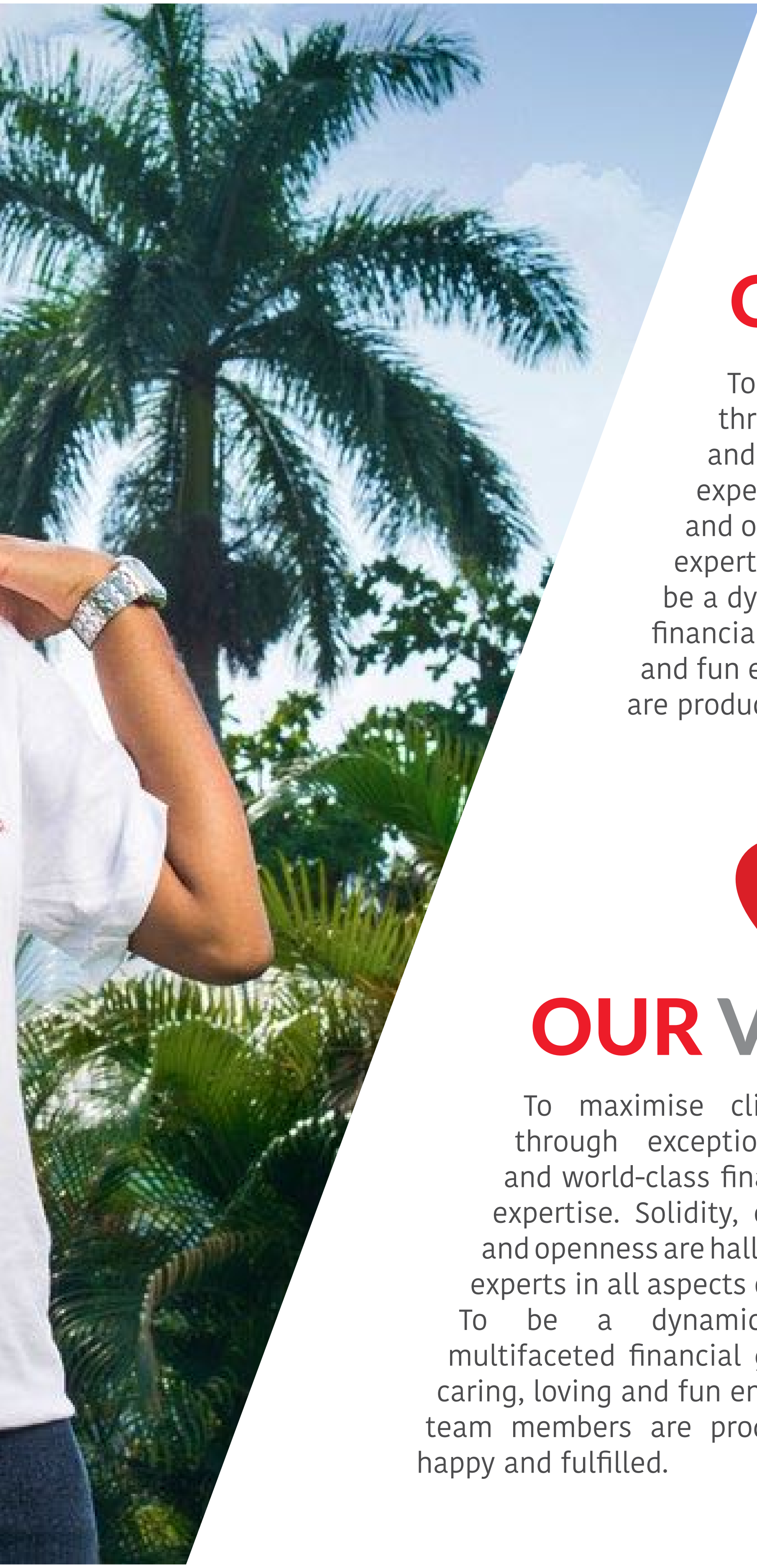
JMMB 30

JMMB GROUP LIMITED 2022 ANNUAL REPORT


CELEBR


RATING


THE
GROUP LTD.
Your Best Interest at Heart.



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 VISION

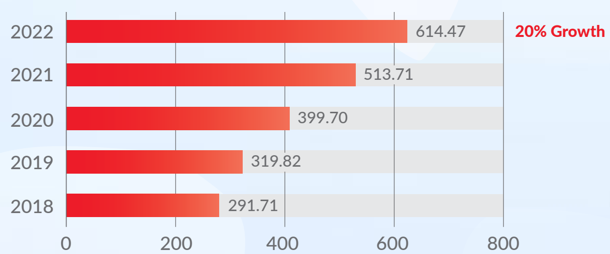
To maximise client satisfaction through exceptional client care and world-class financial advice and expertise. Solidity, ethics, credibility and openness are hallmarks of JMMB as experts in all aspects of our operations. To be a dynamic, international, multifaceted financial group that has a caring, loving and fun environment where team members are productive, creative, happy and fulfilled.

TABLE OF CONTENTS

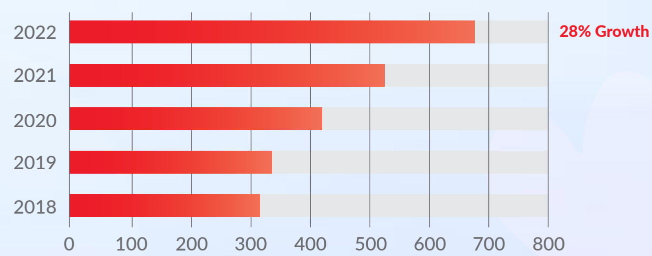
JMMB GROUP 2021-2022 PERFORMANCE HIGHLIGHTS

STRONG GROWTH IN KEY INDICATORS

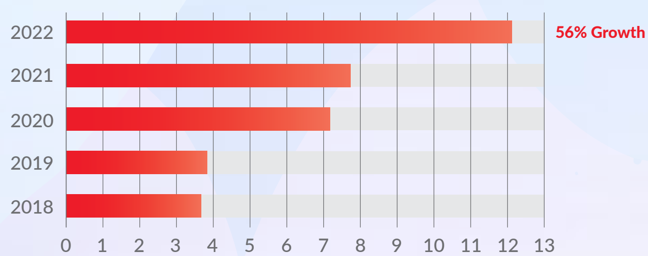
TOTAL ASSETS J$'000



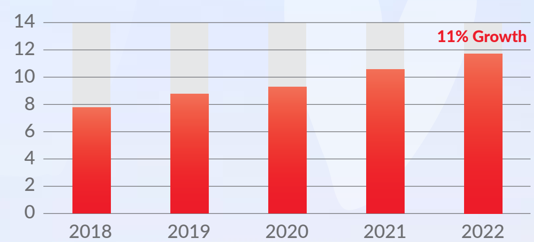
TOTAL FUM



NET PROFIT J$'000



NET INTEREST INCOME (J$ '000)



FINANCIAL PERFORMANCE SUMMARY

J$ 12B
Net Profit
56%
YoY Growth

J$ 11.6B
Net Interest Income
11%
YoY Growth

J$ 26.6B
Total Operating Revenue
19%
YoY Growth

J$ 667.9B
Total FUM
28%
YoY Growth

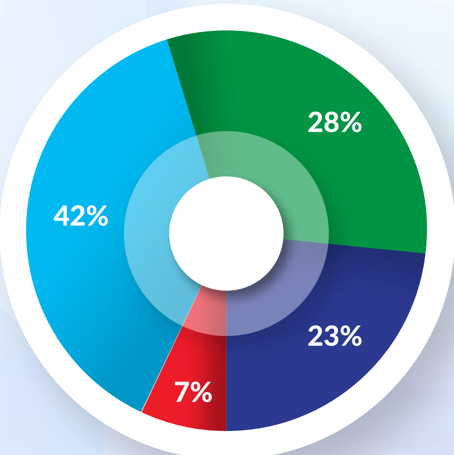
J$ 614.5B
Total Assets
20%
YoY Growth

JSE CLOSING PRICE (J$)

REGIONAL DIVERSIFICATION STRATEGY AT WORK

PROFIT & REVENUE DIVERSIFICATION GROWTH

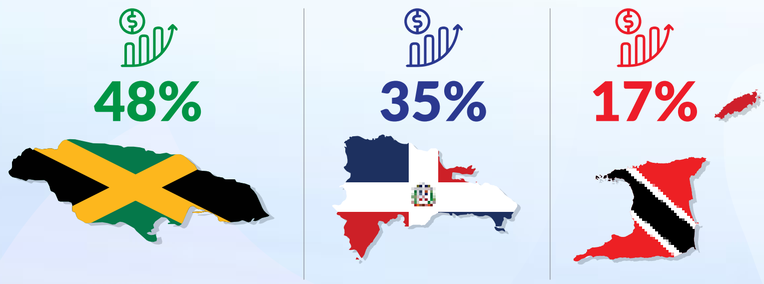
CONTRIBUTION TO NET PROFIT



▲ Jamaica ▲ Dominican Republic
▲ Trinidad & Tobago ▲ Sagicor Financial Company Limited (SFC)

SFC Contribution to Net Profit 42%

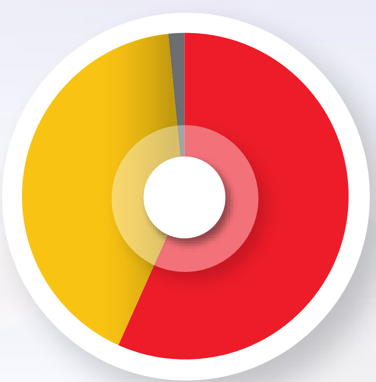
COUNTRY CONTRIBUTION TO OPERATING PROFIT



48% | 35% | 17%

DR Contribution to Operating Profit up 21%

SEGMENT CONTRIBUTION TO NET OPERATING REVENUE



57%
Financial & Related Services
- Securities Brokering
- Stock Brokering
- Portfolio Planning
- Funds Management
- Investment Advisory Services

29%
Banking & Related Services
- Deposits
- Loans
- Credit Facilities
- Foreign Currency Trading
- Remittances

Other 1%
- Insurance Brokering
- Investment & Real Estate Holding

Banking & Related Services 42% — **29% GROWTH**

Financial Related Services 57% — **12% GROWTH**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the NINTH ANNUAL GENERAL MEETING of JMMB GROUP LIMITED (the "Company") will be held on THURSDAY SEPTEMBER 22, 2022 at 10:00 a.m. (Jamaica) in a hybrid format (i) at the Jamaica Pegasus Hotel, Grand Jamaican Suite, 81 Knutsford Boulevard, Kingston 5 *subject to pre-registration*, and (ii) via electronic means* in accordance with the provisions of the Companies Act of Jamaica 2004 (as amended) 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, 2022.

"THAT the Reports of the Directors and Auditors and the Audited Accounts for the year ended March 31, 2022, circulated with the Notice convening the meeting be and are hereby adopted".

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

"THAT the interim dividends of Sixty Cents (60¢) paid on September 9, 2021, Twenty-Five Cents (25¢) paid on January 7, 2022, and Twenty Five Cents (25¢) paid on July 11, 2022 making a total payment of One Dollar and Ten Cents ($1.10¢) 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 105 of the Company's Articles of Incorporation are Mrs. Audrey Welds, Mr. Andrew Whyte, Mr. H. Wayne Powell, and Mr. Wayne Sutherland, all of whom, being eligible, offer themselves for re-election.

To consider and (if thought fit) pass the following resolutions:

3(a) "THAT Mrs Audrey Welds be and is hereby re-elected a Director of the Company."

3(b) "THAT Mr. Andrew Whyte be and is hereby re-elected a Director of the Company."

3(c) "THAT Mr. H. Wayne Powell be and is hereby re-elected a Director of the Company."

3(d) "THAT Mr. Wayne Sutherland 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 end of 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, 2022, as remuneration for their services as Directors be and is hereby approved."

Dated this 27th day of July 2022.

By Order of the Board

Carolyn DaCosta
Secretary

REGISTERED OFFICE
6 Haughton Terrace
Kingston 10, Jamaica.

NB: A member entitled to vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not be a member of the Company. Enclosed is a Proxy Form for your convenience, which must be lodged at the 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.

NB: The details of the various methods of accessing the Annual General Meeting online will be shared via our website, in daily newspapers and in any event at least 21 days before the date fixed for the holding of the Annual General Meeting. Limited attendance may be permitted by sending an email to shareholderquery@jmmb.com with your name, address and JCSD or TTCD account number. Only persons who have successfully pre- registered will be allowed to attend. On confirmation of registration you will receive an email with the protocols that must be followed.

SHAREHOLDER ADVISORY

Dear Valued Shareholder,

RE: Annual General Meeting and Annual Report JMMB Group Limited (JMMBGL)

JMMBGL is pleased to invite its shareholders to attend its 2022 Annual General Meeting on Thursday, September 22 2022, at 10:00 a.m. (Jamaica time) at the Jamaica Pegasus Hotel, Grand Jamaican Suite, 81 Knutsford Boulevard, Kingston 5, **subject to pre-registration and prevailing conditions**.

The meeting will also be streamed live, for viewing by our shareholders and members of the public, via our website (www.jmmb.com) and via our interactive platform, details of which will be published in the newspapers and on our website, at least 21 days before the meeting.

While the government's COVID-19 restrictions have eased, we are cognizant of the continued spread of the COVID-19 virus and, therefore, will have a hybrid meeting, in the best interest of everyone's protection and safety. The voting process will be facilitated electronically; however, if you cannot vote electronically, you may cast your vote using the enclosed proxy form. The proxy form will also be available on our website.

Please note the following;

1. DISTRIBUTION OF DOCUMENTS FOR THE 2022 AGM

A contactless system will be observed for the distribution of our annual report, notice of AGM and proxy form (the "Meeting Documents"). The meeting documents will be accessible for viewing and downloading on the following websites:

- www.jmmb.com;
- www.jamstockex.com and
- www.stockex.co.tt.

Should you require a hard copy of the annual report, please send an email to shareholderquery@jmmb.com, and we will make arrangements to accommodate your request.

2. HOLDING OF 2022 AGM

As indicated in our Notice of Annual General Meeting, the 2022 AGM will be held online, on Thursday, September 22, 2022, as was done in 2021. Access details for the online AGM will be communicated to you, via email and in advertisements in the newspapers, in due course. Limited attendance may be permitted by sending an email to shareholderquery@jmmb.com with your name, addressed and JCSD or TTCD account number. Only persons who have successfully pre- registered will allowed to attend. On confirmation of registration, you will receive an email with the protocols that must be followed. In person attendance is subject to the prevailing environment.

If you have not seen any of these, please send an email to shareholderquery@jmmb.com, or call our Corporate Secretariat at 876-704-3521, and we will ensure that you get all relevant information to enable your participation at the AGM.

We also invite you to continue visiting our website (jm.jmmb.com), for the latest updates and announcements.

Thank you for your ongoing partnership, as we are confident that we will all emerge from this pandemic even stronger, together.

Yours sincerely,
JMMB GROUP LIMITED

Archibald Campbell, DBA
CHAIRMAN

CORPORATE PROFILE

30 YEARS BUILDING A VISION OF LOVE JMMB

The original operating entity, Jamaica Money Market Brokers Ltd. (JMMB), opened its doors in November 1992 as the first of its kind in Jamaica. This was to be the beginning of a legacy built on the core values of integrity, care, honesty and openness, underpinned by the Vision of Love. Thirty years later, the vision that led to the launch of JMMB (1992) has fueled its evolution from a single operating entity to the JMMB Group. This Group, now a financial services group of companies, serves over 412,000 clients and their families in Jamaica, Trinidad and Tobago and the Dominican Republic. Genuine care for clients, credibility, talent and expertise have catapulted the JMMB Group to become a successful, dynamic, international, multi-faceted financial services group that is valued for its commitment to heart-to-heart connections, providing genuine, caring relationships and proactively delivering personalised financial solutions across banking, investment and insurance brokerage services.

CORPORATE STRUCTURE

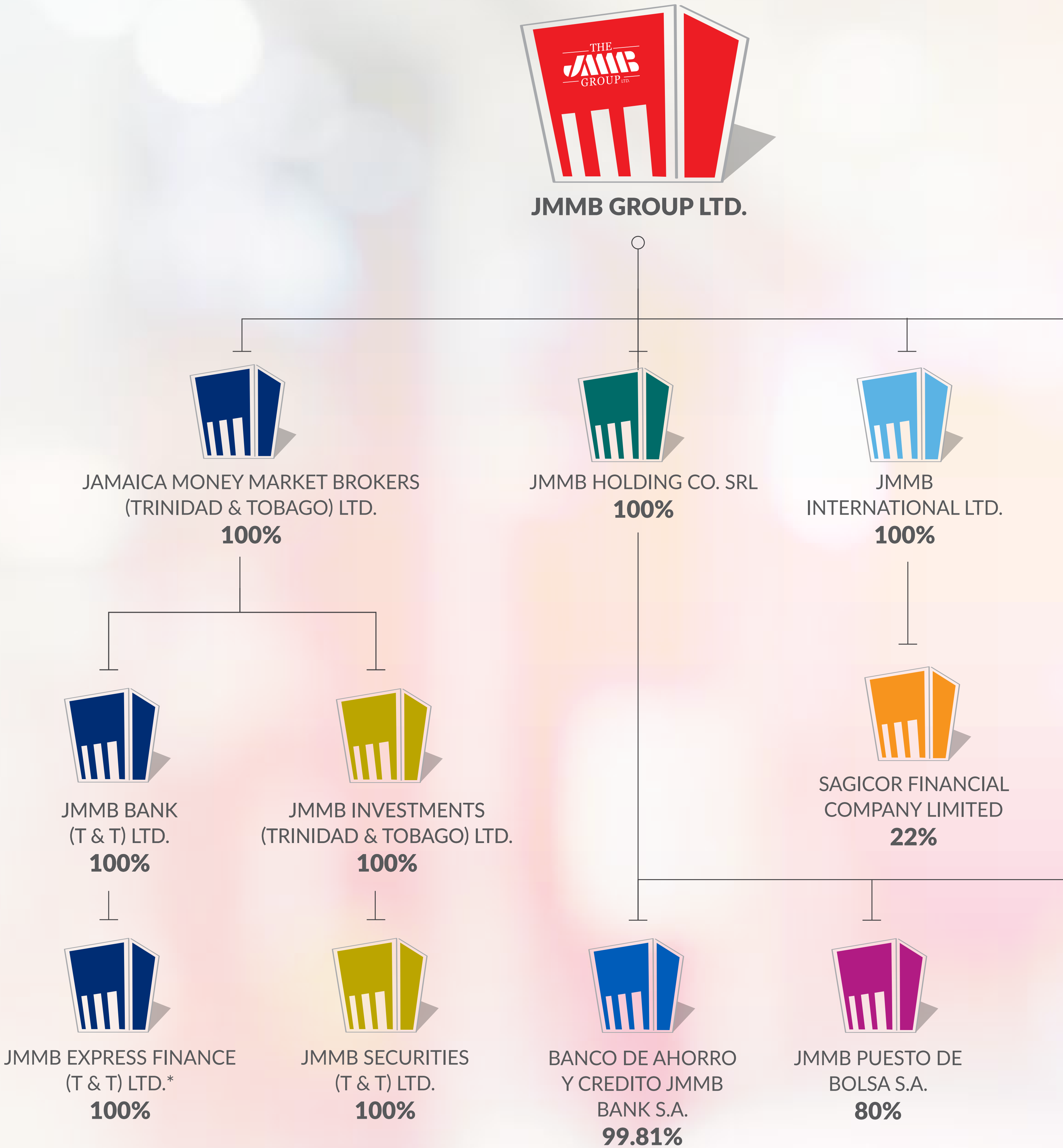
In 2015, JMMB was replaced as the parent company of the JMMB Group by JMMB Group Limited (JMMBGL), a newly formed company incorporated in Jamaica under the Companies Act (2014). This was achieved by a court-sanctioned and shareholder-approved Scheme of Arrangement between the two companies and their shareholders. On implementation of the Scheme of Arrangement, JMMBGL became the holding company of the JMMB Group, which includes the companies listed in the chart set out below. As part of the reorganization, JMMB's ordinary shares were delisted from the JSE, the BSE and the TTSE, and JMMBGL's ordinary shares were listed instead. As a subsequent event, the Board took the decision to apply to delist JMMBGL's existing ordinary shares from the BSE, due to consistent generally low trading volumes on the BSE, as well as the costs of maintaining the listing on the BSE. The Company's ordinary shares have since been delisted from the BSE. This portfolio of companies has positioned the JMMB Group to become a financial force to be reckoned with in the region and 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

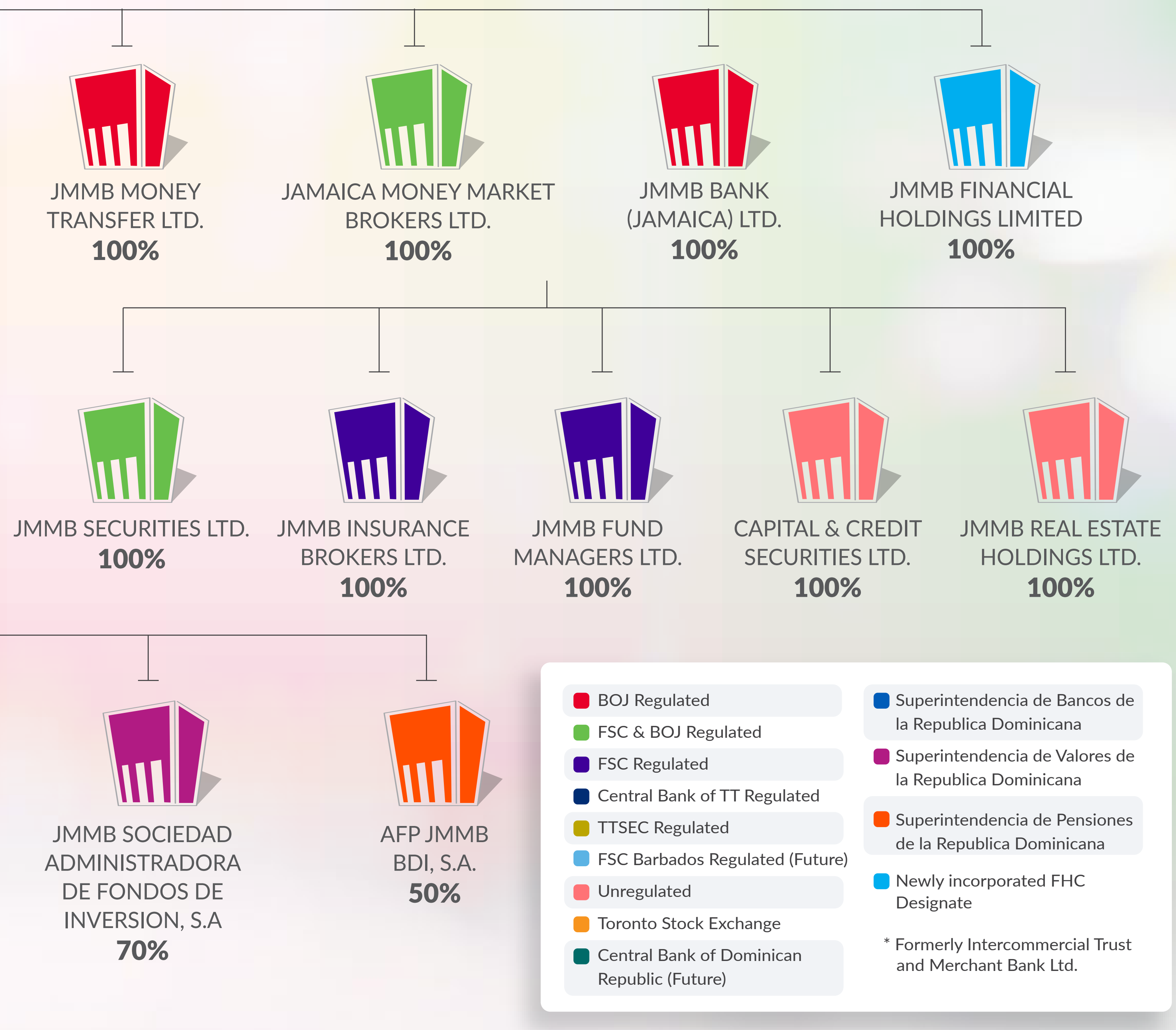
JMMB Group's commitment to corporate social responsibility is actualized through the JMMB Joan Duncan Foundation (the "Foundation"). The Foundation seeks to positively impact individuals, communities and the nation through transformational projects whose primary objective is to unearth individual greatness, 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.

LONG-TERM SUCCESS

The JMMB Group is poised for even greater success as it continues to expand locally and regionally 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 financial services entity, equipped with all the solutions needed to help individuals and businesses achieve their dreams.


JMMB GROUP LTD.
JAMAICA MONEY MARKET BROKERS (TRINIDAD & TOBAGO) LTD. 100%
JMMB HOLDING CO. SRL 100%
JMMB INTERNATIONAL LTD. 100%
JMMB BANK (T & T) LTD. 100%
JMMB INVESTMENTS (TRINIDAD & TOBAGO) LTD. 100%
SAGICOR FINANCIAL COMPANY LIMITED 22%
JMMB EXPRESS FINANCE (T & T) LTD.* 100%
JMMB SECURITIES (T & T) LTD. 100%
BANCO DE AHORRO Y CREDITO JMMB BANK S.A. 99.81%
JMMB PUESTO DE BOLSA S.A. 80%

CORPORATE STRUCTURE



A FOUNDATION OF LOVE

THE FINANCIAL GLE

FEATURE

Joan Duncan's persistence yield

EXECUTIVE PROFILE

Mrs Joan Duncan, managing director of Jamaica Money Market Brokers Ltd

"The stock market has again declined" continues to be an almost predictable item of news each day.

Moving from a position where we boasted the world's most buoyant stock market in 1992, Jamaica's stock market today has plummeted dramatically, dashing many people's hopes and frustrating small savers.

The decline of the stock market, coupled with the high interest rate regime, has provided the stimulus for the burgeoning growth of Jamaica's money market.

The need for a strong money market was always there, but that need has been amplified by more recent macroeconomic factors.

means of deriving maximum benefits from their working capital surpluses, with minimum costs, to finance working capital shortfalls".

tainly has the substance. A down-to-earth, unassuming person whom one might even call eccentric. Joan says blissfully that "everybody know Joan Duncan..."

Joan Duncan has been involved in banking since 1975 when she joined the Workers Savings and Loan Bank as a credit officer.

A graduate of the University of the West Indies where she obtained the M.Sc. in accounting, she also holds the B.Sc. degree from Concordia University where she received the award of Gold Medal in Finance. Her educational background includes studies in sociology and economics at the UWI as well as physics and chemistry at McGill University.

Her secondary education was completed at Clarendon College and Mrs Duncan, who was married to former People's National Party General Secretary D.K. Duncan, is a chartered accountant.

At Workers Bank where she worked for fifteen years, she ...

JMMB tackles banks on home turf

JAMAICA MONEY Market Brokers has launched a new money management account. Chequnate essentially allows clients to write cheques, which are debited directly from their investment accounts.

Similar style services are popular in the United States and are expected to catch the eye of local clients seeking expeditious chequing facilities.

The cheques are issued to clients ...

per cent per annum is higher than the rates offered by many banking houses on chequing accounts.

The outstanding features of this service are; written cheques are virtually guaranteed, the account yields an attractive interest rate, merchants need not be reticent at the prospect of receiving a "refer to drawer" as cheques are issued against clear funds at JMMB. Clients will be able to tender Cheques ...

THE FINANCIAL GLEANER, Friday, September

Money market an option for indivi

THE money market is quickly becoming a viable option for individuals and institutions in need of short-term, low cost funds. This observation was noted by Donna Duncan, Assistant Managing Director of the Jamaica Money Market Brokers Limited (JMMB), in an enlightening address to the Rotary Club of St. Andrew North, recently. The fuld, Miss Duncan explained, has rapidly evolved in its function from offer in affordable credit to short-term borrowers, to generating attractive returns for the investor, which can be encashed within 30 days.

The average yield to the investor now ranges anywhere ... per cent and the mon... similarly provides co... lending rates of 41per... disclosed as compared ... cial bank lending rates ...

draft of between 50-55per cent. The scope of the market of debt instruments now is such, that Ms. Duncan hinted at the possibility of JMMB spearheading the establishment ...

Tax Act Ms. Duncan continued, maintains the unique advantage of trading instruments: promissory notes, treasury bills and ...

Market Brokers will be going international." Joan will soon be ... Bloomberg system which ...

THE GLEANER ● Wednesday, October 27, 1999

C15

A one Jamaican woman dis!

❑ Joan Duncan's successful journey through the financial world

"MY GREATEST desire is not to make a lot of money for myself ... but to have a clean heart and a pure spirit."

Even if you have never heard the name Joan Duncan, even if you were not aware that her name will forever stand as the feisty female pioneer of the Jamaican money market, her life can and will serve as an inspiration, for her life was a successful journey that began with a personal mission ...

Career in banking

● The Money Market

HOW IT WORKS

By Joan Duncan

THE Jamaican Money Market is not nearly well organized as the equity market and yet it plays a major role ...

fixed or pegged to the Treasury Bill rate, e.g. 2 per cent above the average Treasury Bill yield.

Bank of Jamaica sells these Bonds for the Government from ...

Good-bye Joan Duncan

I AM greatly saddened by the news of the passing of Joan Duncan – a respected colleague and friend. I shall miss her greatly.

I'll miss her sense of humour and love of the ordinary Jamaican people. She did not suffer fools gladly, and spoke her mind frankly. She was happiest being a mother and a friend to all – in fact she fooled many a business person with her outward appearance – beneath that mild-mannered, friendly, motherly ...

Joan Duncan was my ideal of the successful Jamaican superwoman – business entrepreneur, mother, mentor and friend.

Joan did not need to go on the talk-show or cocktail circuit to be heard – she left that to others, although her friends at the Breakfast Club would sometimes get her on the programme. She did not need a flashy car and big expense account to impress anyone. In fact, she ...

Jamaican public needed more savings and investment options. She saw the need in the financial sector for market makers and primary dealers in money market instruments, and in former governor of the central bank, Jacques Bussieres, and also in Dr. Noel Lyons, she found two strong allies to help her realise her dream of establishing ...

dream that she had for years. While at NCB she fought valiantly to have them establish such a brokerage – but they would not listen.

Those of us who knew Joan remember how frustrated she was and how determined she was to make JMMB a reality. She knew she was right, and on to a winner, and she would not be deterred in getting her way. And it is a tribute to her fixity ... that she was able to ... group of ... her former ... in her venture capital, and ... labour. JMMB ... to her ... She is gone ...

gotten. Her legacy lives on and Jamaica is a better place for her having been here.

Walk, good my friend.

Footnote: *I see that Melanie ... is being put under tremendous ...*

The rich legacy of Joan Duncan

IAN BOYNE

CONTRIBUTOR

JOAN DUNCAN was a maverick. And she looked the sort. In a sector characterised by glitzy style, dapper dress, a cultivated air of sophistication and no small amount of snobbery, Joan Duncan was decidedly a rebel.

Her death last week was greeted by a sense of profound loss by many who knew her. At a time when the credibility and integrity of the financial sector as a whole is under serious question, Mrs. Duncan's life proved that ...

for concepts like empowerment of workers, people above profits or ethics first. These are the fantasies of idealists, they assert. But Mrs. Duncan proved them wrong. The management experts and students of management must study the JMMB model and examine her legacy.

Radically different

JMMB represented the first effort to bring in ordinary working class and lower middle class Jamaicans into the "secret" of money market investments. Previously, many were content to get the paltry interest rates that the banks obliged while they slapped enormous rates on loans.

The few knowledgeable people knew about things like Government and commercial paper, mutual funds etc. And because knowledge is power and ...

> Her passing, or transition as she would see it, affords us the opportunity of looking at some broader issues in the context of her life.

and what a remarkable success she made of it.

'Do-it-herself'

... up around ethical principles with sound business practice.

She herself was highly qualified academically and employed highly qualified people, too. The proof of the pudding is in the eating, and hers was not spoilt, like so many others in the financial sector.

I interviewed her for the Financial Gleaner in 1994 and she said: "My greatest desire is not to make a lot of money but to have a clean heart and a pure spirit".

She deplored materialism. I remember her saying that greed was banned in her office. No one could carry "news" about an employee. Her workers have shares in the company and everyone shares the profits.

Every day there is a "thought for the day". In the middle of conversations with her she would interrupt the talk and press the intercom to give staff some positive thinking, motivational quotes from the many New Age books which she read.

Because her staff was appreciated, respected and happy, they ...

Joan Duncan remembered as one who loved unconditionally

SCORES OF persons attended a thanksgiving service for the life and work of the founder of Jamaica Money Market Brokers (JMMB), Mrs Joan Duncan, last Friday at the Portmore Missionary Church, St Catherine.

After ASHE performed the opening number, daughter Donna Duncan told the congregation to "sit back, relax, take off your shoes and just enjoy the show."

At the service, excerpts of Mrs Duncan's television interviews were shown during which she spoke about her mission in life.

In her tribute, Beverly Manley said Mrs Duncan's beliefs covered all aspects of her life whether it be political, professional or personal. She also described her life as one filled with unconditional love in which she found full satisfaction.

Dr D.K. Duncan remembered his former wife as one who had realised her dream and had accomplished her mission. He added that today, JMMB was a monument to this resilience and vision.

"Although she loved her space, she craved to be rooted in her community. She believed it was possible to be ethical and honest while making plenty money," said Dr Duncan.

In songs befitting to the character of the deceased, Ernie Smith belted out the Frank Sinatra's signature tune 'My Way' while songbird Karen Smith sang 'To Dream The Impossible Dream'.

Women taking charge of personal finances

You deserve to have money!

A CONTINUAL source of pride at JMMB is that in its six years of existence it has helped to empower scores of Jamaican women who have invested through the money market and taken charge of their financial lives. For many women, the friendly atmosphere at JMMB has been a continuing attraction. In addition, investors only need a minimum of $1,000 to get started. As a result of this minimum requirement, many women have got started and never looked back.

Sometimes taking charge of your personal finances requires a change of mind set and this is often so in the case of women. The change required is the realisation that as a woman, you deserve to have money! So many women who work hard and struggle, suffer in silence believing that 'better must come'. The old proverb does have some truth to it, but very often better won't come unless you ask for it!

If you don't ask, you won't get!

More women need to take charge of their lives and look at the things they deserve to have. If you are a ... to take notice of you and one day raise your pay! Your salary, your success is your responsibility - not your employer's, not your partner's nor anyone else but you!

At home, the same holds true. So many women, for example, take the bold decision to further their education, but are severely restricted in their studies by commitments around the home. Ask fellow family members for help in taking over some of your responsibilities while you study. Point out what the benefits to them will be. Does it take courage to ask, does it take courage to be assertive and take responsibility? It certainly does. Do you deserve it? Yes, you do!

How one woman took charge

The very existence of JMMB, a company that today manages over $14 billion in client funds, is due to the persistence of a strong, determined Jamaican woman. Joan Duncan, the late founder of the ... finance. She was a struggling single mother with five children to support and she endured many difficulties as an immigrant holding down a job while studying. Her dream of starting JMMB began in the years that followed, and despite the lack of support from many around her, she continued persistently until her dream came true!

