862,270	**5,218,487**	**129,862**	**116,069**

9. Impairment Losses on Financial Assets

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Charged/(credited) for the year on:				
Investment securities at amortised cost (note 17)	(7,516)	143,981	-	-
Investment securities at FVOCI	53,478	-	-	-
Loan and notes receivable (note 14)	230,456	198,664	165,533	-
Securities purchased under agreement to resell (note 16)	-	-	(25,987)	-
Other receivables (note 15)	2,197	-	-	-
	278,615	**342,645**	**139,546**	**-**

10. Taxation

(a) Income tax for the Company is computed at 25% on the profit for the year adjusted for tax purposes. Income taxes for all other subsidiaries are based on statutory income tax rates prevailing in each jurisdiction.

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Green fund and business levy	12,999	13,743	-	-
Current income tax	1,548,809	1,581,098	60	60
Prior year under provision	11,970	2,103	132	-
	1,573,778	1,596,944	192	60
Deferred income tax (note 22)				
Origination and reversal of temporary differences	(709,790)	(944,794)	-	-
Tax benefit of losses carried forward	138,155	96,435	-	-
	(571,635)	(848,359)	-	-
	1,002,143	**748,585**	**192**	**60**

10. Taxation (Continued)

(b) The tax on profit differs from the theoretical amount that would arise using the statutory rate of 25% as follows:

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Profit before taxation	4,870,549	4,352,989	322,419	1,157,408
Tax calculated at 25% (2018: 25%)	1,217,637	1,088,247	80,605	289,352
Adjusted for the effects of:				
Income not subject to tax	(864,162)	(667,487)	(80,413)	(289,292)
Disallowed expenses	690,930	460,079	-	-
Tax losses not recognised	4,866	4,827	-	-
Tax losses recovered	(78,210)	(167,203)	-	-
Effect of taxation under different tax regime	14,362	12,965	-	-
Deferred tax not recognised	(931)	-	-	-
Green fund and business levy	14,343	13,743	-	-
Other	(8,662)	1,311	-	-
Prior year under provision	11,970	2,103	-	-
	1,002,143	**748,585**	**192**	**60**

(c) At the reporting date, taxation losses, subject to agreement with the relevant Tax Authorities, available for set off against future taxable profits, amounted to approximately $2,880,734,000 (2018: $3,643,199,000) for the Group and $56,472,000 (2018: $92,811,000) for the Company.

11. Earnings per Stock Unit

Earning per stock unit ("EPS'') is computed by dividing the profit attributable to stockholders of the parent of $3,820,119,000 (2018: $3,555,260,000) by the weighted average number of ordinary stock units in issue during the year, numbering 1,630,552,532 (2018: 1,630,552,532).

12. Dividends paid to ordinary stockholders

	The Group and the Company	
	2019 $'000	2018 $'000
Final dividend in respect of 2017 @ 23.0 cents per stock unit	-	375,027
Interim dividend in respect of 2018 @ 20.0 cents per stock unit	-	326,111
Final dividend in respect of 2018 @ 27.0 cents per stock unit	440,249	-
Interim dividend in respect of 2019 @ 21.0 cents per stock unit	342,416	-
	782,665	**701,138**

13. Cash and Cash Equivalents

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Cash	24,312,765	15,136,789	-	-
Balances with Central Bank	4,602,038	10,318,918	-	-
Cash equivalents	1,811,593	2,381,566	17,046	1,090
	30,726,396	**27,837,273**	**17,046**	**1,090**

Cash equivalents of the Group include $1,663,917,000 (2018: $1,868,024,000) held by an investment broker as security for funding provided on certain investment securities, which is not available for immediate use. In addition, the Group also has a restricted amount of $7,859,000 (2018: $7,745,000) deposited at an interest rate of 0.5% (2018: 1%) under an agreement with a building society which co-ordinates and administers a home ownership assistance programme on behalf of the Group's Jamaican employees.

14. Loans and Notes Receivable

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Corporate	35,881,450	29,826,428	-	-
Financial institutions	444,248	1,182,298	22,416,429	5,821,425
Individuals	33,475,218	25,937,753	-	-
	69,800,916	56,946,479	22,416,429	5,821,425
Less: allowance for impairment	(1,853,648)	(1,320,736)	(267,645)	-
	67,947,268	**55,625,743**	**22,148,784**	**5,821,425**

Allowance for impairment:

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Balance at 31 March 2018	1,320,736	1,320,960	-	-
Adjustment on initial application of IFRS 9 (note 4)	362,338	-	102,112	-
Charge for year	283,934	286,673	165,533	-
Recoveries	(53,478)	(88,009)	-	-
Write-offs	(64,672)	(196,278)	-	-
Translation gains(losses)	4,790	(2,610)	-	-
Balance at 31 March 2019	**1,853,648**	**1,320,736**	**267,645**	**-**

14. Loans and Notes Receivable (Continued)

Notes receivable for the Company represents loan advances to subsidiaries repayable on 14 January 2024. Interest is payable monthly at a fixed rate of 6.0% and 7.5% per annum.

Notes receivable include the balance on an interest-free revolving advance of $807,037,000 (2018: $324,037,000) to the trustees of the Group's Employee Share Ownership Plan (ESOP), the repayment date for which has not been fixed. The number of stock units held by the ESOP at 31 March 2019 was 159,076,085 (2018: 149,776,832).

15. Other Receivables

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Receivable from related parties	2,421,937	-	-	-
Other receivables	2,338,613	1,452,462	224,275	36,333
Staff loans	560,201	604,509	-	-
	5,320,751	2,056,971	224,275	36,333
Less: allowance for impairment	(6,599)	(1,719)	-	-
	5,314,152	**2,055,252**	**224,275**	**36,333**

Allowance for impairment:

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Balance at 31 March 2018	1,719	899	-	-
Adjustment on initial application of IFRS 9 (note 4)	2,683	-	-	
Charge for year	2,197	820	-	-
Balance at 31 March 2019	6,599	1,719	-	-

16. Securities Purchased Under Agreements to Resell

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Denominated in Jamaica dollars	-	1,120,001	556,944	4,166,004
Denominated in United States dollars	-	-	385,665	5,318,196
	-	1,120,001	942,609	9,484,200
Less: allowance for impairment	-	-	(1,525)	-
	-	**1,120,001**	**941,084**	**9,484,200**

16. Securities Purchased Under Agreements to Resell (Continued)

Allowance for impairment:

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Balance at 31 March 2018	-	-	-	-
Adjustment on initial application of IFRS 9 (note 4)	-	-	27,512	-
Credit for year	-	-	(25,987)	-
Balance at 31 March 2019	-	-	1,525	-

Resale agreements include balances with related parties as set out in note 27. All resale agreements mature within twelve months after the reporting 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 25).

At the reporting date, the fair value of the securities obtained and held under resale agreements was $Nil (2018: $1,120,000,000) and $942,609,000 (2018: $9,484,000,000) for the Group and Company respectively.

17. Investment Securities

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Debt securities at amortised cost (2018: loans and receivables):				
Certificates of deposit	258,927	648	648	648
Government of Jamaica securities	7,939,660	11,062,317	-	-
Other sovereign bonds	250,207	239,312	-	-
Corporate:				
Government of Jamaica guaranteed	2,471,738	2,746,513	-	-
Other	-	145,497	-	-
	10,920,532	14,194,287	648	648
Debt securities at fair value through other comprehensive income (2018: available-for-sale securities):				
Government of Jamaica securities	98,693,970	101,977,287	-	-
Certificates of deposit	10,830,000	9,030,982	-	-
Government of Jamaica guaranteed	299,493	3,174,475	-	-
Corporate bonds	37,808,278	26,436,188	-	-
Other sovereign bonds	43,302,644	36,213,318	-	-
	190,934,385	176,832,250	-	-
Equity securities at fair value through other comprehensive income (2018: available-for-sale):				
Quoted securities	1,229,794	1,036,332	-	-
Other securities at fair value through other comprehensive income (2018: available-for-sale):				
Units in unit trusts	-	286,429	-	-
Money market funds	-	944,003	-	-
Other	22,465	38,435	18,908	18,908
	22,465	1,268,867	18,908	18,908
Debt securities designated at fair value through profit or loss:				
Corporate bonds	1,235,863	721,494	-	-
Other sovereign bonds	494	615,629	-	-
	1,236,357	1,337,123	-	-
Equity securities at fair value through profit and loss:				
Quoted securities	1,107,947	231,145	-	-
Other securities at fair value through profit and loss:				
Units in unit trusts	622,969	-	-	-
Money market funds	178,944	-	-	-
	801,913	-	-	-
Debt securities at hold to collect and sell (2018: held-to-maturity):				
Sovereign bonds	-	368,732	-	-
	206,253,393	195,268,736	19,556	19,556
Less: allowance for impairment losses for investments at amortised cost	(281,034)	(362,868)	-	-
	205,972,359	**194,905,868**	**19,556**	**19,556**

17. Investment Securities (Continued)

Allowance for impairment for investments at amortised cost:

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 31 March 2018	362,868	293,109	-	-
Adjustment on initial application of IFRS 9 (note 4)	49,109	-	-	-
Reclassification of allowance on securities reclassified on initial application of IFRS 9	(123,279)	-	-	-
(Credit)/charge for the year	(7,516)	143,981	-	-
Recoveries	(148)	(74,222)	-	-
Balance at 31 March 2019	**281,034**	**362,868**	**-**	**-**

Investments mature, from the reporting date, as follows:

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Government of Jamaica securities:				
Within 3 months	3,110,467	51,307	-	-
From 3 months to 1 year	3,679,396	2,269,491	-	-
From 1 year to 5 years	15,059,818	17,758,509	-	-
Over 5 years	84,756,439	92,960,297	-	-
	106,606,120	113,039,604	-	-
Certificates of deposit:				
Within 3 months	11,088,927	8,834,776	648	648
From 3 months to 1 year	-	176,275	-	-
From 1 year to 5 years	-	20,580	-	-
	11,088,927	9,031,631	648	648
Sovereign and corporate bonds:				
Within 3 months	2,572,610	2,402,539	-	-
From 3 months to 1 year	8,244,555	1,571,851	-	-
From 1 year to 5 years	21,302,954	20,920,514	-	-
Over 5 years	52,995,074	44,290,147	-	-
	85,115,193	69,185,051	-	-
Other [see (c) below]	3,162,119	3,649,582	18,908	18,908
	205,972,359	**194,905,868**	**19,556**	**19,556**

(a) Government of Jamaica securities and certain other bonds are pledged as security for repurchase agreements (note 25) and notes payable (note 26).

(b) Government of Jamaica securities having an aggregate face value of $620,000,000 (2018: $281,084,100) have been pledged as collateral against possible overdrafts at the Central Bank and against uncleared effects at one of the Company's bankers.

17. Investment Securities (Continued)

(c) Other includes quoted equities, unit trust holdings and interest in pooled money market fund, for which there are no fixed maturity dates.

18. Interest in Subsidiaries

	The Company	
	2019	**2018**
	$'000	**$'000**
Shares at cost:		
Jamaica Money Market Brokers Limited	1,864,054	1,864,054
JMMB Bank (Jamaica) Limited (formerly JMMB Merchant Bank Limited)	4,885,176	4,885,176
JMMB Money Transfer Limited	50,789	50,789
Jamaica Money Market Brokers (Trinidad and Tobago) Limited	3,497,625	3,497,625
JMMB Holding Company, SRL and its subsidiaries	1,478,763	-
	11,776,407	**10,297,644**

19. Investment Properties

The properties are measured at fair value, as appraised by professional, independent valuers every three years and in the intervening years by the directors. The valuation model considers the present value of the net cash flows that can be generated from the property, the condition of the buildings and their location (prime vs secondary), in addition to recent market transactions in the same proximity.

Investment properties generated revenue of $916,000 (2018: $526,000) and incurred expenses of $18,698,000 (2018: $16,089,000) for the year.

The fair value of the Group's investment properties is categorised as Level 3 in the fair value hierarchy as described in note 30.

The technique used to determine the fair value of the Group's investment properties is as follows.

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Market approach. This model takes into account: • The assumed intention to dispose of the property in an open market transaction • The assumed sale would take place on the basis of a willing seller and willing buyer; • A reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market; • Values are expected to remain stable throughout the period of market exposure and disposal (hypothetical); and • The property will be freely exposed to the market.	• Judgements about whether the property can be sold, exchanged, transferred, let, mortgaged or used for any other economic activity, within its use class. • The strength of demand for the property, given its condition, location and range of potential uses. • The potential rental value of the property in the current investment climate.	The estimated fair value would increase/(decrease) if: • The strength of the demand is greater/(less) than judged. • The potential rental income from the property is greater/ (less) than judged.

20. Intangible Assets

	The Group					
	Computer Software	Customer List and Core Deposits	Licence	Goodwill	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
31 March 2017	1,383,717	610,639	289,389	28,301	361,113	2,673,159
Additions	305,909	-	-	-	-	305,909
Reclassification	12,638	-	-	-	-	12,638
Exchange rate adjustment	(31,507)	(6,691)	(5,760)	-	(3,956)	(47,914)
31 March 2018	1,670,757	603,948	283,629	28,301	357,157	2,943,792
Additions	395,905	-	-	-	-	395,905
Exchange rate adjustment	(1,370)	1,732	(197)	969	1,266	2,400
31 March 2019	2,065,292	605,680	283,432	29,270	358,423	3,342,097
Accumulated Amortisation						
31 March 2017	642,938	240,484	-	-	273,237	1,156,659
Charge for the year	129,312	55,519	-	-	8,207	193,038
Exchange rate adjustment	(2,228)	(2,234)	-	-	(3,956)	(8,418)
31 March 2018	770,022	293,769	-	-	277,488	1,341,279
Charge for the year	181,805	61,033	-	-	19	242,857
Exchange rate adjustment	(1,088)	215	-	-	1,266	393
31 March 2019	950,739	355,017	-	-	278,773	1,584,529
Net Book Value						
31 March 2019	**1,114,553**	**250,663**	**283,432**	**29,270**	**79,650**	**1,757,568**
31 March 2018	**900,735**	**310,179**	**283,629**	**28,301**	**79,669**	**1,602,513**

20. Intangible Assets (Continued)

Impairment testing for intangible assets with indefinite useful lives

Licences recognised in JMMB (Trinidad & Tobago) Limited and JMMB Holding Company Limited, SRL

The recoverable amounts of the cash generating units (CGUs) in which the licences are included were based on value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGUs. The licences were valued using "with-and-without" (WOW) method which compares the present value of the cash flows "with the asset" in place to the present value of cash flows "without the asset."

The key assumptions used in the estimation of the recoverable amounts were as follows:

	2019	**2018**
Discount rate	14.5%,17.0%	14.5%,15.8%
Long-term growth rate	3%	3%
Time to obtain licence	3-4 years	3-5 years

The discount rates were post-tax measures determined based on rates used for similar assets in the relevant countries, business risks and other company specific risks.

The cash flow projections include specific estimates for ten and eleven years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compounded annual growth rates, consistent with assumptions that a market participant would make. The ten and eleven year cash flow projections are considered reflective of a stabilized level of earnings to estimate terminal value.