Sharing ideas and solutions

Many Jamaican women who have taken charge of their personal finances and achieved success have done so by sharing and learning from others around them - particularly other women. Women can often seek support from colleagues, church members, members of professional and voluntary organisations - from family members and friends. Sometimes, seeking out someone whom you admire and asking for a few minutes of her time for some advice and guidance can help to clarify the direction you may need to take.

Enjoy the journey

Finally we'd like to emphasise that at JMMB, we strongly believe that success is a journey, not a destination. We believe that every Jamaican woman should bear this in mind as she seeks to empower herself and take charge of her financial life. Enter a profession or pursuit that challenges and excites you. Do the job you love. No matter what kind of roof you live under, make that place a warm and loving home. Share each precious moment you can with those you care for. Enjoy the journey, and we certainly hope it's one you'll take with JMMB!

CHAIRMAN'S REPORT

The Board and I are pleased to submit the Annual Report for the JMMB Group limited and its subsidiaries for the year ended March 31, 2022. The JMMB Group posted a net profit of J$ 12.01 billion, a growth of 56% over the prior year and an operating revenue of J$26.64 billion, an increase of 19% also over the prior year. Earnings per share stood at J$ 5.85.

The JMMB Group saw strong results from our operations in Jamaica and improved results from our operations in Trinidad and Tobago and the Dominican Republic. Overall, the core businesses of the Group including our Banking Services business lines, continued to show steady growth.

The Group's financial results reinforces our confidence in the strategy we are pursuing. It also shows the benefit of having diversified business lines that are broader and more balanced than in the past, making them less subject to impacts from the external environment. Overall, the result has led to the strengthened financial position of the JMMB Group and a balance sheet that is well positioned to support the Group's future objectives.

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

Archibald Campbell
GROUP CHAIRMAN

KEY HIGHLIGHTS OF THE FY 2021/22

Based on the Group's performance over the past year and momentum being built for the future, not only has our Group achieved higher profitability, significantly driven by our diversification strategy, we also made further advancements in building out key platforms and capabilities for the JMMB Group.

During the year, we continued strengthening our digital capabilities and banking technology Platforms across the JMMB Group. These strong foundations are key to our business operations and the delivery of our services and client experiences in the countries in which we operate. One of the key successes is the roll out of our Smart Automated Teller Machines (ATMs) which has provided added value to our clients.

Furthermore, we maintained our CARICRIS Rating which indicates good creditworthiness of JMMB Group Ltd. This independent analysis by the Caribbean's leading credit rating agency has underscored the solid performance of the Group, and has bolstered confidence in the long-term value of our company.

We continued to deepen our support and partnership with the Small and Medium Enterprises (SMEs), providing them with solid foundation, services and support via our Group SME Resource Centre. This is a key focus area for the JMMB Group and we continue to build the expertise and capabilities that will provide solid returns for these entities.

ACKNOWLEDGEMENTS

We acknowledge the contribution of our Boards of Directors who passionately serve the JMMB Group across the territories in which we operate. We appreciate the invaluable experience and sound insights to our deliberations to ensure the well-being of all our companies within the Group.

Central to the Group's continued success is the hard work and commitment of the Leadership Team, who continue to execute on our strategic objectives and balance decisions to improve operating efficiencies with those that benefit our clients and enable future growth. The Board is proud of the response of our Leadership to the challenges we faced during the COVID-19 pandemic whilst managing uncertain global market conditions.

We pay tribute to our team members across Trinidad and Tobago, Dominican Republic and Jamaica whose efforts and contribution made 2021 such a successful year. To them all, we express heartfelt thanks.

To our valued clients and shareholders, we remain committed to maintaining our long-term relationships with you and extend our sincere thanks for your confidence in the JMMB Group.

THE JOURNEY CONTINUES!

In 2022, JMMB celebrates 30 years in business. We are very proud of this milestone and I am very pleased to be part of this journey with a solid Board, astute leadership and committed team who continue to serve and lead us into the future. We salute our Founder, Joan Duncan, and co-founder, Dr. Noel Lyon for standing firm on their vision to create the first money market brokers in the Caribbean, and paving the pathway for what JMMB is today with several business lines and service offerings.

In this our 30th year, we are energized and more committed to continuously refining our plans and making our businesses as sound, adaptable, and innovative as we possibly can. This will contribute to making the JMMB Group a more formidable competitor, and a sound long-term investment.

We remain confident that the Group's business model, strategic priorities and key growth platforms will continue to deliver shareholder value and benefit our stakeholders in the years to come.

Archibald Campbell, DBA.
Group Chairman

BOARD OF DIRECTORS

DR ARCHIBALD CAMPBELL, CD, DBA, FCA– CHAIRMAN
INDEPENDENT DIRECTOR

Archibald is the Chairman of JMMB Group Limited. He was also a member of the Sugar Industry Divestment negotiation team, a trustee of two pension funds and a director of several companies including hotels, property management companies, banks, tertiary level institutions and a number of non-profit organisations. He was a lecturer at the University of the West Indies, Mona (UWI) and later served as UWI's Bursar and Chief Financial Officer with responsibility for maintaining relations with the seventeen contributing Caribbean countries with regard to funding. Archibald also serves as an Independent director of Sagicor Financial Company Ltd.

He is a Chartered Accountant by training and a member and Past President of the Institute of Chartered Accountants of Jamaica (ICAJ). In 2020, he was named the Distinguished Member of ICAJ. Archibald is also a published author and sought after speaker in the accounting and finance sectors. With a Doctorate in Business Administration (DBA) and an M.Sc. in Accounting from UWI, extensive international training and certification and over 40 years of experience in the industry, he is an outstanding and invaluable resource.

In 2021, he was conferred with the National Honour of the Order of Distinction in the rank of Commander, for exemplary contribution in the Accounting and Finance Profession.

KEITH DUNCAN, OD – GROUP CHIEF EXECUTIVE OFFICER
EXECUTIVE DIRECTOR

Keith is an Executive Director and the Group Chief Executive Officer of the JMMB Group of Companies and has responsibility for overall performance and charting the strategic direction of the Group.

His financial expertise has not only benefited the JMMB Group, but also the Jamaican financial sector. Keith is currently the President of the Private Sector Organization of Jamaica (PSOJ) having served as a Vice-President throughout 2013 – 2015. He is a Past President of the Jamaica Securities Dealers Association (JSDA) and continues to contribute his service to Jamaica through various roles, including his current appointment as Chairman of the Economic Programme and Oversight Committee (EPOC). He also chairs the National Information and Communications Technology Advisory Council (NICTAC), providing advisory services to the Ministry of Science, Energy and Technology in relation to its ICT Portfolio. Keith also serves as a director of Sagicor Financial Company Ltd.

Under his leadership, the JMMB Group was conferred with the American Foundation for the University of the West Indies (AFUWI) Award for Excellence in Business Leadership in February 2020, and the prestigious 'Best of Chamber Award' from the Jamaica Chamber of Commerce in March 2011. In 2020, Keith was awarded the National Honour, the Order of Distinction, in the rank of Commander, by the Government of Jamaica, for his exceptional service in the fields of Finance, Business, Youth Empowerment and Community Development. Additionally, in April 2022, he received the International Achievement Award from The American Friends of Jamaica (AFJ) for his leadership and work in the area of National Development.

Keith holds the Chartered Financial Analyst professional designation as well as a B.A. (Economics) from the University of Western Ontario in Canada.

PATRIA-KAYE AARONS
INDEPENDENT DIRECTOR

Patria-Kaye is a well-known and widely respected member of the media fraternity and an entrepreneur.

With two decades of experience in Marketing, Media and Entrepreneurship, Patria-Kaye brings a unique and invaluable combination of expertise and experience to the JMMB Board. This 2017 recipient of the Entrepreneur of the Year Award from the Jamaica Chamber of Commerce and President Obama's Young Leader of the Americas Fellow has positively impacted Jamaica's business landscape and International Fortune 500 Companies. She holds a Master's degree in Management from the University of Edinburgh and a First Class Bachelor's degree in Media and Communications from the University of the West Indies, Mona.

DR. ANNE CRICK
INDEPENDENT DIRECTOR

Anne 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 in Jamaica, including HEART Trust NTA, UCJ Hospitality and Tourism Advisory Board, the Jamaica Customer Service Association and the Jamaica Association for Training and Development. She holds a Master's degree and a PhD in Organizational Management.

In addition to being an extensively published author, she brings to the JMMB Group a wealth of knowledge and experience in managing large teams and developing senior leaders in private sector organizations. She is a member of JMMBGL's Culture and Human Development Board Committee and chairs its Nomination and Corporate Governance Committee.

ANDREW COCKING
INDEPENDENT DIRECTOR

Andrew brings to the Group over 37 years of experience in banking, with over 33 years at the senior management level. He started his banking career in 1985 at Citibank. Andrew's areas of expertise include treasury management, information technology, mergers and acquisitions, risk management, banking, finance, administration and emerging trends in finance and banking, with a particular interest in technology. Andrew has served on many boards in both the public and private sectors, including Cable & Wireless Jamaica Limited and HEART Trust NTA.

As one of the founders of Capital & Credit Financial Group, Andrew served as Deputy Group President of Capital & Credit Financial Group, as well as an independent consultant. Prior to assuming those positions, he served as President and CEO of Capital & Credit Merchant Bank for 11 years.

PATRICIA DAILEY-SMITH
INDEPENDENT DIRECTOR

Patricia brings to the JMMB Group over 25 years of experience and has an inexhaustible reservoir of knowledge in accounting, audit and finance. Patricia is a member of the JMMBGL's Audit and Compliance Committee and the Chair of JMMBGL's Board Finance Committee. Patricia retired from the position of Audit Partner at KPMG, having served the firm locally and internationally at various senior management levels. While at KPMG, Patricia, as a partner, managed large portfolios covering a broad cross-section of industries, including banking, insurance and other financial services, telecommunications, hospitality, leisure and tourism, manufacturing, healthcare, government and education.

AUDREY DEER- WILLIAMS
INDEPENDENT DIRECTOR

Audrey is the Chief Technical Director assigned to the Social Security Division of the Ministry of Labour and Social Security. She worked in various capacities in the United States in the financial services sector 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 to the JMMB Group. She holds an undergraduate degree in Economics and Accounting and a Master's degree in Business Administration from Manchester Business School, Manchester, England.

She is the Chair of the Group Culture and Human Development Committee and a member of the Group Board Risk Committee.

DONNA DUNCAN – SCOTT
EXECUTIVE DIRECTOR

An authentic, principled and love-based leader, Donna is passionate about building and maintaining the love-based culture that supports the Group's competitive advantage. She works with the Culture and Human Development Team (CHDT) in creating and implementing the people operating frameworks, as well as the people policies, processes and practices that develop and maintain JMMB Group's unique culture. The CHDT supports team members to "realize the greatness within, to the benefit of themselves, the clients, the organisation and the society" (JMMB Group's Vision of Love). She has also extended this transformational thinking to the development of the Conversations for Greatness programme, aimed at providing individuals with the tools for mind-set change to increase the experience of love and possibility thinking in the world.

Donna is the recipient of several awards, most notable of which include, the Jamaica Observer Business Leader Award in 2002 for her stellar leadership, then at the helm at JMMB, and later the Lifetime Achievement Award in 2017, for outstanding contribution to the field and her unwavering commitment to Jamaica.

She holds a Bachelor's degree in Industrial Engineering, as well as a Master's degree in Business Administration from the Richard Ivey School of Business at the University of Western Ontario in Canada. She also holds the Chartered Financial Analyst professional designation.

HUGH DUNCAN
NON-INDEPENDENT DIRECTOR

Hugh's experience and expertise span a variety of critical disciplines in the banking and finance industry. Hugh served as the Head of Group Capital Markets at JMMB for several years and now acts as an advisor to the JMMB Group. Hugh has operated at the CEO, Director and Vice President levels at institutions in Asia and the Caribbean. With over 20 years of international banking, trade and investment experience in senior positions, he brings an uncommon and invaluable interplay of skills to the JMMB Group. He has served and continues to serve on a variety of boards, not only in Jamaica but also in other Caribbean territories, including JMMB Bank (T&T) Limited and its subsidiary.

Hugh holds a Bachelor's degree in Finance and Management and a Master's degree in Business Administration from Concordia University, Canada with a focus on Finance and Marketing.

DENNIS HARRIS
INDEPENDENT DIRECTOR

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 and strategic business management. Dennis served as the Managing Director of Unicomer (Jamaica) Limited (which trades as Courts, Lucky Dollar, Ashley, Ready Cash and Radio Shack) from 2011 until his retirement in August 2021. He was also the Executive Leader of the Courts USA stores in New York. Prior to his appointment as Managing Director, he served as Regional Finance Director of Courts Caribbean with responsibility for Finance, Consumer Credit and IT, and before that as Deputy Managing Director of the Courts Jamaica operations with responsibilities that included Marketing, IT and Consumer Credit.

Dennis qualified as an accountant (FCCA) in the UK and before his return to Jamaica worked as Finance Director in the United Kingdom including the provision of finance oversight of a Dutch subsidiary. In addition to his position on the JMMB Group Board, Dennis also chairs the Board of JMMB Bank Jamaica and the Group Board Risk Committee.

Dennis also serves as an Independent Director of Sagicor Financial Company Limited (SFC), which trades on the Toronto Stock Exchange, and Gallagher Caribbean Group Limited, the largest insurance brokers in the Caribbean. He also serves as Chairman of the Audit Committee for SFC.

REECE KONG
INDEPENDENT DIRECTOR

Reece is a proud graduate of Calabar High School and holds a BSc in Management (with distinction) from Nova South Eastern University and has numerous professional qualifications in Information Technology in - Software Development, Consultancy, Database Design and Biometrics.

Reece has almost three decades of experience as an information technology professional. His information technology expertise includes the development of the Automated Fingerprint Identification Systems (AFIS) Document Imaging and Business Process Reengineering. He was also the chief architect of the first computerised Government Accounting System developed and deployed in Jamaica.

In 1998, Reece started, RMP & Associates Limited, which has grown to be one of Jamaica's leading technology firms, providing technological expertise to various government agencies, financial institutions and other corporate entities. Most notably Reece and his company were responsible for the development of the Government of Jamaica's Central Treasury Management System (CTMS), a key tool in the Government's IMF-guided financial restructuring. He chairs the Information Technology Committee of the Board of JMMB Group and serves as a member of the Board's Risk Committee.

H. WAYNE POWELL, O.D., J.P.
INDEPENDENT DIRECTOR

Wayne is a Business, Financial and Leadership Consultant, who previously served as Executive Vice-President at Scotiabank Jamaica and as Vice-President of Scotiabank International with responsibilities across eighteen countries of the English Caribbean Region. Wayne brings to the JMMB Group over forty-five years of wide-ranging experience in the banking and financial sector, having served both locally and internationally.

Wayne has an MBA from Barry University and is an Associate of the Chartered Institute of Bankers, London (ACIB). He is also a Justice of the Peace for Kingston, Past President of the Rotary Club of New Kingston and is currently serving on several charitable, corporate, and public sector Boards including as a Commissioner on the Integrity Commission of Jamaica. In 2016 he was conferred with the Order of Distinction, Officer Class, for his extraordinary contribution to the banking sector in Jamaica.

Wayne also serves as a Director of JMMB Bank Jamaica and JMMB Fund Managers Ltd. He is also a member of the following Group Board committees: JMMB Group Audit and Compliance, Finance, Culture and Human Development and Chairs JMMB Bank's Jamaica Board Credit Committee.

WAYNE SUTHERLAND
NON-INDEPENDENT DIRECTOR

Wayne formerly served as the Managing Director of Butterkist Limited and Jamaica Venture Fund Limited, a Senior Director of Air Jamaica Ltd and a Commissioner on the Securities Commission of Jamaica (the predecessor of the Financial Services Commission). He is currently a professional investor and a member of the First Angels Investor Group, and has personally invested in more than 10 companies over the past 12 years. Wayne serves the JMMB Group in many areas. He is 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).

He holds a Bachelor of Science degree from the University of the West Indies and an MBA from the Columbia University Graduate School of Business. He is a member of the Audit and Compliance Committee of the JMMB Group and of the Group's Trinidad and Tobago subsidiaries. Wayne is also a member of JMMB Group's Nominations and Corporate Governance and Information Technology Board Committees.

AUDREY WELDS
INDEPENDENT DIRECTOR

Audrey has distinguished herself as an outstanding Attorney-at-Law in both the private and public sectors, during a career spanning over 35 years. She is 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.

She holds an LL.B. degree from the University of the West Indies, an LL.M. from King's College, London and a Legal Education Certificate from the Norman Manley Law School.

V. ANDREW WHYTE
INDEPENDENT DIRECTOR

Andrew is the Group Treasurer at Jamaica Producers Group, a multi-national company with operations in Jamaica, the Netherlands, United Kingdom, Spain, the Dominican Republic, Cayman Islands and the USA. In addition, he previously worked in the financial industry for several years. As an Independent Director, he currently serves as Chairman of the Audit and Compliance Committee, in addition to being a member of both the Risk and Finance Committees and a board member of several Subsidiaries.

He has a Bachelor's degree in Chemical Engineering and a Master's degree in Business Administration. He also chairs the Board of Trustees of the preparatory school, Emmanuel Christian Academy.

CAROLYN DACOSTA, J.P.
GROUP CORPORATE SECRETARY

Carolyn has served as Corporate Secretary for Jamaica Money Market Brokers Limited and its subsidiaries since March 16, 2008, and for JMMB Group Limited since its incorporation in May 2012, when she was also appointed as the Group Chief Compliance Officer. As someone who "grew up" in the organization, she brings a unique combination of technical skills and experience, and invaluable institutional knowledge to these critical roles. Carolyn holds a certification in Corporate Governance from Harvard Business School, an MBA in Finance, a Diploma in International Compliance from the Manchester Business School in the UK, a Bachelor of Laws degree from the University of London and a Bachelor of Arts degree from the University of the West Indies Mona. Additionally, Carolyn is a Fellow of the International Compliance Association and a Justice of the Peace for the parish of St. Catherine.

Carolyn offers proven, reliable and consistent support to the Board of Directors and Shareholders, while, in true JMMB fashion, building real, heart to heart connections across the JMMB Group and the Jamaican financial sector.

TEN-YEAR STATISTICAL

GROUP FINANCIAL DATA	YEAR ENDED 31-MAR-22 (J$`000)	YEAR ENDED 31-MAR-21 (J$`000)	YEAR ENDED 31-MAR-20 (J$`000)	YEAR ENDED 31-MAR-19 (J$`000)
Total assets	614,466,251	513,706,879	399,697,135	319,823,215
Investment in associate	42,783,595	38,930,751	35,009,306	
Investment securities	332,081,929	262,392,047	192,270,521	205,972,359
Loans and notes receivables	142,712,234	119,456,147	98,841,073	67,947,268
Other interest earning assets	64,634,871	70,592,896	48,635,962	30,726,396
Repurchase agreements	298,287,175	227,730,286	179,589,980	163,907,891
Customer deposits	151,846,966	128,303,836	104,183,074	63,947,279
Stockholders' equity	56,392,046	61,211,558	41,179,154	31,104,276
Funds under management	667,882,156	523,669,353	415,929,470	338,379,728
PROFITS AND DIVIDENDS	(J$`000)	(J$`000)	(J$`000)	(J$`000)
Operating revenue net of interest expense	26,640,760	22,439,850	21,516,491	18,036,406
Operating expenses	18,513,400	14,527,393	15,929,810	12,989,242
Profit before tax	11,446,382	7,960,698	7,216,523	4,870,549
Net profit	12,017,098	7,718,497	7,066,486	3,868,406
Dividends paid and proposed (in respect of the financial year)	1,662,220	488,888	867,221	798,971
Profit retained (in respect of the financial year)	10,354,879	7,229,609	6,199,266	3,069,435
FINANCIAL RATIOS	(J$`000)	(J$`000)	(J$`000)	(J$`000)
Earnings per stock unit (cents)	585	384	399	234
Dividends per stock unit (cents)	85	25	44	49
Dividend payout ratio	13.83%	6.33%	12.27%	20.65%
Price earnings ratio	7.72	8.56	9.53	13.67
Return on average equity	20.44%	15.08%	19.55%	12.87%
Return on average assets	2.13%	1.69%	1.96%	1.26%
Book value per stock unit (J$)	28.09	30.50	20.57	18.44
Net interest margin	2.33%	2.64%	2.88%	3.03%
Efficiency ratio (Admin. exp/ Revenue)	69.06%	64.25%	73.85%	71.62%
OTHER DATA	(J$`000)	(J$`000)	(J$`000)	(J$`000)
Exchange rate (J$ per US$1.00)	152.39	144.88	133.96	125.02
Inflation rate (year over year)	11.31%	5.20%	4.81%	3.40%
Market Price per share (JSE closing price)	44.39	32.87	38.01	31.99
Number of stock units at year end	1,955,552,532	1,955,552,532	1,955,552,532	1,630,552,532
Market capitalisation	86,806,976,895	64,279,011,727	74,330,551,741	52,161,375,499

REVIEW

YEAR ENDED 31-MAR-18	YEAR ENDED 31-MAR-17	YEAR ENDED 31-MAR-16	YEAR ENDED 31-MAR-15	YEAR ENDED 31-MAR-14	YEAR ENDED 31-MAR-13
(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
291,715,730	251,556,110	230,607,286	217,715,302	206,706,119	166,860,961
194,905,868	171,571,803	156,976,090	157,226,757	145,777,726	138,412,944
55,625,743	47,133,134	37,450,257	31,924,543	26,551,175	10,227,126
28,957,274	21,810,160	25,731,228	18,944,984	23,979,406	3,890,913
158,167,289	156,647,595	149,262,369	144,501,658	143,302,425	135,907,311
52,165,066	49,087,517	41,296,373	38,463,504	35,887,750	7,567,380
29,003,747	26,794,699	22,716,581	21,723,064	18,688,980	17,212,876
312,969,031	281,101,963	250,485,809	238,695,980	223,584,330	165,584,482
(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
15,840,957	14,650,056	11,424,075	10,319,661	8,732,250	6,243,316
11,240,284	10,446,222	8,781,265	7,787,697	5,670,247	4,616,625
4,352,989	4,156,046	2,595,557	2,354,039	3,398,051	3,647,375
3,604,404	3,350,531	2,299,231	2,047,282	3,062,059	3,856,863
766,360	733,749	603,304	521,776	538,082	375,027
2,838,044	2,616,782	1,695,926	1,525,506	2,523,977	3,481,836
(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
218	203	139	118	174	235
47	45	37	32	33	23
21.26%	21.90%	26.24%	25.49%	17.57%	9.72%
11.93	8.28	7.21	5.96	4.05	3.00
12.92%	13.53%	10.35%	10.13%	16.83%	27.47%
1.33%	1.39%	1.03%	0.96%	1.64%	2.65%
17.12	15.89	13.45	12.86	11.24	10.24
2.98%	2.94%	2.57%	3.04%	3.02%	3.05%
70.54%	71.09%	76.64%	75.17%	64.86%	73.08%
(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
127.21	128.67	121.70	114.77	109.28	98.41
3.90%	4.14%	2.90%	4.00%	8.35%	9.13%
26.00	16.81	10.01	7.06	7.04	6.20
1,630,552,532	1,630,552,532	1,630,552,532	1,630,552,530	1,630,552,530	1,630,552,530
42,394,365,832	27,409,588,063	16,321,830,845	11,511,700,862	11,479,089,811	10,109,425,686

2016

JMMB team members celebrate the opening of JMMB Trinidad's new integrated South Park Branch in San Fernando.


2
3

REGIONAL MACROECONOMIC LANDSCAPE

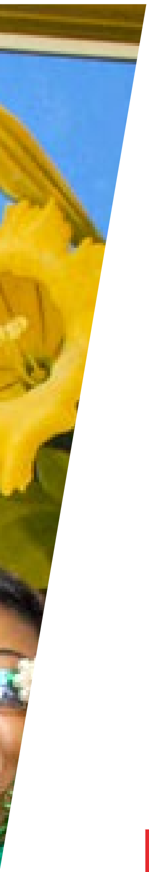
Global economic growth increased above the trend in 2021 with real GDP growth of 5.9%. This follows a contraction of 3.1% in 2020 due primarily to the COVID-19 pandemic. Following the deep economic contraction in 2020, the outlook on the global economy improved with the approval of the COVID-19 vaccines. Although COVID-19 cases continued to rise, governments began opening up their economies, having implemented stringent restrictions on the movement of persons to prevent and curtail the spread of the disease. Pent-up demand for goods and services complemented by fiscal stimulus and relaxed monetary policy helped drive growth and facilitated debt buildup and demand-pull inflation. Growth in advanced economies increased to 5% while Emerging Market and Developing Economies grew by 6.5%.

In 2020, the fiscal stimulus that was used to cushion the effect of a decline in economic activities led to an increase in global debt level, which prompted concerns and calls for governments to unwind spending as soon as their economies improved to minimise the risk of debt events down the road. Thus, policymakers took action to unwind COVID-related expenditures in the latter half of 2021. Concerns emerged about the property market in China, the high leverage and the risk of contagion in the global financial markets after a major property developer, Everglades, defaulted on its debt. Despite the economic growth, the global supply chain, which was severely disrupted in 2020, remained challenged because of the displacement of a large pool of workers despite improved overall health conditions.

With surging demand and fractious supply, inflation rose to 6.4% in 2021 compared to 4.0% in 2020, forcing some central banks, including those in Latin America and the Caribbean, to implement more restrictive monetary policy and increase their policy rate. There were rate increases in Brazil (725 basis points), Chile (500 basis points), Paraguay (475 basis points), Peru (275 basis points), Colombia (225 basis points), Uruguay (200 basis points), Mexico (125 basis points), and Costa Rica (100 basis points).

The outlook on global growth in 2022 is less optimistic than previously thought. As a result, the International Monetary Fund (IMF) estimates growth of 4.4%, which is 0.5% lower than the earlier estimate. Rising energy prices have resulted in more broad-based inflation than previously expected. The war in Ukraine and sanctions imposed on Russia have resulted in greater volatility in the commodities market, especially energy. The IMF advised that the ongoing retrenchment in China's real estate market and slower-than-expected recovery of private consumption will limit growth prospects in 2022.

JAMAICA



The Jamaican economy clawed back some of the losses recorded in 2020 with an economic expansion of 4.4% in CY 2021 and 8.2% in FY 2021/22. All the sectors in both goods-producing and service industries recorded growth. Following the steep economic contraction in 2020 because of the COVID-19 pandemic, a shift in the global and domestic public health outlook in 2021 resulted in some easing of measures to curtail the spread of the disease, which facilitated a higher level of output. Leading the economic recovery was expansion in Hotel & Restaurant (Tourism), Construction and Transport & Communication. Despite increased economic growth, nominal GDP remains below pre-pandemic level, and we do not expect the economy to return to that output level until 2023. The unemployment rate reached a 3-year high of 12.6% in July 2020 and is estimated to fall below 7% in December 2021.

TABLE 1: SELECTED MACROECONOMICS INDICATORS FOR JAMAICA

	2017	2018	2019	2020	2021	2022 (e)	2023 (f)	2024 (f)
Nominal GDP per capita, USD	5,070	5,360	5,369	4,665	4,938	5,338	5,858	6,080
Real GDP growth, % y-o-y	0.6	1.8	0.9	-10.0	4.3	1.6	2.3	1.6
Unemployment, % of labour force, eop	10.4	8.7	7.3	10.7	7.1	6.7	7.2	7.2
Consumer price index inflation, eop, % chg y-o-y	5.3	2.4	6.1	5.2	7.3	10.9	6.5	5.1
Central Bank policy rate, %	3.2	1.7	0.5	0.5	2.5	5.5	5.00	3.2
Total revenue, % of GDP	26.4	27.7	29.8	33.0	26.0	27.5	28.2	27.9
Total expenditure, % of GDP	26.6	27.2	28.6	32.0	28.8	27.8	26.5	25.4
Capital expenditure, % of GDP	2.2	2.2	3.1	3.6	2.2	2.2	2.3	2.4
Budget balance, % of GDP	-0.2	0.4	1.2	1.0	-2.7	-0.3	1.8	2.5
Primary balance, % of GDP	7.2	6.6	7.3	7.7	3.1	4.6	6.9	7.2
Current account balance, pct of GDP	-2.7	-1.6	-2.3	-0.3	0.7	-5.2	-2.1	-3.8
Total reserves ex gold, USD	3,781	3,532	3,631	4,081	4,800	5,026	5,277	5,541
Total reserves ex gold, pct of GDP	24.8	22.1	22.6	29.4	33.0	31.9	30.9	30.9
Import cover months	5.8	4.9	5.7	9.7	8.4	8.3	8.3	8.3
Total government debt, % of GDP	101.2	94.4	94.3	108.1	91.5	83.7	78.0	75.4

Sources: : IMF. Fitch Connect and JMMBIR

E - Estimates, F - Forecast

More robust economic growth redounded positively for fiscal operations. During the FY 2021/22, the Government of Jamaica (GOJ) generated a fiscal surplus of 0.3% of GDP compared to a fiscal deficit of 3.1% of GDP during the previous fiscal year. The improvement resulted from higher revenue flows of $145.1 billion (24.7%) that more than offset increased expenditure of $75.9 billion (11.9%). The primary surplus increased to $142.1 billion (6.3% of GDP) compared to $68.5 billion (3.5% of GDP) in the previous fiscal year. Below the line, net payout exceeded loan and other inflows by $38.3 billion (2% of GDP), resulting in an overall deficit of $31.3 billion (1.4% of GDP). The government financed the gap with resources carried over from the previous fiscal year.

Because of increased global demand and supply-side challenges, price pressure emerged in the global economy in the second quarter. Rising external prices and currency depreciation pushed inflation faster than expected. During the second half of Q2:21, the BOJ signalled its intention to increase the policy rate and began doing so in August. Following the BOJ increased rates, Treasury bill yields rose over 400 basis points from September 2021 to March 2022. Open market operation by the Bank of Jamaica plus corporates holding on to cash to meet their tax obligations in March resulted in lower levels of liquidity in the money and capital markets. In January, the Ministry of Finance tendered two bonds but had to pull them after initially accepting yields as high as 30% and 50%.

BUDGET FY 2022/23

The Government of Jamaica (GOJ) plans to spend $912.0 billion in fiscal year (FY) 2022/23, an increase of $19.0 billion or 2.1% over the previous fiscal year. This includes above the line expenditure of $742.9 billion and below the line spending of $169.1 billion, which will amortise debt in line with the government's overall debt reduction strategy.

Above the line, expenditure represents an increase of $31.2 billion or 4.4% but is a decline of 1.5% in real terms and is budgeted to account for 30% of GDP relative to 31.5% in the previous fiscal year. Disaggregated, recurrent, and capital expenditures total $677.9 billion and $65.1 billion, respectively. Relative to the previous budget, recurrent and capital spending are, respectively, $20.3 billion (3.1%) and $10.9 billion (20%) higher. However, recurrent expenditure declined by 2.7% in real terms, offsetting a 13.3% real increase in capital spending. Recurrent expenditure includes programmes, $249.2 billion; overall employees' compensation, $268.8 billion (11.7% of GDP); and interest payments, $138.4 billion. The outlay on programmes will decline while employees' compensation and interest will increase. The GOJ reclassified approximately $17 billion from the programmes line item to employees' compensation, which added 0.7% of GDP.

To finance the planned above the line expenditure, the GOJ is relying on revenue inflows of $749.8 billion, which is estimated at 30.3% of GDP, a nominal increase of 4.5% (-1.4% in real terms). The GOJ is expected to generate a fiscal surplus of $6.8 billion (0.3% of GDP) and a primary balance surplus of $145.2 billion (5.9% of GDP).