The estimated recoverable amounts of the CGUs were estimated to be higher than their recoverable amounts and no impairment was identified.

21. Property, Plant and Equipment

The Group

	Freehold Land and Buildings	Leasehold Improvement	Motor Vehicles	Computer Equipment	Equipment, Furniture and Fittings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
31 March 2017	**1,892,369**	**863,990**	**48,025**	**945,310**	**1,983,480**	**5,733,174**
Additions	154,193	17,436	17,867	159,108	234,842	583,446
Transfer	(3,500)	-	-	3,500	-	-
Reclassification	-	-	-	-	(12,638)	(12,638)
Disposals	-	(39,392)	(8,749)	(25,857)	(945)	(74,943)
Exchange rate adjustment	(1,715)	(27,758)	(706)	9,417	(44,931)	(65,693)
31 March 2018	**2,041,347**	**814,276**	**56,437**	**1,091,478**	**2,159,808**	**6,163,346**
Additions	177,698	32,490	16,404	94,231	162,540	483,363
Reclassification	(43,842)	3,232	-	-	40,610	-
Disposals	-	-	(4,397)	-	-	(4,397)
Exchange rate adjustment	546	(795)	(5,545)	519	5,743	468
31 March 2019	**2,175,749**	**849,203**	**62,899**	**1,186,228**	**2,368,701**	**6,642,780**
31 March 2017	**174,548**	**479,950**	**37,470**	**670,230**	**1,300,386**	**2,662,584**
Charge for the year	30,812	67,141	9,280	203,842	82,600	393,675
Disposals	-	(39,355)	(8,749)	(21,922)	(815)	(70,841)
Exchange rate adjustment	-	(11,475)	(500)	(55,679)	27,705	(39,949)
31 March 2018	**205,360**	**496,261**	**37,501**	**796,471**	**1,409,876**	**2,945,469**
Charge for the year	33,271	67,514	7,207	145,475	163,728	417,195
Disposals	-	-	(4,397)	-	-	(4,397)
Exchange rate adjustment	-	(2,611)	(233)	(1,236)	5,261	1,181
31 March 2019	**238,631**	**561,164**	**40,078**	**940,710**	**1,578,865**	**3,359,448**
Net Book Value						
31 March 2019	**1,937,118**	**288,039**	**22,821**	**245,518**	**789,836**	**3,283,332**
31 March 2018	**1,835,987**	**318,015**	**18,936**	**295,007**	**749,932**	**3,217,877**

21. Property, Plant and Equipment (Continued)

	The Company			
	Leasehold Improvements	Furniture, Fixtures and Equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000
Cost				
Acquired on group reorganisation and balance at 31 March 2017, 31 March 2018 and 31 March 2019	10,271	3,493	45	13,809
Depreciation				
Acquired on group reorganisation and balance at 31 March 2017, 31 March 2018 and 31 March 2019	9,958	3,493	45	13,496
Net Book Value				
Acquired on group reorganisation and balance at 31 March 2017, 31 March 2018 and 31 March 2019	**313**	**-**	**-**	**313**

22. Deferred Income Tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same fiscal authority on either the taxable entity or a different taxable entity where there is an intention to settle the balances on the net basis.

Deferred income tax is calculated in full on temporary differences under the liability method using the principal tax rate applicable to the jurisdictions in which the temporary differences arise.

Deferred tax assets and liabilities recognised on the statement of financial position are as follows:

	The Group	
	2019	2018
	$'000	$'000
Deferred income tax assets	360,893	115,130
Deferred income tax liabilities	(175,180)	(451,084)
Net deferred income tax assets/(liabilities)	**185,713**	**(335,954)**

22. Deferred Income Tax (Continued)

Deferred income tax assets and deferred income tax liabilities are due to the following items:

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Deferred income tax assets -				
Investments	910,738	1,028,219	-	-
Unrealised foreign exchange losses	-	1,916	-	-
Other payables	27,374	20,433	-	-
Property, plant and equipment	-	52,548	-	-
Interest payable	430,109	387,395	-	-
Tax losses carried forward	141,003	126,086	-	-
	1,509,224	1,616,597	-	-
Deferred income tax liabilities -				
Investments	-	1,344,843	-	-
Unrealised foreign exchange gains	810,606	12,694	-	-
Property, plant and equipment	24,824	485	-	-
Interest receivable	488,081	594,529	-	-
	1,323,511	1,952,551	-	-
Net deferred income tax assets/(liabilities)	**185,713**	**(335,954)**	**-**	**-**

The movement for the year in the net deferred tax is as follows:

	2019			
	The Group			
	Balance at Beginning of Year	Recognised in Income	Recognised in Other Comprehensive Income	Balance at End of Year
	$'000	$'000 (note 8)	$'000	$'000
Tax losses carried forward	126,086	14,917	-	141,003
Investments	(316,624)	1,277,330	(49,968)	910,738
Accounts payable	20,433	6,941	-	27,374
Property, plant and equipment	52,063	(76,887)	-	(24,824)
Interest payable	387,395	42,714	-	430,109
Unrealised foreign exchange loss	1,916	(1,916)	-	-
Unrealised foreign exchange gains	(12,694)	(797,912)	-	(810,606)
Interest receivable	(594,529)	106,448	-	(488,081)
	(335,954)	**571,635**	**(49,968)**	**185,713**

22. Deferred Income Tax (Continued)

	2018			
	The Group			
	Balance at Beginning of Year	Recognised in Income	Recognised in Other Comprehensive Income	Balance at End of Year
	$'000	$'000	$'000	$'000
		(note 8)		
Tax losses carried forward	222,521	(96,435)	-	126,086
Investments	430,911	(752,022)	4,487	(316,624)
Accounts payable	22,028	(1,595)	-	20,433
Property, plant and equipment	13,357	38,706	-	52,063
Interest payable	343,554	43,841	-	387,395
Unrealised foreign exchange loss	-	1,916	-	1,916
Unrealised foreign exchange gains	(1,669,934)	1,657,240	-	(12,694)
Interest receivable	(551,237)	(43,292)	-	(594,529)
	(1,188,800)	**848,359**	**4,487**	**(335,954)**

23. Share Capital

	2019 Number of Shares ('000)	2018 Number of Shares ('000)
Authorised ordinary stock units at no par value: unlimited		
Fixed rate cumulative redeemable preference shares of no par value	6,000,000	6,000,000

	2019 Number of Shares ('000)	2018 Number of Shares ('000)
Issued ordinary share capital:		
Ordinary stock units in issue at no par value	1,630,552	1,630,552

23. Share Capital (Continued)

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Stated capital:				
1,630,552,532 (2018: 1,630,552,532) ordinary stock units	1,864,554	1,864,554	1,864,554	1,864,554
715,482,000 7.50% cumulative redeemable preference stock units	-	1,430,964	-	-
15,358,000 7.25% cumulative redeemable preference stock units	-	38,395	-	-
9,434,000 7.25% cumulative redeemable preference stock units	14,151	14,151	14,151	14,151
1,827,548,000 7.50% cumulative redeemable preference stock units	1,827,548	1,827,548	1,827,548	1,827,548
213,500 5.75% cumulative redeemable preference stock units	40,038	40,134	40,038	40,134
42,783,500 US$ 6.00% cumulative redeemable preference stock units	5,348,793	5,361,628	5,348,793	5,361,628
32,177,000 7.00% cumulative redeemable preference stock units	64,354	64,354	64,354	64,354
1,848,937,000 7.25% cumulative redeemable preference stock units	3,697,874	3,697,874	3,697,874	3,697,874
155,000 US$ 5.50% cumulative redeemable preference stock units	38,756	38,849	38,756	38,849
21,265,000 US$ 5.75% cumulative redeemable preference stock units	5,317,101	5,329,860	5,317,101	5,329,860
	18,213,169	19,708,311	18,213,169	18,238,952
Less: redeemable preference stock units classified as liability	(16,348,615)	(17,843,757)	(16,348,615)	(16,374,398)
	1,864,554	**1,864,554**	**1,864,554**	**1,864,554**

23. Share Capital (Continued)

On August 2013, the Company issued 715,482,000 7.50% fixed rate cumulative redeemable preference shares and 15,358,000 7.25% fixed rate cumulative redeemable preference shares at a price of $2.00 and $2.50 per share, respectively, by public offering. The redeemable preference shares matured August 2018.

On 14 January 2016, the Company issued 9,434,000 and 1,827,548,000 7.25% and 7.50% variable rate cumulative redeemable preference shares and 213,500 and 42,783,500 5.75% and 6.00% fixed rate cumulative redeemable preference shares at a price of J$1.50, J$1.00, US$1.50 and US$1.00 per share, respectively, by public offering. The redeemable preference shares mature on 14 January 2024.

On 7 March 2018, the Company issued 32,177,000 and 1,848,937,000 7.00% and 7.25% JMD variable rate cumulative redeemable preference shares and 155,000 and 21,265,000 5.50% and 5.75% USD fixed rate cumulative redeemable preference shares at a price of J$2.00 and US$2.00 per share, respectively, by public offering. The redeemable preference shares mature 6 March 2025.

The significant terms and conditions of the preference stock units are as follows:

(i) The right to a cumulative preferential dividend payable monthly at the rate agreed for each class;

(ii) The right, on winding up, to receive all arrears of dividend and repayment of the capital in priority to the ordinary shareholders; and

(iii) No right to vote, except where dividends are not paid for twelve months or on winding up of the Company.

The rights attaching to the ordinary shares include the following:

(i) Entitlement of dividends as declared from time to time (note 12).

(ii) Entitlement to one vote per share at meetings of the Company.

24. Reserves

(a) Retained Earnings Reserve
In previous years, in accordance with a board resolution, a subsidiary transferred a portion of its profit after tax to a non-distributable retained earnings reserve. This reserve constitutes a part of the subsidiary's regulatory capital.

(b) Investment Revaluation Reserve
The investment revaluation reserve comprises the cumulative net change in the fair value of debt securities at fair value through other comprehensive income (2018: available-for-sale financial assets), impairment losses on such securities, net of deferred tax, until the assets are derecognised or impaired.

(c) Cumulative Translation Reserve
The cumulative translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

25. Securities Sold Under Agreements to Repurchase

	The Group	
	2019	2018
	$'000	$'000
Denominated in Jamaica dollars	52,123,498	48,859,585
Denominated in United States dollars	82,475,858	81,575,204
Denominated in Pound Sterling	2,498,943	3,101,671
Denominated in Euro	200,108	79,523
Denominated in Dominican Republic Peso	22,117,192	19,776,783
Denominated in Canadian dollars	415,461	417,674
Denominated in Trinidad and Tobago dollars	4,076,831	4,356,849
	163,907,891	**158,167,289**

Repurchase agreements are collateralised by certain securities and other instruments held by the Group with a carrying value of $182,706,790,000 (2018: $169,115,284,000) (notes 16 and 17).

26. Notes Payable

		The Group	
		2019	2018
		$'000	$'000
(i)	Senior Unsecured US$ Fixed Note	2,415,886	2,388,975
(ii)	Subordinated debt	1,868,000	1,852,000
(iii)	Subordinated debt	542,834	540,015
(iv)	Senior secured TT$ Fixed Note	2,096,083	1,109,348
(v)	Senior secured US$ Fixed Note	2,082,651	1,870,808
(vi)	Promissory Note US$ Note	1,000,160	1,002,560
(vii)	Promissory Note US$ Fixed Note	18,753,000	18,798,000
(viii)	Unsecured US$ Fixed Note	1,505,616	-
(ix)	Unsecured J$ Fixed Note	892,426	-
(x)	Unsecured J$ Fixed Note	5,879,500	-
		37,036,156	**27,561,706**

(i) The note is unsecured and bore interest at 7.75% per annum, with interest payable on a quarterly basis and a maturity date of 18 July 2019. The note was called during the year and reissued at an interest rate of 5.5% per annum, with interest payable on a quarterly basis. The new note matures on 15 June 2023.

(ii) This represents subordinated debts of TT$80M issued by a subsidiary for a term of eight (8) years, maturing on 28 March 2022, at a fixed rate of 4.5% per annum. This debt was increased to TT$100 million in February 2018 under the same terms.

(iii) This represents subordinated debt of US$4,151,000 issued by a subsidiary for a term of (5) years, maturing on 29 June 2020, at a fixed rate of 7.0% per annum.

26. Notes Payable (Continued)

(iv) This represents fixed rate debt issued in three tranches bearing interest at 3.00% to 3.35% per annum, payable on a semi-annual basis. The notes mature in November 2019, November 2020 and November 2021 and are secured by investment securities (note 17).

(v) This represents fixed rate US$ debt issued in two tranches bearing interest at 3.20% and 3.55% per annum, payable on a semi-annual basis. The notes mature in November 2019 and November 2020 and are secured by investment securities (note 17).

(vi) The amount above represents a short-term unsecured funding facility from Citibank N. A of US$8,000,000 at an interest rate of 3.97% for the period October 10, 2017 to April 6, 2018.

(vii) This note is unsecured and bears interest at 2.5% per annum, payable quarterly. The note matures on 30 April 2019.

(viii) This represents unsecured fixed rate J$ debt issued in three tranches bearing interest at 5.5%, 5.65% and 5.80% per annum, payable on a quarterly basis. The notes mature on 20 December 2019, 20 June 2020 and 21 December 2020 respectively.

(ix) This represents unsecured fixed rate J$ debt issued in three tranches bearing interest at 5.65%, 6.0% and 6.25% per annum, payable on a quarterly basis. The notes mature on 20 December 2019, 20 June 2020 and 21 December 2020, respectively.

(x) This represents unsecured fixed rate J$ debt bearing interest at 6.75% per annum, payable on a quarterly basis. The note matures on 27 July 2020.

27. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions or if both are subject to control or significant influence by the same party.

Related companies include subsidiaries and major shareholders. Related parties include directors, key management and companies for which the Group provides management services.

27. Related Party Transactions and Balances (Continued)

(i) The statement of financial position includes balances, arising in the normal course of business, with related parties, as follows:

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Directors-				
Loans and notes receivable	140,154	152,504	-	-
Interest payable	(279)	(279)	-	-
Customer deposits	(192,998)	(86,496)	-	-
Securities sold under agreements to repurchase	(72,431)	(37,582)	-	-
Major shareholders -				
Notes receivable	807,037	324,037	-	-
Subsidiaries -				
Securities purchased under agreements to resell	-	-	941,084	9,484,200
Loans and notes receivable	-	-	22,148,784	5,821,425
Other receivables	-	-	218,538	106,507
Due from subsidiary	-	-	-	758,212
Other payables	-	-	(8,768,350)	(7,586,011)
Managed funds -				
Accounts receivable	2,421,937	35,464	-	-
Customer deposits	(3,137,720)	(3,069,526)	-	-

27. Related Party Transactions and Balances (Continued)

(ii) The profit and loss account includes the following income earned from, and expenses incurred in, transactions with related parties, in the ordinary course of business:

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Directors:				
Interest income	14,590	9,671	-	-
Interest expense	(1,614)	(1,342)	-	-
Major shareholders:				
Interest income	-	127	-	-
Interest expense	-	(7,842)	-	-
Subsidiaries:				
Dividend income	-	-	906,033	1,252,100
Interest income	-	-	1,281,822	455,554
Managed funds:				
Gain on sale of securities	440,989	801,646	-	-
Fee income	759,351	-	-	-
Interest income	1,656	-	-	-
Interest expense	(478,903)	(410,979)	-	-

(iii) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Such persons comprise the directors and senior management of the Group. The compensation paid or payable to key management for employee services is as shown below:

	The Group	
	2019	2018
	$'000	$'000
Directors emoluments:		
Fees (note 8)	100,323	95,166
Management remuneration	65,137	59,814
Other key management compensation:		
Short-term employee benefits	524,287	423,224
Post-employment benefits	17,769	16,876
	707,516	595,080

28. Non-Controlling Interest

The following table summarises information relating to the Group's material non-controlling interest (NCI) in JMMB Puesto de Bolsa, S.A. before any intra-group eliminations.