TABLE 2: GOJ MEDIUM-TERM BUDGET (J$MILLION)

	ACTUAL 2021/22	BUDGET 2022/23	Change	%	MEDIUM TERM FY 2023/24	Est. FY 2024/25	FY 2025/26
Revenue & Grants	**717,428.1**	**749,780.1**	**32,352.0**	**4.5%**	**820,315.9**	**863,883.1**	**915,890.0**
Tax revenue	606,239.6	671,536.1	65,296.5	10.8%	741,671.0	786,932.7	834,424.0
Expenditure	**711,771.6**	**742,945.5**	**31,173.9**	**4.4%**	**812,050.6**	**854,152.5**	**881,623.4**
Recurrent Expenditure	657,570.3	677,878.2	20,307.9	3.1%	724,840.4	758,883.2	780,963.1
Programmes	277,657.2	249,226.0	(28,431.2)	-10.2%	263,032.6	272,056.6	285,369.7
Compensation of Employees'	243,490.6	290,243.1	46,752.5	19.2%	327,606.8	355,366.1	376,688.1
Wages & Salaries	223,789.7	268,825.1	45,035.4	20.1%	303,339.6	329,042.7	348,785.3
Employee's Contribution	19,700.9	21,418.0	1,717.1	8.7%	24,267.2	26,323.4	27,902.8
Interest	136,422.5	138,409.1	1,986.6	1.5%	134,201.0	131,460.5	118,905.3
Domestic	53,825.7	61,385.1	7,559.4	14.0%	57,299.4	57,184.4	47,421.4
Foreign	82,596.8	77,024.0	(5,572.8)	-6.7%	76,901.6	74,276.1	71,483.9
Capital	**54,201.3**	**65,067.3**	**10,866.0**	**20.0%**	**87,210.2**	**95,269.3**	**100,660.3**
Fiscal Balance	**5,656.5**	**6,834.6**	**1,178.1**	**20.8%**	**8,265.3**	**9,730.6**	**34,266.6**
Loan	**138,575.6**	**124,130.1**	**(14,445.5)**	**-10.4%**	**86,722.6**	**230,965.0**	**82,630.8**
Domestic	98,557.0	92,047.6	(6,509.4)	-6.6%	61,484.1	159,075.2	68,197.2
External	40,018.6	32,082.5	(7,936.1)	-19.8%	25,238.5	71,889.8	14,433.6
Amortisation	**161,285.6**	**169,057.9**	**7,772.3**	**4.8%**	**122,179.2**	**268,125.8**	**131,430.6**
Domestic	72,322.9	116,426.5	44,103.6	61.0%	22,007.7	168,228.9	42,940.8
External	88,962.7	52,631.4	(36,331.3)	-40.8%	100,171.5	99,896.9	88,489.8
Other Inflows, Inc PCDF	4,446.6	32,514.6	28,068.0	631.2%	17,551.4	14,533.2	14,533.2
Other Outflows	19,990.7	-	(19,990.7)	-100.0%	-	-	-
Overall Surplus	**(32,597.6)**	**(5,578.6)**	**27,019.0**	**-82.9%**	**(9,639.9)**	**(12,897.0)**	**(0.0)**
Primary Balance	**142,079.0**	**145,243.7**	**3,164.7**	**2.2%**	**142,466.3**	**141,191.1**	**153,171.9**
Total Payment	**893,047.9**	**912,003.4**	**18,955.5**	**2.1%**	**934,229.8**	**1,122,278.3**	**1,013,054.0**

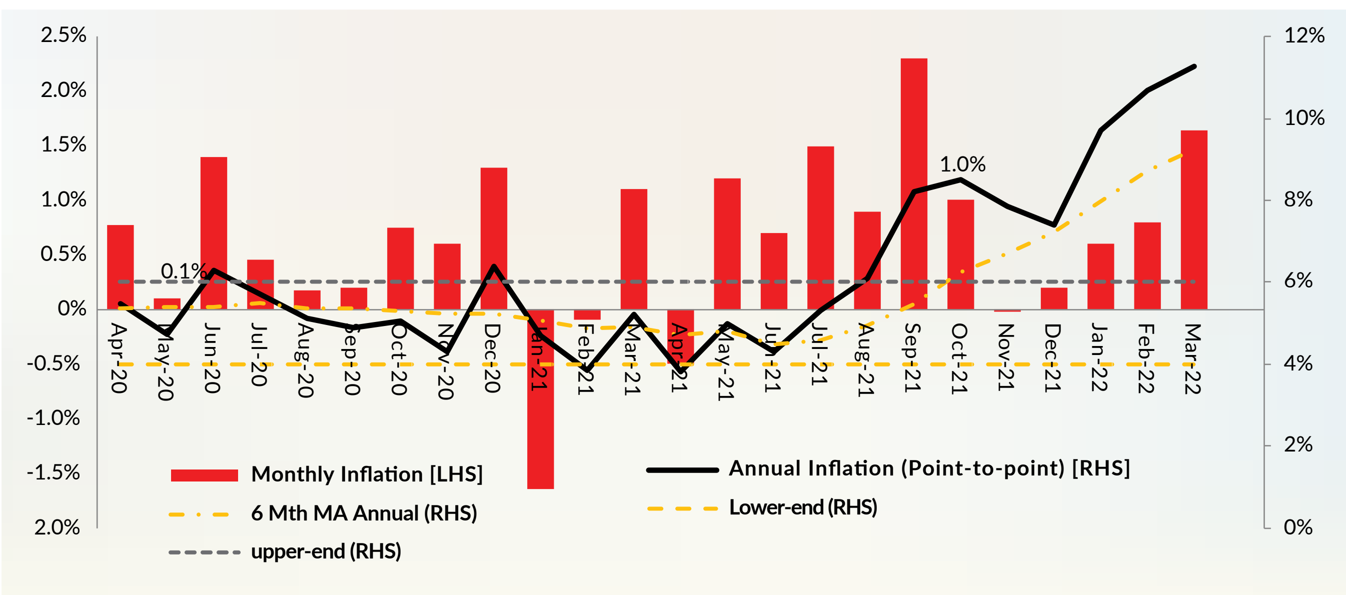
Sources: : Ministry of Finance & Planning and JMMBIR

INFLATION

For the period ending March 2022, the 12-month inflation rate accelerated to 11.3% compared to 5.2% in March 2021. An increase in global commodity prices, higher global demand and, to a lesser extent, adverse weather accounted mainly for rising local prices. Although the rate of global COVID-19 infections has slowed, the headwinds from its impact on the supply chain have not abated, leading to a bottleneck in producing some goods. The situation is further compounded by the zero-COVID policy adopted by China, which has led to lower output from some of the country's main export hubs. As the global economy emerged from the depth of the COVID-induced recession, there was a marked increase in demand for goods and services. The mismatch between demand and supply has led to rising global prices for energy, grains and metals, which is reflected in the increase in local prices. For the period under review, prices increased in the main divisions in the consumer price index basket: 'Food and Non-Alcoholic Beverages (14.7%), 'Housing, Water, Electricity, Gas and other Fuels (9.6%), and Transportation (14.3%).

We expect domestic inflation to remain elevated over the next eight to twelve months as the global supply chain disruption continues to face challenges. Global production has not fully recovered from the COVID-19 pandemic, and China's zero-COVID policy will continue to weigh on the supply of manufactured goods. The Russia-Ukraine conflict will add to the supply constraints because of the sanctions imposed on Russia and Russia's blockade of Ukraine's exports. The risk to local inflation is tilted towards the upside, as weather shock and higher than expected international prices could push domestic prices higher than envisaged.

FIGURE 1: INFLATION

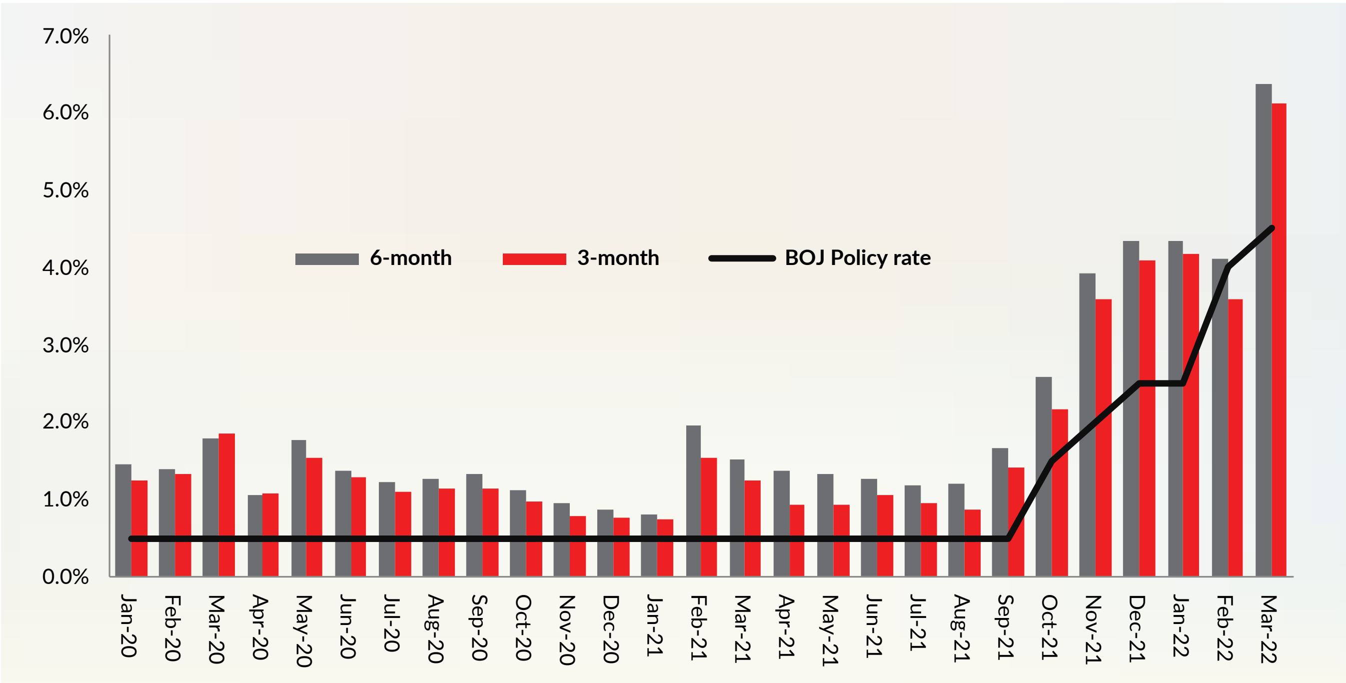


Sources: : STATIN and JMMBIR

INTEREST RATE

Throughout the first half of the fiscal year, yields on the 3- and 6-months Treasury Bills (T-bills) were below 2%. However, the announcement by the governor of the Bank of Jamaica (BOJ) in August that the Central Bank would begin raising the policy rate induced the market to bid up yields. By the end of March 2022, yields on the 3- and 6-month T-bills had risen to 6.12% and 6.37%, respectively. The BOJ anchored the policy rate at 0.5% for over 24 months but increased it five times to reach 4.50% in March. The action of the Central Bank and its expressed monetary stance were the primary factors that influenced the movement in T-bill yields during the period.

FIGURE 2: T-BILL YIELDS AND BOJ POLICY RATE



Although inflation targeting is the prime policy driver of the Central Bank, rising US interest rates pose a risk to stability in the foreign exchange market. Therefore, we expect the policy rate to continue to increase in FY 2022/23 because of high inflation expectations and rising US interest rates. We do not envisage inflation trending down over the next six months, as noted overleaf. Monetary policy may become de-anchored from inflation because of the source of rising local prices. Even if the BOJ does not increase the policy rate because of inflationary pressures, the bank will still have to if there is a wide negative divergence between Jamaica and US interest rate, as this could cause capital flight. The market is mindful of this, and therefore we expect to see continued upward adjustments in T-bill yields. With no clear signal from the BOJ regarding the neutral policy rate, we believe it tilts the risk of increasing domestic interest rates toward the upside.

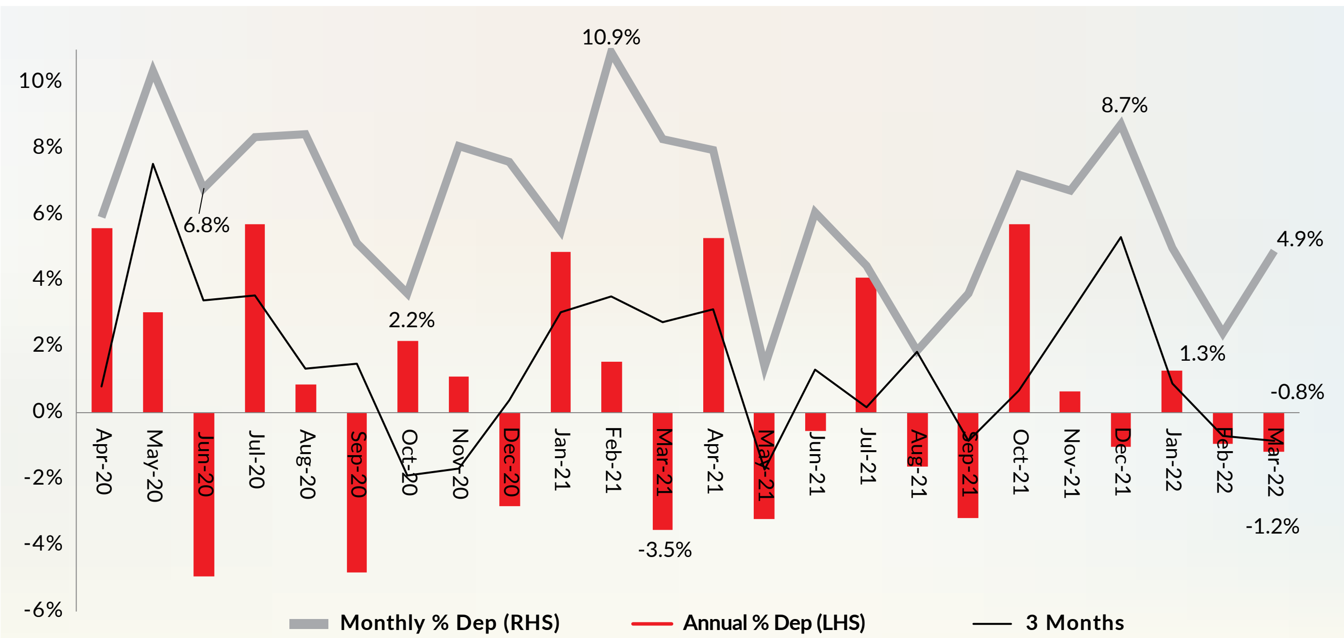
FOREIGN EXCHANGE RATE

At the end of March 2022, the Jamaica dollar traded at an exchange rate of $153.78 relative to the US dollar. The Jamaica dollar depreciated by 4.9% on an annualised basis, which compares favourably to the same period in 2021, where the dollar depreciated by 8.3%. Despite the relatively low depreciation rate at the end of the period, relatively high volatility characterises the foreign exchange market. Since 2017, there has been a tendency for the Jamaica dollar to appreciate at the end of most quarters, but with a tendency to depreciate during other months. The change in the value of the Jamaica dollar mirrors a sine wave. High end-user demand is a salient feature of the market, with periodic intervention by the Central

Bank to temper the pace of depreciation, maintain order and keep speculators at bay. However, there are intervals where supply exceeds demand, resulting in month-over-month appreciation of the value of the Jamaica dollar.

We believe that two variables will help determine the pace of the movement in the local currency over the next couple of months. These are the current account and adjustments in the balance sheet of some financial institutions. A wider than expected current account deficit without offsetting capital flows could cause the pace of depreciation to increase. The alignment of foreign assets and liabilities will discourage some financial institutions from selling US dollars at the end of the quarter. We expect the phenomenon of quarterly appreciation of the Jamaica dollar to fade.

FIGURE 3: JAMAICA FOREIGN EXCHANGE



Sources: : BOJ and JMMBIR

OUTLOOK

Further rise in interest rate will put a damper on loan growth and aggregate consumption and investment activities. We expect real GDP to grow by 1.6% in 2022. We expect growth in Tourism, Construction, Agriculture and Manufacturing. The low base relative to 2019 and robust US growth will aid higher output in Tourism. There has been an increase in construction permits since the start of the year. That, combined with higher GOJ capital spending and the dynamism in the sector, influences our view. Growth in other sectors and higher employment will boost agriculture and manufacturing output.

Despite high inflation, rising interest rates and lower growth, we do not expect a significant deviation from the near term fiscal path. We believe that an inflation surprise of 4% - 6% will add $24-$30 billion in revenues while overall expenditure could increase by $10-$12 billion. However, if economic conditions remain less upbeat in 2023, material fiscal slippages could occur. The 600 basis points increase in T-bill yields will add $12 billion in debt service cost to the existing debt plus at least 200 basis points on new issuances. The overall debt service cost could increase by $14-$16 billion. With the economy at risk of falling into recession in 2023, the fiscal balance could swing into a deficit, and the debt ratio could rise.

TRINIDAD & TOBAGO

TABLE 3: SELECTED MACROECONOMIC INDICATORS FOR TRINIDAD AND TOBAGO

INDICATOR	2017	2018	2019	2020	2021	2022	2023	2024
Nominal GDP per capita, USD	16,238	17,130	16,637	15,286	15,974	17,198	18,234	18,042
Real GDP growth, % y-o-y	-2.7	-0.7	-0.2	-7.4	-1.0	3.1	1.4	1.0
Unemployment, % of labour force, eop	4.4	3.5	4.5	7.2	8.5	3.1	4.5	4.3
Consumer price index inflation, eop, % chg. y-o-y	1.3	1.1	0.6	0.8	3.5	6.8	2.9	2.2
Central Bank policy rate, %	4.75	5	5	3.50	3.50	4.00	4.50	4.75
Total revenue, % of GDP	24.4	27.6	29.0	23.2	23.3	25.2	25.3	25.6
Total expenditure, % of GDP	32.6	30.3	32.4	35.1	31.1	30.0	28.2	27.1
Capital expenditure, % of GDP	2.1	2.2	2.4	1.2	1.4	1.5	1.5	1.4
Budget balance, % of GDP	-8.2	-2.7	-3.4	-12.0	-7.8	-4.8	-2.9	-1.5
Primary balance, % of GDP	-5.2	-0.2	-0.3	-8.5	-4.9	-1.4	0.4	1.8
Current account balance, % of GDP	6.1	6.8	4.3	-0.6	4.5	9.9	7.3	4.2
Total reserves ex gold, USD million	8,370	7,575	6,929	6,954	6,880	8,324	8,740	9,177
Total reserves ex gold, % of GDP	37.2	31.9	29.9	32.4	35.4	34.4	34.0	37.9
Import cover, months	9.7	8.0	7.7	8.5	8.4	10.2	10.7	11.2
Total Public debt, % of GDP	75.2	77.3	82.4	83.7	92.9	91.0	92.3	93.1

Sources: Fitch Connect, IMF, JMMBIR

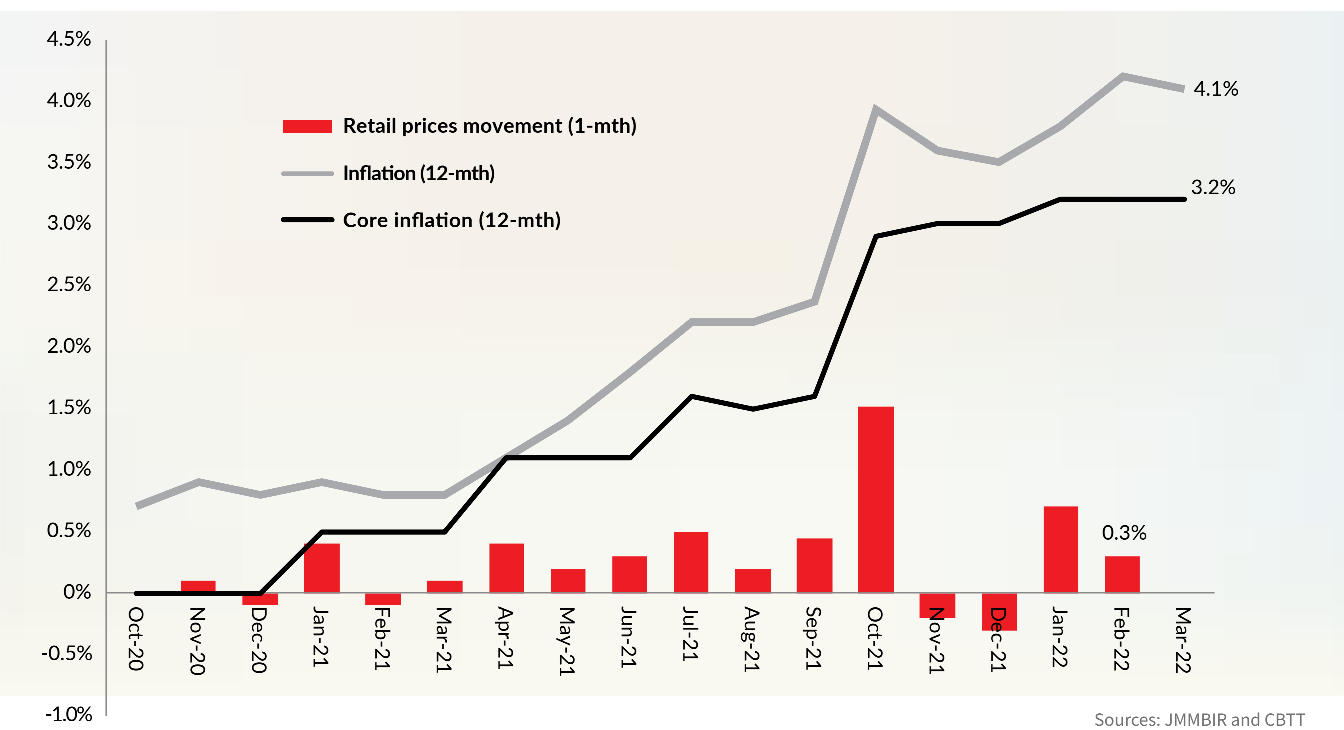
Real GDP contracted by 1% in 2021 due mainly to supply challenges in the petroleum sector and measures implemented by the government to help curtail the spread of the COVID-19 diseases. Gas facilities shifted maintenance work scheduled from 2020 to 2021 because of the pandemic, while downstream petrochemical companies underutilised their capacity. Despite the average price for natural gas increasing 91% in 2021, a 48% reduction in gas output and low production levels in the petro-chemical industry resulted in total output falling in the Energy sector by 3.9%. As per the Non-Petroleum sector, measures announced by the government to curtail the spread of the disease negatively affected output, which fell by 2%. With the economy in recession, we estimated that unemployment increased from 7.5% in 2020 to 8.5% in 2021.

During FY 2021 (October 2020–September 2021), the Government of Trinidad and Tobago (GOTT) generated a fiscal deficit of TT $13,741.6 million (9.2% of GDP) compared to a deficit of TT$16,689.1 million (11.2% of GDP) during the previous fiscal year. Underpinning the improvement in the fiscal outturn was higher revenues, as spending was relatively flat compared to the previous period. Revenues amounted to TT$37,052.6 million (24.8% of GDP), an increase of TT$2,883.6 (7.8%) from a period earlier, while total expenditure amounted to TT$50,794.2(34% of GDP). Total Government debt increased to TT$137,192.7 million (91.9% of GDP), up from$130,469 million TT (87.5% of GDP).

INFLATION

At the end of March, the point to point or 12-month inflation rate was 3.6%, while core inflation was 3%. In March 2021, the 12-month point-to-point inflation was 0.8%, while core inflation was 0.5%. The

FIGURE 4: INFLATION



Sources: JMMBIR and CBTT

rise in inflation reflects mainly an increase in food and rental accommodation prices, which expanded during the review period by 7.9% and 6.7%, respectively. Global supply chain challenges and higher commodities drove food inflation during the period. Suppliers have been slow in passing on higher imported prices. Unlike many other Caribbean economies, the shift in prices to final consumers has been more gradual. Domestic currency stability also helped mitigate the pass-through effect of higher imported prices on consumers.

Over the next two quarters, we expect some international prices to rise, especially grains, mainly because of supply challenges and increasing demand. The Bloomberg Commodity Index increased by 25.5% in Q1:22, and we expect it to continue to rise until about the end of Q2:22. We expect domestic suppliers to pass on these price increases to the consumer. It will be relatively easier to pass on the price increase to consumers because of higher aggregate occasioned by improvement in growth and lower unemployment. We expect inflation to rise to 4.5% -6.5% at the end of March 2023.

POLICY RATE

The Central Bank of Trinidad and Tobago (CBTT) held the policy rate fixed at 3.50% since adjusting it downwards by 150 basis points (1.5%) in March 2020 to help curb recessionary pressures. Since the change, the domestic economy has underperformed and experienced two consecutive periods of contraction. Despite rising inflation and US interest rates, which result in negative interest rate differentials between 90-day TT-dollar and US treasuries, the CBTT maintains its relatively accommodative monetary stance. As the economy shows signs of green shoots following the recession, the CBTT is mindful that rising interest rates could undermine the recovery, especially in the non-petroleum sector. Credit data up to March shows mixed results as business loans increased while consumer loans contracted year-on-year. The Bank seems less fearful of capital flight and more concerned about economic growth, especially in an environment where employment is elevated and could rise.

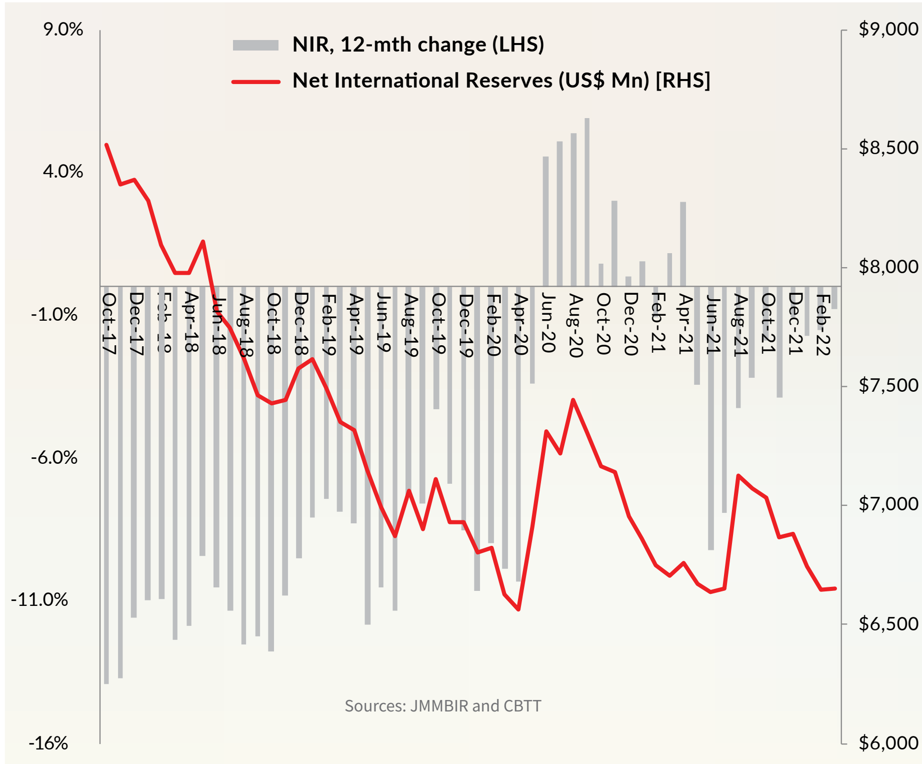
We believe that the Central Bank will hold the policy rate steady for about three to six months, after which it will make gradual marginal adjustments. The pace of change is likely to mirror the shift in the US interest rate with a time lag. Thus, we envisage that the CBTT policy rate will close 2022 at 4.00% and about 4.25% by March 2023. The gradual rise in the policy rate will attenuate the risk of the economy falling into recession while mitigating the risk of capital flight.

EXCHANGE RATE

At the end of March 2022, the Trinidad and Tobago dollar traded at an exchange rate of $6.7685 relative to US$1, which was relatively in line with the exchange rate in March 2021. End-user demand was moderate, while supply was fairly adequate throughout the period. The Central Bank's intervention in the foreign exchange market was relatively subdued. Net international reserve at the end of the review period stood at US$6,652 million (8.1 months of imports), a decline of US$52.5 million (0.8%) compared to a year ago.

Increased energy prices and increased capacity relative to 2021 should help boost energy exports in 2022 through 2023. We expect a modest uptick in demand as businesses operate near normal after limited operational hours because of the curtailment in opening hours and movements of people to contain the spread of COVID-19. However, with no material change expected in unemployment, we believe that the rise in exports will offset the increased imports, resulting in a higher current account surplus. Elevated energy prices and the normalisation of business activities will help to boost capital flows. These developments translate into improvements in the US dollar supply therefore, we envisage continued stability in the foreign exchange market and increased reserves. Given the outlook on the commodities market and interest rates, we believe that the risk is tilted towards higher foreign currency inflows over the next 12 months, which reinforces our view of the foreign exchange market.

FIGURE 5: NET RESERVE



OUTLOOK

We expect Trinidad & Tobago's economy to grow by 3.1% in 2022, and growth should continue over the next two years. Improved energy prices relative to 2014-15 will drive underlying growth while helping to reinforce structural challenges that have undermined the development of the non-energy sector. Improvements in the economy are likely to induce job creation and minimise the risk of social tension resulting from ongoing fiscal consolidation. The risk to the growth outlook is low to moderate, reflecting an increase in domestic and global COVID-19 cases, a more virulent strain of the virus that is resistant to vaccines and the re-imposition of lockdown measures to curtail the spread of the disease. If this were to occur, it could cause lower global travel, which would negatively affect the tourism product in Tobago, and lower energy prices, as global demand would plummet, as happened in 2020

The risk of inflation rising above our forecast is low to moderate and reflects mostly higher than expected international prices. Commodity prices are at an all-time high, requiring even more severe disruption in the global supply chain for prices to increase much higher than they already have. Thus, in our base-case scenario, we postulate domestic prices will gradually rise, and the point-to-point inflation rate will peak over the next 8 - 12 months and then mean revert. With GDP below the pre-pandemic level, the Central Bank will not be too quick to raise interest rates, as it is likely to prioritise economic growth over inflation. However, the CBTT is mindful of the US interest rate change and will calibrate its policy rate change to lower the interest rate differential between 90-day TT securities and US treasuries to mitigate the risk of capital migration.

We view the overall macroeconomic fundamentals in Trinidad and Tobago as stable and risk level as low to medium over the medium-term. Rising debt poses a grave risk to the Sovereign's long-term economic prospects. We continue to monitor the government's action closely, as failure to control the deficit could create a vicious cycle of unsustainable fiscal and debt dynamics.

Trinidad and Tobago is experiencing social challenges, and there is an upsurge in violent crimes. The government must carefully balance its policy action to reduce the fiscal deficit while ensuring that critical sectors in the economy are not underserved. If the government cannot deliver on its fiscal and social prerogative, it could undermine economic growth and development.

TABLE 3: SELECTED MACROECONOMIC INDICATORS FOR TRINIDAD AND TOBAGO

INDICATOR	2017	2018	2019	2020	2021	2022 (e)	2023 (f)	2024 (f)
Nominal GDP per capita, USD	7,609	8,051	8,282	7,268	8,604	9,637	10,473	11,207
Real GDP growth, % y-o-y	4.7	7.0	5.1	-6.7	12.3	5.0	4.7	4.9
Unemployment, % of labour force, eop	10.0	10.4	10.4	14.7	10.8	9.8	9.7	9.7
Inflation, eop, % chg. y-o-y	4.2	1.2	3.7	5.6	8.5	11.5	8.1	4.3
Central Bank policy rate, %	5.3	5.5	4.5	3.0	4.5	7.0	6.5	5.5
Total revenue, % of GDP	14.0	14.2	14.4	14.2	15.6	14.8	14.2	14.0
Total expenditure, % of GDP	17.4	16.5	16.7	22.5	18.6	17.4	16.5	15.9
Capital expenditure, % of GDP	1.8	1.5	1.5	1.7	1.5	1.4	1.4	1.3
Budget balance, % of GDP	-3.3	-2.3	-2.3	-8.0	-3.0	-2.6	-2.2	-1.9
Primary balance, % of GDP	-0.8	0.3	0.4	-4.7	0.1	0.5	0.9	1.4
Current account balance, % of GDP	-0.2	-1.5	-1.3	-2.0	-2.5	-3.5	-2.5	-2.5
Total reserves ex gold, USD million	6,781	7,628	8,782	10,752	13,033	13,698	14,410	15,174
Total reserves ex gold, % of GDP	8.6	9.1	10.2	14.1	13.9	12.9	12.4	12.1
Import cover months	4.6	4.5	5.2	7.5	6.5	6.4	6.2	6.2
Government domestic debt, % of GDP	13.5	14.0	15.2	18.7	17.7	17.4	17.1	16.7
Total government debt, % of GDP	48.9	50.5	53.6	71.5	63.0	59.4	57.8	56.9

Sources: Fitch Connect, IMF, JMMBIR

Within the Caribbean and Latin America, Dominican Republic's economic growth outperformed all the other countries except Guyana. Real GDP accelerated to 12.3% in 2021, following a 6.7% decline in 2020. Growth exceeded expectation resulting in output surpassing pre-pandemic level. Increased activities in Tourism (5.3%), Commerce (10.9%), Manufacturing (11.5%), Transportation & Communication (8.5%) and Construction (14.3%) led the growth outturn. A high COVID-19 vaccination rate and the easing of travel restrictions locally and in source markets for tourism allowed air and sea travel to normalise. For January to December, non-residential arrivals amounted to 5.0 million passengers and were 107% more than figures recorded in 2021, but was only 77% of the total in 2019. This shows that there is room for higher levels of tourism growth, as the base remains well below the pre-pandemic level. High growth and a buoyant labour market in the US were the main variables that influenced visitor arrivals, exports and remittance flows. Reduction in unemployment, accommodative fiscal and monetary policies, elevated remittance flows and easing of COVID-19 restrictions helped buoy growth in the other sectors. The higher than expected growth outturn had a positive effect on fiscal operation.

In 2021, Revenues and grants increased to RD$841.2 billion (15.6% of GDP) while expenditure increased moderately to RD$999.2 billion (18.5% of GDP), resulting in a fiscal deficit of RD$158.0 billion (3.0% of GDP). A fiscal deficit of RD$552.3 billion (8% of GDP) was recorded in 2020, predicated on revenues and grants of $RD632.2 billion (14.2% of GDP) and expenditure of $984.6 billion (22.1% of GDP). As highlighted, the high GDP growth rate in 2021 led to the increased revenue intake while the unwinding of one-off COVID-related expenditure resulted in lower overall spending. Debt to GDP contracted to 63.0% in 2021 because of a reduction in the fiscal deficit and strong GDP growth.

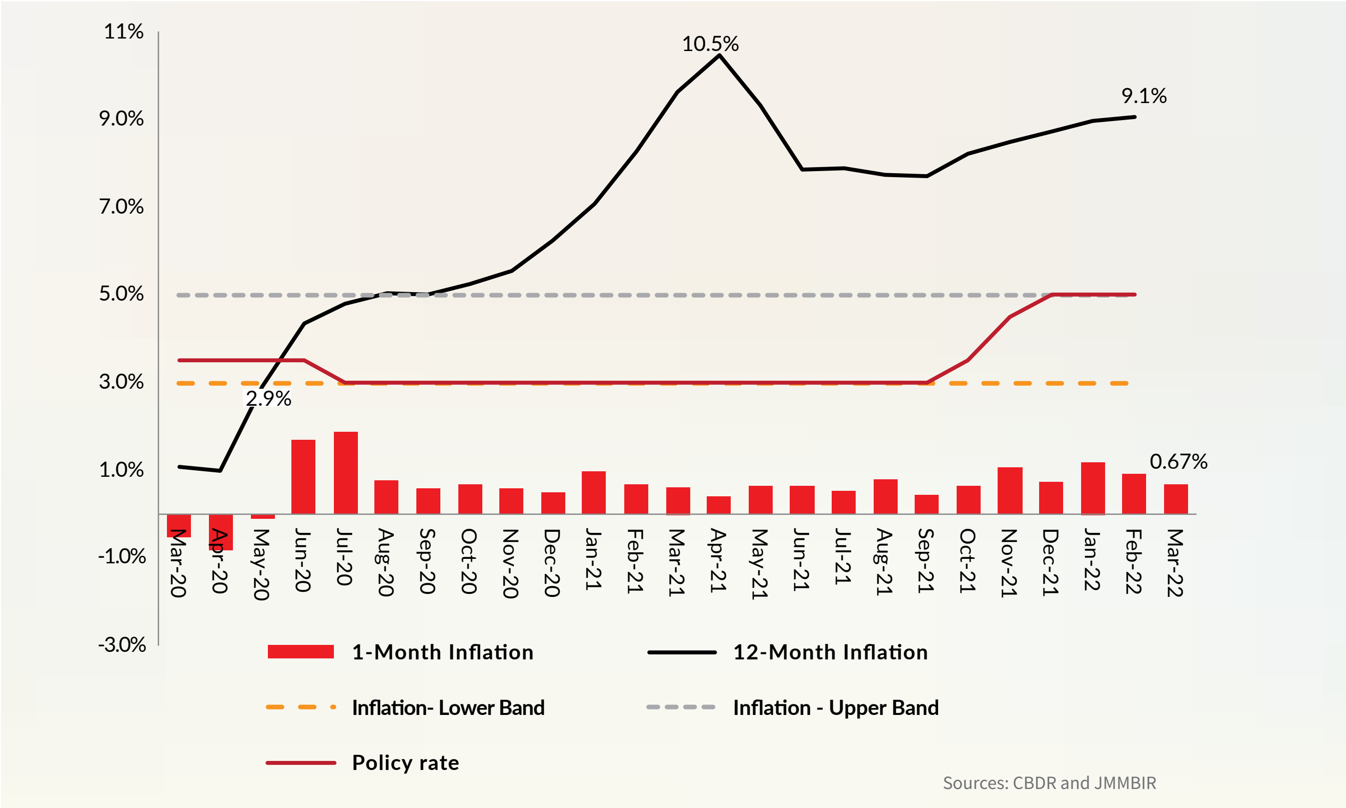
Regarding the external account, the current account deficit increased to 2.5% compared to 1.9% in 2020. However, this was offset by high remittance and foreign direct inflows, which resulted in reserves rising to US$13.9 billion (7.4 months of imports). Improvements in the external account contributed to the domestic currency appreciation in Q1:2022.

INFLATION

The Dominican Republic faces rising inflationary pressure due to increased commodity prices, especially fuel. At the end of March 2022, the 12-month inflation rate surge was 9.1%, which was 1.3% higher than the inflation rate in March 2021. The Central Bank of the Dominican Republic (CBDR) maintains an inflation target band of 3% to 5%. Headline inflation has trended above the upper range of the targeted range since September 2021. The reason for the elevated inflation has shifted. Over the period from April 2020 to March 2021, the average 12-month depreciation rate was 10.8%, occasioned by the steep decline in foreign exchange flows. The currency's depreciation substantially affected inflation as it contributed to elevated import prices. However, for April 2021 to March 2021, the currency appreciated 1.8% on average on a 12-month basis. Headline inflation remained elevated because of a significant rise in external prices and high consumption, supported by a very high rate of economic growth above potential and relaxed monetary conditions. Loans to households and businesses increased by over 10% on an annualised basis during the review period.

The Central Bank is concerned about the high inflation and now believes that it will decline at a much slower pace than envisioned because of external factors such as the effect of the war on Ukraine on the price of grains and the challenges that persist in the global supply chain. There is a shift in the monetary stance towards tighter monetary policy and normalisation of the policy rate. The repayment of loans issued to businesses during the pandemic supports the CBDR monetary stance by reducing the monetary aggregate. While necessary, we do not believe that the modest change in the policy rate will anchor inflation towards the policy range over the next six months, given the source of the inflation. Thus, we believe that in the absence of aggressive rate hikes that would imperil growth, it would take at least 16-18 months for inflation to move towards the mid-point of the CBDR's policy range.

FIGURE 6: INFLATION



Sources: CBDR and JMMBIR

INTEREST RATE

To minimise the risk of the economy remaining depressed over an extended period because of the COVID-19 induced recession, the CBDR, like many other central banks in the region, reduced the policy rate. The Central Bank reduced the policy rate by 100 basis points in March 2020 and 50 basis points in August 2021. The policy rate moved from 4.5% to 3.50% and then from 3.50% to 3.00%, respectively. With the economy out of recession and inflationary pressure elevated, the Central Bank began the cycle of increasing the interest rate. From August 2021 to March 2022, the Central Bank raised the policy rate three times, cumulatively amounting to 150 basis points, which pushed it to 5.00% as of March 2022.

The speed at which inflation and inflation expectation decline and rising interest rates in the US will occupy the Central Bank's agenda over the next 12 months at least. Inflation has not declined as the Central Bank expected, and it may remain pervasively higher than programmed over an extended period. The likelihood of such an event occurring is higher than average, which would de-anchor the policy rate from inflation. Therefore, increasing the policy rate could have a limited impact on inflation because of the inflation source. Controlling commodity price rise is beyond the scope and ability of the CBDR. If commodity prices level off or fall, the Central Bank still has to deal with rising US interest rates to attenuate the risk of capital outflow.

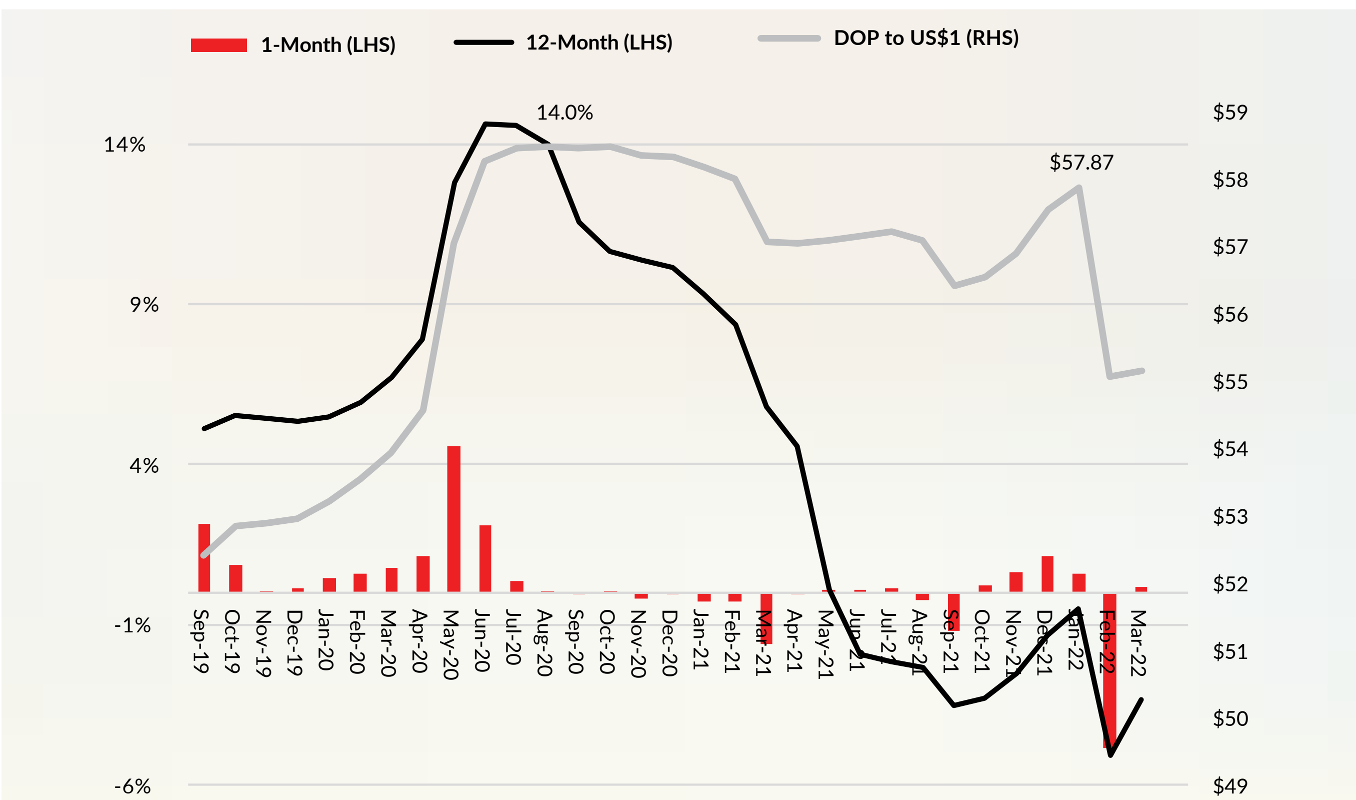
We expect the CBTT to continue the cycle of increasing the policy rate. The policy rate increased by 50 basis points to 5.50% in April. We believe that the policy rate will rise to 7.00% in December and 7.5% in March 2023.

EXCHANGE RATE

The Dominican Republic pesos traded at an exchange rate of RD$55.21 to US$1 at the end of March 2022. Compared to March 2021, the pesos appreciated by 3.3% on an annualised basis. Following the steep depreciation of the pesos during the first half of 2020, the market has been in correction mode. Relatively high US dollar inflows from tourism, remittance, and foreign direct investment have provided sufficient liquidity to offset increased demand for foreign exchange by end-users in the foreign exchange market. At the current exchange rate, the pesos is relatively in line with the depreciation path that it would have taken before the shock in the foreign exchange market caused by the pandemic.

We expect end-user demand to remain relatively strong, driven by high GDP growth rate close to potential and elevated commodity prices. As noted overleaf, we expect the current account deficit to increase 3% - 3.5% compared to 2.0% in 2021. However, we expect flows from tourism and remittance to remain

FIGURE 7: FOREIGN EXCHANGE RATE



Sources: CBTT and JMMBIR

robust, complemented by elevated foreign direct investment to offset the current account deficit. These developments, coupled with lower levels of liquidity, will help to stabilise the foreign exchange market. Our base forecast envisages a relatively smooth and subdued deprecation path. The pesos could appreciate if foreign currency inflows remain more robust than outflows. However, if the geopolitical uncertainties perpetuate higher levels of volatility in global markets, the current account deficit could widen beyond expectation and induce a higher level of currency volatility. Although possible, we assign a low probability to this outcome.

OUTLOOK

Slower global growth, pervasively high inflation, geopolitical uncertainties, and tighter fiscal and monetary policies dominate the Dominican Republic's macro-fiscal outlook. We believe real GDP will decelerate to 5.0% in 2022. Although the Central Bank is increasing interest rates and liquidity levels have fallen in the banking system, loan growth remains relatively strong. It will continue to support aggregate demand. Even against the backdrop of global uncertainty, the growth outlook for the source markets for tourism and remittance remains strong. We believe that the medium-term macro-fiscal framework will improve as headwinds from the pandemic and geopolitical conflict fade. Short-term risk is moderate to high, as a more virulent form of COVID-19 and escalation in the Ukraine conflict could adversely affect growth, erode the progress made in the fiscal accounts and push inflation higher.

We expect inflation to remain elevated throughout most of 2022 and to fall off modestly because of the base effect and improvement in global supplies. The speed at which inflation falls and the magnitude of interest rate adjustments in the US will heavily influence the speed with which the CBDR increases the policy rate.

Strong economic growth will lead to improvements in fiscal metrics, as we envisage higher revenue flows and lower spending. Three years ago, President Luis Abinader campaigned to rein in public expenditure and end corruption. However, his plans to cut spending have stalled because of the pandemic, which forced the government to provide subsidies to households and businesses. With the pandemic fading, we expect President Abinader to maintain a tighter public purse. The unwinding of COVID-related spending is already a step in the right direction. However, it is partially offset by expenditure to minimise the effect of high inflation on poor households. We expect lower fiscal deficits and lower debt ratios in the years ahead.

OUR LOVE GROWS AND GROWS


FRIDAY, JUNE 25, 2021 FINANCIAL GLEANER
JMMB Group awash with cash to fuel growth mindset
n profit in 1996
es $6.9b
d offer
COVER STORY
JMMB buying stake in Sagicor Financial in US$200m deal
BUSINESS
JMMB's profit in DR jumps tenfold
BY SHAMILLE SCOTT Business reporter scotts@jamaicaobserver.com
BUSINESS
JMMB to enter pensions market in Dom Rep
Financial Gleaner
AUGUST 3, 2012
JMMB ambitions grow
Keith Duncan, group CEO of JMMB.
MB Bank already
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Friday, August 17, 2012
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JMMB forms payments division for digital services
JMMB rolls out new Smart ATMs today
B expanding
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record profit
lway on reorganisation as
holding company
Rep
JMMB to acquire 100% of T&T bank
JMMB Group forecasts $9b in annual profit in three years

MANAGEMENT DISCUSSION & ANALYSIS

A 30-YEAR JOURNEY

MARKET DOMINANCE, REGIONAL EXPANSION AND SOLID GROWTH

1992

2004
50% ownership of Intercommercial Bank Group (IBL)

2007
JMMB Puesto de Bolsa, S.A.

2012
- Capital and Credit Financial Group (CCFG)
- JMMB ITT Ltd.

2013
100% ownership of IBL Group

2014
AIC Securities Ltd. (JMMB Securities T&T) Ltd.

2015
- Banco de Ahorro y Crédito JMMB Bank, S.A. (JMMB Bank DR)
- JMMB Sociedad Administradora de Fondos de Inversion, S.A. (SAFI)

2016
AFP JMMB BDI, S.A.

2018
Intercommercial Trust & Merchant Bank Ltd. rebranded JMMB Express Finance (T&T) Ltd. (JEF)

2019
22.5% stake in Sagicor Financial Corporation (SFC)

Keith Duncan
GROUP CHIEF EXECUTIVE OFFICER

This Financial Year 2021/22 was a significant milestone for JMMB Group Limited ("JMMBGL", "JMMB Group" or "the Group") having achieved record financial performance-posting net profits of J$12B, achieving several mission critical milestones, and, in turn, created significant client, shareholder and team member value. This performance was achieved notwithstanding the lingering impact of the COVID-19 pandemic. This financial year was also a significant part of a thirty-year journey, which started in 1992, with the establishment of Jamaica Money Market Brokers Ltd. in Jamaica.

This journey, rooted in love, has transformed a small, market disruptor in the investments space into a regional Group of Companies that significantly contributes to the financial services sector in each of its operating territories. The growth and success of the Group has been realized as a result of the execution of a carefully crafted strategy of diversification, opportunistic acquisition and an unwavering commitment to building out the services, solutions and capabilities that best meet clients' needs along their financial life cycle.

DIVERSIFICATION STRATEGY AT WORK

In FY 2012/13, the Group's growth accelerated as it sought to undertake a leadership position in regional markets through its diversification and integrated financial services strategies specifically, via the acquisition and creation of entities. Through this, the Group added new business lines, solutions and core technology, which set the foundation for further growth in the coming financial years. The efficacy of this approach is underscored by the Group's growth in the key performance indicators since financial year 2012/13 as outlined below.

REGIONAL DIVERSIFICATION STRATEGY AT WORK – GROWTH OF KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATOR	FY 2021/22	FY 2012/13	TOTAL GROWTH OVER PERIOD
Net Profit	J$12B	J$3.9B	208%
Total Assets	J$614.5B	J$166.9B	268%
Earnings Per Share	585 ₵	235 ₵	149%
Market Price Per Share (JSE closing price)	J$44.39	J$ 6.20	616%

EVOLUTION INTO BANKING YIELDS PHENOMENAL RESULTS

A 50% acquisition of shareholdings in Intercommercial Bank Limited (IBL) in Trinidad and Tobago (TT) in 2004 and then later full ownership of the IBL Group in 2013 enabled the Group to take its initial step in building out commercial banking services and offering clients an enhanced value proposition across the region. In 2018, the Group rebranded the Intercommercial Trust and Merchant Bank, another entity in the IBL Group, to JMMB Express Finance (T&T) Ltd. (JEF), to specialize in consumer finance loans. JEF has disrupted the consumer finance industry in Trinidad and Tobago holding 8% of market share after only three years of operations and contributed J$161M in net profit to the Group for the reporting period. JEF's success is in large part attributable to its differentiation around a Client-Centric model of "Best Interest" in its operations, which is atypical for the consumer finance industry.

The 2012 acquisition of the Capital & Credit Financial Group Limited in Jamaica enabled the addition of merchant banking, remittance and unit trust solutions to the then existing investments and insurance brokering offerings. With its transition to full commercial banking status in 2017 to JMMB Bank (JA) Ltd., banking services have since expanded significantly. This Bank has maintained its position as the fastest growing commercial bank in Jamaica year over year since then and has continued to widen its solution set and deepen its value proposition for all client segments.

In the Dominican Republic (DR), the Group acquired an initial 90% ownership stake in Banco de Ahorro y Crédito (JMMB Bank), S.A., a small savings and loans bank. This acquisition added banking services to the existing investment flagship company in the DR, JMMB Puesto de Bolsa, S.A., a market leader in the sector since its launch in 2007.

With these acquisitions, the Group has undertaken a systematic approach to building out our services, solutions and core operational capabilities with a view to ensuring that clients have 'One Experience' with the Group despite the territory and/or physical location. The successful execution of this regional and business line diversification strategy has yielded positive results for the Group as the banking business line has moved from contributing 32% of the Group's operating revenue five years ago to 42% in the current period.

Additionally, the Group's banking segment's growth since financial year 2019/20 has outperformed overall market growth in Jamaica and the DR and has significantly contributed to the Group's sustainability in the last two financial years during the onset of the novel COVID-19 global pandemic.

START - UPS DELIVER STRONG RETURNS

On its journey, the emphasis of the Group's innovation, business line expansion and regional diversification has been to better serve clients with more solutions aligned to their needs, to create value in the Group's operating territories, to diversify risk, and add to the Group's overall profitability. To this end, the Group undertook a series of start –ups which began in the Dominican Republic with the establishment of JMMB Puesto de Bolsa, S.A which has been the flagship of the portfolio of companies in that operating territory. JMMB Puesto de Bolsa, S.A. has had a consistent record of strong performance over the years. This strong performance and phenomenal success were particularly evident during the financial year under review as it posted J$2.4B in net profit, the entity's highest yet. In the build out of an integrated financial services model in the DR, pension services through AFP JMMB BDI, S.A (AFP) and Mutual Funds through JMMB Sociedad Administradora De Fondos De Inversión, S.A. (SAFI) were established in 2016. Both entities have since deepened financial partnership with clients, expanded market share and delivered credible financial results year over year.

In 2012, JMMB Investments (Trinidad and Tobago) Ltd. was established and added investment services to the territory's portfolio of companies, while,

Banking & Related Services
42%

29%
Growth

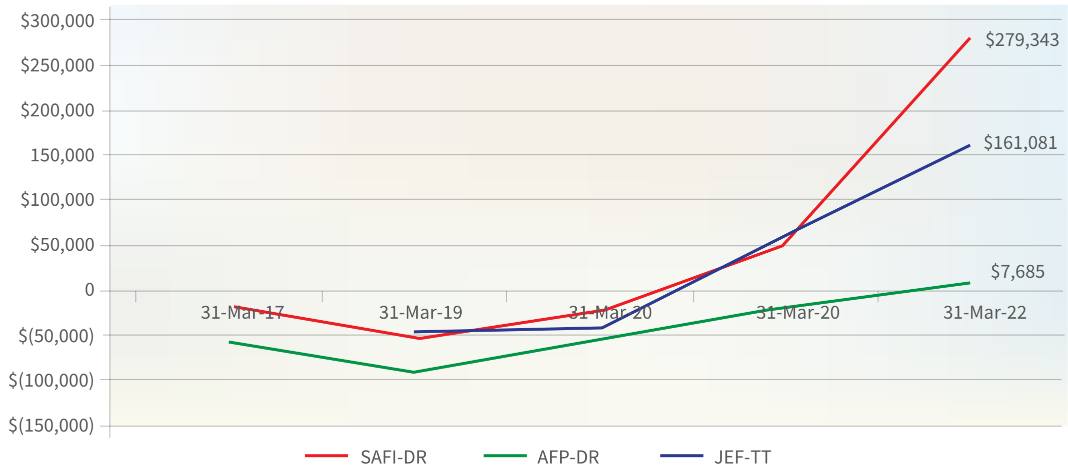
Financial Related Services
57%

12%
Growth

as aforementioned, JMMB Express Finance (T&T) Ltd. commenced operations in September 2018 under the JMMB Bank's (T&T) merchant banking license, marking the Group's entry into consumer financing. Both entities have had strong financial outturns contributing positively to overall success of the Group's operations in the market.

With the lion's share of start-ups commencing operations between 2015 and 2016, these entities are still in early stage operations. They have all, however, moved into profitability and delivered record performance in financial year 2021/22.

NET PROFIT '000



DIVERSIFICATION AND OVERALL GROWTH

With respect to business line diversification, the Group has continued to place strategic focus on the banking segment in driving overall growth. This focus has thus far realized for the Group cumulative growth of J$6 Billion or 119% increase in contribution to operating revenue between financial years 2017/18 and 2021/22.

BANKING SEGMENT GROWTH IN CONTRIBUTION TO OPERATING REVENUE

	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22
Net Operating Revenue - Banking	5,116,373	7,034,394	8,266,020	8,676,082	11,205,425

Notwithstanding the banking segment's growth in contribution to operating revenue, the investment management segment still continues to play a central role in the delivery of the Group's value proposition of integrated financial services as well as the overall growth of the Group. The growth of this business segment has been underpinned by an intense focus on embedding best in class proprietary partnership tools and initiatives across operating territories and client segments. For the retail client segment, this has meant a focused approach to creating, tracking, managing and protecting goals. Corporate clients are now supported by an expanded partnership team including the Group's capital markets unit which leverages its expertise to innovate and deliver funding and other financial solutions. This business segment's growth in contribution to revenue while moving from 67% to 57%, is better evidenced in dollar value having moved from J$10.6B in the previous financial year to J$23.4B as at the end of the year under review.

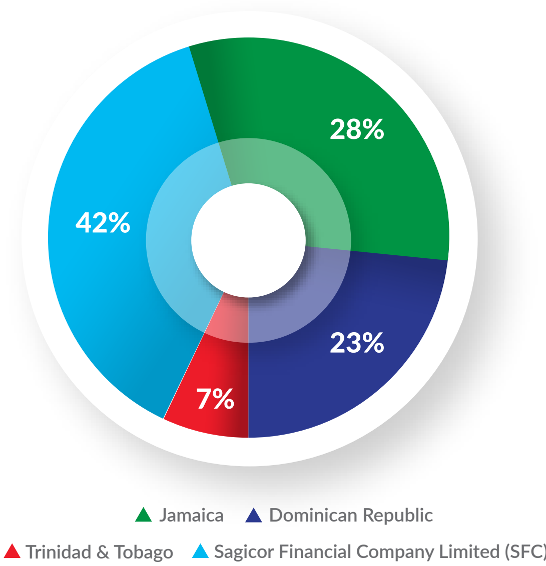
The Group's Jamaica based remittance business line, JMMB Money Transfer Ltd., also continued to contribute to overall growth having seen an increase of 33% in operating revenues and faster than market year over year growth at 16% for the second consecutive year. The continued expansion of this business line remains central to the Group's financial inclusion strategy previously established in 2019/20. Under this strategy, JMMB Bank Jamaica launched the 'EZ Start' account in the 2020/21 financial year during the most disruptive period of the onset of the COVID-19 pandemic. This was in recognition that the unbanked and underbanked population often, do not have easy access to the information required to open a bank account. The EZ Start Account requires only J$100.00, one Government issued identification and a Taxpayer Registration Number (TRN) to open this account. Continued growth is expected in the coming year as the Remittance business line rolls out new card based and digital solutions aimed at widening access for the unbanked and underbanked segment.

PROFIT DIVERSIFICATION

The Group has made significant strides in geographic business line as well as profit diversification. The Group's acquisition of a 22.5% stake of Sagicor Financial Company Ltd. (SFC) in 2019 continues to redound to the benefit of the Group's overall profitability. SFC contributed to net profit of J$5.08B to the Groups profitability for the financial year 2021/22. This significant contribution signals the Group's success in strategically utilizing new common equity raised from the market to deliver strong sustainable accretive returns to shareholders. The Group expects that this strategic investment will continue to yield substantial returns over time.

The Group has additionally seen improved profitability of its Dominican Republic entities and their overall contribution to profitability having moved from 14% contribution operating profit in financial year 2020/21 to 35% in financial year 2021/22. This territory continues to be a considerable growth market for the Group both organically as well as inorganically. It is expected that the expertise built in the market and the investments made in building out an integrated business model with a full suite of solutions will continue to deliver very strong returns. The Group will be deepening its organic and inorganic expansion into this lucrative geographic market that has a large population and strong economic fundamentals that will redound to shareholder value.

CONTRIBUTION TO NET PROFIT



This carefully charted expansion journey and successful diversification strategy execution over the years has led the Group to achieving its highest profit outturn in its history for the year under review.

GROUP FINANCIAL PERFORMANCE

DELIVERING SHAREHOLDER VALUE- RECORD PERFORMANCE IN 2021/22

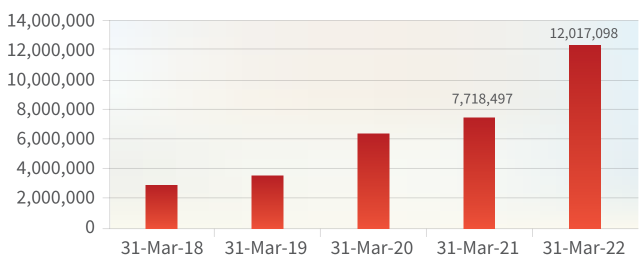
The following sections detail the financial performance and results of the Group, its operating territories and business lines.

NET PROFIT

Notwithstanding the continued economic and social challenges arising from the COVID-19 pandemic and, in the final month of the financial year, the outbreak of the Russia – Ukraine geopolitical crisis, the Group posted record profitability for the financial year ended March 31, 2022.

For the period, net profit totalled J$12B reflecting an increase of J$4.3B and growth of 56% over the prior period. This growth within this context underscores the efficacy of the Group's continued execution of its diversification strategy and focus on growth.

Net Profit (in J$'000)

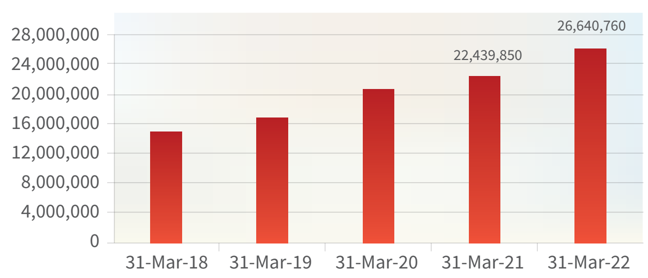


Net profit also included a significant contribution from the Group's 23.29% stake in SFC Limited amounting to J$5.1B or a 42% contribution to net profit which also reflected exceptional growth of 169% or J$3.2B as SFC continues to rebound from the pandemic. This growth and contribution to profitability is demonstrative of both the short and long-term value of this investment and its ability to continue accruing benefits to our shareholders.

OPERATING REVENUE

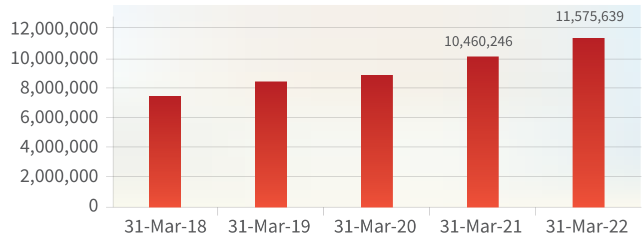
Net operating revenue for the period totalled J$26.6B, reflecting growth of 19% or J$4.2B. There was strong double- digit growth in the revenue lines as virtually all exceeded pre-pandemic levels, having regained strong growth momentum. Notably, net interest income (NII), trading gains, fee and commission income as well as fees from managing funds on behalf of clients also experienced double-digit growth relative to pre-pandemic levels.

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



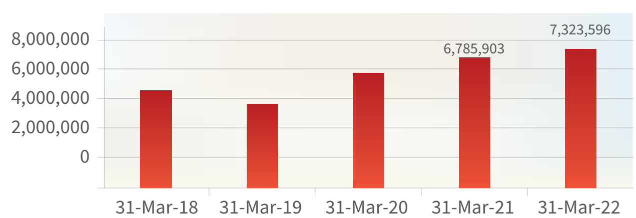
Net Interest Income (NII) grew by 11% or J$1.1B to J$11.6B during the period. Despite the lifting of restrictions and a gradual ease into more heightened economic activity, many of the challenges associated with the pandemic remained. Given this, the Group maintained its focus on consistent client engagement and ensuring that clients actively experienced partnership and 'best interest'. Clients continued to respond positively to this during the year, which in turn yielded strong growth in the Group's total funds under management and loan portfolio. This resulted in fees from managing funds peaking to J$2B for the first time, achieving growth of 36% or J$543M.

Net of interest Income (in J$'000)



Trading gains rose by 8% or J$538M to J$7.3B. The trading environment for the year was characterized by two distinct periods. During the first half of the year the market was awash with liquidity as, in response to the pandemic, the monetary stance across the region was very accommodative. There was thus increased trading activity as low interest rates globally resulted in a search for yields and, by extension, increased demand for emerging market assets.

Net Gains on Securities Trading (in J$'000)



The second half of the year however saw a shift as the monetary stance of central banks globally became restrictive in response to inflationary pressures. As central banks increased policy rates, bond prices and market liquidity were negatively impacted. This climate was further exacerbated by the onset of the Russian – Ukraine geopolitical crisis in the latter part of the financial year. Thus, the trading environment was subdued with fewer opportunities than the first half of the year. Within this context, teams across the Group continued to execute a successful trading strategy albeit with fewer market opportunities.

Fee and commission income increased by 73% or J$1.3B to J$3B. Broadly, this income is positively correlated to economic activity as both the Dominican Republic and Jamaican economies rebounded, particularly the former whose performance exceeded pre-pandemic levels. Sectors contributing to this positive performance were tourism and construction. Specifically, fees from capital market transactions increased as given the global vaccine program, milder COVID-19 variants and countries learning to operate within the context of the pandemic, business sentiment improved and companies were willing to make capital investments. Further, fees associated with equity transactions, insurance brokerage and remittance also increased.

FX trading gains rose by 34% or J$655M to J$2.6B largely reflecting improved economic activity driven in particular by a rebound in the tourism sector, the main foreign exchange earner in Jamaica.

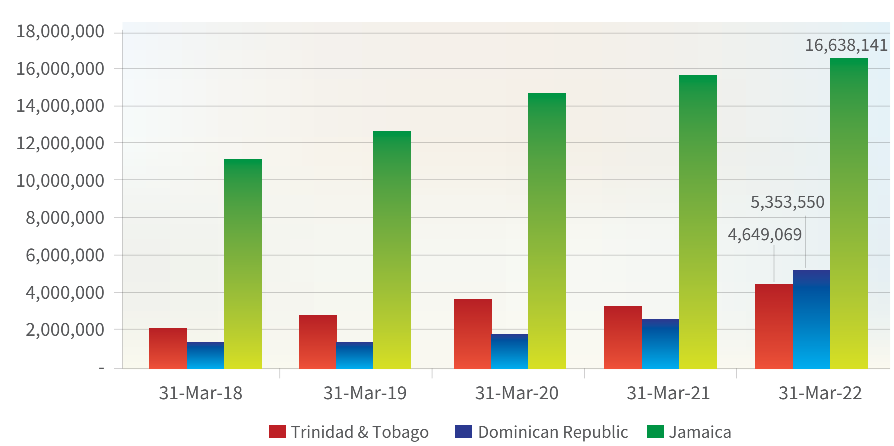
COUNTRY CONTRIBUTION TO OPERATING REVENUE

Given the Group's focus on growth, there continues to be significant organic expansion in its operating territories.

In **Jamaica**, operating revenue grew by 5% to J$16.6B on account of growth in all revenue lines with the exception of trading gains and NII. This was largely reflective of the tightening of monetary policies in the second half of the financial year and subsequent rise in interest rates.

In **Trinidad and Tobago**, operating revenue increased by 34% or J$1.2B to J$4.7B as all lines recorded material increase. The improvement was largely on account of the relaxation of COVID-19

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



restrictions in place in the prior period. This performance is, however, noteworthy as the country's economy remained in recession over the reporting period.

In the **Dominican Republic**, operating revenue was 76% higher at J$5.4B on account of strong growth in trading gains, NII and fees from managed funds. Trading activity was elevated in the first half of the year, owing to high market liquidity on account of monetary and fiscal measures implemented to offset the adverse impact of the pandemic. Growth in NII and fees from managed funds evidences the strong brand equity that we enjoy in this territory. This emanates from our ability to accurately pinpoint the needs of our clients and nimbly provide solutions, thus, forging strong financial partnerships.

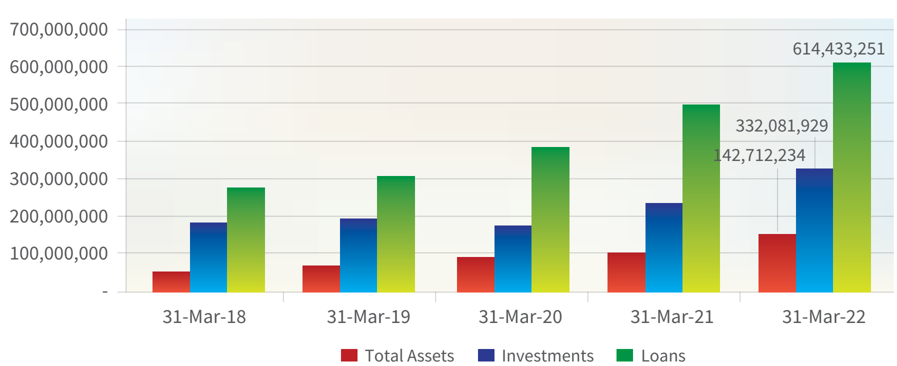
EFFICIENCY

The Group's strategic cost management framework seeks to balance expenditure associated with long-term strategic imperatives and short-term profitability expectations. Consequently, in the prior period there were short-term cost containment measures implemented to improve operational efficiency in light of the impact of COVID-19 on the Group's operating territories' economies. Given improvement in the territories over the reporting period, digitization and other efficiency projects were again placed into keen focus for execution. Additionally, inflationary increases were granted during the period and adjustments made to staffing to achieve long- term objectives. Given this focus and set of activities for the period, administrative expenses rose by J$4B or 27% to J$18.5B. The Group will however, continue to focus on extracting efficiencies from all entities through continued work on system and technology standardization and process improvement projects.

TOTAL ASSETS

The Group's total asset base grew by 20% from J$100.6B to J$614.5B over the period. This was mainly due to increases in loans and notes receivable, investment securities as well as interest in associated companies. Loans and notes receivable as at March 31, 2022, totalled J$142.7B reflecting growth of 19% or J$23.3B. Asset quality continued to be high as growth was achieved within the context of a prudent loan adjudication process and enhanced monitoring of the loan book.

Total Loans, Investments and Assets (in J$'000)



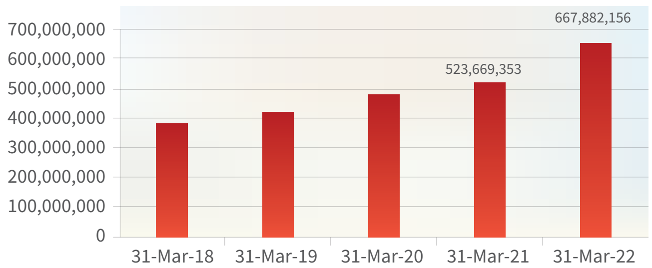
The investment portfolio increased by J$69.7B or 27% to J$332.1B. Growth in the asset base was largely funded by customer deposits as well as repurchase agreements and, to a lesser extent, multilateral funding.

TOTAL FUNDS UNDER MANAGEMENT (FUM)

The Group had total clients' FUM at the end of March 31, 2022, of J$667.9B. This reflected growth of

28% or J$144B and was due mainly to increases in customer deposits, repurchase agreements, unit trusts as well as pension funds.

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



Unit trusts and pension FUM grew by 37% to J$106.5B. In the prior period, there was a distinct preference for investments without price volatility, however this improved in the financial year as the level of pandemic-related uncertainty declined and clients continued to trust the financial expertise of the teams across the Group. This was additionally underpinned by the availability and uptake of vaccines globally as well as the emergence of less severe but dominant COVID-19 variants.

Growth in on-balance funding lines was a reflection of the targeted approach of the Group's client partnership teams. Given that the pandemic disproportionately impacted sectors, emphasis was placed on capitalizing on the opportunity to initiate and in some cases deepen relationships in sectors that thrived during the pandemic. This redounded to an increase in repos of 31% to J$298.3B as well as customer deposits which grew by 18% to J$151.8B.

Our on-balance sheet funding includes a loan from the Inter-American Investment Corporation (IDB Invest) which is destined for on-lending to Small and Medium Enterprises (SMEs). During the year, there was a drawdown of the second tranche of this loan, amounting to US$24M. This brings the total to U$59M and will enable further footprint expansion and the improved delivery of best in class service to this traditionally underserved segment. The ability to access this loan affirms the Group's creditworthiness and capacity to provide long-term value.