(a) Statement of financial position:

	2019	2018
NCI percentage	20%	20%
	$'000	$'000
Total assets	32,323,353	29,564,742
Total liabilities	(28,873,049)	(25,674,654)
Net assets	3,450,304	3,890,088
Carrying amount of NCI	1,038,332	1,092,253

(b) Profit or loss account and other comprehensive income:

	2019	2018
Revenue	3,032,682	2,965,950
Profit	332,412	443,538
Other comprehensive income	51,996	737,053
Profit allocated to NCI, net	48,287	49,144
Other comprehensive income allocated to NCI	(62,339)	203,624

(c) Statement of cash flows:

	2019	2018
Cash flows from operating activities	2,948,745	5,477,154
Cash flows from investing activities	(3,750,294)	(5,515,621)
Cash flows from financing activities	996,000	(39,236)
Net increase/(decrease) in cash and cash equivalents	194,451	(77,703)

29. Financial Risk Management

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

(a) Introduction and overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Risk management framework

The risks are managed through an established risk management framework for the Group, which involves the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board has established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee

The Risk Management Committee is a Board Committee responsible for the supervision of the overall risk management functions of the Group. The committee decides the policies and strategy for integrated risk management of the various risk exposures of the Group.

(ii) Board Credit Committees

The respective Bank Board Credit Committees are responsible for approving all credit requests above a specified threshold and ensuring that all lending facilities conform to standards agreed by the Board and embodied in the Credit Risk Policy. The committees are ultimately responsible for determining the composition and management of the credit portfolios and have available a number of measures they can employ in this respect, including making specific and general allowances against actual or potential impairment. The committees are supported in their work by the Management Credit Committee.

29. Financial Risk Management (Continued)

(a) Introduction and overview (continued)

Risk management framework (continued)

(iii) Audit Committees

The Audit Committees monitor the quality of the Group's internal controls and compliance with regulatory requirements. The Audit Committee is assisted in its oversight role by the Internal Audit Function and the Risk and Compliance Unit. Internal Audit undertakes both regular and ad hoc reviews of the risk management controls and procedures, the results of which are reported quarterly to the Audit Committee.

The management of certain specific aspects of operational risk, such as fraud, is also within the purview of the Audit Committee.

(iv) Investment Committees

The Investment Committees are management committees responsible for the management of market risks. The committees monitor the composition of assets and liabilities, evaluate potential market risk involved in launching new products, review and articulate funding policy and decide optimal ways of managing the Group's liquidity.

(v) Asset and Liability Committees (ALCOs)

ALCOs are management committees that monitor and adjust the overall profile of assets and liabilities of the respective entities to increase the probability of achieving strategic business results within the context of Board approved risk appetite, relevant policies and applicable regulations.

(b) Credit risk

Credit risk is the risk of suffering financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. Credit risk arises mainly from, commercial and consumer loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as credit derivatives (credit default swaps), financial guarantees, letters of credit, endorsements and acceptances. The Group is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures') including non-equity trading portfolio assets and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements.

(i) Management of credit risk

Credit risk is a significant risk for the Group's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors and head of each business unit.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD).

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(i) Management of credit risk (continued)

Key financial assets are managed as follows:

(i) Loans and notes receivable (including commitments and guarantees)

The Group has established a credit quality review process involving regular analysis of the ability of borrowers and other counterparties to meet interest and capital repayment obligations.

Exposure to credit risk is managed in part by obtaining collateral and corporate and personal guarantees. Counterparty limits are established by the use of a credit classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risk to which it is exposed and to take corrective action.

The Group assesses the probability of default of individual counterparties using internal ratings. Clients of the Group are segmented into rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class.

Rating grades	Description of the grade
1	Excellent
2	Good credit
3	Average credit
4	Acceptable
5	Marginal
6	Substandard
7	Doubtful

Loans and notes receivable that are cash-secured are included in the credit classification as Risk Rated 1, based on the Group's rating grades.

(ii) Investments and resale agreements

The Group limits its exposure to credit risk by investing in liquid securities with counterparties that have high credit quality. As a consequence, management's expectation of default is low.

The Group has documented investment policies which facilitate the management of credit risk on investment securities and resale agreements. The Group's exposure and the credit ratings of its counterparties are continually monitored.

(iii) Cash and cash equivalents

Cash and cash equivalents are held in financial institutions which management regards as strong and there is no significant concentration. The strength of these financial institutions is continually reviewed by the Risk Management Committee.

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis

The following table sets out information about the credit risk and the credit quality of financial assets measured at amortised cost and debt instruments measured a fair value through other comprehensive income (FVOCI) (2018: available-for-sale debt assets). Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments, the amounts in the table represent the amounts committed.

Loans and notes receivable at amortised cost (note 14):

	The Group				
	2019				2018
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000	$'000
Credit grade					
Standard monitoring	60,317,484	776,092	-	61,093,576	48,686,994
Special monitoring	-	4,944,353	-	4,944,353	3,543,213
Default	-	-	3,762,987	3,762,987	4,716,272
	60,317,484	5,720,445	3,762,987	69,800,916	56,946,479
Loss allowance	(363,825)	(214,889)	(1,274,934)	(1,853,648)	(1,320,736)
	59,953,659	5,505,556	2,488,053	67,947,268	55,625,743

	The Group				
	2019				2018
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000	$'000
Ageing of loans and notes receivable					
Neither past due nor impaired	55,202,926	2,478,045	-	57,680,971	44,359,338
Past due 1-30 days	5,114,558	500,582	-	5,615,140	5,365,358
Past due 31-60	-	2,191,150	-	2,191,150	1,787,044
Past due 61-90	-	550,668	-	550,668	718,467
More than 90 days	-	-	3,762,987	3,762,987	4,716,272
Total	60,317,484	5,720,445	3,762,987	69,800,916	56,946,479

29. **Financial Risk Management (Continued)**

(b) Credit risk (continued)

(ii) Credit risk analysis (continued)

For financial assets not recognised at the reporting date:

	The Group	
	2019	2018
	Stage 1	
	$'000	$'000
Loan commitments	7,493,848	4,086,135
Guarantees and letters of credit	1,707,349	1,786,034
	9,201,197	5,872,169

Loans and notes receivable at amortised cost:

	The Company	
	2019	2018
	Stage 1	
	$'000	$'000
Credit grade		
Standard monitoring	22,416,429	5,821,425
Loss allowance	(267,645)	-
	22,148,784	**5,821,425**

	The Company	
	2019	2018
	Stage 1	
	$'000	$'000
Ageing of loans and notes receivable		
Neither past due nor impaired	**22,416,429**	**5,821,425**

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis (continued)

Debt securities at amortised cost (note 17):

	The Group 2019 Stage 1 $'000	The Group 2018 $'000
Credit grade		
Watch	10,920,532	14,194,287
Loss allowance	(281,034)	(362,868)
	10,639,498	**13,831,419**

	The Company 2019 Stage 1 $'000	The Company 2018 $'000
Credit grade		
Watch	**648**	**648**

Debt securities at FVOCI (note 17):

	The Group 2019 Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000	2018 $'000
Credit grade					
Investment grade	23,021,026	-	-	23,021,026	18,212,352
Watch	166,505,024	463,040	-	166,968,064	158,499,569
Speculative	885,857	-	-	885,857	2,768
Default	-	-	59,438	59,438	117,561
	190,411,907	**463,040**	**59,438**	**190,934,385**	**176,832,250**
Loss allowance	**604,544**	**3,025**	**20,576**	**628,145**	**-**

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis (continued)

Securities purchased under agreement to resell at amortised cost (note 16):

	The Group	
	2019	**2018**
	Stage 1	
	$'000	**$'000**
Watch	**-**	**1,120,001**

	The Company	
	2019	**2018**
	Stage 1	
	$'000	**$'000**
Watch	942,609	9,484,200
Loss allowance	(1,525)	-
	941,084	**9,484,200**

(iii) Exposure to credit risk

The maximum exposure to credit risk is the amount of loss that should be suffered if every counterparty to the Group's financial assets were to default at once. These are represented by the carrying amounts of financial assets on the statement of financial position.

Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. The Group does not occupy repossessed properties for business or other use. The carrying value of the loans on which the collateral was repossessed during the year was $75,805,000 (2018: $72,220,000).

Renegotiated loans and leases

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continual review.

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(iv) Concentration of credit risk

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

	The Group			
	2019			
	Cash and cash equivalents	**Loans and notes receivable**	**Investment securities**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Concentration by sector:				
Government of Jamaica	-	-	106,906,110	106,906,110
Other sovereign bonds	-	-	45,444,766	45,444,766
Bank of Jamaica	5,567,657	-	10,830,000	16,397,657
Corporate	-	34,470,969	41,071,029	75,541,998
Financial institutions	25,158,739	444,137	1,720,454	27,323,330
Retail	-	33,032,162	-	33,032,162
	30,726,396	**67,947,268**	**205,972,359**	**304,646,023**
Concentration by location:				
Jamaica	16,523,548	39,557,518	129,568,371	185,649,437
North America	3,011,100	267,409	3,800,280	7,078,789
Trinidad and Tobago	9,347,246	24,846,078	18,475,493	52,668,817
Dominican Republic	1,754,315	2,932,385	29,815,733	34,502,433
Other	90,187	343,878	24,312,482	24,746,547
	30,726,396	**67,947,268**	**205,972,359**	**304,646,023**

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(iv) Concentration of credit risk (continued)

	The Group				
	2018				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector:					
Government of Jamaica	-	-	-	116,164,079	116,164,079
Other sovereign bonds	-	-	-	38,856,654	38,856,654
Bank of Jamaica	4,110,055	-	-	8,833,374	12,943,429
Corporate	-	25,818,470	-	27,625,449	53,443,919
Financial institutions	23,727,218	1,182,298	1,120,001	2,230,631	28,260,148
Retail	-	28,624,975	-	1,195,681	29,820,656
	27,837,273	**55,625,743**	**1,120,001**	**194,905,868**	**279,488,885**
Concentration by location:					
Jamaica	13,947,223	31,368,041	1,120,001	137,155,716	183,590,981
North America	3,378,175	267,409	-	1,850,025	5,495,609
Trinidad and Tobago	8,776,175	21,708,818	-	22,139,380	52,624,373
Dominican Republic	1,645,513	1,937,597	-	28,133,937	31,717,047
Other	90,187	343,878	-	5,626,810	6,060,875
	27,837,273	**55,625,743**	**1,120,001**	**194,905,868**	**279,488,885**

	The Company				
	2019				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector:					
Financial institutions	17,046	22,148,784	941,084	19,556	23,126,470
Concentration by location:					
Jamaica	17,046	20,320,680	941,084	19,556	21,298,366
Trinidad and Tobago	-	1,375,220	-	-	1,375,220
Dominican Republic	-	452,884	-	-	452,884
	17,046	**22,148,784**	**941,084**	**19,556**	**23,126,470**

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(iv) Concentration of credit risk (continued)

	The Company				
	2018				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector:					
Financial institutions	1,090	5,821,425	9,484,200	19,556	15,326,271
Concentration by location:					
Jamaica	1,090	5,194,825	9,484,200	19,556	14,699,671
Trinidad and Tobago	-	626,600	-	-	626,600
	1,090	5,821,425	9,484,200	19,556	15,326,271

(v) Collateral and other credit enhancements held against financial assets

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

The main types of collateral obtained are as follows:

Loans and notes receivable – Cash and other near cash securities, mortgages over commercial and residential properties, charges over general business assets such as premises, equipment, inventory, accounts receivable, marketable securities and motor vehicles.

Resale agreements – Government of Jamaica and Bank of Jamaica securities. The collateral obtained (including accrued interest) is at least 100% of the sum of the principal value of the resale agreement plus interest to be earned.

Management monitors the market value of collateral held and where necessary, requests additional collateral in accordance with the underlying agreement.

The Group holds collateral against loans and advances to customers and others in the form of mortgage interests over property, other registered securities over other assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral generally is not held over balances with banks or broker/dealers, except when securities are held under resale agreements. Collateral is generally not held against investment securities.

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(v) Collateral and other credit enhancements held against financial assets (continued)

An estimate, made at the time of borrowing, of the fair value of collateral and other security enhancements held against loans to borrowers and others is shown below:

	The Group				The Company			
	Loans and notes receivable		Resale agreements		Loans and notes receivable		Resale agreements	
	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Against neither past due nor impaired financial assets:								
Cash secured	4,618,575	3,660,423	-	-	22,416,429	5,821,425	941,109	9,484,200
Property	18,147,160	18,325,743	-	-	-	-	-	-
Debt securities	5,309,734	6,519,984	26,365,983	1,120,001	-	-	-	-
Liens on motor vehicles	10,728,044	6,670,219	-	-	-	-	-	-
Equities	-	-	-	-	-	-	-	-
Other	2,221,039	2,514,479	-	-	-	-	-	-
Subtotal	**41,024,552**	**37,690,848**	**26,365,983**	**1,120,001**	**22,416,429**	**5,821,425**	**941,109**	**9,484,200**
Against past due but not impaired financial assets:								
Cash secured	642,589	225,493	-	-	-	-	-	-
Property	4,359,235	5,242,283	-	-	-	-	-	-
Liens on motor vehicles	349	1,546,764	-	-	-	-	-	-
Debt securities	301,986	168,447	-	-	-	-	-	-
Equities	2,188,287	-	-	-	-	-	-	-
Other	244,671	2,082,085	-	-	-	-	-	-
Subtotal	**7,737,117**	**9,265,072**	**-**	**-**	**-**	**-**	**-**	**-**
Against past due and impaired financial assets:								
Cash secured	4,652	-	-	-	-	-	-	-
Debts securities	250	-	-	-	-	-	-	-
Property	22,755,364	16,500,602	-	-	-	-	-	-
Liens on motor vehicles	323,672	185,821	-	-	-	-	-	-
Equities	-	104,471	-	-	-	-	-	-
Other	9,816,817	4,196,576	-	-	-	-	-	-
Subtotal	**32,900,755**	**20,987,470**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**81,662,424**	**67,943,390**	**26,365,983**	**1,120,001**	**22,416,429**	**5,821,425**	**941,109**	**9,484,200**

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Details of how the Group determines when a significant increase in credit risk has occurred, are described below.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. A description of inputs, assumptions and estimation techniques used in measuring the ECL is provided below.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. An explanation of how the Group incorporates this in its ECL models, is included in section (iii) below.
- Purchased or originated credit-impaired financial assets (POCI) are those financial assets that are credit- impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The key inputs, assumptions and techniques used for estimating impairment adopted by the Group are as follows:

(i) Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost and effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing the remaining lifetime probability of default (PD) as at the reporting date with the remaining lifetime PD that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Group uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in probability of default (PD);
- qualitative indicators; and
- backstop of 30 days past due.

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(i) Significant increase in credit risk (continued)

Credit risk grades:

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

The Group uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties.

Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures; and turnover and industry type for corporate exposures) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models enable expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an A and A- rating grade is lower than the difference in the PD between a B and B- rating grade.

The following are additional considerations for each type of portfolio held by the Group:

Retail

For retail business, the rating is determined at the borrower level. After the date of initial recognition, the payment behaviour of the borrower is monitored on a periodic basis and adjusted as may be necessary. Any other known information about the borrower which impacts their creditworthiness such as unemployment and previous delinquency history is also incorporated into the behavioural score. This score is mapped to a PD.

Commercial & Corporate

For commercial and corporate business, the rating is determined at the borrower level. A relationship manager will incorporate any updated or new information/credit assessments into the credit system on an ongoing basis. In addition, the credit risk manager will also update information about the creditworthiness of the borrower on an annual basis from sources such as financial statements. This will determine the updated internal credit rating and PD.

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(i) Significant increase in credit risk (continued)

Credit risk grades (continued)

Treasury

For debt securities in the treasury portfolio, external rating agency credit grades are used. These published grades are continuously monitored and updated. The PD's term structure associated with each grade are determined based on realised default rates as derived from the average 12-month through-the-cycle (TTC) transition matrices published by the rating agency.

The Group's rating method comprises 21 rating levels for instruments not in default (1 to 21) and two default classes (22 to 23). The master scale assigns each rating category a specified range of probabilities of default, which is stable over time. The rating methods are subject to periodic (at least once every three years) validation and recalibration so that they reflect the latest projections in the light of all actually observed defaults.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments.

Generating the term structure of PD:

Credit risk grades are the primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by jurisdiction and by type of product and borrower as well as by credit risk grading.

The Group uses statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Determining when credit risk has increased significantly

The Group assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower and the geographical region.

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(i) Significant increase in credit risk (continued)

Determining when credit risk has increased significantly (continued)

The Group considers that there is a significant increase in credit risk for its loans portfolio no later than when a loan is more than 30 days past due or any two-notch downgrade in its internal ratings. The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Group's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This is the case for exposures that meet certain heightened risk criteria such as placement on a watch list.

The Group considers that there is a significant increase in credit risk for its investment portfolio when there is a decrease in credit rating as follows: a three-notch downgrade from investment grade to non-investment grade (below BBB-); a two-notch downgrade within or outside the BB/B bucket; or a one-notch downgrade within or outside the B-, CCC, CC and C buckets.

Financial instruments for which it is determined that there is a significant increase in credit risk are transferred from stage 1 to stage 2 and impairment loss is measured based on lifetime expected credit loss.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently.

When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

(ii) Definition of default:

The Group considers the following quantitative and qualitative factors in determining whether a financial asset is in default:

- The borrower is more than 90 days past due on its obligation to the Group.
- A decrease in internal rating of RR6 or higher
- The borrower is unlikely to pay its obligation to the Group in full, without recourse by the Group to actions such as realising security. This may arise from instances such as bankruptcy, long-term forbearance, insolvency, breach of financial covenants, death and restructuring.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(ii) Definition of default (continued):

Financial assets classified as 'default' are transferred to stage 3 and impairment loss is measured based on lifetime expected credit losses.

(iii) Incorporation of forward-looking information

The Group incorporates forward-looking information into the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of the expected credit losses (ECL).

The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument.

The impact of these economic variables on the PD, EAD and LGD has been determined by performing a trend analysis and comparing historical information with forecast macro-economic data to determine whether the indicator describes a positive, negative or stable trend and to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

The Group formulates three scenarios: a base case, which is the median scenario, and assigned a 75% probability of occurring and two less likely scenarios; being best, assigned a rating of 15% and worst, assigned a rating of 10%. For Trinidad, the best and worst scenarios are assigned ratings of 10% and 15% respectively. The base case is aligned with information used by the Group for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecast published by government bodies, monetary bodies and supranational organisations such as the International Monetary Fund.

The scenario weightings are determined by a combination of statistical analysis and expert credit judgement.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments, and using the scorecard approach has estimated relationships between macro-economic variables and credit risk and credit losses. The Group has assessed that the key drivers of its sovereign portfolio are debt to GDP ratio, current account to GDP ratio and net international reserves with weightings of 30%, 20% and 50%, respectively. The drivers for the corporate portfolio are debt/GDP ratio, GDP growth and annual inflation with weightings of 10%, 30% and 60%, respectively.

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(iii) Incorporation of forward-looking information (continued)

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

The assumptions underlying the ECL calculation such as how the maturity profile of the PDs collateral values change are monitored and reviewed on a quarterly basis.

(iv) Computation of the expected credit losses (ECL)

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD.

Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next twelve months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by property, LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default.

Subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(v) Loss allowance

The loss allowance recognised in the period is impacted by the following factors:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument:

Loans and notes receivable at amortised cost (see note 14):

	The Group			
	2019			
	Stage 1	Stage 2	Stage 3	Total
	$'000	$'000	$'000	$'000
Balance at 31 March 2018 (IAS 39)	73,417	-	1,247,319	1,320,736
Remeasurement on 1 April 2018 (IFRS 9)	187,124	159,693	15,521	362,338
Financial assets derecognised during period	(13,827)	37,943	(60,153)	(36,037)
New financial assets originated or purchased	189,982	10,474	14,759	215,215
Paydowns	(89,730)	(166,462)	141,106	(115,086)
Foreign exchange and other movements	16,858	173,240	(83,616)	106,482
Balance at 31 March 2019	363,824	214,888	1,274,936	1,853,648

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(v) Loss allowance (continued)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument (continued):

Loans and notes receivable at amortised cost (continued):

	The Company
	2019
	Stage 1
	$'000
Balance at 31 March 2018 (IAS 39)	-
Remeasurement on 1 April 2018 (IFRS 9)	102,112
Net re-measurement of loss allowance	165,533
Balance at 31 March 2019	267,645

Debt securities at amortised cost (see note 17):

	The Group			
	2019			
	Stage 1	Stage 2	Stage 3	Total
	$'000	$'000	$'000	$'000
Balance at 31 March 2018 (IAS 39)	49,144	-	313,724	362,868
Remeasurement on 1 April 2018 (IFRS 9)	49,109	-	-	49,109
Reclassification of allowance on initial application of IFRS 9	-	-	(123,279)	(123,279)
Recoveries	(148)	-	-	(148)
Financial assets derecognised during period	(11,383)	-	-	(11,383)
New financial assets originated or purchased	6,056	-	-	6,056
Net re-measurement of loss allowance	(2,189)	-	-	(2,189)
Balance at 31 March 2019	90,589	-	190,445	281,034

29. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(v) Loss allowance (continued)

Securities purchased under agreements to resell (see note 16):

	The Company
	2019
	Stage 1
	$'000
Balance at 31 March 2018 (IAS 39)	-
Remeasurement on 1 April 2018 (IFRS 9)	27,512
Net re-measurement of loss allowance	(25,987)
Balance at 31 March 2019	1,525

Debt securities at FVOCI:

	The Group			
	2019			
	Stage 1	Stage 2	Stage 3	Total
	$'000	$'000	$'000	$'000
Balance at 31 March 2018 (IAS 39)	-	-	-	-
Remeasurement on 1 April 2018 (IFRS 9)	574,292	-	-	574,292
Transfer from Stage 1 to Stage 2	(415)	2,969	-	2,554
Financial asset derecognized	(172,672)	-	-	(172,672)
New financial assets originated or purchased	272,214	-	20,576	292,790
Foreign exchange and other movements	(68,875)	56	-	(68,819)
Balance at 31 March 2019	604,544	3,025	20,576	628,145

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet the payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil loan commitments.

A Liability Risk Management Committee sits as needed, on occasions where management considers that heightened monitoring and coordination of liquidity exposures across the Group is warranted.

The Group is exposed to daily calls on its available cash resources from overnight placement of funds, maturing placement of funds and loan draw-downs. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of investment of maturing funds can be predicted with a high level of certainty.

29. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

The Group's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk management process

The Group's liquidity management process includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;

(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Optimising cash returns on investments; and

(iv) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

The tables below present the residual contractual maturities of undiscounted cash flows (both interest and principal cash flows) of the Group's and the Company's financial liabilities:

	2019				
	The Group				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Customer deposits	25,543,862	36,321,671	2,928,492	64,794,025	63,947,279
Due to other banks	-	7,657	228,675	236,332	190,888
Securities sold under agreements to repurchase	118,522,104	41,900,303	5,214,515	165,636,922	163,907,891
Notes payable	24,500,096	2,031,981	10,624,617	37,156,694	37,036,156
Redeemable preference shares	181,979	1,637,810	21,279,233	23,099,022	16,348,615
Interest payable	1,602,491	-	-	1,602,491	1,602,491
Payables	4,046,375	-	-	4,046,375	4,046,375
	174,396,907	81,899,422	40,275,532	296,571,861	287,079,695

29. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Liquidity risk management process (continued)

The tables below present the residual contractual maturities of undiscounted cash flows (both interest and principal cash flows) of the Group's and the company's financial liabilities (continued):

	2018				
	The Group				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Customer deposits	24,589,936	14,799,725	13,634,622	53,024,283	52,165,066
Due to other banks	-	-	420,246	420,246	347,948
Securities sold under agreements to repurchase	106,142,637	39,306,844	14,797,609	160,247,090	158,167,289
Notes payable	4,074,686	138,859	24,281,509	28,495,054	27,561,706
Redeemable preference shares	356,848	2,475,677	23,499,570	26,332,095	17,843,757
Interest payable	1,385,823	-	-	1,385,823	1,385,823
Payables	3,178,736	-	-	3,178,736	3,178,736
	139,728,666	56,721,105	76,633,556	273,083,327	260,650,325

	2019				
	The Company				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Notes payable	123,174	1,389,764	7,408,581	8,921,519	8,277,541
Redeemable preference shares	181,979	1,637,810	20,648,129	22,467,918	16,348,615
Interest payable	182,802	-	-	182,802	182,802
Due to subsidiary	8,768,350	-	-	8,768,350	8,768,350
Payables	10,360	-	-	10,360	10,360
	9,266,665	3,027,574	28,056,710	40,350,949	33,587,668

	2018				
	The Company				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Redeemable preference shares	-	-	16,563,052	16,563,052	16,374,398
Interest payable	115,054	-	-	115,054	115,054
Due to subsidiary	7,586,011	-	-	7,586,011	7,586,011
Payables	22,713	-	-	22,713	22,713
	7,723,778	-	16,563,052	24,286,830	24,098,176

29. Financial Risk Management (Continued)

(d) Market risk

The Group assumes market risk, which is the risk of changes in market prices, such as interest rates, equity prices, foreign exchange rates and commodity prices that will affect the Group's income or fair value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return on risk.

The overall responsibility for market risk oversight is vested in the Board Risk Committee. The Risk Department is responsible for the development of detailed risk management policies (subject to review and approval by the Board Risk Committee) and for the day-to-day review of their implementation.

The principal tool used to measure and control market risk exposures within the Group is Value at Risk (VaR). The VaR of a portfolio is the estimated loss that will arise on the portfolio over a specified period of time (the holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Group is based on a 99 percent confidence level and assumes a 10 day holding period. The VaR model used is based mainly on the Monte Carlo simulation model. Taking account of market data from the previous year and observed relationships between differences in market prices, the model generates a wide range of plausible future scenarios for market price movements.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations, including the following:

- A 10 day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a reasonable assumption, but may not be the case in situations in which there is severe market illiquidity for a prolonged period;
- A 99% confidence level does not reflect losses that may occur beyond this level. Even within the model used, there is a one percent probability that losses could exceed the VaR;
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day;
- The use of historical data to determine the relationships between different market prices may not cover all possible scenarios, as these relationships may break down in times of market stress; and
- The VaR measure is dependent on the Group's positions and volatility of market prices. The VaR of an unchanged position reduces if the market prices volatility declines and vice-versa.

The Group uses VaR limits for its overall portfolio and for sub-portfolios. The overall structure of VaR limits is subject to review and approval by the Board Risk Committee. VaR is measured at least once daily. Daily reports of utilization of VaR limits are prepared by the Risk department and regular summaries submitted to the Board Risk Committee.