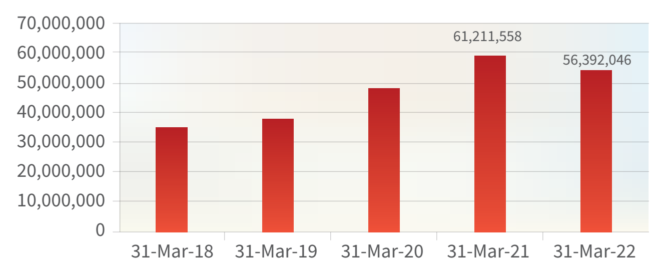
CAPITAL ADEQUACY

All entities within the Group continued 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. Capital is raised to fund specific growth initiatives that increase shareholder value, whenever it is advantageous to do so.

SHAREHOLDERS' EQUITY

At the end of March 31, 2022, total shareholders' equity stood at J$56.4B, reflecting an 8% decline. Despite posting record profit for the period, this was offset by a negative investment revaluation reserve.

Total Stockholders' Equity (in J$'000)

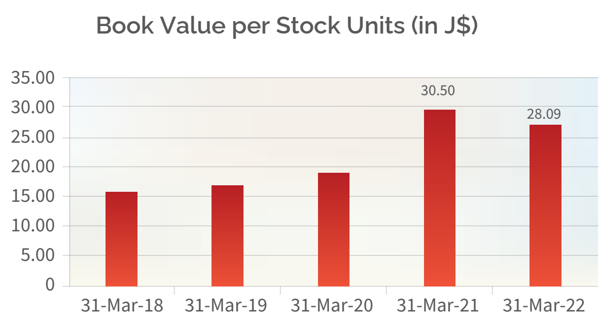


Investment revaluation reserve was positive at the end of the prior year at J$4.6B as bond prices had rebounded given improved economic outlook and a prevailing low interest rate environment. However, at the end of the reporting period, investment revaluation reserve was negative at

J$11.3B given a rising interest rate environment and increased global uncertainty arising from the Russian invasion of Ukraine, rising commodity prices as well as supply chain disruptions.

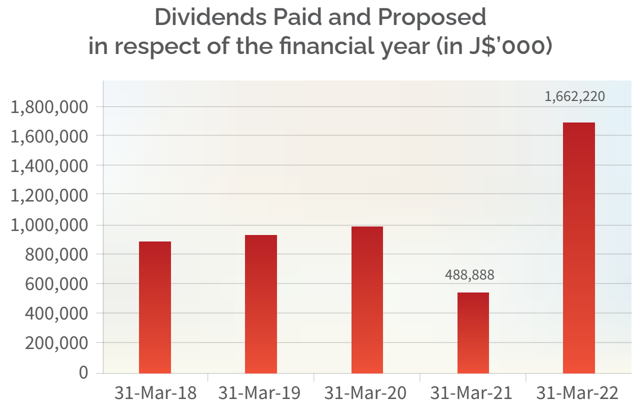
BOOK VALUE PER STOCK

Given, reduced shareholders' equity, the Group's book value per common share moved from J$30.50 to J$28.09. Over the same period, the market price per share moved from J$32.87 to J$44.39. As expected, there was a strong recovery in market value of the stock, in spite of the pandemic. This was due in part to the record performance of the Group as well as to the general positive long-term outlook. Notwithstanding this, the Group's stock continues to hold significant short and long -term value for shareholders and share price is expected to continue on its positive trajectory as the Group continues to deliver outsized positive shareholder value.



SHAREHOLDERS' RETURN

Total dividends paid and proposed in respect of 2021/22 financial year amounted to J$1.7B, up from J$489M in the prior period. This included a payment of J$1.2B in September 2021 given that in the prior period, there was a reduction in dividends paid, due to restrictions imposed by the Bank of Jamaica. The Group continues to be guided by its dividend policy with focus on driving sustainable growth, achieving long-term earnings and increasing returns to shareholders.



DELIVERING CLIENT VALUE

TAKING CLIENT EXPERIENCE TO HIGHER LEVELS

As the Group celebrates record financial performance and marks its 30th anniversary, it will be taking client experience to the next level in the coming year. Consistent with its commitment to put clients first and ensure every client feels heard, valued and understood, the Group has introduced a new organizational structure oriented around its client partnership model. Country level executive team leads have been appointed for each client segment as Integrated Country Client Partnership Officers in all operating territories along with Group level executive support and oversight. This will more seamlessly facilitate financial partnership conversations with clients and the leveraging of products across all business lines to create solutions to achieve clients' goals.

The role of Group Client Experience Manager was also created to, along with client partnership and marketing leaders across the Group, design and support the delivery of exceptional experiences that are standardized across all countries, business lines and delivery channels. As it further builds on its solid Client Experience (CX) foundation, the Group expects clients to experience the four CX principles in all interactions across the JMMB Group. These four principles are:

- **Easy** - Simplicity and ease of process for the client
- **Enjoyable** - Clients enjoy their experience and feel like family
- **Empowering** - Clients are empowered to make the best choice and find the right solution to meet/ achieve their needs/goals
- **Best interest** - "JMMB has the Client's back" and is fully invested in their success

These four key principles are entrenched in the Group's business model including systems and project design and execution, internal processes, training as well as branch layout and design. Always striving for experience improvement, the team will continue to identify pain points across the Group including those affecting wait time by channel and processing time for key solutions and activities.

DELIVERING NEW SOLUTIONS

Key to driving value for clients is the provision of simple, transparent solutions that are aligned to the life goals of all client segments. It is an ongoing Group imperative to provide integrated solutions across business lines and geographies that are uniquely tailored to meet these life goals. During the year under review, the Group was able to make significant strides towards building out solution sets and brought the following two important products to market:

NEW PRODUCTS LAUNCHED

COUNTRY	ENTITY	SOLUTION	DESCRIPTION	BENEFIT TO CLIENTS
Dominican Republic	SAFI (Funds)	SAFI (Funds)	Mutual fund investing exclusively in renewable energy projects in the Dominican Republic	The ability to invest in renewable energy projects in the Dominican Republic through a professionally managed fund
Jamaica	Bank	JMMB ePAY Meals Card	Digital platform for employers to provide meal subsidies or benefits to employees	Convenient access to employer provided meal benefits through a card, mobile application or website

The team in the Dominican Republic launched a Sustainable Energy Fund, which is a pioneering mutual fund investing in renewable energy projects in the Dominican Republic. This particular product is in keeping with the Group's Environmental, Social and Governance (ESG) strategy as good corporate citizens committed to the protection and sustainability of the natural environment. Not only does it provide options for the Group's clients to further diversify their investment portfolios, but it also provides exposure to renewable energy projects that may be personally aligned to clients' goals.

The Group also recognized the need for more easily accessible payment solutions to serve its existing clients and attract new ones. This is in keeping with an evolution into new and efficient revenue generating solution sets as critical drivers of the Group's payments and digital strategies in its reimagined business model. To this end, JMMB Bank Jamaica Ltd. entered into a strategic partnership with Norbrook Transaction Services to provide payment solutions including the JMMB Bank ePAY Meal Card, which was launched in FY 2021/22. This product provides a digital platform for employers to provide meal subsidies or benefits to employees. The card and online platform give convenient access to employer-provided meal benefits through a card, mobile application and website. Importantly it provides a vehicle for the acquisition of new retail, SME and Corporate clients supporting deposit growth in for the banking business line. The partnership also creates an opportunity for further diversification of revenues through fee income in a way that is aligned to the Group's fee philosophy and culture.

EMBEDDING EXPERT FINANCIAL PARTNERSHIP

A critical component of delivering value to clients is fostering proficiency to expertly advise clients and effectively design solutions for them in keeping with their stage in the financial life cycle. The Group has set up support systems to empower team members to effectivity partner with clients towards this end. During the Group's 30-year journey, it has established its own proprietary internal Financial Partnership Certification programme that takes team members through a uniquely designed examination-based training module to build the highest levels of financial expertise and partnership with clients.

To build on this foundation, the Exceptional Life Mentorship Programme was launched in 2020. As found in the Group's Vision of Love- "...JMMB is seeking to create an organizational environment in which team players can achieve their full potential." The objectives of the Exceptional Life Mentorship Programme have been carefully crafted in keeping with this vision. This voluntary programme, available in Jamaica and Trinidad and Tobago, helps to create a shift in mindset so that front line team members can be exceptional in all aspects of their lives inclusive of delivering exceptional partnership to clients. Complementary to this programme is a Client Partnership Academy in the Dominican Republic, which also provides a well-rounded development facility to support team members to achieve exceptional performance.

The consistent focus and embedding of financial partnership continues to redound to the benefit of the Group as the client base grew by 26,000 clients during the year. The Group's financial statements also proudly reflect the results of this successful embedding with balance sheet growth of 20% and revenue growth of 19% relative to the previous financial year. Notably, off balance sheet funds under management grew by 24%.

Partnering with clients is not just what the JMMB Group does, it is consistent with the core values of the organization birthed at its inception. Now more than ever the Group is committed to helping clients realize their financial goals, serving them from a place of 'Best Interest' and making it an easy, empowering and enjoyable experience across operating territories, touch points and channels.

GROUP STRATEGIC OUTLOOK

Looking Ahead- Strong headwinds but, the best is still yet to come

CONTEXT FOR THE FUTURE

In the two years post the onset of the COVID-19 pandemic, the world experienced significant supply chain disruption causing a rise in global commodity prices. Initially the widely held belief was that the inflation propelled by the pandemic was transitory in nature; until it was under reasonable control, as supply chains regularized and global economies recovered.

However, just as signs of stability and recovery emerged with the relaxation of restrictions, lockdowns and recoveries in global supply chains, the Russia/Ukraine geopolitical crises ensued. This caused further disruption in global supply chains and resultant inflation. Generally, central banks around the world have responded to curtail inflation by executing contractionary monetary policy. This strategy has been mirrored in two of the Group's operating territories, Jamaica and the

Dominican Republic, with aggressive increases in policy interest rates over a short period of time.

The contractionary monetary policy is intended to slow domestic demand and reduce the ability of businesses to pass on price increases. The higher policy interest rates will cause higher cost of funds and eventually higher lending rates. This could slow the rate of growth of loans and impact the net interest income earned by financial institutions on loans and Investment portfolios. The ability to actively trade portfolios to take trading gains will be more limited and will be executed when the opportunities present themselves.

The Group will thus be more targeted and agile in implementing its growth strategies as it navigates this inflationary and rising interest rate environment within the context of its immediate strategic outlook.

IMMEDIATE STRATEGIC OUTLOOK

The Group will be pursuing efficient growth within this environment through strategic revenue diversification and strong capital management. Focus on geographic diversification will remain with sharp focus on Trinidad and Tobago, where the operating environment is currently more accommodative to growth. Business line diversification is also increasingly important with the fund management business line specifically targeted for growth through new and existing mutual fund products to support further diversification and financial goal attainment for clients. Additionally, there will be a strategic focus on capital efficient growth from lending as well as opportunistic growth in the investment portfolio.

The Group will also be delivering new income streams from new and enhanced solutions with specific emphasis on maximizing value from the payments ecosystem. In the 2022/23 financial year, the Group will be rolling out merchant acquiring products including point-of-sale and ecommerce solutions to better serve SME and Corporate Clients. Additionally, the Group will launch new payment products via JMMB Bank (JA) Limited in partnership with Norbrook Transaction Services Limited as well as other payment solutions through the Remittance business line.

NEW SOLUTIONS

	COUNTRIES TO BE LAUNCHED IN		
SOLUTIONS	**JAMAICA**	**TRINIDAD & TOBAGO**	**DOMINICAN REPUBLIC**
BANKING AND PAYMENTS			
Prepaid Cards	✓		
Merchant Acquiring Solutions	✓	✓	
Credit Card	✓	✓	✓

SOLUTIONS	COUNTRIES TO BE LAUNCHED IN		
	JAMAICA	TRINIDAD & TOBAGO	DOMINICAN REPUBLIC
INVESTMENT BUSINESS LINE			
Private Equity Fund	✓		
USD denominated unit trusts with exposure to global Equity, Corporate Bonds and Sovereign Bonds	✓	✓	
ITT Optimal Funds- TT and USD money market funds		✓	

The Group will also be focused on enhancing clients' digital experience and will be launching a digital onboarding platform and mobile application in the 2022/23 financial year. These partnership tools are critical components of providing a digital experience for clients who desire a pure digital or omni channel experience in interacting with the Group.

GOING THE DISTANCE

In the next phase of its journey, the Group remains laser focused on inorganic growth in its existing operating territories and expanding regionally to profitably scale its footprint, and diversify revenues and risks thereby increasing risk adjusted returns. The Group has been actively exploring M&A opportunities as favorable trends observed in the Caribbean and Latin America present lucrative opportunities for long term sustainable returns. Consequently, the Group is poised for continued execution of its buoyant inorganic growth strategy in the short to medium term. The Group also seeks to evolve its operating model leveraging standardization and centralization as critical models to improve operational efficiency. The Group will also transform digitally while remaining client centric. At the core of this digital transformation, is a vision to use technology to create or modify existing business processes and client experiences to meet changing client and business needs as well as market dynamics.

Long-term growth and increasing stakeholder value will continue to be a key priority as the Group continues to:

CLIENT PARTNERSHIP

Embed its Client Partnership model across all client segments, business lines and operating territories.

OPERATIONAL EFFICIENCY AND PRODUCTIVITY

Improve core efficiency by focusing more intently on where to grow and how to grow efficiently and strategically.

CLIENT ACCESS

Create channels and touch points to create an omni channel experience linked to clients' needs and choice.

INORGANIC GROWTH

Strategically pursue inorganic growth opportunities

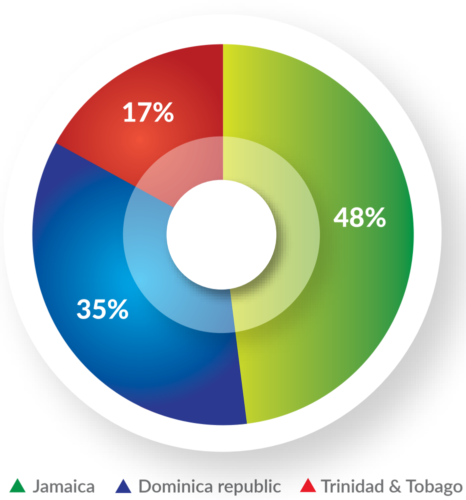
COUNTRY PERFORMANCE & OPERATING RESULTS

COUNTRY PERFORMANCE SUMMARY

The Group's historic financial performance for the year 2021/2022, underscores the value and efficacy of its geographic diversification strategy. Despite a decline in Jamaica's contribution to operating profit, growth in contribution of other territories compensated for this. Given an accommodative environment for the better part of the year, contribution from the Group's operations in the Dominican Republic moved from 14% to 35%. Additionally, despite Trinidad and Tobago (TT) persisting economic recession, there was increased economic activity. The Group's operations in TT as a consequence saw an increase in contribution from 7% to 17%. On the contrary, Jamaica was negatively impacted by rising interest rates and by extension a decline in bond prices (which was exacerbated by the outbreak of the Russia-Ukraine geopolitical crisis) in the latter part of the year. These operations' contribution thus declined, moving from 79% to 48%.

The following sections detail country and segment operating results for the period under review as well as the strategic outlook for financial year 2022/2023.

Country Contribution to Operating Profit



OVERVIEW – NEW NORMAL, NEW OPPORTUNITIES

The financial year under review was a transition period as, similar to other countries around the globe, Jamaica moved from aggressively pursuing COVID-19 containment measures to a more deliberate focus on vaccine uptake and 'Co-existing with COVID'. This resulted in increased economic activity and consequently a rebound in the economy, driven primarily by tourism, construction, agriculture and commerce.

Material uncertainities relating to COVID-19 still remained however including the rise of new variants, uncertainty regarding vaccine efficacy against these new strains as well as uncertainty around the duration of vaccine-induced immunity. The general environment was thus one of cautious optimism. Within this context, the Group's Jamaican entities delivered credible performances, contributing significantly to the Group's overall profitability.

Recognizing that strong client partnership continues to distinguish the Group in the market, the team continued to strengthen partnership skills and tools whilst undertaking the following strategic initatives:

- Reorganization of the structure and delivery mechanism of client segments, specifically the Retail and Corporate segments. This facilitated the optimal integration of the solutions suite across country, whereby regardless of the primary business line touchpoint of a particular client he or she benefits from a '**One JMMB**' experience.

- Maintainance of the team's successful client contact and engagement strategy, enabling continued sensitivity to the needs of clients by segment the difficulties they are facing and a more nimble approach to matching the solutions needed to meet client needs and provide solutions as necessary.

The Jamaican entities' contribution to Group operating revenue was J$16.6B reflecting growth of J$718M or a 5% increase over the prior period. All revenue lines improved with the exception of trading gains and NII. These were impacted by rising interest rates as well as lower bond prices in the second half of the year.

Growth in fees from managed funds continued to evidence the efficacy of the team's client contact strategy as well as client confidence in the team's expertise while fees and commission as well as FX trading gains largely reflected increased economic activity and improved business and consumer sentiments.

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

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

INVESTMENT MANAGEMENT

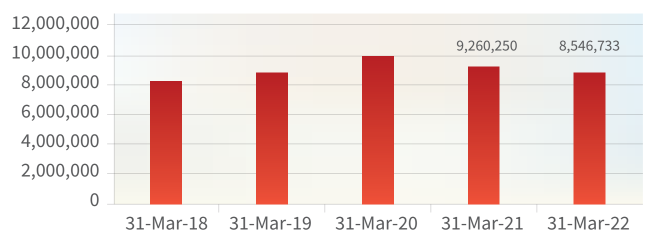
Jamaica's investment management segment delivered solid performance during the year despite continued headwinds from the pandemic. In this context, the teams in this segment continued to focus on client education and engagement, providing reassurance and consistent support in goal protection and growth. In executing this, the team focused on the provision of sound financial advisory services via the Group's proprietary financial partnership conversation model which allowed teams to genuinely remain apprised of clients' financial goals while building trust. This continued to bear fruit during the year as evidenced by the strong uptake by clients of solutions and services as they continued to buildout diversified portfolios.

OPERATING RESULTS

OPERATING REVENUE

The Investment Management segment reported net operating revenue of J$8.5B for the period under review. This reflected a reduction of 8% which was due largely to the Asset Management business line which was negatively impacted by rising interest rates.

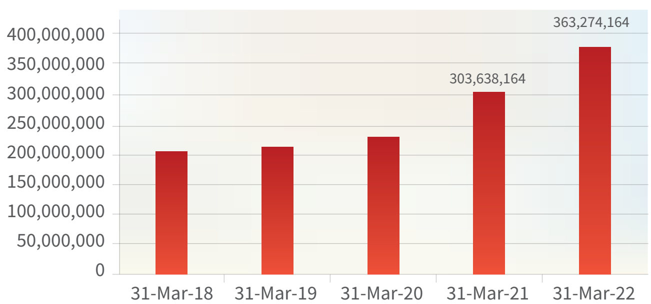
Operating Revenue Net of Interest Expense (in J$'000)



ASSET MANAGEMENT

The team remained conscious of the fact that despite the fact that vaccination programs were underway in earnest in most countries, there remained significant uncertainties in the economic and social landscape. These were due to a confluence of factors that had the potential to derail global economic recovery. These factors included new COVID-19 variants and the associated effectiveness of existing vaccines, rising energy prices, continued supply chain disruptions as well as sweeping changes to monetary policies. Given that responses to these factors could significantly impact asset prices, the team continued to focus on providing guidance, support and financial advice to clients. This was paramount given that the Asset Management business line includes off balance sheet funds, which are subject to price fluctuations.

Total Funds under Management (in J$'000)



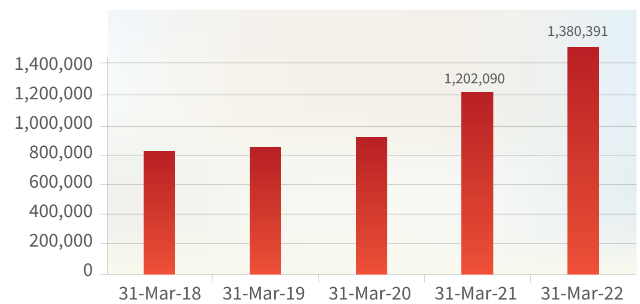
The business line's positive result is demonstrative of the strong partnerships maintained as the team successfully supported clients in meeting their financial goals. This resulted in growth of total clients' funds under management of 20% to J$363.3B, largely driven by on-balance sheet FUM.

By successfully executing a consistent client engagement strategy, the team was able to ascertain clients' needs and defensively position their portfolios to mitigate against possible downside risks. Thus, portfolios were skewed towards on-balance sheet solutions, particularly for clients with short-term investment horizons. On-balance sheet FUM consequently increased by 27% to J$202.3B. NII however declined from J$2.9B to J$1.4B as it was negatively impacted by rising interest rates and, as a consequence, lower bond prices.

OFF BALANCE SHEET FUM

Notwithstanding the continued impact of the COVID-19 pandemic and the onset of the Russia/Ukraine crisis towards the end of the financial year, off-balance sheet FUM growth remained robust increasing by 12% to J$161B. Clients continued to remain confident in the investment solutions offerings, fully assured that they would be able to achieve their financial goals. This continued confidence is a testament to the team's focus on educating clients on the need to establish long-term goals and their attainment via a well-structured and targeted program. In tandem with FUM growth, fees from managed funds increased by 15% to J$1.4B.

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



COLLECTIVE INVESTMENT SCHEMES (CIS) – TRUSTED VEHICLE FOR ACHIEVING FINANCIAL LIFE GOALS

CIS market share continues to grow despite the challenging market context, reflecting the continued client confidence in the team and the financial solutions offered. Accounting for 13.72% of the local CIS market, market share reflected growth of 50 basis points over the period in line with forecasted a long-term growth trajectory for the business line. The business line maintained its position as the third largest player in this space and continued to gain ground as the second place provider. CIS FUM thus increased by 8% over the prior period to J$41.4B.

Collective investments schemes are managed in accordance with established investment policies geared towards providing long-term financial value for clients. The team continuously reviews strategies and makes tactical adjustments as market dynamics change. In the coming year, the drive to provide a diversified suite of investment solutions will continue to motivate the team to review unit trust solutions to ensure that value is maximized for clients and that their needs are continuously met through the range of offerings.

PENSIONS – UNLOCKING LONG-TERM VALUE

The performance of the pension business line remained robust producing another solid year's results as evidenced by a 19% growth in FUM ending the year at J$24.2B. Continued efforts to strengthen partnerships with the existing client base and to promote the importance of long-term financial security resulted in this growth and strong performance. The team recorded a consistent increase in the client base and contribution levels over the period as they continued to successfully navigate the market and leverage opportunities.

The suite of services and solutions under this business line ranges from pooled funds to segregated fund management and other customized service offerings. Core focus areas remained consistent with the prior year as the team sought to improve client communication and engagement with an emphasis on building corporate relationships and financial education particularly on long-term financial planning with its retail client base. Given the impact of the COVID-19 pandemic on the business line's operating context, the team continued to leverage social media, industry experts, as well as digital marketing and promotional campaigns to execute this focus. In the coming year, the team will continue to leverage these channels to raise awareness on financial and retirement planning and their relative importance given the challenges being experienced by many due to the persisting pandemic context and generally in the stage of their financial life cycle.

ASSET MANAGEMENT OUTLOOK FOR 2022/2023

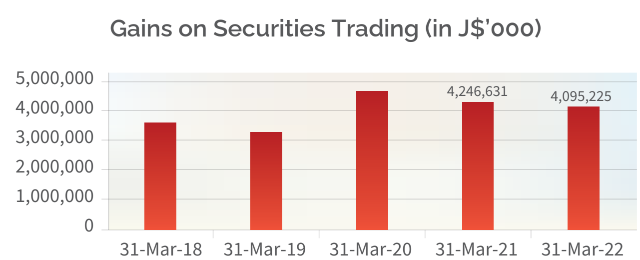
Since the start of the pandemic, the team has been very successful in bolstering client confidence and, by extension, forging stronger partnerships with them emerging now stronger together. While the economy is expected to continue to recover in the 2022/2023 financial year, the team is cognizant of significant risks including the potential economic and social impact of new COVID-19 variants, the Russia-Ukraine crisis, increasing food and fuel prices as a consequence of rising inflation.

The team recognizes that there could be short-term price fluctuations but these should not nullify long-term value creation given that they are expected to be transient. It is also expected that there may be opportunities created in the short-term that clients should be able to benefit from. The team thus remains proactive in identifying such opportunities with a view to positioning them to best meet clients' needs.

TREASURY MANAGEMENT

The Treasury management business line includes foreign exchange, bond and equity trading for the proprietary portfolio as well as equity trading commission. Despite headwinds experienced during the year, the business line recorded strong performance with total revenue of J$4.82B or a 3% increase over the previous year.

BOND AND EQUITY TRADING – SOLID PERFORMANCE AMIDST CHANGING INTEREST RATE ENVIRONMENT



The trading environment was adversely impacted by a range of challenges as global economic recovery was accompanied by high inflationary pressures which resulted in a more hawkish tone from central banks. As global interest rates rose, this had a negative impact on asset prices and liquidity. Consequently, gains from equity and fixed income stood at J$4.1B compared to J$4.2B in the prior year.

For the first half of the year, market liquidity was high, underpinned by an accommodative monetary stance. This facilitated more robust trading activities. Market sentiments however changed mid-year as in a bid to stem inflation, central banks across the world changed their stance to a more restrictive one. Emerging markets bore the brunt of the interest rate impact which was also coupled with soaring global commodity prices. In addition to supply chain disruptions associated with the pandemic, Russia's invasion of Ukraine increased pressure on commodity prices resulting in increased market uncertainty. Nonetheless, the trading desk was successfully able to navigate the tenuous environment through prudent positioning and liquidity management.

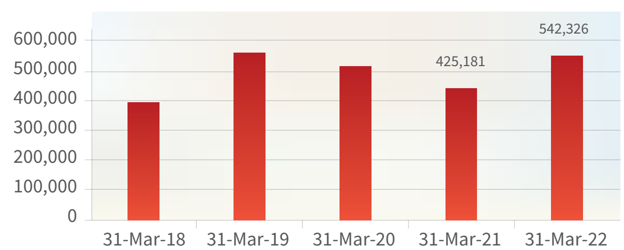
During the year, the local equities market experienced moderate results with the Junior Market outpacing the Main Market. As a result, the Jamaica Stock Exchange (JSE) Combined Index appreciated by 2.2% over the financial year with the Junior Market leading the way with a 41.6% appreciation. This was mainly attributable to strong retail activity as the combined trade value and the number of trades grew year over year, while trade volume decreased.

JMMBSL maintained its number one (1) ranking for number of trades on the JSE. As at the end of March 2022 the business line also ranked 1st in Volume and 2nd in Trade Value as the team continued being a choice broker for investors, particularly retail investors. This was enhanced by the real time online stock trading option which is part of the Group's online banking and transaction platform, Moneyline. The team continued to expand this offering as it now includes charts and enhanced live trade data designed specifically to support investor trading activity. In the coming year, clients will continue to benefit from additional improvements to functionality and user experience.

FOREIGN EXCHANGE (FX) TRADING – CAPITALIZING ON OPPORTUNITIES IN A RECOVERING ECONOMY

The cambio business line posted another strong year of earnings, ending with FX trading gains of J$542M, a 28% increase over the prior year. With the recovery of tourism and the easing of COVID-19 prevention measures, there was increased demand for foreign exchange. The team thus continued to closely partner with clients to aggressively and efficiently meet their FX needs through the provision of innovative solutions. With this focus, the cambio business line managed to maintain its position as the second largest cambio in the market.

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



Volatility was moderate throughout the year in the FX market with the Central Bank continuing to play an active role in addressing supply imbalances in the market through BOJ Foreign Exchange Intervention & Trading Tool (BFIXTT) interventions. Consequently, depreciation was modest as the Jamaican dollar lost approximately 5% against the United States dollar over the financial year. As inflationary pressures increased, there was increased demand for FX as market players sought protection of United States dollars. The team will continue to position cambio services as a value-add for clients and, ensure best in class transaction execution and service delivery.

TREASURY MANAGEMENT OUTLOOK FOR FY 2022/23

The team maintains a cautious outlook for the coming year. Despite the fact that global economies have shown some signs of recovery, the threat of high inflation and interest rates coupled with high commodity prices will weigh negatively on economic recovery and, by extension, market confidence. The team also notes that given that COVID-19 virus is still a threat, sustained monitoring of the potential impact should infection rates rise, is still required. The team will therefore, continue to position its portfolios to achieve the optimal risk/reward profile to create shareholder value.

Given the continued reopening of the economy and expectation for increased activity, the team anticipates that this will lead to increased commercial activity and, by extension, increased FX trading activity. Headwinds to foreign exchange remain as the Central Bank continues to pursue its restrictive monetary policy stance and it is expected that liquidity conditions and interest rates will have a larger influence on the trend of FX transactions and devaluation. With this in mind, the team will continue to take a prudent approach to the market in the coming year.

CAPITAL MARKETS – STILL DELIVERING INNOVATION AND EXCEPTIONAL RESULTS

The Group's Capital Markets team delivered another year of exceptional results. Transaction volumes for the financial year totaled $154.8B up from J$68B, continuing a year over year trend of growth for the capital markets business.

Included in the list of transactions completed during the year were two RegS/144A Senior Note issuances for Sagicor Financial Company Limited for an aggregate of US$550M for which the Group was Joint Bookrunners. The team was also Arranger and Broker for a number of real estate transactions using market leading and very creative financing structures.

The team's skillful leveraging of global relationships and local expertise to creatively satisfy client needs using innovative financial solutions, continues to punctuate its successful results and demonstrates why it is one of the best Investment Banking teams in the Caribbean.

BANKING

OVERVIEW – SUSTAINED MARKET SHARE GROWTH AND AN EXPANDED SOLUTIONS SUITE

Congruent with the country strategy, the banking team maintained its focus on client partnership during the year. The team recognized that the pandemic still presented significant financial challenges to some of the most vulnerable clients and thus continued to offer goal protection support as required. This was particularly the case in the first half of the year when the Group maintained a more defensive posture. The team thus closely monitored clients' needs and behaviors and from this, was able to proactively assess potential threats. This served to mitigate risks and redounded to the maintenance of a high quality loan portfolio.

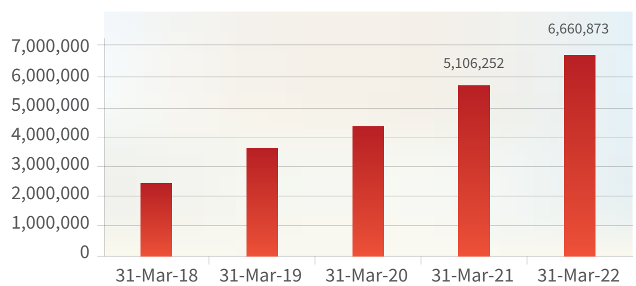
The team also remained nimble in assessing services and solutions, making enhancements as necessary. This included the introduction of the SME accelerator program which offers skill and knowledge building workshops and provides business development support and programme certification to participants via an online platform with the University of Technology, Jamaica. And, in further supporting this segment, the team worked internally and cross institutionally to improve the capacity for SME financing including securing an **additional US$24M in funding from IDB Invest**, a member of the Inter-American Development Bank Group. Through this financing partnership, the Bank will continue building its SME solutions suite as an additional funding source. This decreases the Bank's dependence on shorter-tenor term deposits, which is ultimately to the benefit of SME clients.

Other enhancements for the broader client base included the deployment of intelligent ATMs with new features including 'Tap to Transact', instant cash/cheques acceptance and updates for Jamaican and United States dollar accounts. Lastly, clients would have benefited from the Group's implementation of a fraud protection transaction notification service which alerts clients via email and/or SMS for all Visa transactions completed with a debit card.

In the final quarter of the financial year, the Bank entered into a strategic partnership with Fintech specialists Norbrook Transaction Services Limited, the provider of **ePay** payment services. This partnership augments the Bank's card solutions capabilities significantly and will enable its expansion into a wider array of digital payment solutions. In the coming year, the partnership is set to bring to market, niche card based solutions, wallets for essential services and digital solutions to enhance existing payments capabilities.

OPERATING RESULTS

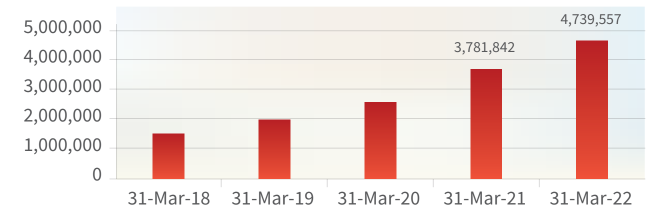
Operating Revenue Net of Interest Expense (in J$'000)



Given the foregoing, the banking segment delivered another strong year's performance with operating profit totaling J$2.6B. For the year, net operating revenue grew by 30% to J$6.7B, largely attributable to a deliberate focus on expanding the solutions suite and services as well as increased economic activity locally. Core revenue which consists of NII, banking fees and foreign currency trading, resultantly grew by 33% over the prior period or J$1.7B to J$6.7B as all lines grew.

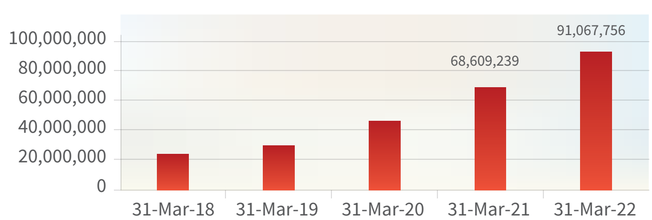
NII grew by 25% moving from J$3.78B in the prior period to J$4.7B. This was due to the strong growth of the loan portfolio.

Net Interest Income (in J$'000)



Net loans grew by 33% or J$22.5B to J$91.1B. This was due in part to the augmentation of the Bank's mortgage solution which saw its repackaging and re-launch under the '**More than a Mortgage**' campaign. This solution enhancement was built to leverage joint financing options with the National Housing Trust (NHT) and was specifically designed with features for first time homeowners and to incentivize clients with existing mortgages to switch. The solution specifically included access to unsecured loans, which could be used towards a-number-of purposes including deposit and property improvements, a payment holiday, no bank legal fees and up to 95% financing. Given this, the team's expertise in financial planning and improved processes for faster loan processing times, the Bank saw considerable growth in this solution and generally across the entire loan portfolio.

Net Loans (in J$'000)



This loan portfolio growth has positioned the Bank as the fifth largest commercial bank in Jamaica, moving up one place from the prior year. As in the prior year, growth of the loan portfolio continued to outpace the commercial banking sector as growth in the sector was 10% year over year. Moreover, at the end of the period, the Bank accounted for 9% of total loans in the industry compared to 7.5% at the start of the period. The team however, continued to be nimble in its approach to growth by prioritizing asset quality which served to maintain the high quality of the loan portfolio.

The robust loan growth was funded predominantly by significant increase in the Bank's deposit base. This growth evidenced the success of the Group's Jamaica operations' country strategy to offer the full suite of solutions available to clients regardless of their primary business line touchpoint. There was thus a deliberate focus by all client partnership teams on growing deposits.