A summary of the VaR position of the Group's overall portfolio as at 31 March 2019 and during the year then ended is as follows:

	31 March	Average for Year	Maximum during Year	Minimum during Year
	$'000	$'000	$'000	$'000
2019 Overall VaR	6,373,322	4,493,718	11,654,683	1,589,781
2018 Overall VaR	3,938,439	2,522,346	8,192,010	755,688

29. Financial Risk Management (Continued)

(d) Market risk (continued)

The limitations of the VaR methodology are recognised by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration of risks within the portfolio.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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 recognised 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 reporting date, the Jamaica dollar equivalents of net foreign currency assets were as follows:

	The Group	
	2019	**2018**
	$'000	**$'000**
United States dollars	6,669,933	9,104,949
Great Britain Pounds	67,066	33,369
Euros	(4,091)	83,677
Trinidad and Tobago dollars	10,656	329,202
Canadian dollars	586,858	319,777

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and Company had significant exposure on their monetary assets and liabilities and the estimated effect of changes in rates on profit for the year. The change in currency rates below represents management's assessment of a reasonably probable change in foreign exchange rates at the reporting date:

	The Group			
	2019		**2018**	
	Change in Currency Rate	**Effect on Profit**	**Change in Currency Rate**	**Effect on Profit**
	%	**$'000**	**%**	**$'000**
Currency:		**$'000**		
USD	4	266,797	4	364,198
GBP	4	2,680	4	1,335
EUR	4	(164)	4	3,347
TT	4	426	4	13,168
CAD	4	23,474	4	12,791
		293,213		394,839

29. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The following tables summarise the Group's and the Company's exposures to interest rate risk and the possible effect to earnings. It includes the Group's and the Company's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	2019					
	The Group					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash and cash equivalents	21,605,266	272,485	-	-	8,848,645	30,726,396
Interest receivable	-	-	-	-	3,733,190	3,733,190
Loans and notes receivable	14,585,952	16,614,061	2,560,888	32,874,895	1,311,472	67,947,268
Other receivables	-	-	-	-	5,314,152	5,314,152
Investment securities	30,361,689	8,208,913	6,548,609	157,849,810	3,003,338	205,972,359
Total financial assets	66,552,907	25,095,459	9,109,497	190,724,705	22,210,797	313,693,365
Financial Liabilities						
Customer deposits	45,004,036	3,624,937	13,730,326	1,587,980	-	63,947,279
Due to other financial institutions	-	-	7,478	183,410	-	190,888
Securities sold under agreements to repurchase	118,038,576	26,516,807	16,862,508	2,490,000	-	163,907,891
Notes payable	15,564,353	-	2,038,086	19,433,717	-	37,036,156
Redeemable preference shares	631,104	-	1,841,699	13,875,812	-	16,348,615
Interest payable	-	-	-	-	1,602,491	1,602,491
Other payables	-	-	-	-	4,046,375	4,046,375
Total financial liabilities	179,238,069	30,141,744	34,480,097	37,570,919	5,648,866	287,079,695
Total interest rate sensitivity gap	(112,685,162)	(5,046,285)	(25,370,600)	153,153,786	16,561,931	26,613,670
Cumulative interest rate sensitivity gap	(112,685,162)	(117,731,447)	(143,102,047)	10,051,739	26,613,670	

29. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	2018					
	The Group					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash and cash equivalents	27,837,273	-	-	-	-	27,837,273
Interest receivable	-	-	-	-	3,429,115	3,429,115
Loans and notes receivable	11,177,626	2,244,563	15,313,611	25,575,063	1,314,880	55,625,743
Other receivables	-	-	-	-	2,055,252	2,055,252
Securities purchased under agreements to resell	1,120,001	-	-	-	-	1,120,001
Investment securities	24,851,003	2,197,181	1,260,973	163,918,958	2,677,753	194,905,868
Total financial assets	64,985,903	4,441,744	16,574,584	189,494,021	9,477,000	284,973,252
Financial Liabilities						
Deposits	22,086,993	19,535,146	2,858,857	2,156,609	5,527,461	52,165,066
Due to other financial institutions	-	-	-	347,948	-	347,948
Securities sold under agreements to repurchase	105,588,901	19,621,040	23,355,461	9,601,887	-	158,167,289
Notes payable	3,982,716	-	-	23,578,990	-	27,561,706
Redeemable preference shares	623,624	1,469,359	-	15,750,774	-	17,843,757
Interest payable	-		-	-	1,385,823	1,385,823
Other payables	-	-	-	-	3,178,736	3,178,736
Total financial liabilities	132,282,234	40,625,545	26,214,318	51,436,208	10,092,020	260,650,325
Total interest rate sensitivity gap	(67,296,331)	(36,183,801)	(9,639,734)	138,057,813	(615,020)	24,322,927
Cumulative interest rate sensitivity gap	(67,296,331)	(103,480,132)	(113,119,866)	24,937,947	24,322,927	

29. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	2019					
	The Company					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash and cash equivalents	17,046	-	-	-	-	17,046
Interest receivable	-	-	-	-	218,538	218,538
Loans and notes receivable	-	-	1,471,855	20,676,929	-	22,148,784
Other receivables	-	-	-	-	224,275	224,275
Securities purchased under agreements to resell	941,084	-	-	-	-	941,084
Investment securities	648	-	-	-	18,908	19,556
Total financial assets	958,778	-	1,471,855	20,676,929	461,721	23,569,283
Financial Liabilities						
Notes payable	-	-	1,019,115	7,258,426	-	8,277,541
Redeemable preference shares	-	-	1,841,699	14,506,916	-	16,348,615
Interest payable	-	-	-	-	182,802	182,802
Other payables	-	-	-	-	10,360	10,360
Due to subsidiary	-	-	-	-	8,768,350	8,768,350
Total financial liabilities	-	-	2,860,814	21,765,342	8,961,512	33,587,668
Total interest rate sensitivity gap	958,778	-	(1,388,959)	(1,088,413)	(8,499,791)	(10,018,385)
Cumulative interest rate sensitivity gap	958,778	958,778	(430,181)	(1,518,594)	(10,018,385)	

	2018					
	The Company					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash and cash equivalents	1,090	-	-	-	-	1,090
Interest receivable	-	-	-	-	106,507	106,507
Loans and notes receivable	-	5,821,425	-	-	-	5,821,425
Other receivables	-	-	-	-	36,333	36,333
Securities purchased under agreements to resell	9,484,200	-	-	-	-	9,484,200
Investment securities	-	-	-	-	19,556	19,556
Total financial assets	9,485,290	5,821,425	-	-	162,396	15,469,111
Financial Liabilities						
Redeemable preference shares	-	1,469,359	-	14,905,039	-	16,374,398
Interest payable	-	-	-	-	115,054	115,054
Other payables	-	-	-	-	22,713	22,713
Due to subsidiary	-	-	-	-	7,586,011	7,586,011
Total financial liabilities	-	1,469,359	-	14,905,039	7,723,778	24,098,176
Total interest rate sensitivity gap	9,485,290	4,352,066	-	(14,905,039)	(7,561,382)	(8,629,065)
Cumulative interest rate sensitivity gap	9,485,290	13,837,356	13,837,356	(1,067,683)	(8,629,065)	

29. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable probably change in interest rates, with all other variables held constant, on the Group's interest income and gains recognised in other comprehensive income.

The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net profit, based on the floating rate financial assets and financial liabilities. The sensitivity of stockholders' equity is calculated by revaluing fixed and variable rate available-for-sale financial assets for the gross effects of the assumed changes in interest rates. The correlation of a number of variables will have an impact on market risk. Movements in these variables are non-linear and are assessed individually.

	The Group			
	2019		2018	
	Effect on Profit 2018 $'000	Effect on Equity 2018 $'000	Effect on Profit 2017 $'000	Effect on Equity 2017 $'000
Change in basis points				
JMD/USD				
-100 (2018: -100/-50)	289,413	6,820,940	(219,944)	6,422,395
+100 (2018:+100/+100)	257,814	(9,415,884)	223,326	(9,102,986)

(iii) Equity price risk

Equity price risk arises on equity securities held by the Group as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primary goal of the Group's investment strategy is to maximise investment returns while managing risk so as to minimise potential adverse effects on the Group's financial performance.

The Group's equity securities are listed on the Jamaica and Trinidad and Tobago stock exchanges. A 10% (2018: 15%) increase or decrease in quoted bid prices at the reporting date would result in an increase or decrease, respectively, in equity of $225,717,000 (2018: $140,345,000) for the Group.

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

29. Financial Risk Management (Continued)

(e) Operational risk (continued)

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- requirement for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures; and
- requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of a contingency plan; and
- risk mitigation, including insurance where this is effective.

Compliance with the Group's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to senior management and the Audit Committee.

(f) Capital management

The Company and its subsidiaries have regulatory oversight from several regulators that impose capital requirements for various entities.

The objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

(i) To comply with the capital requirements set by the regulators of the financial markets where the entities within the Group operate;
(ii) To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for stockholders and benefits for other stakeholders; and
(iii) To maintain a strong capital base to support the development of its business.

The Board provides oversight of capital sufficiency and deployment within the Group. It determines internal capital limits in line with its stated risk appetite based on an annual internal capital adequacy assessment process and its allocation to the respective business units.

Capital adequacy and the use of regulatory capital are monitored monthly by the Group's management based on the guidelines developed by the Group's regulators and the Risk Management Unit. The required information is filed with the respective Regulatory Authorities at stipulated intervals.

29. Financial Risk Management (Continued)

(f) Capital management (continued)

The regulated authorities require each regulated entity to:

(i) Hold the minimum level of the regulatory capital; and

(ii) Maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

Certain subsidiaries' regulatory capital is divided into two tiers:

(i) Tier 1 capital: share capital, share premium, retained earnings, investment revaluation reserve and cumulative translation reserve.

(ii) Tier 2 capital: redeemable preference shares and investment revaluation reserve.

The risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The regulated companies within the Group with prescribed capital requirements are Jamaica Money Market Brokers Limited (JMMB), JMMB Securities Limited (JMMBSL), JMMB Fund Managers Limited (JMMBFM), JMMB Insurance Brokers Limited (JMMBIB), JMMB Puesto de Bolsa, Banco Rio De Ahorro Y Credito JMMB Bank S.A (JMMBBR), JMMB Sociedad Administradora De Fondos De Inversion, S.A. (SAFI), JMMB Bank (Jamaica) Limited (JMMBBJL) JMMB Bank (T&T) Limited (JMMBBTT), JMMB Express Finance (T&T) Limited (JMMBETT), *formerly (Intercommercial Trust and Merchant Bank Limited* (ITMBL), JMMB Investment (Trinidad and Tobago) Limited (JMMBITT) and JMMB Securities (T&T) (JMMBSTT).

The table and notes below summarise the composition of regulatory capital and the ratios of the regulated companies within the Group for the years ended 31 March 2019 and 31 March 2018.

There have been no material changes in the Group's management of capital during the year.

	JMMB		JMMBSL		JMMBIB	
	2019 J$'000	2018 J$'000	2019 J$'000	2018 J$'000	2019 J$'000	2018 J$'000
Regulatory capital –						
Tier 1 capital	16,729,110	16,734,971	809,106	494,972	133,016	98,848
Tier 2 capital	11,273,855	5,194,825	-	29,337	-	-
Total regulatory capital	28,002,965	21,929,796	809,106	524,309	133,016	98,848
Risk-weighted assets –						
On-balance sheet	115,659,686	128,166,976	1,239,031	924,885	-	-
Foreign exchange exposure	2,982,335	6,401,175	247,219	492,425	-	-
Total risk-weighted assets	118,642,021	134,568,151	1,486,250	1,417,310	-	-
Actual regulatory capital to risk weighted assets	24%	16%	54%	37%	-	-
Required regulatory capital to risk weighted assets	10%	10%	10%	10%	-	-

29. Financial Risk Management (Continued)

(f) Capital management (continued)

	JMMBETT		JMMBBTT		JMMBBJL	
	2019	2018	2019	2018	2019	2018
	TT$'000	TT$'000	TT$'000	TT$'000	J$'000	J$'000
Regulatory capital –						
Tier 1 capital	21,718	24,248	187,318	166,690	6,158,047	6,116,022
Tier 2 capital	4	170	92,743	95,261	332,398	263,671
Total regulatory capital	21,722	24,418	280,061	261,951	6,490,445	6,379,693
Total required capital	-	-	-	-	4,929,448	3,885,674
Risk-weighted assets –						
On balance sheet	34,962	13,177	1,405,724	1,150,663	42,658,102	33,570,522
Off balance sheet	-	-	-	-	5,671,853	4,121,195
Foreign exchange exposure	-	-	-	-	964,527	1,165,024
	34,962	13,177	1,405,724	1,150,663	49,294,482	38,856,741
Actual regulatory capital to risk weighted assets	62%	185%	20%	23%	13%	16%
Required regulatory capital to risk weighted assets	10%	10%	10%	10%	10%	10%

	JMMBFM	
	2019	2018
	$'000	$'000
Tier 1 capital	780,577	527,597
Tier 2 capital	-	-
Actual regulatory capital	780,577	527,597
Required level of regulatory capital	104,742	104,742
Total risk-weighted assets	1,223,803	748,159
Tier one capital ratio to risk-weighted assets capital	64%	71%

(i) The capital requirement for JMMBIB is to maintain a minimum capital base of $10 million.

(ii) The capital requirement for JMMB Puesto de Bolsa S.A. is RD$153 million.

(iii) The capital requirement of JMMB Investments (Trinidad and Tobago) Limited and JMMB Securities (T&T) Limited is to maintain a minimum capital base of TT15 million and TT6 million respectively.

29. Financial Risk Management (Continued)

(f) Capital management (continued)

(iv) The capital requirement for JMMB Sociedad Administradora De Fondos De Inversion, S.A. (SAFI) is to maintain a minimum capital base of RD$15 million or at least 1% of the ratio of total asset to funds under management (AUM/Capital).

(v) The capital requirement for AFP JMMB BDI S.A. is to maintain a minimum capital base of RD$10 million.

(vi) The capital requirement for Banco Rio De Ahorro Y Credito JMMB Bank S.A is to maintain a minimum capital to risk weighted asset (CAR) in excess of 10%. The company's CAR at 31 March was 23.2%.

The regulated entities within the Group have complied with all regulatory capital requirements throughout the year.

30. Financial Instruments – Fair Value

(a) Definition and measurement of fair values

The Group's accounting policies on measurement and disclosure require the measurement of fair values for financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value of an asset or liability, where a quoted market price is available, fair value is computed by the Group using the quoted bid price at the reporting date, without any deduction for transaction costs or other adjustments. Where a quoted market price is not available, fair value is computed using alternative techniques, making use of available input data; the Group uses observable data as far as possible. Fair values are categorised into different levels in a three-level fair value hierarchy, based on the degree to which the inputs used in the valuation techniques are observable. The different levels in the hierarchy have been defined as follows:

Level 1 refers to financial assets and financial liabilities that are measured by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 refers to financial assets and financial liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions, and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in funds with fair values obtained via fund managers, and assets that are valued using a model whereby the majority of assumptions are market observable.

Level 3 refers to financial assets and financial liabilities that are measured using non-market observable inputs. This means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There were no transfers between levels during the year.

30. Financial Instruments - Fair Value (Continued)

(b) Techniques for measuring fair value of financial instruments

Type of Financial Instrument	**Method of estimating fair value**
Cash and cash equivalents, other receivables, resale agreements, accounts payable, repurchase agreements, Bank of Jamaica certificates of deposit	Considered to approximate their carrying values, due to their short-term nature.
Quoted securities	Bid prices quoted by the relevant stock exchanges.
Units in unit trusts	Prices quoted by unit trust managers
Non-Jamaican sovereign bonds and corporate bonds	Estimated using bid-prices published by major overseas brokers.
Government of Jamaica securities:	
Traded overseas	Estimated using bid-prices published by major overseas brokers.
Other	Estimated using mid-market prices from the Jamaica Securities Dealers Association yield curve.
Interest in money market fund	Considered to be the carrying value because of the short-term nature and variable interest rate.
Loans and notes receivable	Considered to be carrying value as the coupon rates approximate the market rates.
Notes payable	Considered to be carrying value as the coupon rates approximate the market rates.

(c) Accounting classifications and fair values

The following table shows the classification of financial assets and financial liabilities and their carrying amounts.

Where the carrying amounts of financial assets and financial liabilities are measured at fair value, their levels in the fair value hierarchy are also shown. Where the carrying amounts of financial assets and financial liabilities are not measured at fair value, and those carrying amounts are a reasonable approximation of fair value, fair value information (including amounts, and levels in the fair value hierarchy) are not disclosed.

30. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

The Group

	2019						
	Carrying amount				Fair value		
	Amortised Cost $'000	At fair value through other comprehensive income $'000	At fair value through profit or loss $'000	Total $'000	Level 1 $'000	Level 2 $'000	Total $'000
Financial assets measured at fair value							
Government of Jamaica securities	-	98,693,970	-	98,693,970	-	98,693,970	98,693,970
Certificates of deposit	-	10,830,000	-	10,830,000	-	10,830,000	10,830,000
Government of Jamaica guaranteed	-	299,493	-	299,493	-	299,493	299,493
Corporate bonds	-	37,808,278	1,235,863	39,044,141	-	39,044,141	39,044,141
Foreign Government Securities	-	43,302,644	494	43,303,138	-	43,303,138	43,303,138
Ordinary shares quoted	-	1,229,794	1,107,947	2,337,741	2,337,741	-	2,337,741
Units in unit trusts	-	-	622,969	622,969	-	622,969	622,969
Money market funds	-	-	178,944	178,944	-	178,944	178,944
Other	-	22,465	-	22,465	-	22,465	22,465
	-	**192,186,644**	**3,146,217**	**195,332,861**	**2,337,741**	**192,995,120**	**195,332,861**
Financial assets not measured at fair value							
Certificate of deposits	258,927	-	-	258,927	-	258,927	258,927
Government of Jamaica Securities	7,939,660	-	-	7,939,660	-	7,488,312	7,488,312
Sovereign bonds	250,207	-	-	250,207	-	96,683	96,683
Government of Jamaica guaranteed	2,471,738	-	-	2,471,738	-	2,612,571	2,612,571
	10,920,532	**-**	**-**	**10,920,532**	-	**10,456,493**	**10,456,493**

30. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

The Group

	2018							
	Carrying amount					Fair value		
	Loans and receivables $'000	Available-for-sale $'000	At fair value through profit or loss $'000	Held to maturity $'000	Total $'000	Level 1 $'000	Level 2 $'000	Total $'000
Financial assets measured at fair value								
Government of Jamaica securities	-	101,977,287	-	-	101,977,287	-	101,977,287	101,977,287
Certificates of deposit	-	9,030,982	-	-	9,030,982	-	9,030,982	9,030,982
Government of Jamaica guaranteed	-	3,174,475	-	-	3,174,475	-	3,174,475	3,174,475
Corporate bonds	-	26,436,188	721,494	-	27,157,682	-	27,157,682	27,157,682
Foreign Government Securities	-	36,213,318	615,629	-	36,828,947	-	36,828,947	36,828,947
Ordinary shares quoted	-	1,036,332	231,145	-	1,267,477	1,267,477	-	1,267,477
Units in unit trusts	-	286,429	-	-	286,429	-	286,429	286,429
Money market funds	-	944,003	-	-	944,003	-	944,003	944,003
Other	-	38,435	-	-	38,435	-	38,435	38,435
	-	**179,137,449**	**1,568,268**	**-**	**180,705,717**	**1,267,477**	**179,438,240**	**180,705,717**
Financial assets not measured at fair value								
Certificate of deposits	648	-	-	-	648	-	648	648
Government of Jamaica Securities	11,062,317	-	-	-	11,062,317	-	12,458,448	12,458,448
Sovereign bonds	239,312	-	-	368,732	608,044	-	441,618	441,618
Government of Jamaica guaranteed	2,746,513	-	-	-	2,746,513	-	2,953,792	2,953,792
Other	145,497	-	-	-	145,497	-	145,497	145,497
	14,194,287	**-**	**-**	**368,732**	**14,563,019**	**-**	**16,000,003**	**16,000,003**

30. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Company	
	2019	
	Carrying amount	Fair value
	At fair value through other comprehensive income $'000	Level 2 $'000
Financial assets measured at fair value		
Other	18,908	18,908

	The Company	
	2018	
	Carrying amount	Fair value
	Available-for-sale $'000	Level 2 $'000
Financial assets measured at fair value		
Other	18,908	18,908

31. Post-employment Benefits

Pensions are the only post-employment benefits to which the Group is committed. To better secure the payment of promised benefits, a subsidiary company operates a defined-contribution pension fund for the Group's Jamaican employees who have satisfied certain minimum service requirements. The fund is financed by equal contributions of employer and employees of 5% of pensionable salaries with an option for employees to contribute up to an additional 10% of pensionable salaries.

The fund is administered by trustees and the assets are held separately from those of the Group. Under the rules of the Fund, an actuarial valuation should be carried out by the appointed actuaries every three years. An actuarial valuation of the fund was done as at 31 December 2014 by ACTMAN International Limited, independent actuaries. The valuation report revealed a funding surplus.

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.

The Trinidadian subsidiaries operate a two-tiered defined contribution plan, which is in compliance with the provisions of the Income Tax Act of Trinidad & Tobago section 134(6). Under the terms of employment, the entities are obligated to contribute on behalf of all eligible employees an amount of 10% of the employees' pensionable salary directly to the plan. In addition, all eligible employees contribute an amount of 5% of their pensionable salary to individual annuities.

31. Post-employment Benefits (Continued)

Eligible employees of the Dominican Republic subsidiaries contribute an amount of 2.87% of their pensionable salaries to various authorised pension plans. Employers contribute a corresponding 7.10%.

The contributions for the year amounted to $228,492,000 (2018: $198,856,000) for the Group.

32. Managed Funds

The Group acts as agent and earns fees for managing clients' and investment funds on a non-recourse basis under management agreements. This includes some of the assets of the Group's pension fund (note 31). Although the Group 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 31 March 2019, funds managed in this way by the Group amounted to $132,635,677,000 (2018:$ 118,466,786,000) which includes assets of the Group's pension fund (note 31), amounting to $3,702,138,000 (2018: $3,012,250,000). The Group's financial statements include the following assets/(liabilities) relating to the funds:

	The Group	
	2019	2018
	$'000	$'000
Investments	116,358	906,300
Interest payable	(10,696)	(3,268)
Securities sold under agreements to repurchase	(42,022,844)	(23,699,815)
Customer deposits	(3,166,390)	(3,058,961)

33. Commitments

(i) Endowment Fund

The JMMB Group and the JMMB Joan Duncan Foundation established an endowment Fund ("the Fund") of US$1 million which will be administered by the University of the West Indies and Mona School of Business and Management. The main purpose of the Fund is to provide scholarships, bursaries, student training and development, academic staff development and case writing. Disbursements to the Fund are being made over a period of six years.

(ii) Operating Leases

The Group has entered into several lease agreements for rental of offices. The amount charged to profit or loss during the year is $370,920,000 (2018: $348,581,000).

As at 31 March 2019, the Group is committed to make future lease payments as follows:

	The Group	
	2019	2018
	$'000	$'000
Less than one year	209,921	367,073
Between one and five years	353,934	1,076,656
More than five years	1,886,383	264,132
	2,450,238	**1,707,861**

34. Significant Accounting Policies

Except for the changes explained in note 4, the Group has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Basis of consolidation

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

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights of an investee, where there is exposure to variability of returns and the Company can use its power to influence the returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of the subsidiaries are consistent with those of the Group.

The Group uses the acquisition method of accounting for business combinations. The cost of acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated profit and loss account.

The Group uses predecessor value (book value) method of accounting for business combinations with entities under common control. Any differences between the consideration paid and the net assets of the acquired entity is recognised in equity.

(i) Non-controlling interests

Non-controlling interest (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value.

(b) Financial instruments

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

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

Financial instruments are classified, recognised and measured in accordance with the substance of the terms of the contracts as set out herein.

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at fair value through other comprehensive income (FVOCI), which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

(ii) Classification and subsequent remeasurement

Financial assets

Policy applicable from 1 April 2018

From 1 April 2018, the Group has applied IFRS 9 and classified its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(ii) Classification and subsequent remeasurement (continued):

Financial assets (continued)

Policy applicable from 1 April 2018 (continued)

The classification requirements for debt and equity instruments are described below:

(a) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- *Amortised cost*: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described at note 34 (vii). Interest income from these financial assets is included in 'Interest and similar income' using the effective interest method.

- *Fair value through other comprehensive income (FVOCI):* Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at fair value through other comprehensive income (FVOCI).

- *Fair value through profit or loss:* Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest method.

Business model: the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(ii) Classification and subsequent remeasurement (continued):

Financial assets (continued)

Policy applicable from 1 April 2018 (continued)

(a) Debt instruments (continued)

Factors considered by the Group in determining the business model for a group of assets include:

1. Past experience on how the cash flows for these assets were collected;
2. How the asset's performance is evaluated and reported to key management personnel;
3. How risks are assessed and managed; and
4. How managers are compensated.

For example, securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

Solely payments of principal and interest (SPPI): Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. Such changes are expected to be very infrequent and none occurred during the period.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(ii) Classification and subsequent remeasurement (continued):

Financial assets (continued)

Policy applicable from 1 April 2018 (continued)

(b) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns.

Gains and losses on equity investments at FVPL are included in the 'Net trading income' line in the statement of profit or loss.

Policy applicable under IAS 39 before 1 April 2018

Management determines the appropriate classification of investments at the time of purchase, taking account of the purpose for which the investments were purchased. The Group classifies non-derivative financial assets into the following categories:

Loans and receivables: This comprises securities acquired, loans granted with fixed or determinable payments and which are not quoted in an active market.

Held-to-maturity: This comprises securities with fixed or determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity.

Fair value through profit or loss: This comprises securities that the Group acquires for the purpose of selling or repurchasing in the near term, or that it holds as part of a portfolio that is managed together for short-term profit or position taking, or that it designates as such at the time of acquisition.

Available-for-sale: The Group's financial instruments included in this classification are securities with prices quoted in an active market or for which the fair values are otherwise determinable, and which are designated as such upon acquisition or not classified in any of the other categories.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(ii) Classification and subsequent remeasurement (continued):

Financial liabilities

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading booking) and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments [see note 34(b)(v)].

(iii) Derecognition of financial assets and financial liabilities

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income (OCI) is recognised in profit or loss.

From 1 April 2018, any cumulative gains or losses recognised in OCI in respect of equity investment securities designated as at FVOCI are not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(iii) Derecognition of financial assets and financial liabilities (continued)

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(iv) Modifications

Policy applicable from 1 April 2018

Financial assets:

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised [see (b)(iii)] and a new financial asset is recognised at fair value plus any eligible transaction costs. Fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and other fees are included in profit or loss as part of the gain or loss on derecognition.

34. **Significant Accounting Policies (Continued)**

(b) Financial instruments (continued)

(iv) Modifications (continued)

Policy applicable from 1 April 2018 (continued)

Financial assets (continued)

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset

If such a modification is carried out because of financial difficulties of the borrower [see (vii)], then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest method.

Financial liabilities:

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(iv) Modifications (continued)

Policy applicable before 1 April 2018

Financial assets:

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value.

If the terms of a financial asset are modified because of financial difficulties of the borrower and the asset is not derecognised, then impairment of the asset is measured using the pre- modification interest rate.

Financial liabilities:

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms recognised at fair value. The difference between the carrying amount of the financial liability extinguished and consideration paid recognised in profit or loss.
Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability was not accounted for as derecognition, then any costs and fees incurred were recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(v) Measurement and gains and losses

Policy applicable from 1 April 2018

The 'investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost which are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- equity investment securities mandatorily measured at FVTPL or designated as at FVTPL which are at fair value with changes recognised immediately in profit or loss;
- debt securities measured at FVOCI; and
- equity investment securities designated as at FVOCI.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(v) Measurement and gains and losses (continued)

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL charges and reversals; and
- foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Policy applicable before 1 April 2018

Investment securities were initially measured at fair value plus, in the case of investment securities not at FVTPL, incremental direct transaction costs, and subsequently accounted for depending on their classification as either loans and receivable, held-to-maturity, FVTPL or available-for-sale.

Loans and receivables: On initial recognition these are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost, using the effective interest method, less impairment losses. Where securities classified as loans and receivables become quoted in an active market, such securities will not be reclassified as available-for-sale securities. An active market is one where quoted prices are readily and regularly available from an exchange, dealer, broker or other agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Held-to-maturity: On initial recognition these are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost, using the effective interest method, less impairment losses. Any sale or reclassification of a significant amount of held-to-maturity investments that are not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying investment securities as held-to-maturity for the financial year in which the sale or reclassification occurs and the following two financial years.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(v) Measurement and gains and losses (continued)

Policy applicable before 1 April 2018 (continued)

Financial assets at fair value through profit or loss: On initial recognition these are measured at fair value, with directly attributable transaction costs recognised in profit or loss as incurred. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value and changes therein, as well as any interest or dividend income, are recognised in profit or loss.

Available-for-sale: On initial recognition, these are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value, with unrealised gains and losses arising from changes in fair value treated as follows:

- Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in profit or loss. Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income.

- When securities classified as available-for-sale are sold or impaired, and therefore derecognised, the fair value adjustments accumulated in other comprehensive income are reclassified to profit or loss.

Specific financial instruments

Cash and cash equivalents

Cash comprises cash in hand, demand and call deposits with banks and very short-term balances with other brokers/dealers. Cash equivalents are highly liquid financial assets that are readily convertible to known amounts of cash (that is, with original maturities of less than three months), which are subject to insignificant risk of changes in value, and are used for the purpose of meeting short-term commitments. Cash and cash equivalents are classified and measured at amortised cost.

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.

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 statement of financial position and are measured in accordance with their original measurement principles. The proceeds of sale are reported as liabilities and are measured at amortised cost. Securities purchased under resale agreements are reported not as purchases of the securities, but as receivables and are carried in the statement of financial position 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.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(v) Measurement and gains and losses (continued);

Specific financial instruments (continued)

Resale and repurchase agreements (continued)

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.

Loans and notes receivable and other receivables

Loans and notes receivable and other receivables are classified and measured at amortised cost less allowance for impairment.

Details of the policy for loss allowance from 1 April 2018 is at note 34(b)(vii).

Policy for loan loss allowance before 1 April 2018

An allowance for credit losses is established if there is objective evidence that a loan is impaired. A loan is considered impaired when management determines that it is probable that all amounts due will not be collected according to the original contractual terms.

When a loan has been identified as impaired, the carrying amount of the loan is reduced by recording specific allowances for credit losses to its estimated recoverable amount, which is the present value of expected future cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the loan.

For non-performing and impaired loans, the accrual of interest income based on the original terms of the loan is discontinued. Jamaican banking regulations require that interest on non-performing loans be taken into account on the cash basis. IFRS require that interest income on non-performing loans be accrued, to the extent collectible, and that the increase in the present value of impaired loans due to the passage of time be reported as interest income. The difference between the Jamaican regulatory basis and IFRS was assessed to be immaterial.

Write-offs are made when all or part of a loan is deemed uncollectible or is forgiven. Write-offs are charged against previously established provisions for credit losses and reduce the principal amount of a loan.

Recoveries in part or in full of amounts previously written-off are credited to provision for credit losses in arriving at profit or loss for the year.

Policy applicable to 2018 and 2019

Statutory and other regulatory loan loss reserve requirements that exceed the amounts required under IFRS are dealt with in a non-distributable loan loss reserve as an appropriation of retained earnings.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(v) Measurement and gains and losses (continued)

Specific financial instruments (continued)

Account payable

Accounts payable are classified and measured at amortised cost.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost, with any difference between cost and redemption recognised in the profit or loss over the period of the borrowings on an effective yield basis.

Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when the host contract is not itself carried at fair value through profit or loss. Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss. Separated embedded derivatives are presented in the statement of financial position together with the host contract.

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance [calculated as described in note 34(b)(vii)]; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans at a below-market interest rates, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

(vii) Impairment

Policy applicable from 1 April 2018

Since 1 April 2018, the Group recognises loss allowances for expected credit losses (ECL) on debt instruments measured at fair value through other comprehensive income and at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(vii) Impairment (continued)

Policy applicable from 1 April 2018 (continued)

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired (referred to as ‘Stage 3 financial assets’). A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(vii) Impairment (continued)

Policy applicable from 1 April 2018 (continued)

Credit-impaired financial assets (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that it would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of the debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

Allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- loan commitments and financial guarantee contracts: generally, as a provision.
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss is recognised in profit or loss as a reclassification from OCI.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(vii) Impairment (continued)

Policy applicable from 1 April 2018 (continued)

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 April 2018

The carrying amounts of the Group's financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists for any asset, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in other comprehensive income is reclassified to 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.

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.

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 other comprehensive income. 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.

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.

34. Significant Accounting Policies (Continued)

(c) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. 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 Group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss.

Property, plant and equipment, with the exception of freehold land and paintings, 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% - 5%
Leasehold improvements	The shorter of the estimated useful life and the period of the lease
Motor vehicles	20%
Computer equipment	20% - 25%
Other equipment, furniture and fittings	10% - 20%

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

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are recognised at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. Internally generated intangible assets, excluding capitalised development costs meeting the criteria of IAS 38, are not capitalised and the expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period for an intangible asset with a finite useful life is reviewed at a minimum at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss. Intangible assets with infinite useful lives are measured at cost less impairment losses. They are assessed for impairment at least annually.

(i) Computer software

Computer software is measured at cost, less accumulated amortisation and impairment losses. Amortisation is charged on the straight-line basis over the useful lives of the assets ranging from 20% to 25% per annum, from the date it is available for use.

34. Significant Accounting Policies (Continued)

(d) Intangible assets (continued)

(ii) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the cost is less than the fair value (negative goodwill), it is recognised immediately in profit or loss. Goodwill is measured at cost less accumulated impairment losses and is assessed for impairment at least annually.

(iii) Customer lists and core deposits

Acquired customer lists are measured initially at historical cost. Customer lists have a finite useful life and are measured at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the expected retention period with the Group, which ranges from 8 to 15 years.

(iv) Licences

These assets represent the value of JMMB Securities Limited's seat on the Jamaica Stock Exchange and the banking licence and securities licence acquired for JMMB Bank (T&T) Limited and JMMB Securities (T&T) Limited, which have indefinite useful lives. These assets are tested for impairment annually, and whenever there is an indication that the asset is impaired, the carrying amount is reduced to the recoverable amount.

(v) Other intangibles

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the entities in the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Jamaican dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates at the reporting date.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences on non-monetary financial assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognised in profit or loss (applicable for trading securities), or within other comprehensive income if non-monetary financial assets are classified as available-for-sale. In the case of changes in the fair value of monetary assets denominated in foreign currency classified as available-for-sale, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in other comprehensive income.

34. Significant Accounting Policies (Continued)

(e) Foreign currency translation (continued)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rates at the reporting date;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

(f) Share capital

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the issuer's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary. Dividends thereon are recognised as interest in profit or loss.

The Group's redeemable preference shares are redeemable on specific dates, and bear entitlements to distributions that are cumulative, and not at the discretion of the directors. Accordingly, they are presented as financial liabilities.

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(g) Taxation

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

(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 reporting date, and any adjustment to income tax payable in respect of previous years.

(ii) Deferred income tax

Deferred income tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amounts of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan for the company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted at the reporting date.

34. Significant Accounting Policies (Continued)

(h) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, except for deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists for any asset, the asset's recoverable amount is estimated. 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 profit or loss.

(i) Calculation of recoverable amount

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 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.

(i) Revenue recognition

The principal types of revenue and the manner in which they are recognised are as follows:

(i) Interest income

Policy applicable from 1 April 2018

Interest income is recognised in profit or loss for using the effective interest method. The "effective interest rate" is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instruments to its gross carrying amount.

When calculating the effective interest rate for financial instruments, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset.

The 'amortised cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance (or impairment allowance before 1 April 2018).

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

34. Significant Accounting Policies (Continued)

(i) Revenue recognition (continued)

The principal types of revenue and the manner in which they are recognised are as follows (continued):

(i) Interest income (continued)

Policy applicable from 1 April 2018 (continued)

The effective interest rate of a financial asset is calculated on initial recognition. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) and is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI, includes interest on financial assets measured at amortised cost, other interest income presented in the statement of profit or loss and OCI includes interest income on finance leases.

Policy applicable under IAS 39 before 1 April 2018

Interest income is 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-earning instrument and its amount at maturity calculated on the effective interest 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.

(ii) Fees and commissions

Policy applicable from 1 April 2018

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a service to a customer.

Fee and commission income which includes account service, portfolio management and management advisory fees are recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

34. Significant Accounting Policies (Continued)

(i) Revenue recognition (continued)

(ii) Fees and commissions (continued)

Policy applicable from 1 April 2018 (continued)

Performance obligations and revenue recognition policies:

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms.	Revenue recognition under IFRS 15 (applicable from 1 April 2018).
Investment banking services	The Group provides investment banking related services, including execution of customers' transactions and maintenance of customers' investments records. Fees are charged when the transaction takes place and are based on fixed rates or a fixed percentage of the assets value.	Revenue from investment banking related services is recognised at the point in time when the service is provided.
Portfolio and asset management services	The Group provides portfolio and asset management services to customers. Fees are calculated based on a fixed percentage of the value of the assets and are charged at various time intervals based on the investment agreement but at no time period exceeding twelve months.	Revenue from portfolio and asset management services is recognised at the point in time when the service is provided.
Capital market services	The Group provides capital market services including from debt issuances, equity issuance and merger and acquisition advisory services. Fees are charged when services has been successfully executed.	Revenue is recognised at the point in time when the transaction has been successfully executed.

Policy applicable before 1 April 2018

Fee and commission income are recognised on the accrual basis when the service has been provided. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportionate basis. Asset management fees related to investment funds are recognised over the period in which the service is provided. Performance-linked fees or fee components are recognised when the performance criteria are fulfilled.

34. Significant Accounting Policies (Continued)

(i) Revenue recognition (continued)

Policy applicable before 1 April 2018

(iii) Dividends

Dividend income is recognised when the right to receive payment is irrevocably established.

(j) 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 fund costs included in Group profit or loss represent contributions to the defined-contribution fund which the Group operates to provide retirement pensions for the Group's employees (Note 31). Contributions to the fund, made on the basis provided for in the rules, are accrued and charged as expense when due.

(k) Operating leases

Payments made under operating leases are recognised in profit or loss on the straight line basis over the terms of the leases.

(l) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Board of Directors.

(m) Interest expense

Policy applicable from 1 April 2018

Interest expense is recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the issue of financial liability.

The 'amortised cost' of a financial liability is the amount at which the financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

34. Significant Accounting Policies (Continued)

(m) Interest expense (continued)

The effective interest rate of a financial liability is calculated on initial recognition of a financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

Policy applicable from 1 April 2018 (continued)

Interest expense presented in the statement of profit or loss and OCI includes financial liabilities measured at amortised cost.

Policy applicable before 1 April 2018

Interest expense is recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial liability.

(n) Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost and any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(o) Investment properties

Investment properties are held for rental income and fair value gains. Investment properties are treated as a long-term investment and are measured at fair value. Fair value is determined every third year by an independent professional valuer, and in each of the two intervening years by the directors. Changes in fair values are recognised in profit or loss. Rental income from investment properties is recognised in profit or loss on the straight line basis over the tenure of the leases.

(p) New and amended standards and interpretations issued but are not yet effective

Certain new and amended standards and interpretations have been issued which are not yet effective for the current year and which the Group has not early-adopted. The Group has assessed the relevance of all such new standards, amendments and interpretations with respect to the Group's operations and has determined that the following are likely to have an effect on the financial statements.

(i) IFRS 16, *Leases*, which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessees will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short-term leases and for low-value items with value of US$5,000 or less.

Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases.

Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* is also adopted.

The Group is assessing the impact that the standard will have on its 2020 financial statements.

34. Significant Accounting Policies (Continued)

(p) New and amended standards and interpretations issued but are not yet effective (continued)

(ii) IFRIC 23, *Uncertainty Over Income Tax Treatments*, is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted. IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities, in the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

An entity has to consider whether it is probable that the relevant tax authority would accept the tax treatment, or group of tax treatments, that is adopted in its income tax filing.

If the entity concludes that it is probable that the tax authority will accept a particular tax treatment in the tax return, the entity will determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings and record the same amount in the financial statements. The entity will disclose uncertainty.

If facts and circumstances change, the entity is required to reassess the judgements and estimates applied.

IFRIC 23 reinforces the need to comply with existing disclosure requirements regarding

- judgements made in the process of applying accounting policy to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- assumptions and other estimates used; and
- potential impact of uncertainties that are not reflected in the financial statements.

The Group is assessing the impact that the interpretation will have on its 2020 financial statements.

(iii) Amendments to IFRS 9, *Financial Instruments*, effective retrospectively for annual periods beginning on or after January 1, 2019 clarifies the treatment of:

(i) Prepayment features with negative compensation:

Financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9.

(ii) Modifications to financial liabilities:

If the initial application of IFRS 9 results in a change in accounting policy arising from modified or exchanged fixed rate financial liabilities, retrospective application is required, subject to particular transitional reliefs. There is no change to the accounting for costs and fees when a liability has been modified, but not substantially. These are recognised as an adjustment to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

The Group is assessing the impact that these amendments will have on its 2020 financial statements.

34. Significant Accounting Policies (Continued)

(p) New and amended standards and interpretations issued but are not yet effective (continued)

(iv) Annual Improvements to IFRS Standards 2015-2017 cycle contain amendments to IFRS 3, *Business Combinations,* IFRS 11*, Joint Arrangements*, IAS 12, *Income Taxes* and IAS 23*, Borrowing Costs*, are effective for annual periods beginning on or after January 1, 2019.

(i) The amendments to IFRS 3 and IFRS 11 clarifies how an increased interest in a joint operation should be accounted for. If a party maintains or obtains joint control, then the previously held interest is not remeasured. But, if a party obtains control, this is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value.

(ii) IAS 12 is amended to clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently (either in profit or loss, OCI or equity) with the transactions that generated the distributable profits.

(iii) IAS 23 is amended to clarify that the general borrowings pool used to calculate eligible borrowing costs excludes borrowings that specifically finance qualifying assets that are still under development or construction. The change will apply to borrowing costs incurred on or after the date of initial adoption of the amendment.

The Group is assessing the impact that the amendments will have on its 2020 financial statements.

(v) Amendments to *References to Conceptual Framework in IFRS Standards* is effective retrospectively for annual reporting periods beginning on or after January 1, 2020. The revised framework covers all aspects of standard setting including the objective of financial reporting.

The main change relates to how and when assets and liabilities are recognised and de-recognised in the financial statements.

- New 'bundle of rights' approach to assets will mean that an entity may recognise a right to use an asset rather than the asset itself;
- A liability will be recognised if a company has no practical ability to avoid it. This may bring liabilities on balance sheet earlier than at present.
- A new control-based approach to de-recognition will allow an entity to derecognize an asset when it loses control over all or part of it; the focus will no longer be on the transfer of risks and rewards.

The Group is assessing the impact that the amendments will have on its 2021 financial statements.

(vi) Amendments to IFRS 3, *Business Combinations,* applicable to businesses acquired in annual reporting periods beginning on or after January 1, 2020, provides more guidance on the definition of a business. The amendments include:

(i) An election to use a concentration test by way of an assessment that results in an asset acquisition, if substantially all of the fair value of the gross asset is concentrated in single identifiable asset or a group of similar identifiable assets.

(ii) Otherwise, the assessment focuses on the existence of a substantive process. A business consists of inputs and processes applied to those inputs to create outputs.

The Group is assessing the impact that the amendments will have on its 2021 financial statements.

34. Significant Accounting Policies (Continued)

(p) New and amended standards and interpretations issued but are not yet effective (continued)

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

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

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

35. Subsequent Event

JMMB Group Limited (JMMBGL) has committed to investing a minimum of US$200 million in Alignvest Acquisition II Corporation (AQY), which is a publicly-traded Special Purpose Acquisition Corporation, listed on the Toronto Stock Exchange. AQY is currently set to acquire 100% of the ordinary shares of Sagicor Financial Corporation (SFC). Upon the completion of AQY's acquisition of SFC, AQY and SFC will then collapse into a new single entity (New Sagicor). Following the completion of the investment transaction, JMMBGL will own no less than 20% of the shareholdings of New Sagicor. SFC is a leading financial services provider in the Eastern Caribbean, Trinidad and Tobago, and Jamaica; with growing presence as a provider of life insurance products in the United States.

The New Sagicor will become an associated company of JMMB Group Limited and, as part of the agreement; JMMBGL will have the right to nominate two eligible and qualified directors to serve on the board of directors of New Sagicor. The transaction is subject to regulatory approval.

TOP 10 SHAREHOLDERS

AT MARCH 31, 2019

SHAREHOLDERS	SHAREHOLDINGS	ORDINARY SHARES 1,630,552,532 %
PROVEN INVESTMENTS LIMITED	326,277,325	20.010
TRUSTEES JMMB ESOP	159,076,085	9.756
COLONIAL LIFE INSURANCE CO (TRINIDAD) LTD	103,453,776	6.345
PANJAM INVESTMENTS LIMITED	99,571,220	6.107
NATIONAL INSURANCE FUND	79,672,997	4.886
CONCISE E.I. LTD	48,438,366	2.971
SJIML A/C 3119	56,372,550	3.457
JVF O.E. LTD	44,400,000	2.723
JVF E.I. LTD	40,311,674	2.472
CONCISE O.N. LTD	37,530,103	2.302
TOTAL SHAREHOLDINGS	**995,104,096**	**61.029**

SHAREHOLDINGS OF DIRECTORS AT MARCH 31, 2019

DIRECTORS	SHAREHOLDING - ORDINARY	CONNECTED PARTIES
Donna Duncan-Scott	7,678,110	ESOP
	36,776,951	JVF O.N. LTD
	37,530,103	CONCISE O.N. LTD
Archibald Campbell	18,400	
	344,827	ODETTE CAMPBELL
Keith P. Duncan	20,591	
	48,438,366	CONCISE E.I. LTD
	40,311,674	JVF E.I. LTD
	846,745	ESOP
V. Andrew Whyte	-	CONCISE R.I. LTD
Wayne Sutherland	-	
	28,540,838	
Dennis Harris	366,277	
Dr. Anne Crick	5,234	
Hugh Duncan	4,828	
Reece Kong	-	
Audrey Welds	100,000	
Audrey Deer Williams	-	
Andrew Cocking	10,000,000	
H. Wayne Powell	57,800	
Patricia Dailey Smith	-	
Patria-Kaye Aarons	-	
TOTAL	**210,982,944**	

SHAREHOLDINGS OF LEADERSHIP TEAM AT MARCH 31, 2019

EXECUTIVE TEAM LEADERS	SHAREHOLDING - ORDINARY	CONNECTED PARTIES
Donna Duncan-Scott	7,678,110	ESOP
	36,776,951	JVF O.N. LTD
	37,530,103	CONCISE O.N. LTD
Keith Duncan	20,591	
	846,745	ESOP
	48,438,366	CONCISE E.I. LTD
	40,311,674	
Carolyn DaCosta	135,944	JVF E.I. LTD
	74,640	ESOP
	3,357	CRAIG DACOSTA
	127,169	DERMOTT DACOSTA
	4,795	MERLINE DACOSTA
	5,237	AMANDA DACOSTA
Paul Gray	80	
	763,731	ESOP
	NIL	TEVERLY GRAY

SHAREHOLDINGS OF LEADERSHIP TEAM CONT'D

EXECUTIVE TEAM LEADERS	SHAREHOLDING - ORDINARY	CONNECTED PARTIES
Julian Mair	239,711	ESOP
Patrick Ellis	239,872	ESOP
Janet Patrick	854,461	ESOP
	18,432	
Hugh Duncan	4,828	
Damion Brown	210,677	ESOP
Kerry-Ann Stimpson	780,032	ESOP
Claudine Tracey	908,000	ESOP
Peta-Gaye Bartley	847,260	ESOP
Gregory Hines	Nil	ESOP

Client Care Support

(876) 998-JMMB (5662)
From the USA and Canada:
1 (877) 533-5662
From the UK: 0 (800) 404-9616
Opening Hours:
Monday – Sunday:
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Email: info@jmmb.com
www.jmmb.com

JAMAICA

JMMB Investments

Jamaica Money Market Brokers Ltd.