As, at the financial year end, the deposit base totaled J$115B which reflected a 23% increase over the prior period. Similar to the loan portfolio, growth in the deposit portfolio continued to outpace the commercial banking sector as the rate of growth for the sector was 13%. At the end of the year, the Bank accounted for 7.4% of total deposits in the industry compared to 6.7% at the start of the period.

FX trading rebounded in alignment with improved economic activity, specifically re-opening of the tourism sector, moving FX trading gains to 57% above prior year to end at J$1.1B.

BANKING OUTLOOK FOR FY 2022/2023

The team expects continued economic recovery in the coming year but recognizes that significant downside risks still remain. These include risks associated with the COVID-19 pandemic, inflationary pressures, rising commodity prices, supply chain disruptions as well as the impact of the Russia-Ukraine unrest. Noting these, the team will continue to focus on deepening client partnership with an intense focus on improving convenience, filling gaps in the Bank's solutions suite particularly for the business segment and implementing client goal protection measures as required.

With the acceleration of the Group's digital transformation due to the local and global environment, the Bank will benefit from the Group's imperative to increase its digital footprint. Projects to directly impact banking clients in the coming year will thus include upgrades to online banking functionality and an improved user experience on Moneyline. New digital engagement channels will also be rolled out which will significantly improve clients' ability to start and maintain a goal and or relationship with the Bank. Lastly, the team will roll out a new system and supporting processes which are intended to improve clients' loan journey and yield efficiencies for the Bank.

REMITTANCE

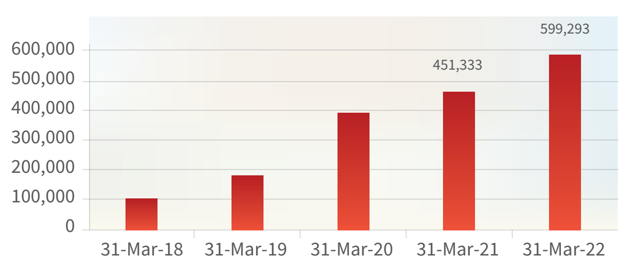
OVERVIEW – OUTPACING MARKET GROWTH

This business line's growth now includes strategic partnerships with eleven (11) international partners offering services in over 160 countries across the world, local and international money transfer services, and NHT refunds via an island-wide network of over 100 agents, including the JMMB Bank (Jamaica) Limited locations. Beneficiaries are also able to have JMD funds deposited at any financial institution in Jamaica, as well as to foreign currency accounts denominated in USD, CAD and GBP.

OPERATING RESULTS

For the financial year, total remittance inflows to Jamaica grew by 11% as there were increased inflows from friends and family internationally to those who continued to be adversely impacted by the pandemic. In line with this, this business line's growth continued to outpace market growth

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



achieving a substantial increase in transaction volumes and resulting in a 33% increase in operating revenues at J$599M.

The team continued to focus on driving client-centricity and delivering on the value proposition of ease and convenience to clients. This was achieved via initiatives aimed at improving key client facing and business operations processes, improving client access locally and increasing the number of international partners. The business operations processes improved throughout the year focused on digitizing a-number-of key internal processes which had the direct result of an improvement in the timely and accurate completion of transactions and, more importantly, faster access for clients to their funds. Coupled with other initiatives, we were able to boost performance for the year through joint marketing initiatives with our international partners. There was in turn, a marked increase in remittance inflows from three major inbound corridors, namely the USA, the UK and Canada.

As strong governance is a key area of focus for this segment, the team continued to strengthen its compliance program through annual online AML/CFT training for all agents and utilized advance features of the core payment platform to detect 'Black-listed' persons and create profiles of recipients deemed high risk.

REMITTANCE OUTLOOK FOR FY 2022/2023

In the year ahead, focus will remain on increasing market share and further differentiation through value-added solutions and services. To achieve this, the team will continue to leverage technology to improve and add new disbursement types and experiences including cards and other digital methods. The team will also continue to be focused on the addition of new agent locations and corridors for both inbound and outbound transactions.

INSURANCE BROKERAGE

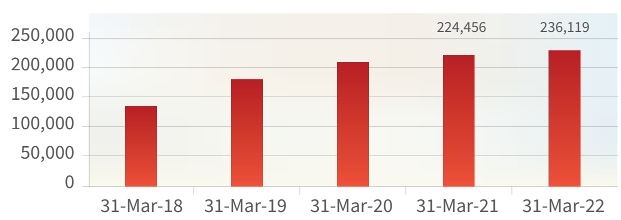
OVERVIEW – PROTECTING CLIENTS' FINANCIAL LIFE GOALS

The suite of services and solutions under the insurance brokerage business line continued to augment core financial services with competitively priced personal and corporate insurance solutions. Given the local economic environment, the team sought to support clients in mitigating against the risk of financial uncertainty and loss. In so doing, the team sought to further partner with the Group's business lines in Jamaica to ensure clients' goals were adequately protected. The team also focused particularly on strengthening core operations by digitizing key client facing and internal processes which will ensure more efficient service delivery.

OPERATING RESULTS

Net operating revenue improved 5% over the prior year totaling J$236M, reflecting improved growth in brokerage fees. This growth was attributable to sustained efforts to maximize on cross-selling opportunities within the Group, particularly its Jamaican banking business line. This growth was also in large part due to the team's focus on partnership, service quality and convenience, the result of which was high retention rates during the period.

Operating Revenues (in J$'000)



INSURANCE BROKERAGE OUTLOOK FOR FY 2022/2023

The value proposition for this business line will continue being built on innovative, competitively priced solutions and convenience via more digital channels and experiences. In the coming year, the team will continue to refine the solutions suite to ensure that clients' unique needs are met in the most cost-efficient manner. The team will also remain focused on opportunities to diversify the portfolio and further grow client base across all client segments via the continued leveraging of the client base of the Group's Jamaica operations.

STRATEGIC OUTLOOK FY 2022/2023

The local economy is expected to continue rebounding in the upcoming financial year. There are still however, material risks that exist. The team will, as such, continue to remain proactive in identifying potential risks and implementing mitigating measures. Concurrently, there will be a deliberate focus on identifying and capitalizing on opportunities in the most cost-efficient manner. A central part of this will be the execution of key strategic imperatives which focus on enhancing the provision of financial solutions in an entity-agnostic manner as well as the improving efficiency and convenience.

INTEGRATED FINANCIAL SOLUTIONS

The team will continue the integration of our sales team to better deliver our value proposition of providing holistic financial solutions across all our client segments. We will also continue to nimbly identify and capitalize on market opportunities as they arise which are consistent with our clients' financial life goals while ensuring that risk-adjusted returns are maximized for them. Innovative and customized loan solutions will also be a focus for the year as well as new, value-added payment solutions in response to clients' needs.

CONTINUED DIGITAL TRANSFORMATION

The delivery of services and solutions in a safe and efficient manner across channels will remain a high priority. In the coming year, the team will continue the execution of digital transformation initiatives with the end in mind that more solutions will be available digitally via a simple, seamless and integrated interface. The Jamaica operations thus will be spearheading the Group's implementation of a digital client onboarding tool and a mobile app in the coming year. These projects are expected to significantly enhance clients' experience across channels while yielding efficiencies for the entities across the Jamaican operations.

DOMINICAN REPUBLIC

COUNTRY OVERVIEW – OPPORTUNISTIC GROWTH

For the 2021/2022 financial year, the Dominican Republic economy rebounded with double-digit growth in 2021, surpassing pre-pandemic economic output. This growth was underpinned by monetary and fiscal measures implemented to negate any adverse impact of the pandemic. The expansive monetary policy was in place for the first half of the year and included monetary stimulus directed to productive sectors via various Central Bank liquidity facilities. This resulted in unprecedented levels of liquidity and consequently low interest rates, creating exceptionally favorable market conditions for trading and for funding investment portfolios. In addition to stimulus measures, the government rolled-out an extensive vaccination campaign, which in turn facilitated the relaxation of restrictions.

Against this context, the Group`s Dominican Republic operations took advantage of environmental and market opportunities which had the impact of delivering exceptional performance at the business line level and a significant contribution to the Group's overall profitability.

As operations in the market continued to expand during the year, the team continued doing so conscious that the 'win-win' combination for the client and the team is the prioritization activities and initiatives which enable client partnership in the most cost efficient manner. To this end, the team:

- Commenced the phased implementation of a tool to support the sales team in their ability to deepen client intimacy and, by extension, increase wallet share per client.

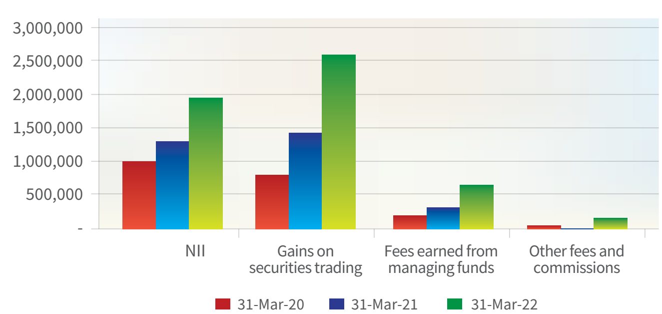
- Continued the standardization of processes and systems to leverage synergies and benefit from scale at a Group level particularly for core, enabling banking technology.

- Launched a new sustainable energy fund with the mandate of generating positive returns for clients while supporting projects aimed at lowering the cost of generating and distributing energy.

- Improved external credit ratings for JMMB Puesto de Bolsa, S.A. from BBB+ to A- with a stable outlook from **Feller Rate** and Banco de Ahorro y Crédito JMMB Bank, S.A.to BBB+ (stable perspective) from Pacific Credit Rating signaling the overall improved credit worthiness of these operations.

The entities in the Dominican Republic contributed J$5.4B to the Group's overall operating revenue, reflecting growth of 76% or J$2.3B. All revenue lines posted double digit growth in excess of 40%. This was due mainly to the facilitative market environment, in particular for trading gains, NII

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



and fees earned from managing funds. This was evidenced by robust growth in the investment and loan portfolios, low cost funding as well as pension funds and collective investment schemes.

SEGMENT RESULTS

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

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

INVESTMENT MANAGEMENT

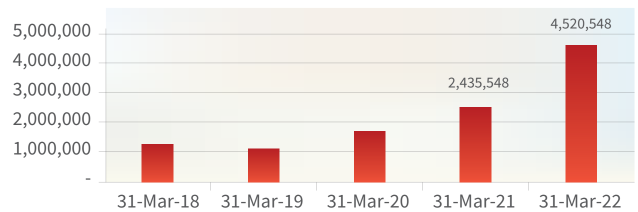
OVERVIEW – LEVERAGING MARKET OPPORTUNITIES TO DELIVER EXCEPTIONAL RESULTS

The investment management segment delivered exceptional performance during the year, given a backdrop of monetary and fiscal measures implemented by the government to stimulate economic growth. In taking advantage of this favorable environment, the team continued to focus on client education and engagement and, in particular, via the Group's financial partnership conversation model, remained connected to clients and continued to build trust in the expansion and/ or protection of their goals. The efficacy of this approach can be seen from clients' strong uptake of new and existing solutions and services and their continued build-out of diversified portfolios.

OPERATING RESULTS

The segment reported net operating revenue of J$4.5B for the year, reflecting growth of 86% as there was material growth in both the Treasury Management business line and the Asset Management business line.

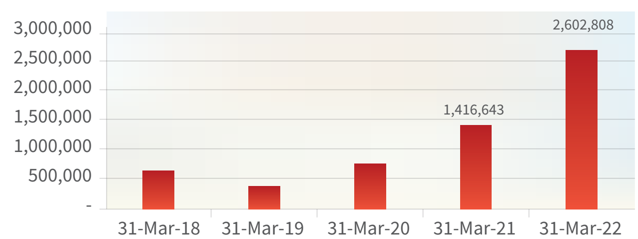
Operating Revenue Net of Interest Expense (in J$'000)



TREASURY MANAGEMENT

The Treasury management business line reflects trading of our proprietary bond portfolio.

Gains on Securities Trading (in J$'000)



There has been an exponential increase in trading gains for this business line over the last five (5) years. In the period under review, trading gains increased by 84% or J$1.2B to J$2.6B reflecting the success of a portfolio rotation strategy as well as the impact of the expansive monetary policies implemented by the Central Bank in the first half of the year. These policies resulted in favorable market conditions including high levels of liquidity and low interest rates which consequently made the market very buoyant.

Market conditions, however changed drastically as anticipated during the latter half of the year due to a shift in the monetary policy stance to being more restrictive as funding facilities were discontinued and policy rates were normalized. This was in a bid to control FX depreciation and inflation. Like Jamaica, most of the inflationary pressures emanated from external sources including supply chain disruption, increased shipping costs as well as higher prices for food, fuel and raw materials. The change in stance also resulted in a drastic reversal of the yield curve and a wipe out of excess liquidity thus reducing trading opportunities.

TREASURY MANAGEMENT OUTLOOK FOR FY 2022/2023

Inflationary pressures are expected to remain elevated for the year given that significant uncertainties remain relating to the COVID-19 pandemic as well as the Russia-Ukraine war. Monetary policy tightening is thus expected and its attendant market conditions are thus expected to persist. Within this context, the trading environment is expected to be challenging as already lower market liquidity has resulted in lower trading volumes in the market. The team will continue to be deliberate in identifying and capitalizing on trading opportunities, including leveraging resources, synergies and capabilities across the Group.

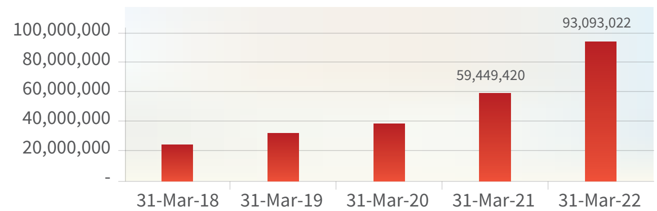
ASSET MANAGEMENT

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

This business line experienced another strong year as funds experienced no negative impact given the wide range of measures implemented by the government. A strong appetite for all solutions in the market thus continued resulting in the growth of total clients' funds under management (FUM) of 57% to J$93.1B with both on and off balance sheet solutions reflecting strong growth.

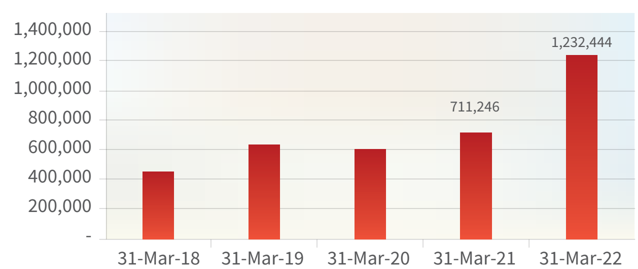
On-balance sheet FUM increased by 31% to J$48.9B. The Super Investor solution, introduced in the prior year, performed particularly well. The solution allows the team to quickly respond to changes in the fixed income market and underscores the team's ability to consistently deploy market appropriate solutions.

Total Funds under Management (in J$'000)



Notably, NII increased by 73% to J$1.2B, as in addition to robust portfolio growth, the average cost of funds was lower given high market liquidity.

Net Interest Income (in J$'000)

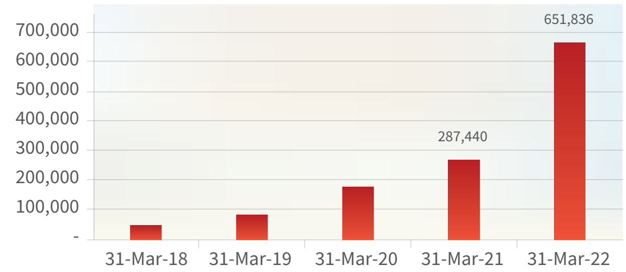


Market perception and client confidence was bolstered during the period as the external rating agency, **Feller Rate**, upgraded the solvency rating for JMMB Puesto de Bolsa moving from BBB+ to A- with a stable outlook. This was on account of growth in the business line, particularly the retail segment which was supported by adequate capital, liquidity and funding.

OFF BALANCE SHEET FUM

Off-balance sheet FUM doubled to J$44.2B as the team continued to support clients in their financial life journey. Fees earned from managed funds consequently reflected growth of 127% ending the year at J$652M.

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



COLLECTIVE INVESTMENT SCHEMES (CIS)

During the year, CIS FUM more than doubled, moving from J$14.1B to J$30.4B. This was due mainly to the launch of a new fund and the issuance of new tranches of an existing closed-end fund. The team thus closed the year with six (6) funds (three closed-end and three open-end) all geared towards varying investment objectives.

The team launched a new FES fund in August 2021. It is a closed-end energy fund and the first fund in the market exclusively for sustainable energy. The mandate for this fund is to invest in projects that generate a positive environmental impact while lowering the cost of generating and distributing energy. This is especially significant in a country where the electricity sector is plagued with issues.

Additional tranches of the REIT II fund previously launched were issued during the year. These new allocations were well received by clients as this fund complements the existing solution set and supports the maximization of long-term returns for clients, particularly those with low liquidity needs. Other funds experienced organic growth given the team's effective cross-selling strategy between business lines in the market and the positioning of money market funds to corporate and institutional clients as the value proposition remained strong.

The team continues to undertake a continuous review of the solutions suite to ensure that value is maximized for clients and that the teams are adequately equipped to meet their needs. This is within the context of good fund administrative practices, controls and procedures as corroborated by a new A-rating by Feller Rate.

PENSIONS

Pension FUM increased by 72% to J$13.8B while the client base increased by 28%. The team's fund management expertise was once again validated as the pension business line had the third highest annualized return for clients in 2021 in the pension fund sector in the market. In addition to this growth and performance, this business line hit profitability during the year after pivoting the strategy and partnership approach several times since commencing operations in 2017 in this highly regulated sector.

ASSET MANAGEMENT OUTLOOK 2022/2023

Funds under management are expected to continue to grow in the new financial year. This growth is expected to be anchored by the issuance of additional tranches of the REIT II fund as well as a sustained focus on improving client experience, building partnership capabilities and the continued development of market leading financial solutions.

BANKING

OVERVIEW – GROWING MARKET SHARE WITH OUR CLIENTS' BEST INTEREST AT HEART

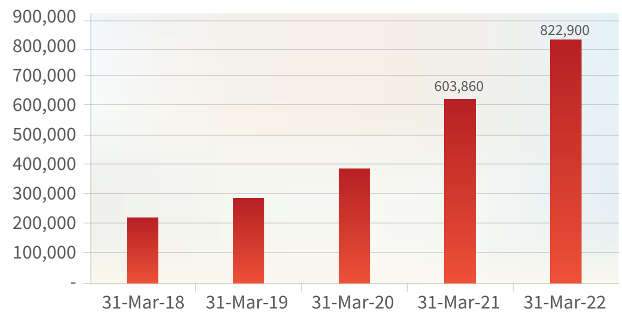
A key component of our client value proposition is the provision of a simple, integrated solution set tailored to meet our client's life goals. We therefore continued to focus on integrating and streamlining our operations in order to facilitate seamless delivery of solutions and services.

OPERATING RESULTS

The banking segment continued to grow, delivering operating profit of J$200M.

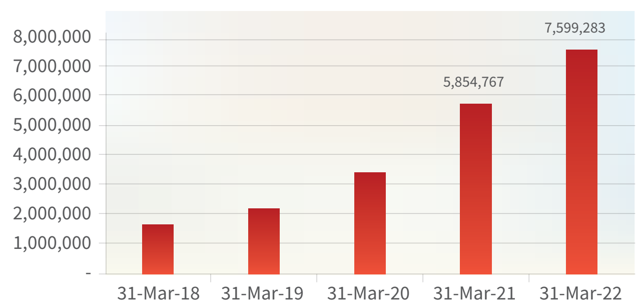
Net operating revenue for the year totaled J$823M reflecting growth of 36% or J$219M due, in part, to increased net interest income (NII). NII rose by 20% to J$722M and was driven by strong loan growth as well as active spread management.

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



Over the year, net loans increased by 30% to J$7.6B mainly being driven mainly by lending to the commercial sector (predominately small and medium size enterprises) as well as, to a lesser extent, payroll loans and retail lending. The credit quality of the portfolio remained satisfactory demonstrating the team's ability to aggressively grow the business while maintaining a healthy portfolio.

Net Loans (in J$'000)



The team was additionally able to grow market share by 2.3% in the savings and loans sector as, at the end of the year, the business line accounted for 9.58% of total loans compared to 7.26% at the start of the period. The business line's ranking also improved based on the size of the loan portfolio which ended the year at fourth largest, up from sixth in the previous financial year.

Loan growth was funded in part by growth of the deposit base. At the end of the period, the deposit base totaled J$9.5B compared to J$9B in the prior period. Additionally, given high market liquidity the team took advantage of repo funding opportunities. Growth in funding thus resulted in market share growth of 1.1% and, as at the end of the year, the business line accounted for 13.4% of the total funding in the sector, compared to 12.3% at the start of period. Notably, market conditions also gave rise to a low interest rate environment which were beneficial.

BANKING OUTLOOK FOR FY 2022/2023

In maintaining the pace of growth of the Bank, the team's focus in the new financial year will be on maintaining the organic growth trajectory with segment specific tactics. It will also include the introduction of new solutions and services and the implementation of improved operational infrastructure to better and more efficiently serve clients. A key feature of this will be the implementation of the Group's core banking platform which will result in the deployment of key enabling technology for new digital channels including online banking via the Group's platform, **Moneyline**.

STRATEGIC OUTLOOK 2022/2023

Despite headwinds from Russia's invasion of Ukraine, the Dominican Republic's economy is expected to continue to grow in the coming financial year buoyed by tourism, construction and exports. It is expected that the economy, much like others globally, is likely to be affected by inflation, supply chain disruptions and other challenges arising from geo-political instability. Additionally, given the government's reversal of its initial accommodative monetary policy which entities benefitted from over the past two years, the team's outlook is now one of cautious optimism. In light of this, the team will be committed to 'smart growth' while maintaining an unwavering commitment to clients and shareholders. This growth is expected to be driven by a focus on the following:

CLIENT PARTNERSHIP

The team will continue to nimbly identify and capitalize on market opportunities which may arise, which are consistent with clients' needs and ensure that risk-adjusted returns are maximized for them.

EXPANDED CLIENT ACCESS & FOOTPRINT

This will be a major driver of growth and transformation in the coming year as the Group's standardization project kicks into high gear in the market. This work is not only critical to adding core technology, introducing efficiencies and implementing key digital capabilities for clients but is also intended to support the organic and inorganic growth of all business lines in the market in the coming financial year.

Physical access in the market has been limited as focus has been on the build out of the solution sets, business lines and enabling technology to support integrated financial services in the market. The coming financial year will however see a renewed focus on the build out of the Group's physical presence in the market as three new branches have been earmarked for development.

TRINIDAD & TOBAGO

COUNTRY OVERVIEW – RECOVERY ON THE HORIZON

As in the Group's other operating territories, Trinidad and Tobago moved from aggressively pursuing COVID-19 containment measures to a more deliberate focus on vaccine uptake and 'Coexisting with COVID' in 2021. Despite this shift, some containment measures continued well into the second half of the year given new variants and high infection waves.

Trinidad and Tobago's economy, unlike that of Jamaica and the Dominican Republic, is heavily energy-dependent and as such, has been largely affected by sector-specific challenges. With these sector specific challenges and the slump in energy demands ahead of the onset of the pandemic, the economy has continued to be in recession for five consecutive years. In response, the government pursued an expansive monetary policy throughout the year as inflationary pressures were relatively low given weak domestic demand.

Despite this backdrop of pandemic-related uncertainties and a slowing economy, the Group's Trinidad and Tobago entities delivered strong performances. During the year, keen emphasis was placed on strengthening partnership capabilities across all segments and building out core, enabling technology and digital solutions. Specific interventions included:

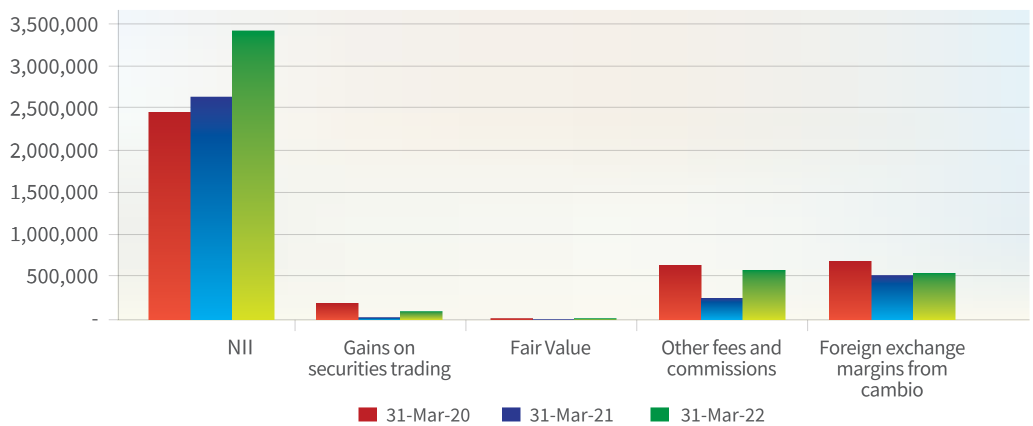
- Structure optimization of the Retail and Corporate sales teams including several process improvements to key journeys such as account opening and loan application processes to improve turnaround time and reduce wait time in branch and online.
- The addition of Client Care resources to better support bank clients' queries relating to solutions, services, Moneyline and general transactions as well as card activation disputes.
- Maintainenance of a successful client contact and engagement strategy, which enabled teams supporting all client segments to be more atuned to clients' needs and, in many cases, the difficulties they were facing. This served to improve the team's ability to create the solutions and services that best met clients' needs and generally supported the

achievement or protection of their goals.

- Deployment of intelligent ATMs which now allow for a wider range of transactions to be done more conveniently and in real time and, the introduction of a fraud protection transaction notification service for Visa debit card transactions.

Country operating revenue for the period totaled J$4.6B. This reflected growth of 34%, exceeding pre-pandemic levels despite the slow re-opening of the economy and the general economic climate. This performance is primarily attributable to robust growth in all revenue lines, particularly NII and fees and commission income, which increased by J$761 and J$326M, respectively.

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



SEGMENT RESULTS

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

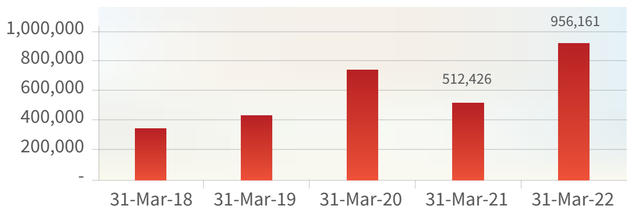
SEGMENT	ENTITIES
Investment Management	• JMMB Investments (T&T) Limited
Banking	
Commercial Banking	• JMMB Bank (T&T) Limited
Consumer Finance	• JMMB Express Finance (T&T) Limited

INVESTMENT MANAGEMENT

OVERVIEW – RECORD PERFORMANCE DESPITE CHALLENGING ENVIRONMENT

The investment management segment delivered a record performance during the financial year posting operating profit of J$501M despite the challenging economic and operating environment. For the period, net operating revenue totaled J$956M reflecting growth of 87% over the prior period attributable primarily to the performance of both the Asset Management and Treasury Management business lines.

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

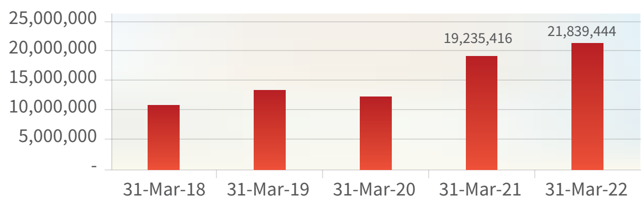


ASSET MANAGEMENT

The Asset Management business line is comprised of on-balance sheet funds which generate NII. Despite adjustments to service delivery to account for the operating environment, the team continued to focus on deepening partnership and providing sound advice to clients via all available and safe channels.

Bolstering confidence was particularly important during the period as the team worked to reassure clients and support them in remaining on track with meeting their goals. Due to this sustained effort, total clients' Funds under Management (FUM) grew by 14% over the prior period to J$21.8B.

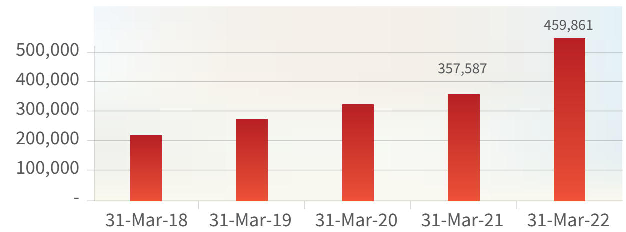
Total Funds under Management (in J$'000)



Growth mainly reflected increase in longer term funding instruments as the team continued to issue short and medium term notes. These improved the core funding profile, while providing higher returns to clients. The team additionally expanded unsecured debt issuance in spite of an environment fraught with uncertainty. This underscored clients' confidence in the team's ability to successfully manoeuvre even in the most challenging of times.

NII increased by 29% to J$460M. This growth rate was comparatively higher than that of FUM growth and reflected improvement in spread given the low interest rate environment that prevailed.

Net Interest Income (in J$'000)

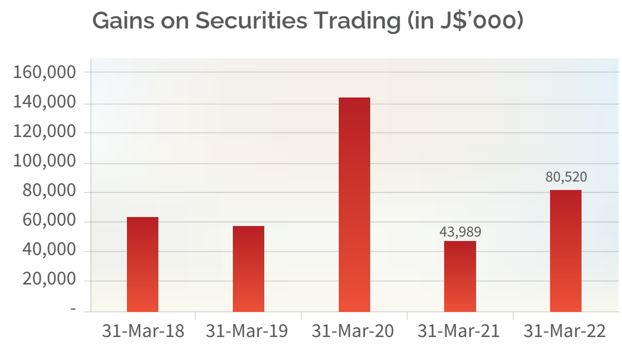


ASSET MANAGEMENT OUTLOOK FOR 2022/2023

In the coming financial year, the economy is expected to experience a strong rebound. The team will as such capitalize on opportunities which may arise and continue executing strategies to deepen partnership and widen the client base. There will also be an increased focus on the provision of more innovative solutions and services to drive enhanced long-term returns for clients as well as on client segmentation to ensure teams are equipped to proactively identify and address clients' needs. In terms of engagement, the team will continue to focus on client communication and engagement initiatives which leverage, in particular, social media and other electronic touchpoints given the relative success of this approach during the previous period.

TREASURY MANAGEMENT

The Treasury Management business line reflects equity and bond trading for the proprietary portfolio as well as equity trading commission. For the 2021/22 financial year, bond trading gains grew by 83% to J$81M. This was due mainly to improved investor sentiment for emerging market assets in the first half of the year. Given low interest rates globally for the majority of the financial year, which was underpinned by accommodative monetary policies by various central banks, there was a higher demand for emerging market bonds. The team was able to capitalize on these opportunities, continuing to benefit from synergies across the Group.



Fee and commission income almost tripled moving from J$104M to J$387M reflecting improved economic activity as well as opportunistic transactions. Local equity brokerage revenues increased due to strong retail activity. There was additionally increased activity and, by extension, revenue in the global equity brokerage as more sophisticated investors took advantage of market conditions to generate gains.

TREASURY MANAGEMENT OUTLOOK FOR FY 2022/2023

Market conditions are expected to be more favorable in the coming financial year. This is contingent on a rebound in the economy, a continued expansionary monetary policy and low inflation. Given, however that uncertainties relating to energy production and prices, are likely to continue to have an impact on the economy, the team will continue to identify and successfully execute on market opportunities to ensure that the portfolio is agilely positioned to achieve the optimal risk/reward profile to create shareholder value. Local opportunities are thus expected to dampen any negative impact of the rising interest rate environment that exists globally.

Lastly, given an expected increase in commercial activities in the coming year, the team will also continue to position both the local and international equity brokerage services as a means of giving clients an option to further diversify their portfolios and achieve their financial life goals.

BANKING

OVERVIEW – REFOCUSING TO OPTIMIZE VALUE

With the economic rebound in Trinidad and Tobago lagging in financial year 2021/22, the banking team focused on deepening client partnership for all segments and improving key support structures. This primarily included a re-engineering of the structure of the Retail and Corporate partnership teams as well as process improvements aimed at allowing for more efficient and seamless service delivery.

The team also maintained specific focus on supporting the small and medium-sized enterprise (SME) segment throughout the year given the devastating impact of the operating environment on this client segment. A critical piece of this support was the launch of the **JMMB Accelerator Programme** in September 2021 which runs for twenty-four (24) months and includes five (5) MSMEs. To facilitate innovation at the tertiary level, this collaboration with the University of Technology, Jamaica offers skill and knowledge building workshops and provides business development support and programme certification to participants via an online platform. The programme has been specifically designed to enhance revenue growth, introduce best-fit investment solutions and financing options, and prepare them for expansion into new markets via export.

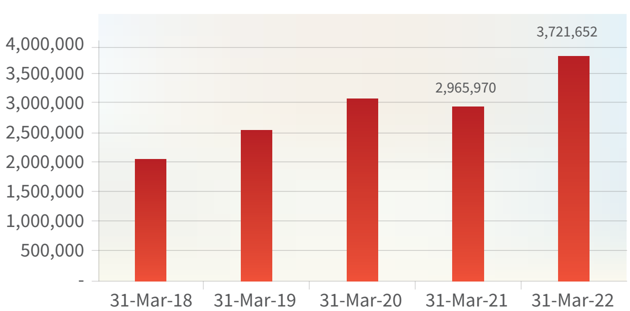
In terms of core enabling technology and digital solutions, the team deployed its **intelligent ATMs** suite, introduced EMV debit cards and launched transaction notifications during the year. The technology of the intelligent ATMs suite brings instant cash/cheques acceptance and account updates and is the only of its kind in the market which utilizes the secure 'tap to transact feature' which allows clients to safely initiate transactions by tapping their card at the machines. Other key technology capabilities introduced include the upgrading of visa debit cards from magstripe to EMV (chip and pin) cards and the implementation of transaction alerts for visa debit card transactions. Both of these improvements are leading edge capabilities for client card safety globally.

For the loan client base, the team continued to closely monitor clients' goal activity and needs to proactively assess potential threats. This approach proved to be largely successful, particularly, in preventing deterioration in the quality of the loan portfolio. The banking business line segment as such, delivered another solid year's performance with operating profit totalling J$991M for the financial year.

OPERATING RESULTS

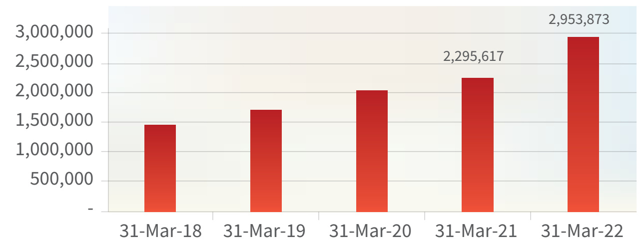
Net operating revenue for the 2021/22 financial year grew by 25% to J$3.7B largely on account of higher NII. As a consequence, core revenues which consists of NII, banking fees and foreign currency trading, grew by a commensurate 25% to J$3.7B.

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



NII increased by 29% moving from J$2.30B to J$3B, on account of improved spread management. This as over the year, net loans experienced a modest decline of 5% to J$30.4B. Given that the economy remained in a slump with reduced activity, the team focused efforts on re-structuring to deepen knowledge of the segments' database and improve anticipating and meeting their needs. This not only served to better align resources and efforts during the financial year but has also set a solid foundation for improved partnership and deepened client intimacy for the years to come.

Net Interest Income (in J$'000)



A smaller loan portfolio in the commercial banking segment was partially offset by the performance of the consumer finance business line, as the team continued to eke out opportunities to disburse high-quality loans. Generally, the team maintained enhanced management and monitoring of the loan portfolios to ensure that risks remained within the ambit of the risk management framework for the Group and business line.

Given the decline in the loan portfolio, the Treasury team used the opportunity to focus on rebalancing the portfolio away from higher cost institutional funding in order to effect a reduction in overall funding costs. Notwithstanding the loan portfolio decline, the deposits base grew by 4% to J$58B.

CONSUMER FINANCE – STELLAR GROWTH AND PERFORMANCE

JMMB Express Finance (T&T) Limited (JEF), which drives the Group's consumer finance business line in the market, delivered exceptional year over year growth. Like other segments, JEF's client base was adversely impacted by a second period of economic and social restrictions as part of the national lockdown during the months of May 2021 to October 2021. Notwithstanding this, the team reassessed its service delivery structure moving towards a more digital experience, while fine-tuning its solutions to help ease the financial strain being faced by its client base.

Despite the challenges faced during the period, the team remained committed to staying in the world of our clients and as a result, JEF's loan portfolio grew by 33% as against the prior year while its profit after tax registered over 150% increase compared to the last financial year.

Looking ahead, the JEF team stands ready to continue its mission of financial inclusion even beyond Trinidad and Tobago and looks forward to more phenomenal performance in the future.

BANKING OUTLOOK FOR FY 2022/2023

In the coming year, the Bank will continue to build out and offer solutions which meet clients' specific needs at the segment level and will maintain activities under its client contact and engagement strategies.

Improvements to client accessibility will also be a key focus area. Work will thus continue on embedding Visa Debit card services while further updates will be made to the newly implemented online banking platform, **Moneyline**, which should include additional transactional and informational functionalities as well as an improved user experience for clients.

STRATEGIC OUTLOOK FY 2022/2023

The Trinidad and Tobago economy is expected to commence its return to strong growth in the coming financial year. This is on the back of a rebound in oil and gas production and prices as well as increased domestic demand. However, there remains significant downside risk as, in addition to pandemic-related uncertainties, there is also the possibility that energy prices and demand could fall again. The team will however, against this backdrop, continue to seek opportunities for 'smart growth' underpinned by focus in the following areas:

ENHANCED CLIENT PARTNERSHIP

Work will continue in earnest on streamlining the client base to ensure clients across all segments are appropriately partnered with advisors, and the right solution sets and have access to the channels and services which best support them in achieving their goals. To support the partnership teams, initiatives around improving productivity and increased training on the Group's proprietary financial partnership conversation model will be rolled-out consistently during the course of the year.

IMPROVED CLIENT ACCESS & EFFICIENCY

As the need for safe and convenient access points continues to be underscored by the pandemic, focus will remain in the coming year on the introduction of new payment solutions and the execution of several initiatives which will drive approval efficiencies for key loan products and improve clients' overall digital experience.

GROUP EXECUTIVE LEADERS

KEITH DUNCAN, OD
GROUP CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTOR

Keith is an Executive Director and the Group Chief Executive Officer of the JMMB Group of Companies and has responsibility for overall performance and charting the strategic direction of the Group.

His financial expertise has not only benefited the JMMB Group, but also the Jamaican financial sector. Keith is currently the President of the Private Sector Organization of Jamaica (PSOJ) having served as a Vice-President throughout 2013 – 2015. He is a Past President of the Jamaica Securities Dealers Association (JSDA) and continues to contribute his service to Jamaica through various roles, including his current appointment as Chairman of the Economic Programme and Oversight Committee (EPOC). He also chairs the National Information and Communications Technology Advisory Council (NICTAC), providing advisory services to the Ministry of Science, Energy and Technology in relation to its ICT Portfolio. Keith also serves as a director of Sagicor Financial Company Ltd.

Under his leadership, the JMMB Group was conferred with the American Foundation for the University of the West Indies (AFUWI) Award for Excellence in Business Leadership in February 2020, and the prestigious 'Best of Chamber Award' from the Jamaica Chamber of Commerce in March 2011. In 2020, Keith was awarded the National Honour, the Order of Distinction, in the rank of Commander, by the Government of Jamaica, for his exceptional service in the fields of Finance, Business, Youth Empowerment and Community Development. Additionally, in April 2022, he received the International Achievement Award from The American Friends of Jamaica (AFJ) for his leadership and work in the area of National Development.

Keith holds the Chartered Financial Analyst professional designation as well as a B.A. (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 six years and has already established a standard of excellence in the overall strategy and execution of internal audits across the Group. She gained 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 a Fellow of the Institute of Chartered Accountants of Jamaica and a Fellow of the Association of Chartered Certified Accountants (U.K.).

DAMION BROWN
GROUP CHIEF INVESTMENT OFFICER

Damion has pursued his passion for improving financial system and access to capital with JMMB Group for over a decade. His functions have spanned risk management to strategic deployment of resources to achieve the continued growth and profitability of the JMMB Group. Two decades of experience in economic research, financial regulation, risk management, portfolio management has enabled him to lead teams to achieve technical outcomes and business results. Damion looks forward to the evolution of the financial system and the growth opportunities that will arise as increasingly "money meets minds".

His capabilities are supported by both a Bachelor and Master degrees in Economics from the University of the West Indies. He is a certified Chartered Alternative Investment Analyst, Chartered Financial Analyst, Financial Risk Manager and Professional Risk Manager.

CAROLYN DACOSTA, J.P.
GROUP CHIEF COMPLIANCE OFFICER

Carolyn has served as Corporate Secretary for Jamaica Money Market Brokers Limited and its subsidiaries since March 16, 2008, and for JMMB Group Limited since its incorporation in May 2012, when she was also appointed as the Group Chief Compliance Officer. As someone who "grew up" in the organization, she brings a unique combination of technical skills and experience, and invaluable institutional knowledge to these critical roles. Carolyn holds a certification in Corporate Governance from Harvard Business School, an MBA in Finance, a Diploma in International Compliance from the Manchester Business School in the UK, a Bachelor of Laws degree from the University of London and a Bachelor of Arts degree from the University of the West Indies Mona. Additionally, Carolyn is a Fellow of the International Compliance Association and a Justice of the Peace for the parish of St. Catherine.

Carolyn is a strong advocate for the JMMB Group's commitment to maintain and promote the highest standards of corporate governance and compliance risk management. As such, she ensures, with the support of her team, that the Group executes on all of its regulatory expectations, disclosures and Compliance Obligations, while ensuring that every client's needs are met, or exceeded. Carolyn offers proven, reliable and consistent support to the Board of Directors and Shareholders, while, in true JMMB fashion, building real, heart to heart connections across the JMMB Group and the Jamaican financial sector.

DONNA DUNCAN – SCOTT
GROUP CHIEF CULTURE & HUMAN DEVELOPMENT OFFICER

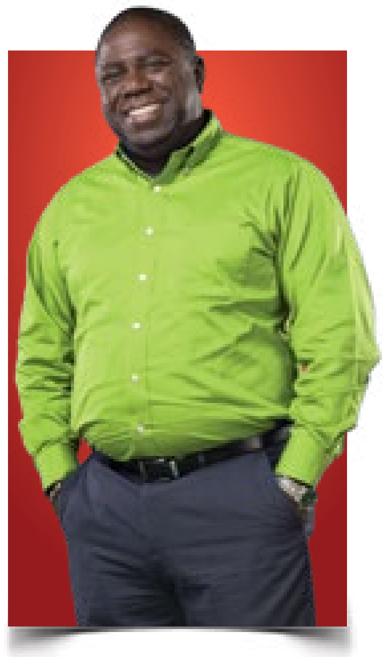
An authentic, principled and love-based leader, Donna is passionate about building and maintaining the love-based culture that supports the Group's competitive advantage. She works with the Culture and Human Development Team (CHDT) in creating and implementing the people operating frameworks, as well as the people policies, processes and practices that develop and maintain JMMB Group's unique culture. The CHDT supports team members to "realize the greatness within, to the benefit of themselves, the clients, the organisation and the society" (JMMB Group's Vision of Love). She has also extended this transformational thinking to the development of the Conversations for Greatness programme, aimed at providing individuals with the tools for mind-set change to increase the experience of love and possibility thinking in the world.

Donna is the recipient of several awards, most notable of which include, the Jamaica Observer Business Leader Award in 2002 for her stellar leadership, then at helm at JMMB, and later the Lifetime Achievement Award in 2017, for outstanding contribution to the field and her unwavering commitment to Jamaica.

She holds a Bachelor's degree in Industrial Engineering, as well as a Master's degree in Business Administration from the Richard Ivey School of Business at the University of Western Ontario in Canada. She also holds the Chartered Financial Analyst professional designation.

PATRICK ELLIS
GROUP CHIEF FINANCIAL OFFICER

For the last 12 years Patrick has held the post of Group Chief Financial Officer, a role which includes the oversight and execution of the Group'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 Group 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. He serves in the capacity of Chairman for Sociedad Administrado de Fondos de Inversiones and also as a Director of Sagicor Life Insurance Company, Sagicor USA Inc.



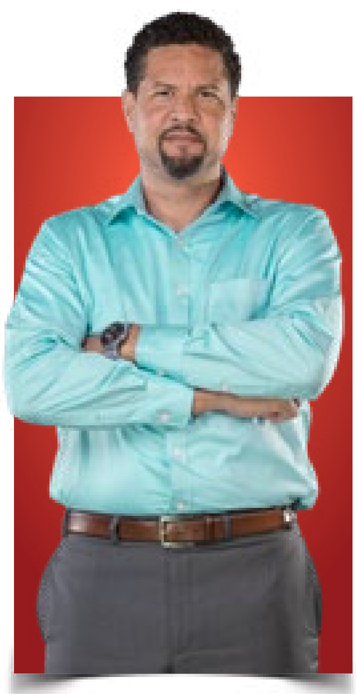
PAUL A. GRAY
GROUP CHIEF EXECUTIVE, SPECIAL PROJECTS, OFFICE OF CEO

With over 25 years of experience in the financial industry in Jamaica and abroad, Paul brings a wealth of knowledge and experience to his current role as Group Chief Executive, Special Projects Office of CEO, where he has responsibility to lead and oversee specific projects of key strategic importance.

Paul served in the capacity of Group Chief Investment & Treasury Officer until May 2017 when he was seconded to serve as Interim Country Chief Executive Officer for JMMB Dominican Republic May 2017 to June 2019 as well as Interim Chief Executive Officer of JMMB Sociedad Administradora de Fondos de Inversiones S.A May 2017 to September 2018.

Paul is a member of the Board of Directors of JMMB Insurance Brokers as well as Vice-President of the Board of Directors for JMMB Sociedad Administradora de Fondos de Inversiones S.A.

He holds a Master's degree in Finance from the Manchester Business School UK, Certification in Merger & Acquisition Integration from PRICHETT & Institute of Mergers, Acquisitions & Alliances in addition to receiving various professional training in Treasury, Asset/Liability and Risk management, both locally and overseas.



JULIAN MAIR
GROUP CHIEF INVESTMENT STRATEGIST

With over 20 years of experience, Julian has a proven record of accomplishment in the financial services industry including an integral role in the development of the region's capital markets.

In his current role as JMMB's Group Chief Investment Strategist, Julian is charged with the responsibility of leading the strategic direction of the Group's investments.

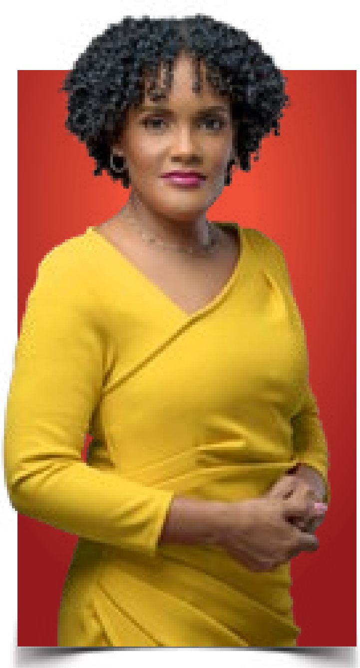
His experience includes positions at Dehring, Bunting and Golding Limited (now Scotia Investments Jamaica Limited) and Lets Investment Limited, where his leadership as Managing Director, resulted in the boutique operation becoming a global player in the trading of internationally issued securities.

Julian is currently the Chairman of the Jamaica Stock Exchange (JSE) and a founding member and past president of the Jamaica Securities Dealers Association (JSDA). Julian serves on the boards of JMMB Securities Limited, JMMB Investments (Trinidad & Tobago) Limited, JMMB Securities (T&T) Limited, JMMB Puesto de Bolsa; Supreme Ventures Racing and Entertainment Ltd and Sagicor Life Insurance Inc.

DERECK RAJACK
GROUP CHIEF RISK OFFICER

Dereck serves as the Group Chief Risk Officer. He brings to the Group over 19 years of experience in the investment and banking sectors with strong technical expertise in risk management gained through education, professional certifications, and direct hands-on experience. He has held senior managerial and executive roles in general risk management as well as specialized roles in credit and market risk management and was also an adjunct lecturer for five years at the Arthur Lok Jack Graduate School of Business. Dereck is responsible for the oversight of the risk function as well as ensuring that a consistent enterprise-wide risk management framework is in place across the JMMB Group to support the strategic business goals and objectives.

Dereck holds a Bachelors 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 BETTON STIMPSON
GROUP CHIEF MARKETING OFFICER

Kerry-Ann has been a financial services marketer for 20 years, leading the marketing function of well-known Caribbean-based financial brands.

In her current role as JMMB's Group Chief Marketing Officer, she leads the organisation's marketing strategy development and execution, including the areas of digital marketing, field marketing, corporate communications and client insight management.

Kerry-Ann has an MBA in Marketing from the Robert H. Smith School of Business, University of Maryland, College Park, Maryland, U.S.A.

She is the producer and host of The Internal Marketing Podcast; a personal project where she supports the marketing leadership community by hosting discussions with various subject matter experts in the area of internal marketing and employee brand advocacy.

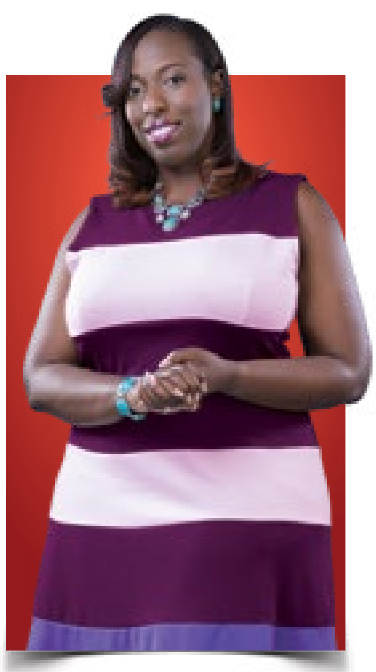
GROUP EXECUTIVE LEADERS CONTD.

PATRICIA SUTHERLAND
GROUP CHIEF OPERATIONS OFFICER

Patricia has over 30 years of experience in management, operations and strategic planning in both the financial services and manufacturing sectors. As Group Chief Operations Officer, she is charged with leading the establishment of the operational framework and overseeing the processes for the efficient and effective service delivery of products and services, through the management of shared services and business lines across the JMMB Group of companies, to support achievement of the strategic goals. She also oversees the day-to-day operation of the regulations and policies monitoring departments.

Patricia has held senior positions at the ICD Group of Companies (now ICD Group Limited), Butterkist Limited and HoFAB Manufacturing Company Limited. She holds a B.Sc. in Pure and Applied Chemistry attained at the University of the West Indies (UWI), Jamaica. She has completed several professional development and leadership courses and seminars, including Women and Power: Leadership in a New World with the John F. Kennedy School of Government at Harvard.

Patricia actively contributes to nation building through voluntary services. She currently serves as Chairman of the JMMB Joan Duncan Foundation and also as a Director of JMMB Bank (Jamaica) Limited, The MultiCare Youth Foundation, Stanley Motta Limited, The Early Childhood Commission and National Commission on Violence Prevention.



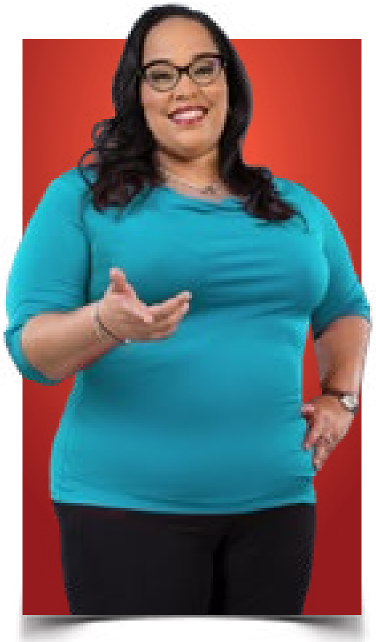
CLAUDINE TRACEY
GROUP CHIEF STRATEGY OFFICER

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 leadership and innovative solutions to create and unlock opportunities for sustainable growth and value for all stakeholders. She is also tasked with leading the Group's client experience design and supporting the execution of its client partnership activities.

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, and Mergers and Acquisitions. She is also an Accredited Director and the chairperson of Turner Innovations and sits of the Boards of Innovate 10X and e GOV Jamaica Ltd as well as the Finance Committee for the Council of Voluntary Social Services.

She is a passionate advocate for the MSME community and serves the sector in many areas including as a business mentor.

HEADS OF ENTITIES

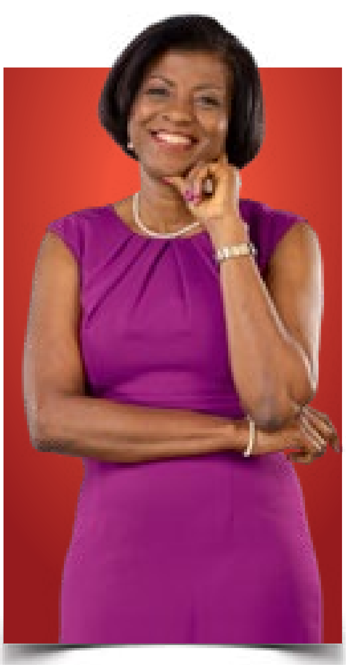


KEISHA FORBES-ELLIS

CHIEF COUNTRY OFFICER AND CHIEF EXECUTIVE OFFICER,
JAMAICA MONEY MARKET BROKERS LTD.

Keisha embodies a true JMMB success story, having joined the company 25 years ago as a Trading Assistant and climbing the ranks to the position of Chief Country Officer (Jamaica) and CEO of JMMB Investments. Her expertise includes trading and treasury management, portfolio management and strategic planning. Thus, she ably provides strategic leadership to all entities within Jamaica – JMMB Investments, JMMB Bank, JMMB Securities, JMMB Fund Managers, JMMB Insurance Brokers and JMMB Money Transfer. She is charged with the responsibility for the growth and development of these companies through its stock brokerage offerings, banking services, cambio services, unit trust offerings, insurance offerings, portfolio management offerings and by extension the overall asset management business line.

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



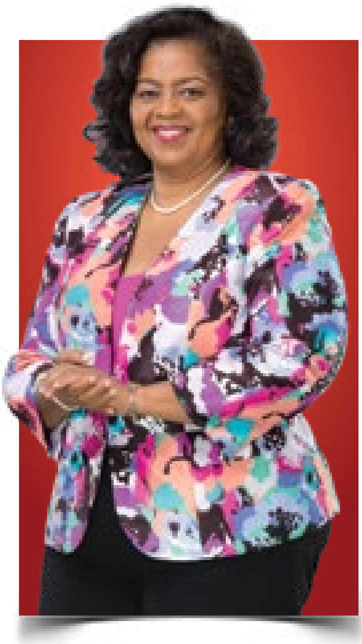
SHARON GIBSON

CHIEF EXECUTIVE OFFICER,
JMMB MONEY TRANSFER LTD.

Sharon is a seasoned financial expert with over two decades at the managerial level in the industry, with a proven track record of delivering exceptional client experience, driving innovation and achieving solid results. Before joining the JMMB team in October 2014, she served in several capacities at National Commercial Bank (NCB), including product development manager, customer service manager and operations manager.

She holds an Executive Master of Business Administration (EMBA), with Distinction, from the University of the West Indies, Mona, and other professional designations, including AICB from the Canadian Institute of Bankers. Sharon also has a Diploma in Management Studies from the Jamaica Institute of Management (JIM).

Bringing her in-depth experience to bear at the national level, Sharon serves as a director of the Jamaica Money Remitters Association (JMRA) and as a member of the Modernization of Jamaica's Remittance Industry Project Steering Committee, which is spearheaded jointly by the International Organization for Migration (IOM) and the Planning Institute of Jamaica (PIOJ).



SHERON GILZEAN
CHIEF EXECUTIVE OFFICER,
JAMAICA INSURANCE BROKERS LTD.

Sheron has served as CEO of JMMB Insurance Brokers Ltd. since 2017 after being promoted from her previous position as General Manager. Sheron boasts a wealth of 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 been a part-time lecturer at the College of Insurance & Professional Studies since 2003, and is also a former 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 is a Fellow Chartered Insurance Professional with the Insurance Institute of Canada. She recently completed her Risk Management certification through the Insurance Institute of Canada.

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

JEROME SMALLING
CEO & MANAGING DIRECTOR JMMB BANK (JAMAICA) LIMITED,
GROUP BANKING LEAD, JMMB GROUP

Jerome Smalling is a seasoned financial expert with an esteemed 26-year career in banking spanning the Caribbean and North America. Smalling joined the JMMB Group team in 2012 as the CEO of the then JMMB Merchant Bank. In his role as Group Banking Lead his key functions include: formulating strategic plans, ensuring the development and promotion of products and services, reviewing the Bank's overall financial position, and determining appropriate strategies to achieve sustained profitability, expansion and growth.

His career includes tenures as Scotiabank Branch Manager; Vice President, Personal Banking at RBC Caribbean and Manager, Branch Sales Strategy Initiatives at the RBC Royal Bank's National Office in Toronto Canada.

He 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.

Jerome is a Director for JMMB Bank and has overall responsibility for JMMB's banking businesses in Trinidad and Tobago and The Dominican Republic. He is the Immediate Past President of the Jamaica Bankers' Association and sits on the board of the Ports Authority of Jamaica where he leads as Chairman of the Board Finance Sub Committee. He also serves on the Board of his alma mater, Munro College.

CHRISTOPHER WALKER
CHIEF EXECUTIVE OFFICER,
JMMB FUND MANAGERS LTD.

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 25 years in the financial services industry, Christopher was appointed to his current position at the helm of JMMB Fund Managers Limited in April 2013. His current post sees him continuing to offer expert leadership while guiding the strategic positioning of the Company's off balance sheet 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 (UWI), Canadian Investment Manager Designation from the Canadian Securities Institute and a Master's degree in Business Administration from the University of Liverpool.

Additionally, Christopher is the Chairman of the IV Acquisitions Limited and The Jamaica Evangelistic Association and a director on the boards of 109OHR Limited and Chalmers Commercial Limited.

HEADS OF ENTITIES

SHAWN MOSES
CHIEF EXECUTIVE OFFICER,
JMMB BANK (T&T) LIMITED

For over 18 years, Shawn Moses has been involved in the banking industry, holding various roles in the areas of Small and Medium Enterprises as well as Commercial and Corporate lending. Shawn has a proven track record of success. Not only has he delivered the requisite growth numbers over his tenure, but he also developed and initiated value added solutions for his client base.

Shawn's recent role as General Manager; Business & Retail Banking in the East Caribbean has allowed him to truly hone his leadership skills. Despite the impact of COVID-19, Shawn was able to deliver on his commitment to double digit growth levels over the last two years. Through his effective leadership he was able to successfully navigate the changes brought about through an acquisition and re-brand, all the while generating exceptional financial results.

Shawn is highly results-oriented with an undoubted work ethic. He brings with him a strong passion for leadership and people management and development. He holds a Masters in International Finance with Distinction from the Arthur Lok Jack Graduate school of Business and an undergraduate degree from The University of the West indies, with a Double Major in Economics and Management.

ELSON JAMES
GROUP EXECUTIVE OFFICER,
JMMB EXPRESS FINANCE (T&T) LTD

Elson has built a track record of excellence as he spearheaded the design and launch of 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 20 years of consumer and corporate finance experience, Elson has been expanding his track record of profit creation and improvement at JMMB. Elson has a Bachelor's degree in Business Administration and Management from UWI St Augustine and a MBA in Finance from Pennsylvania State University Smeal College of Business

TRICIA KISSOON

CHIEF EXECUTIVE OFFICER,

JMMB INVESTMENTS AND SECURITIES

Tricia Kissoon, Chief Executive Officer of JMMB Investments and Securities, joined the JMMB Team in March of 2020. With more than 15 years of experience in the financial services sector, Tricia's passion and drive have established her as an expert in the field of investments. Her focus has primarily been on Asset Management for mutual funds and insurance portfolios.

Tricia has a Masters of Business Administration from the Edinburgh Business School and a Bachelor of Science degree in Economics and Finance from the University of the West Indies. Her academic qualifications coupled with her hands-on experience has honed her into a skillful leader focused on developing and empowering her team members and improving the financial well-being of clients. Her directorship includes Securities Dealers Association Trinidad and Tobago (SDATT) and Mutual Fund Association of Trinidad and Tobago (MFATT).

HEADS OF ENTITIES

JUAN JOSÉ MELO

CHIEF COUNTRY OFFICER AND CHIEF EXECUTIVE OFFICER,
JMMB PUESTO DE BOLSA S.A.,
AFP JMMB BDI, S. A.

Juan is a finance executive with 17 years of experience in the Dominican financial market, specializing in banking and investments. Before joining the JMMB Group in 2009 as Director of Investment Banking, he worked as a financial consultant at firms such as Deloitte and KPMG where he participated in various advisory projects for important companies in Dominican Republic.

In 2012, he was appointed General Manager of the Crédito América Corporation after JMMB acquired the majority of its shares, and was tasked with the development of the banking business for JMMB in the Dominican Republic. In 2015 he headed the acquisition and rebranding of the Banco de Ahorro y Crédito Rio, which, combined with the assets and liabilities of Corporación de Crédito América, gave way to the creation of JMMB Bank, Banco de Ahorro y Crédito, for which he was appointed CEO.

In June 2019, he assumed the Chief Country Officer position for JMMB Group in Dominican Republic, CEO of JMMB Puesto de Bolsa, and CEO of AFP JMMB BDI. His responsibilities as Chief Country Officer for JMMB Dominican Republic are mainly to oversee and lead the operations of the four companies that make up the group: JMMB Bank, JMMB Puesto de Bolsa, AFP JMMB BDI and JMMB Funds (SAFI).

Juan holds an Industrial Engineering degree from the Pontificia Universidad Católica Madre y Maestra, and a Masters in Finance from the Universidad de Comillas in Madrid, Spain. As part of his vision for JMMB, he looks to continue the growth of the Group and its various companies, with a focus on customer satisfaction.

JESUS CORNEJO

CHIEF EXECUTIVE OFFICER,
JMMB SOCIEDAD ADMINISTRADORA DE FONDOS DE INVERSIÓN, S.A.

With over 27 years' experience, Jesus has extensive knowledge of the Banking and Securities market in the Dominican Republic and Mexico. His previous experience includes Risk Management, Treasury and Client Partnership leadership positions at Citigroup, APAP, and JMMB Puesto de Bolsa.

Jesus holds an Industrial Engineering degree from Universidad Panamericana and a Master in Business Administration from ITESM in Mexico. He is a graduate from Kellogg CEO Management Program and PADE - Senior Business Management Program from Barna Management School.

INDALECIO LOPEZ DEFILLO
CHIEF EXECUTIVE OFFICER,
JMMB BANK, BANCO DE AHORRO Y CRÉDITO JMMB BANK, S.A.

Indalecio brings over two decades of banking experience to the JMMB Group. Prior to his appointment as Chief Executive Officer for the Bank in 2019, Indalecio served as Client Partnership Country Head for JMMB DR, and was instrumental in the development of our integrated financial services model. As Chief Executive Officer, Indalecio continues to be integral to the success of our Dominican Republic operations.

He holds a Business Administration degree from the Pontificia Universidad Católica Madre y Maestra and a Masters in Business Administration from the University Carlos III of Madrid.

2011

JMMB wins Jamaica Chamber of Commerce Best of Chamber Award – (Large Enterprise Category)

CORPORATE GOVERNANCE

The Board of Directors (the Board) of JMMB Group Limited (JMMBGL) remains committed to the highest standards of Corporate Governance, in order to ensure that the JMMB Group of Companies (the Group) is at all times operating in a safe and sustainable manner. This is the foundation upon which JMMBGL has built its sustained financial and reputational success. The end of the 2021/2022 financial year saw an apparent tapering off of the most significant restrictions, risk and hardship, associated with the global COVID-19 pandemic. JMMBGL was able to quickly pivot, such that we took advantage of the virtual space and digital opportunities, to ensure our team and stakeholders were protected, and that there was continuity in business operations, stakeholder support and communication, and Corporate Social Responsibility programs. Coming into focus at this time, is JMMGL's enhanced recognition that we have a role to play in Environmental, Social and Governance ("ESG") matters. As such, JMMBGL is actively concerned with the well-being of its clients, the communities in which the JMMB Group operates, and the sustenance of the environment. ESG is therefore included in our Corporate Governance framework, our business strategies, and in our CSR strategies.

OUR APPROACH TO GOVERNANCE

This report provides an overview of the corporate governance structures, principles, policies, and practices of the Board of JMMBGL, which enable the Group to meet the governance expectations of its stakeholders. We believe that good governance is not just about overseeing JMMBGL and its subsidiaries and its practices but doing so transparently and ethically. It involves an independent board actively engaging with all stakeholders, knowing the business and its risks, constructively challenging management, understanding the opportunities and challenges of a changing industry and economy, and setting robust standards and principles that will guide JMMBGL in delivering on its purpose of partnering with clients to achieve their goals.

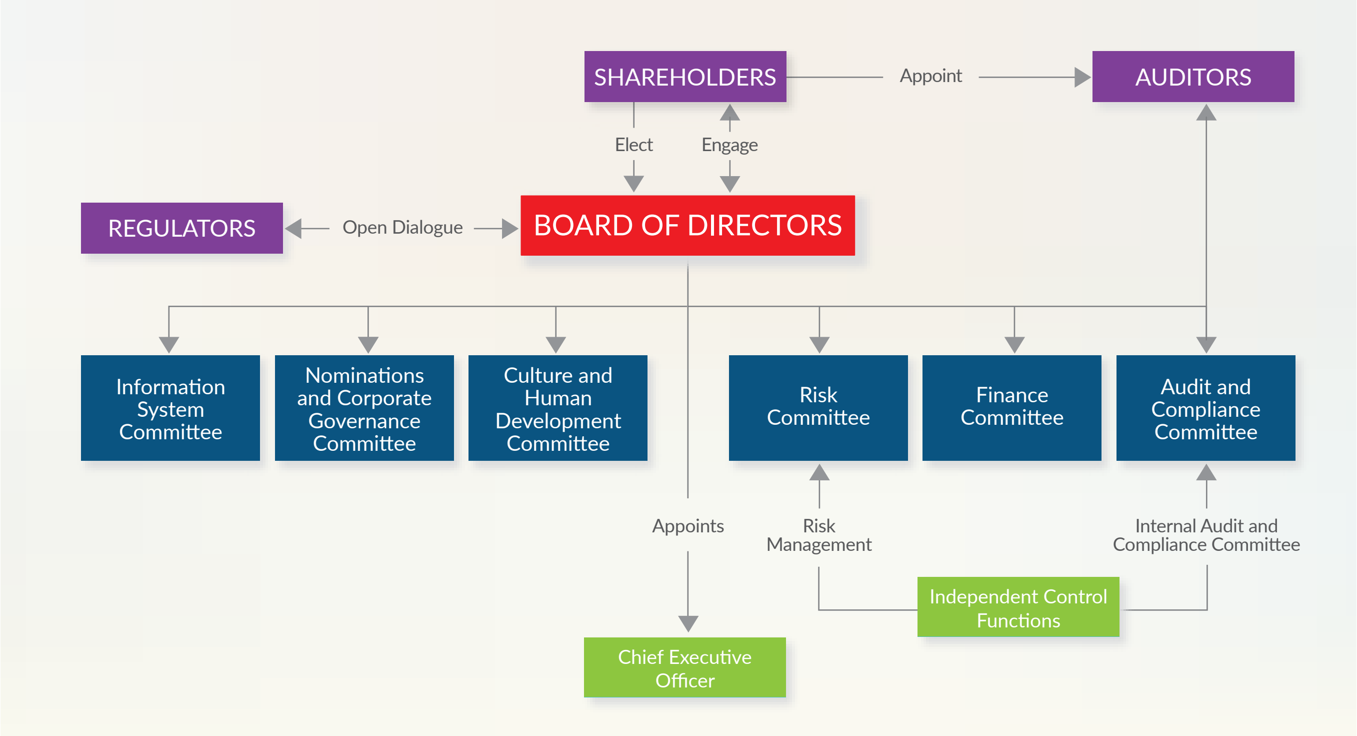
While JMMBGL has adopted an enterprise-wide approach to Corporate Governance from a policy perspective, the structures of all subsidiaries are independent of JMMGL, and are managed through representation by JMMBGL's Directors and Officers on the Board and Board Committees of JMMBGL subsidiaries, either as members or standing invitees. The JMMBGL Corporate Governance systems are subject to ongoing review, assessment and improvement.

The Board proactively adopts governance policies and practices designed to align the interests of the Board and Management with those of shareholders and other stakeholders and promote the highest standards of ethical behaviour and risk management across the Group. The Board exercises its authority in accordance with relevant Articles of Incorporation, By Law's, internal policy and applicable laws and regulations.

THE FIVE PILLARS OF THE CORPORATE GOVERNANCE FRAMEWORK

ETHICAL CULTURE AND CONDUCT	STRATEGIC OVERSIGHT	RISK OVERSIGHT	INDEPENDENCE AND ACCOUNTABILITY	CONTINUOUS IMPROVEMENT
The Board sets the tone from the top, and champions the Core Values of Love, Integrity, Openness and Care, all of which are embodied in the Vision of Love. These values are well entrenched across the Group, and are the bedrock upon which the reputation and success of the Group is built.	The Board is committed to ethical and sustainable performance, strategies, and business objectives, taking into account emerging opportunities and approved risk appetite. The Board also monitors the achievement of strategies and business objectives.	The Board provides oversight and implementation of robust risk management frameworks to identify any risks to which JMMB is exposed, and actively monitors and assesses the strength of the same. The key is ensuring that there is an appropriate balance of return for the risks assumed.	The Board ensures it remains independent from management as this is fundamental to the Board's effective oversight. The Board is also committed to ensuring disclosures to shareholders, stakeholders, regulators and the public are made in a timely, truthful and accurate manner.	The Board is committed to continuously improving its Corporate Governance Framework. To ensure that the Group meets or exceeds evolving best practices and regulatory expectations, the Corporate Governance Framework is subject to ongoing review.