6 Haughton Terrace,
Kingston 10
Tel: (876) 998-5662
Fax: (876) 960-9546
OPENING HOURS:
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HAUGHTON AVENUE BRANCH
5 Haughton Avenue,
Kingston 10
Tel: (876) 998-5662
Fax: (876) 920-7281 or (876) 998-9380
OPENING HOURS:
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8:30 a.m. – 3:30 p.m.
Drive Thru
Monday – Friday:
9:00 am – 5:00 p.m.
Saturday: 10:00 a.m. – 2:00 p.m.

KNUTSFORD BOULEVARD BRANCH
11 Knutsford Boulevard,
Kingston 5
Tel: (876) 998-5662
Fax: (876) 960-3927 or (876) 960-4455
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

JUNCTION AGENCY
Shop 2, Roye's Plaza,
Main Street, Junction
St. Elizabeth
Tel: (876) 998-5662
OPENING HOURS:
Monday – Friday:
8:30 a.m. to 3:30 p.m.

MANDEVILLE BRANCH
23 Ward Avenue,
Mandeville, Manchester
Tel: (876) 998-5662
Fax: (876) 625-2352
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

MONTEGO BAY BRANCH
Suite 1,
Fairview Office Park,
Alice Eldemire Drive,
Montego Bay, St. James
Tel: (876) 998-5662
Fax: (876) 979-8985
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

MAY PEN BRANCH
Shop 28B, Bargain Village Plaza,
35 Main Street,
May Pen, Clarendon
Tel: (876) 998-5662
Fax: (876) 786-3660
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

OCHO RIOS BRANCH
Guardian Life Building,
2 Graham Street,
Ocho Rios, St. Ann
Tel: (876) 998-5662
Fax: (876) 795-3886
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

PORTMORE BRANCH
47 - 48 West Trade Way,
Portmore Town Centre,
Portmore, St. Catherine
Tel: (876) 998-5662
Fax: (876) 939-3207

OPENING HOURS:
Monday – Friday:
10:30 a.m. – 6:00 p.m.
Saturday: 10:30 a.m. – 2:00 p.m.

SANTA CRUZ BRANCH
Shop # 2 Oasis Plaza, Coke Drive,
Santa Cruz, St. Elizabeth
Tel: (876) 998-5662
Fax: (876) 966-9816
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

BOARD OF DIRECTORS

Dr. Archibald Campbell – Chairman
Kisha Anderson
Audrey Deer-Williams
Keith Duncan
Dennis Harris (resigned June 7, 2019)
V. Andrew Whyte
Carolyn DaCosta – Corporate Secretary
Claudine Campbell-Bryan - Deputy Corporate Secretary

ETM Dual Currency Service (US$ & J$)

KINGSTON
- Down Town
- Haughton Terrace
- Knutsford Boulevard
- Phoenix Avenue

CLARENDON
- May Pen

MANCHESTER
- Mandeville

MONTEGO BAY
- Montego Bay

ST. ANDREW
- Constant Spring
- Liguanea

ST. ANN
- Ocho Rios

ST. CATHERINE
- Portmore
- Spanish Town

ST. ELIZABETH
- Junction
- Santa Cruz

JMMB FUND MANAGERS LTD

6 Haughton Terrace,
Kingston 10
Tel: (876) 998-5662
Fax: (876) 960-8106

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BOARD OF DIRECTORS

Dr. Archibald Campbell – Chairman
Kisha Anderson
Audrey Deer-Williams
Keith Duncan
Dennis Harris (resigned June 7, 2019)
V. Andrew Whyte
Carolyn DaCosta – Corporate Secretary
Claudine Campbell Bryan – Deputy Corporate Secretary

JMMB INSURANCE BROKERS

JMMB Insurance Brokers Ltd.

8 Dominica Drive, New Kingston
Kingston 5
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Email: info@jmmb.com

BOARD OF DIRECTORS

Dr. Archibald Campbell – Chairman
Kisha Anderson
Cecile Cooper
Keith Duncan
Paul Gray
Claudine Campbell Bryan – Corporate Secretary

JMMB SECURITIES LTD

A Member of the Jamaica Stock Exchange

6 Haughton Terrace,
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BOARD OF DIRECTORS

Dr. Archibald Campbell – Chairman
Kisha Anderson
Audrey Deer-Williams
Keith Duncan
Dennis Harris (resigned June 7, 2019)
Julian Mair
V. Andrew Whyte
Carolyn DaCosta – Corporate Secretary
Claudine Campbell Bryan – Deputy Corporate Secretary

JMMB Bank

JMMB Bank (Jamaica) Ltd.

HEAD OFFICE

6-8 Grenada Way
Kingston 5
Jamaica, W.I.
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KNUTSFORD BOULEVARD BRANCH

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MONTEGO BAY BRANCH

25 Church Street
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Tel: (876) 998-5662
Fax: (876) 952-4647
OPENING HOURS:
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OCHO RIOS BRANCH

2 Graham Street
Ocho Rios, St. Ann
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Tel: (876) 998-5662
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OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

BOARD OF DIRECTORS

Dennis Harris – Chairman
Vintoria Bernard
Dr. Archibald Campbell
Keith Duncan
Donna Duncan-Scott
Martin Lyn
H. Wayne Powell
Gregory Shirley
Patricia Sutherland
V. Andrew Whyte
Carolyn DaCosta – Corporate Secretary
Claudine Campbell Bryan – Deputy Corporate Secretary

JMMB Money Transfer

JMMB Money Transfer Ltd.

HEAD OFFICE

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BOARD OF DIRECTORS

Dr. Archibald Campbell – Chairman
Kisha Anderson
Maurice Barnes
Andrew Cocking
Keith Duncan
V. Andrew Whyte
Carolyn DaCosta – Corporate Secretary
Claudine Campbell Bryan – Deputy Corporate Secretary

DOMINICAN REPUBLIC

JMMB Puesto de Bolsa, S.A.
MIEMBRO DEL GRUPO JMMB
MIEMBRO DE LA BVRD

HEAD OFFICE

Av. Gustavo Mejía Ricart,
Torre Corporativo 2010, No. 102, Piso 12, Piantini, Distrito Nacional, República Dominicana.
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Fax: (809) 620-5662
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CORPORATIVO 2010

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PLAZA CHARO

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Santiago, República Dominicana
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Fax: (809) 620-5662
OPENING HOURS:
Monday – Friday:
9:00 a.m. – 6:00 p.m.

BOARD OF DIRECTORS

Dr. Archibald Campbell - Chairman
Guillermo Arancibia
Keith Duncan
Donna Duncan- Scott
Ricardo Ginebra
Robert Jiménez Collie
Julian Mair
V. Andrew Whyte
José de Moya Cuesta - Company Secretary

JMMB BDI AFP
Administradora de Fondos de Pensiones, S.A.
MIEMBRO DEL GRUPO JMMB

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BOARD OF DIRECTORS

Dr. Archibald Campbell - Chairman
Juan Carlos Rodriguez Copello
Keith Duncan
Hamlet Hernan
Rafael Medina Quiñones
Polibio Valenzuela
Ricardo Ginebra - Company Secretary

JMMB Funds
Sociedad Administradora de Fondos de Inversión, S.A.
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www.jmmb.com
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BOARD OF DIRECTORS

Patrick Anthony Ellis - Chairman
Rafael Emilio García Albizu
Rodolfo Cabello
Juan Carlos País Fernández
Paul Gray
Diego Ramón Sosa Sosa
Carlos Alberto del Giudice - Company Secretary

JMMB Bank
Banco de Ahorro y Crédito, S.A.

Av. Gustavo Mejia Ricart, Torre Corporativo 2010, No. 102, Piso 12, Piantini, Distrito Nacional, República Dominicana.
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Email: info@jmmb.com.do

BOARD OF DIRECTORS

Dr. Archibald Campbell - Chairman
Guillermo Arancibia
Keith Duncan
Ricardo Feris
Jorge Reid
Lizette Solano
Denisse Pichardo - Company Secretary

TRINIDAD AND TOBAGO

JMMB Bank (Trinidad and Tobago) Ltd.

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(868) 665-4425
Fax: (868) 665-6663
www.jmmb.com
Email: infott@jmmb.com

PORT OF SPAIN BRANCH
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Fax: (868) 625-8678
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Friday: 9:00 a.m. – 5:00 p.m.

TUNAPUNA BRANCH
30-32 Eastern Main Road,
Tunapuna, Trinidad.
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(868) 665-4425
Fax: (868) 645-1821
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9:00 a.m. – 3:00 p.m.
Friday: 9:00 a.m. – 5:00 p.m.

SOUTH BRANCH
SouthPark, Tarouba Link Road,
San Fernando, Trinidad
Tel: (868) 800-JMMB (5662)
(868) 665-4425
Fax: (868) 658-5662
OPENING HOURS:
Monday – Friday:
10:00 a.m. – 5:00 p.m.

BOARD OF DIRECTORS

Dr. Archibald Campbell - Chairman
Hugh Duncan
John Tang Nian
Keith Duncan
Lorraine Kam
Marjorie Nunez
Nigel Romano

Selby Oswald Wilson
Wayne Lincoln Sutherland
Winston Millett
Denise Roopnarinesingh – Corporate Secretary

JMMB Express FINANCE (T&T) LIMITED

86 Ramsaran Street,
Chaguanas
130 Charlotte Street,
Port of Spain
65 Cipero Street,
San Fernando

BOARD OF DIRECTORS

Dr. Archibald Campbell - Chairman
Hugh Vernon Wellesley Duncan
John Tang Nian
Keith Duncan
Lorraine Kam
Marjorie Nunez
Nigel Romano
Selby Oswald Wilson
Wayne Lincoln Sutherland
Winston Millett
Denise Roopnarinesingh – Corporate Secretary

JMMB Investments (Trinidad and Tobago) Limited

169 Tragarete Road,
Port-of-Spain
Tel: (868) 224-JMMB (5662)
(868) 554-5666
Fax: (868) 224-5662
Monday – Friday:
8:00 a.m. – 4:00 p.m.
CENTRAL BRANCH
DSM Plaza, Old Southern Main Road,
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Trinidad and Tobago
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(868) 665-4425
Fax: (868) 671-9120
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www.jmmb.com
Email: infott@jmmb.com

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San Fernando, Trinidad
Tel: (868) 800-JMMB (5662)
Fax: (868) 658-5820
OPENING HOURS:
Monday – Friday:
8:00 a.m. – 5:00 p.m.

BOARD OF DIRECTORS

Dr. Archibald Campbell - Chairman
Keith Duncan
Wayne Lincoln Sutherland
Kisha Anderson
Julian Mair
Dr. Marlene Attzs
Catherine Kumar
Carolyn DaCosta – Corporate Secretary
Denise Roopnarinesingh – Deputy Corporate Secretary

JMMB SECURITIES (T&T) Limited
A MEMBER OF THE TRINIDAD AND TOBAGO STOCK EXCHANGE

169 Tragarete Road,
Port-of-Spain
Tel: (868) 224-JMMB (5662)
Fax: (868) 224-5667
OPENING HOURS:
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www.jmmb.com
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BOARD OF DIRECTORS

Dr. Archibald Campbell - Chairman
Keith Duncan
Wayne Lincoln Sutherland
Kisha Anderson
Julian Mair
Dr. Marlene Attzs
Catherine Kumar
Carolyn DaCosta – Corporate Secretary
Denise Roopnarinesingh – Deputy Corporate Secretary

NOTES

PROXY FORM

I/We ______________________________ of ______________________________

______________________ being a member/members of JMMB Group Limited (the Company) hereby appoint______________________of______________________ or failing him/her ______________________ of ______________________ as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, **September 18, 2019 at 10:30 A.M. at the Jamaica Pegasus Hotel, Grand Jamaican Suite, 81 Knutsford Boulevard, Kingston 5, Jamaica,** and at any adjournment thereof. **Please indicate by inserting a cross (x) in the appropriate box for how you wish to cast your vote.**

RESOLUTIONS	FOR	AGAINST
RESOLUTION 1 To receive the Reports of the Directors and Auditors and the Audited Accounts for the twelve (12) months ended March 31, 2019.		
RESOLUTION 2 To ratify interim dividend payments and declare them final.		
RESOLUTION 3 TO RE-APPOINT DIRECTORS **RESOLUTION 3 (A)** "THAT Director Reece Kong who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".		
RESOLUTION 3 (B) "THAT Director Wayne Sutherland who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".		
RESOLUTION 3 (C) "THAT Director V. Andrew Whyte who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".		
RESOLUTION 3 (D) "THAT Director Audrey Welds who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".		
RESOLUTION 4 To appoint Auditors and authorise the Directors to fix the remuneration of the Auditors.		
RESOLUTION 5 To approve Directors' Remuneration.		

Dated this ______________________day of______________________ 2019

Affix stamp J$100.0

Notes:

1. To be valid this proxy must be deposited with the Secretary of JMMB GROUP LIMITED at 6 HAUGHTON TERRACE, KINGSTON 10, Jamaica, not less than 48 hours before the time appointed for holding the meeting. A Proxy need not be a member of the Company.
2. This Proxy Form should bear stamp duty of $100.00. Adhesive stamps are to be cancelled by the person signing the Proxy
3. If the appointer is a Corporation, this Proxy Form must be executed under its Common Seal or under the hand of an officer or attorney duly authorized in writing.

THE JAMB GROUP LTD.

YOUR BEST INTEREST AT ❤

THE JMB GROUP LTD.

THE JMMB GROUP LTD.

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