OUR GOVERNANCE STRUCTURE



JMMBGL places significant focus on the quality of oversight, direction and communication among the Board and its Committees, Management, Shareholders and other Stakeholders (including Regulators). The relationships among these groups is of paramount importance. The figure on the previous page depicts the JMMBGL's model Corporate Governance structure.

ROLE OF THE BOARD OF JMMBGL

The Board of JMMBGL is responsible for the overall stewardship of the Group, with the aim being to promote sustainable success and long term shareholder value. As such, the Board of JMMGL determines the Group's strategic objectives and delegates the implementation of strategies to the Management Team, under the leadership of the Group CEO. A similar delegation occurs at subsidiary level. Critically, the Board of JMMBGL ensures that it acts in the best interest of the Group and its stakeholders, by ensuring robust frameworks are in place for strategic decision making, performance monitoring, and risk oversight, and by holding fast to principles of integrity, openness, transparency, independence and accountability, and continuous improvement as espoused in the Group's Five Pillars of Corporate Governance.

The Board's functions are fully described in the Group's Corporate Governance Policy which can be found on our website at www.jmmb.com, specifically at:
https://www.jmmb.com/sites/default/files/Jamaica/Attachments/Policies/JMMB%20Group%20Corporate%20Gov%20Policy%20May%2024%202018.pdf

The JMMBGL Board and its Committees dealt with many significant strategic, operational, regulatory and compliance-related matters for the financial year ending March 31 2022.

These included:

1. **Ongoing and flexible strategic planning, to ensure that the Group's strategies remained relevant in the context of:**
   a. The ongoing response to COVID-19, including adjustments to financial structures and cash flow management
   b. The real and possible impact of the Russia / Ukraine war
   c. Major Projects such as Bank Standardization, and Information Technology/Systems changes

2. **Risk Management:**
   a. Overseeing the management of cybersecurity threats and controlling environment improvements
   b. Overseeing and setting the tone at the top with respect to Governance and compliance matters
   c. Managing changes in the regulatory and economic environment

3. **Business Continuity and Succession:**
   a. Considering sustainability issues and responses
   b. Overseeing talent management and succession planning, evaluating performance and approving the compensation of senior management

4. **Governance and Reporting:**
   a. Fostering a culture of integrity and good governance
   b. Reporting financial performance and external financial reporting
   c. Overseeing financial reporting, internal controls, communications and public disclosure

5. **Review of capital structure and approval of dividend payments.**

EFFECTIVENESS OF THE BOARD OF DIRECTORS

INTEGRITY

- Works for the greater good of JMMBGL and its stakeholders
- Demonstrates high ethical standards

DEDICATION

- Commits fully to the accountability and success of the Board and JMMBGL

COURAGE

- Challenges the status quo and can make tough decisions
- Champions of change

STRATEGIC ORIENTATION

- Discusses pros and cons of future growth strategies
- Assesses opportunities for alignment with JMMBGL strategy

ROLE OF THE CHAIRMAN

Having an independent, non-executive Board Chairman (the Chairman) for JMMBGL enhances the Board's independent oversight and the ability to monitor management more effectively. The Chairman provides leadership to the Board and ensures the effective overall functioning of the Board of Directors, including maintaining a relationship of trust with Board members. While he does not serve on any board committee, he attends and participates in committee meetings as needed. The Chairman has unrestricted access to management and the authority to engage independent advisors, including legal counsel, and approve their engagement fees and terms.

Among other things, the Chairman also:

1. Sets the tone with respect to Corporate Governance and manages conflicts of interest;
2. Ensures that Board decisions are taken on a reasoned and well-informed basis, and to that end, ensures that the Management/ Leadership Team is making adequate reports and providing the information required to support these decisions;
3. Presides over Board and shareholders Annual General/Extraordinary and other Shareholder meetings (where applicable);
4. Ensures that good relations and effective lines of communication are maintained with the leadership team, shareholders and strategic stakeholders;
5. Coordinates with the Group Nominations and Corporate Governance Committee and the Company Secretary, for the assessment of Board Committees and Directors;
6. Has regular discussions with the Group CEO, assesses his performance against agreed goals, provides coaching and aligns on a development plan where appropriate;
7. Ensures that the views of shareholders coming to his/her attention are communicated to the Board and other relevant parties;
8. Approves the trading of JMMBGL shares by the subsidiaries' Directors and senior management during a lock-out period in accordance with the Jamaica Stock Exchange Model Code.

The Nominations and Corporate Governance Committee, under the direction of its chair, analyzes evaluations of the Board and provides feedback and makes recommendations as appropriate.

THE ROLE OF MANAGEMENT

There is a clear distinction of roles and responsibilities between the Board and senior management that fosters an environment of transparency, confidence and mutual trust in which the Board can constructively challenge and provide guidance to management. The primary responsibility of management, and in particular, Senior and Executive Team Leads, is to partner and collaborate with, and execute the strategic objectives and policies established, by the Board in a manner consistent with the business strategy, risk appetite, and other policies approved by the Board.

GROUP CHIEF EXECUTIVE

The Group has established group chief roles at the organization's highest level, which supports the CEO with the effective running of the organization.

The Board delegates authority and responsibility for day-to-day affairs to the Group chief executives and other senior team leaders. This team is accountable for implementing the Board's decisions and is responsible for directing and overseeing the operations of the Group. The Group CEO and other group chiefs have written mandates describing their respective roles, responsibilities and the required authorities of their positions.

The Group Chiefs are responsible for JMMB Group's strategy execution. They actively shape and make recommendations for the respective board committee and the entire board's approval.

OVERSIGHT FUNCTIONS

The group chiefs have independent oversight with respect to the Finance, Risk Management, Compliance, and Internal Audit functions, and are responsible for providing enterprise-wide oversight in this regard. The heads of these functions have direct access to the JMMBGL Finance Committee, Risk Management Committee and Audit and Compliance Committee, (as appropriate) and report through these Committees to the Board of Directors.

APPROACH TO SUBSIDIARY GOVERNANCE

The 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 several business line meetings, bringing together local expertise and global oversight. This centralized approach provides consistency and transparency, enabling us to respond to evolving business needs, best practices and regulatory requirements and expectations.

Overall policies are determined at the Group level with consultation at the various country levels on subsidiary boards, enhancing our strong governance. Active and engaged subsidiary boards play a crucial role in overseeing our entities in various jurisdictions. Our subsidiaries' Boards comprise a majority of independent directors with specific skills and experience to assist the subsidiary Board in balancing the interests of all stakeholders, challenging management and furthering the strategic priorities of JMMBGL.

We continue to accelerate diversity on our subsidiary boards and leverage the subsidiary boards' experience to build talent for growth across the Group.

INVESTOR RELATIONS

Continuous and open dialogue with shareholders and other stakeholders is a key priority. 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. You may contact us at the email addresses below:

Board of Directors & Corporate Secretary	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 Board JMMBGL applies the most robust ethical and corporate governance standards, which encompass high levels of business integrity, honesty, accountability and transparency. The Code of Ethics and Business Conduct (the Code) is a guide to operating with integrity. JMMB's commitment to high ethical standards is the foundation of the Vision of Love and our Core Values. By demonstrating these values every day, we strengthen our ethical culture and elevate the JMMB brand. The Code is designed to help all users understand that **how** we achieve our goals is as important as the goal itself, and is critical to sustainable growth.

The Board and Management are expected to set the tone at the top, and conduct all their business and affairs in full compliance with applicable laws, rules and regulations, and to encourage and promote such behavior across the Group. We recognize that the Board's responsibility to oversee conduct and culture is broad and demands that we adopt a continuous improvement mindset towards our practices. It continues to enhance Board and committee reporting on conduct and culture matters – including client outcomes, team member conduct and risk culture, as well as the impact on the integrity, soundness and resilience of financial markets on our reputation – and monitor emerging trends and best practices to help refine a holistic approach to overseeing these critical issues.

Our Code of Conduct and Partnership Contract establishes standards of desired behaviours that apply to directors, management, and all team members, and covers our treatment of critical areas such as Anti-Bribery and Corruption, Political Contributions and Activities, Conflicts of Interest, Insider Trading, Competition and Fair Dealing, Foreign Payments and Financial Responsibility.

The JMMB Group fosters an open and transparent environment where team members can speak up and raise concerns through various channels without retaliation. There is an online learning program administered annually, at the end of which, team members and directors are asked to confirm that they are familiar with and understand the Group's values and principles.

CONFLICTS OF INTEREST

In practice, conflicts of interest can arise due to professional and contractual arrangements, directorships and other business interests. The personal or business interests of directors and executive officers may conflict with those of JMMB Group. They must disclose the nature and extent of the conflict of interest as soon as possible, in writing or by requesting to have it entered in the minutes of a meeting. In the event of a conflict of interest, the director or executive officer in question will recuse him or herself when the issue is being discussed, and they will not vote or participate in the decision.

CULTURE

The Board sets and expects the highest standards of conduct at JMMB to build and maintain the trust of our clients, investors, colleagues and other stakeholders. The Board, with Management, sets the tone from the top and promotes an open and transparent culture.

OUR COMMITMENT TO DIVERSITY

Diversity and inclusion have always been core values at the JMMB Group. The JMMB Group is an equal opportunity employer and principles of equity, diversity and recruitment and promotion, based on merit are at the heart of everything that the Group does. The JMMB Group firmly believes that a balanced and diverse board leads to rich and sustainable board oversight. As such, the JMMB Group is committed to ensuring that its BODs reflect the diversity of its clients, team members, shareholders and communities.

Further, the Group supports the contribution from people with differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking styles, experience and education, and as such these and other aspects of diversity are always important factors in our recruitment. The Board is committed to diversity and inclusion at all levels as it provides the Group access to a broader pool of talent and drives creativity, innovation and growth.

CORPORATE SOCIAL RESPONSIBILITY

JMMB Group is committed to adhering to the principles of Corporate Social Responsibility (CSR) as part of the Group's Core Values and its Vision of Love. These CSR principles include:

i. Minimizing the impact and maximizing the benefits that our operations have on the environment and the communities in which we operate;
ii. Integrating CSR considerations into business decisions;
iii. Complying with, and exceeding where practicable, all applicable legislation, regulations and codes of practice.

The JMMB Group executes is CSR strategies through the JMMB/Joan Duncan Foundation and through the decentralized programs in place at those JMMB Group subsidiaries that operate outside of Jamaica. The Group is committed to the review and periodic reporting of CSR performance to encourage continuous improvement in this area.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The BOD in carrying out its responsibilities understands that it has a role to play in Environmental, Social and Governance (hereinafter termed “ESG”) matters. As such, JMMB Group is actively concerned with the well-being of its clients, the communities in which JMMB operates, and the sustenance of the environment. ESG is therefore included in JMMB Group’s business strategies, and in its CSR strategies. The Group is currently finalizing its ESG Policy.

SKILLS AND COMPETENCIES

The Board maintains a matrix to help identify the competencies and experience it regards as key to the long term strategic success of the JMMB Group of Companies. The matrix assists the Group Nominations and Corporate Governance Board Committee in acquiring the right talent and expertise against a dynamic marketplace and evolving regulatory landscape. As the matrix shows, the Directors bring a diverse range of knowledge, experience and perspectives, which supports strong and effective oversight of JMMB Group as it pursues its strategic goals and financial objectives. 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 viewpoint and experience, which directly benefits the operation of the Board as the custodian of the business.

Expertise / Qualification/ Experience	Dr. Archibald Campbell	Patria-Kaye Aarons	Andrew Cocking	Dr Anne Crick	Patricia Dailey-Smith	Audrey Deer-Williams	Dennis Harris	Reece Kong	H Wayne Powell	Wayne Sutherland	Audrey Welds	V Andrew Whyte	Donna Duncan-Scott	Keith Duncan	Hugh Duncan
Academia - experience is important as it brings perspective regarding organisational management and academic research relevant to our business and strategy.	✓	✓		✓							✓				
Administration experience is important since directors with this experience typically possess strong leadership qualities and the ability to identify and develop those qualities in others.	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business ethics experience is important given the critical role that ethics play in the success of our businesses.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business operations experience gives directors a practical understanding of developing, implementing and assessing our operating plan and business strategy.	✓	✓			✓		✓	✓	✓	✓	✓		✓	✓	✓
Corporate governance experience supports our goals of strong Board and Management accountability, transparency and protection of shareholder interests.	✓			✓			✓		✓	✓	✓	✓	✓	✓	✓

Expertise / Qualification/ Experience	Dr. Archibald Campbell	Patria-Kaye Aarons	Andrew Cocking	Dr Anne Crick	Patricia Dailey-Smith	Audrey Deer-Williams	Dennis Harris	Reece Kong	H Wayne Powell	Wayne Sutherland	Audrey Welds	V Andrew Whyte	Donna Duncan-Scott	Keith Duncan	Hugh Duncan
Communications and marketing experience is relevant to the group as it seeks to develop new markets, products and services.		✓		✓									✓		
Finance/Capital allocation experience is important in evaluating our financial statements and capital structure.	✓			✓	✓	✓	✓	✓	✓			✓	✓	✓	✓
Financial services industry experience is important in understanding and reviewing our businesses and strategies.	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Investments experience is important in evaluating our investment strategy and the environments in which we operate.	✓		✓			✓	✓		✓	✓		✓	✓	✓	✓
Information technology experience is relevant to the Group as it looks at ways to improve efficiencies, enhance client experience and internal operations.								✓	✓	✓					
Knowledge of control environment Audit and risk management experience is critical to the Board's role in overseeing the risks faced by the Group.	✓				✓	✓	✓	✓	✓	✓		✓		✓	
Legal experience and knowledge is critical to the Group as we navigate the highly regulated environments in which we operate.											✓				
Risk management experience is critical to the Board's role in overseeing the risks faced by the Company and the Group.	✓					✓	✓	✓		✓		✓		✓	✓
Talent management experience is valuable in helping us attract, motivate, develop and retain top candidates for positions in the Group.		✓		✓		✓	✓	✓					✓		

BOARD DELEGATION

As stated above, the Board has delegated specific responsibilities to its board committees. Below is the membership and attendance at meetings. Each Committee's Terms of Reference can be found in the JMMB Group's Corporate Governance Policy, available on our website.

Number of Meetings held for the year		Nine (9)	Five (5)	Twenty-three (23)	Three (3)	Three (3)	Three (3)	Eleven (11)
NAMES	POSITION	GROUP BOARD	AUDIT & COMPLIANCE COMMITTEE	RISK COMMITTEE	CULTURE & HUMAN DEVELOPMENT COMMITTEE	NOMINATIONS & CORPORATE GOVERNANCE	INFORMATION SYSTEMS COMMITTEE	FINANCE COMMITTEE
Andrew Cocking	Independent	9						11
Dr. Anne Crick	Independent	9			3	3	3	
Dr. Archibald Campbell	Independent	9				3		
Audrey Deer-Williams	Independent	8		21	3			
Audrey Welds	Independent	9				3		
Dennis Harris	Independent	9		22	3			
Donna Duncan-Scott	Executive	6						
Reece Kong	Independent	8		23			3	
H. Wayne Powell	Independent	9	5					11
Hugh Duncan	Executive	6						
Keith Duncan	Executive	9						
Patria-Kaye Aarons	Independent	8						
Patricia Dailey-Smith	Independent	9	5					11
V. Andrew Whyte	Independent	7	5	21				9
Wayne Sutherland	Independent	9	5			3	3	

BOARD COMMITTEES

To assist in exercising its responsibilities, the Board has established six (6) committees, namely:

1. Audit and Compliance committee
2. Risk Management committee
3. Nominations and Corporate Governance committee
4. Information Systems committee
5. Culture and Human Development committee, and
6. Finance committee

Each committee has a written mandate that sets out its roles and responsibilities. They review their mandates as needed based on changes in the environment or legislation or as part of the periodic review of the Corporate Governance Policy. These reviews ensure the Board and its committees are adaptive and responsive to new requirements while practicing strong oversight.

Each committee prepares, annually, a report of its activities over the previous year and these reports, as well as details about the composition and responsibilities of each committee, are included in the annual report. Committee chairs report to the Board at each board meeting, and the minutes of the board committees are also shared as part of the board package. Each committee is comprised entirely of independent directors/ non-executive directors and is chaired by an independent director responsible for the effective operation of the committee and the fulfilment of the committee's mandate.

BOARD COMMITTEE REPORTS

I. REPORT FROM THE NOMINATIONS & CORPORATE GOVERNANCE COMMITTEE

The Nominations and Corporate Governance Committee of the JMMBGL BOD has Group-wide oversight responsibility, and is appointed to assist the JMMBGL Board by advising the Board on the application of governance principles. This Committee is also responsible for assessing the appropriate mix of skills and characteristics required of BOD members in the context of the current composition of the Board and the needs of the company, and for recommending new directors to the JMMBGL Board.

The Nominations and Corporate Governance Committee is satisfied that its activities over the fiscal year have fulfilled its mandate. Over the financial year, the Committee met and executed inter alia on the following;

1. Reviewed and recommended the placement of directors to the Dominican Republic and Trinidadian subsidiaries
2. Reviewed the conduct of the Annual General Meeting and offered recommendations for improvement
3. Reviewed JSE Corporate Governance Index results and agreed on actions to be taken where necessary
4. Reviewed the governance structures at the country level
5. Reviewed and developed a plan of action based on the annual board evaluation
6. Agreed on training to enhance the functioning of the Board.

In assessing candidates and selecting nominees for the boards, diversity is an essential factor that is taken into consideration by the Committee. As such, the Committee has an initial gender diversity target of 33% (either men or women). We have surpassed this target for JMMBGL and continue our efforts to improve the Group's ratio as a whole in due course.

II. REPORT FROM THE CULTURE AND HUMAN DEVELOPMENT COMMITTEE

The Culture and Human Development Committee of the JMMBGL Board has Group-wide oversight responsibility, and is appointed to advise the JMMBGL Board on compensation and compensation risk management, and to provide oversight of key people-policies and practices including employee engagement, diversity and inclusion. Broadly speaking, the Culture and Human Development Committee assists the Board in discharging its duties regarding 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. Doing so ensures that compensation is consistent with the Group's objectives, strategy, and control environment to guarantee 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 focused on the following:

1. The Gender Diversity and Inclusion Initiative
2. Approval of equitable, best interest approach to managing people expenditures in a pandemic
3. Approval of revision of CHD Strategy & budget in light of the pandemic;
4. Approval of the Group CHD pandemic response plan to ensure team members' physical and emotional well-being and teams safely manned to take care of the clients throughout the pandemic.
5. Approval of Group and Country Executive Total Compensation review and support in gaining alignment with the Executive Leadership. This review ensures an equitable compensation package that attracts and retains high performing senior leaders who live true to the JMMB values and Vision of Love.

III. REPORT OF THE FINANCE COMMITTEE

The Finance Committee assists the Board in the oversight of financial reporting. To this end, the Finance Committee is responsible for ensuring that the annual financial statements and other returns are accurate and consistent with policy and International Accounting Standards, and that financial transactions are consistent with the policies and directives of the Board. This Committee is also charged with ensuring the quality and integrity of financial statements and public accountability reporting and has responsibility for oversight of the Group's financial reporting, ensuring that fair, balanced and comprehensible reports that comply with are produced.

The Finance Committee maintained surveillance of the financial statements review process and submitted a 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 designed to ensure that information is disclosed promptly to the regulators and the market.

The Committee met and executed inter alia on the following:

1. Recommended the approval of the audited financial statements for JMMB Group Limited and its subsidiaries
2. Recommended the approval of unaudited financial statements for JMMB Group Limited and its subsidiaries
3. Considered dividend payment to shareholders
4. Opined on possible partnerships
5. Recommended the approval of the annual budget for the Group of companies

Auditor Independence

For the year ended March 31, 2022, the Committee reviewed the external auditor's independence, the scope of non-audit services and independence safeguards with the Group's external auditor - KPMG Chartered Accountants. 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.

IV. REPORT OF THE INFORMATION SYSTEMS COMMITTEE

The Information Systems (IS) Committee of the JMMBGL Board has Group-wide oversight responsibility, and is appointed to assist the JMMBGL Board in its oversight of technology strategy, investments made in support of the strategy, information security and cyber security matters as well as other technology related risks. The Committee is responsible for establishing structures, mechanisms and processes that ensure information systems (IS) are controlled and deliver value to the business. The responsibilities of the Committee include:

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

During the year, the IS Committee executed, inter alia on the following areas:

1. Reviewed and updated IS board charter given to ensure alignment with the changes in the IT organizational structure
2. Reviewed and assessed the performance of the technology stack utilized to facilitate the new permanency of remote working
3. Reviewed and assessed the security systems to ensure Group is protected especially as we moved into remote working
4. Aligned IT Strategy to ensure the capacity to operationalize the overall Group strategy
5. Reviewed and aligned the planned infrastructure upgrades needed to enhance regional integration
6. Reviewed post T24 implementation assessment in Trinidad and Tobago
7. Reviewed and approved the T24 implementation plan for Dominican Republic
8. Aligned Group IT to an effective Service Model and Service Level Agreement needed to drive regional IT efficiencies
9. Reviewed and approved IS policies and recommendation for approval by the JMMB GL Board of Directors
10. Reviewed and approved the Group's digital strategy and roadmap
11. Approved the information technology budget
12. Assessed hardware infrastructure and made recommended improvement
13. Reviewed cloud strategy

V. REPORT FROM THE AUDIT & COMPLIANCE COMMITTEE OF THE BOARD

As an integral part of the Group's corporate governance structure, the Group's Internal Audit and Compliance units and their activities are guided by a Charter approved by the Group Audit & Compliance Committee. Both units reports to the Group Audit & Compliance Committee, which ensures independence in the Unit's review of the effectiveness of the Group's risk management, governance, regulatory compliance and internal control processes.

The Board Audit and Compliance Committee (BACC) provides independent, structured, systematic oversight of governance, risk management, compliance and internal control practices. The BACC also supports the Board and Management by providing assessments, advice and guidance on the quality, adequacy and effectiveness of management's practices and potential improvements of:

1. Internal Audit activity and processes;
2. Risk management processes and controls;
3. Management of Compliance Risks, including

Regulatory Risk;
4. Effectiveness of Internal controls
5. Compliance Framework and activities
6. Annual Compliance Plan to support the Group's strategies
7. Fraud Prevention.

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

1. Reviewed and approved the Group's audit and compliance plans and strategies while ensuring the plans were designed to assist the Group in achieving its strategic objectives.
2. Reviewed reports on compliance (AML/CFT/CFP and Regulatory Compliance).
3. Reviewed compliance with internal policies, procedures and standards, relevant external laws and regulations, and assessed the adequacy and effectiveness of the Group's internal control system.
4. Reviewed reports on specific key business processes and assessed recommendations to improve their effectiveness and efficiency.
5. Reviewed the adequacy and effectiveness of the controls incorporated in implementing new systems/processes.
6. Reviewed reports on investigations performed by the Group Fraud Monitoring and Investigations Team.
7. Received and reviewed audit reports from subsidiary Board Audit Committees.
8. Approved the Group AML/CFT KYC Policy

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

VI. REPORT FROM THE BOARD RISK MANAGEMENT COMMITTEE (BRC)

The Risk Management Committee of the JMMBGL Board is an independent committee with Group-wide oversight responsibility. The Risk Management Committee is expected to assist the Board in fulfilling its oversight responsibilities with regard to the:

1. Enterprise governance and risk management framework;
2. Liquidity and funding risk management framework;
3. Risk appetite risk limits and tolerances;
4. Credit risk management framework;
5. Operational risk and compliance framework and governance structure which supports the same and
6. Performance of the enterprise risk function.

The role of the Board Risk Committee is to ensure that the approved enterprise-wide risk management framework is fully enacted by management and to promote an appropriate risk management culture on behalf of the Board for both the On- and Off-Balance Sheet portfolios. The Board Risk Committee's oversight responsibilities concerning the risk management framework and the underlying compliance monitoring and governance structure include overseeing risk exposures and strategies in relation to the following:

1. Capital Allocation
2. Credit
3. Market (inclusive of interest rate, liquidity, counterparty, concentration, foreign currency exposure and equity risks)
4. Operational (inclusive of IT Risk)
5. Compliance
6. Legal
7. Reputational

The Board Risk Committee approves the Group's risk policies and risk appetite statement, including risk limits, which are then recommended to the Group Board of Directors for ratification. The Risk framework is designed to achieve business outcomes consistent with the Group's risk-return expectations and includes:

1. The Group Risk Appetite, which is determined by an annual survey, and Internal Capital Adequacy Assessment frameworks,

2. Group-wide risk management policies for each of the principal risk areas,
3. Major risk limits to manage exposures and risk concentrations, and
4. Appropriate monitoring and reporting of business risks during the year,

The Board Risk Committee undertook the following during the financial year:

1. Monitored management's compliance with the Group risk management framework, including policies and limits
2. Oversight of the execution of the Group Risk Unit's strategic initiatives
3. Conducted a risk appetite survey of the Board of Directors and management
4. Reviewed significant transactions for the Group and its subsidiaries
5. Reviewed and approved the Internal Capital Adequacy Assessment Process (ICAAP) for JMMB GL and its subsidiaries
6. Reviewed and recommended to the JMMBGL Board any capital requests that were outside of those identified in the ICAAP
7. Reviewed Group Credit Risk policy and Liquidity risk policies for subsidiaries
8. Reviewed and approved various capital market transactions
9. Discussed preparations to address the anticipated changes in the regulatory framework and industry conditions over the next few years.
10. Assessed the impact of the Russia-Ukraine conflict and changes in domestic and US interest rates on the portfolios, liquidity profile and capital of the Group.

DIRECTORS' COMPENSATION

Experienced, focused and talented directors are essential to achieving our strategic objectives and providing effective guidance and oversight to management. The Culture and Human Development Committee is responsible for board compensation and annually reviews the amount and form of non-executive directors' remuneration, taking into account the following:

1. size, complexity and geographic scope of JMMB Group
2. the time commitment expected of directors;
3. overall expertise and experience required;
4. need for compensation that is fair and positioned to attract highly qualified directors; and
5. alignment of the interests of directors with those of our shareholders.

JMMB Group compensates its directors fairly and responsibly. A total of JA$159,353,000 was paid to the directors across the Group in Jamaica, Trinidad and Tobago and the Dominican Republic, an increase of approximately 54% over last year's figure, JA$103,784,000. For the Company, the amount paid for the financial year was J$52,932,000, an increase of JA$9,735,000. The increase in fees across the Group is as a result of more strategic planning meetings being held as the Group operates in a protracted pandemic period.

DIRECTORS CONTINUING PROFESSIONAL EDUCATION

The Directors attended various training sessions during the financial year including:

ORGANIZATION	TOPIC
JISF	Unmasking Digital Fraud
Compliance Aid	Board of Directors Training: AML/KYC/CFT
FID	Staying One Step Ahead: An Exploration of Financial Crimes and Financial Criminals

ORGANIZATION	TOPIC
Temenos	Investing in Emotion: Bringing The Human Experience to The Digital Realm
Caribbean Corporate Governance Institute	Enterprise ERM What Every Director Should Know
Caribbean Corporate Governance Institute	The Role and Functions of The Audit Committee
Caribbean Corporate Governance Institute	ESG and The Move To Sustainable Energy in The Caribbean
Caribbean Corporate Governance Institute	Effective Board Evaluations
JISF	AML FOR CEO and BOD Governance in A Digital Pandemic World
IDB	Gender Equality
Caribbean Corporate Governance Institute	Finance For Directors
Caribbean Corporate Governance Institute	The Impact of The Ukraine/Russia War On The Caribbean Region

REGULATORY COMPLIANCE

The Group 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 JMMBGL Board, and each subsidiary Compliance Officer provides similar reporting to their entity Board in line with the Board cycle. The report provides details on, among other matters, AML/CFT/CFP and regulatory compliance, changes in the regulatory environment in which the entities operate and information on regulatory audits and 'Know Your Client' matters.

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

1. Maintains open communication with the regulators;
2. Complies promptly and thoroughly with requests for information as required by law;
3. Keeps abreast of the findings of on-site examination processes and direct management to determine whether similar problems exist elsewhere in the Group and take corrective action and
4. Ensures that all team members and directors have annual training 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.

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 and issued on February 18, 2022. The Board has reviewed and discussed the rating criteria and is working to ensure that where improvements are needed, these are implemented.

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, our policy has been to contribute equal amounts of money to the two major political parties for their respective campaign initiatives. For the financial year, the amount of one million dollars (JA$1M) was contributed to each of the two major political parties.

ENGAGEMENT AND COMMUNICATION

Members of the Board make themselves available to engage with shareholders and team members and encourage them to express their views. The Board is committed to maintaining and improving dialogue with shareholders 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 team member may contact the Chairman via the Company Secretary or send 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 you.

The Board of Directors are available to any team member who wishes to raise any matter with them.

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

YOUR VIEWPOINT IS IMPORTANT

We value your support and encourage you to share your opinions, suggestions, and concerns. Email the Company Secretary at shareholderquery@jmmb.com, or write directly to the Chairman, Dr. Archibald Campbell, c/o JMMB Group Limited, 6 Haughton Terrace Kingston 10.

RISK MANAGEMENT

Given the ever-changing financial landscape in which the JMMB Group operates, 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 or any others where the Group may have exposures to proactively manage our risk exposures.

Risk management is the process of identifying, measuring and mitigating risks to an organization's capital and earnings. These risks stem from a wide variety of sources, including market related and internal factors which are discussed in the following sections.

MAJOR RISK RELATED DEVELOPMENTS FOR FY 2021/22 [1]

The FY 2021/22 can be characterized by supply chain disruptions resulting in elevated inflation and aggressive monetary policy tightening in some countries. This resulted in significant market volatility, particularly in global equities and emerging market bonds in the last quarter of the financial year. This was also as a result of the global economic uncertainty and the onset of geopolitical tensions resulting from the invasion of Ukraine by Russia. Despite the moderating of the impact of COVID-19 in recent times and the development of vaccines with high efficacies, the uneven availability of vaccines and the withdrawal of fiscal support programs as countries seek to normalize fiscal positions have skewed the overall balance of risks for growth.

There is an expectation of increased regulatory risk arising from the changes to the laws governing the financial sector as many regulatory authorities suspended implementation of some regulations or granted forbearance during the pandemic to support financial sector recovery. It is anticipated that the implementation of the Basel II/III framework within the Caribbean could affect the financial industry amidst elevated global macroeconomic uncertainty. The JMMB Group continues to take an approach of working with our regulators and other industry players to smoothly implement changes to regulations so as to minimize the impact when the new regulations come into effect.

The following outlines some material developments that would have impacted global markets and the territories in which we operate:

GLOBAL

- Inequity in vaccine availability and early policy support are the main reasons for downward revisions to global medium-term economic performances. The rapid spread of the Delta and now Omicron variants have increased uncertainty about how quickly many nations, particularly emerging markets, will recover from the worst of the pandemic. As a result, monetary and fiscal policy choices have become more difficult, confronting rising inflation, food insecurity, the setback to youth education, and climate change are likely to define the financial year as it relates to the geopolitical and financial consequences.

1 See Appendix: Risk Related Regulations FY 2020/2021

- Central banks around the world particularly in Emerging Markets rapidly increased policy interest rates in an attempt to combat high inflation and the threat of economic fallout. The IMF has projected global growth in 2022 will likely slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January.

- The World Bank recommends that national policy mix should continue to be tailored to local pandemic and economic conditions, aiming for maximum sustainable employment while protecting the credibility of policy frameworks.

- Uncertainty surrounding the conflict in the Ukraine has heightened geopolitical risk and could result in the worst humanitarian crisis in a decade. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022, add to inflation and trigger food shortages particularly in poor nations. Likewise, monetary policy uncertainty and the ongoing political risks are among the driving forces behind financial market volatility in Q1 2022.

LATIN AMERICA AND THE CARIBBEAN

- The GDP for LATAM and Caribbean economies are expected to slow to 2.2% from 6.2% in 2021. This compares to global growth of 4.4% moderating from 5.9% in 2021—half a percentage point lower than the October estimate largely reflecting forecast markdowns in the world's two largest economies while the Jamaican economy contracted by 10.2% in 2020 and is estimated to have expanded by 5.4% in 2021.

- While macroeconomic stability in Jamaica has been entrenched, the country has experienced high levels of inflation, a build-up of international reserves and improvement in fiscal accounts. Jamaica's debt-to-gross domestic product (GDP) ratio is projected to recover to 96% by March 2022 as the economy continues its strong rebound from the coronavirus (COVID-19) pandemic. Fitch projects government debt to GDP to fall to 87.8% by end-March 2024.

- The IMF projected that the Dominican Republic is expected to grow at 5.5%. However, it is expected that lower COVID-related government spending and tighter monetary policy will attenuate growth. On the other hand, the Trinidad economy is projected to increase at a rate of 4% to 7% in 2022 following a 1% contraction in 2021. Notwithstanding the higher global energy prices, T&T's economic outlook is challenged by structural issues that limit investment flows, long-term economic expansion, and government revenues.

- S&P Global Ratings affirmed the "B+" Foreign Currency LT credit rating of Jamaica on October 4, 2021. At the same time the rating agency revised its outlook to stable from negative. Both Jamaica and the Dominican Republic are likely to maintain their sovereign credit ratings in the upcoming year despite the challenges as a result of strong growth and prudent fiscal policies. Trinidad on the other hand received negative rating actions from Moody's in November 19, 2021. Moody's said the fiscal cost of handling the pandemic had weakened TT's credit profile. On the contrary, higher oil prices stand to benefit the sovereign's current accounts, reserves and fiscal revenues during the financial year. However, as a net importer of food it would likely offset some of the benefits of higher oil prices in the scenario that prices remain elevated albeit slightly lower than the end of FY 22/23.

TOP EMERGING RISKS

Global Macroeconomic Risk

Geopolitical risks associated with global military conflicts, lockdowns in China, supply-chain disruptions, and the risk of stagflation are downward risk drivers to growth in 2022. Persistently high inflation levels create significant uncertainty to the global recovery and will contribute to significant market volatility. Moreover, there are also uncertainties about the effectiveness of policy actions, limitations in fiscal capacities of different countries and rising debt.

Health Risk

The spread of the COVID-19 virus – an infectious disease that causes respiratory illness – has somewhat lessened even with the spread of the Omicron variant. Low-income countries continue to face the highest risks of procuring and distributing vaccines driven by low to moderate access and skepticism. While the severity of the virus has reduced over time there is the risk that new and more severe strains can emerge. However this should be mitigated to some extent by more widespread distribution of vaccines as well as natural immunity developing over time.

Climate Risk

Climate change and the risks associated with responding to this environmental challenge are serious and continue to gain global attention. The risks are not solely physical, financial or restricted to geography or industries. Given the growing concerns, the methods to assess and mitigate the impact of climate risks have been gaining momentum in the global financial sector. As a hurricane prone region the Caribbean will likely feel the impact of climate change first hand through more frequent and/or more severe storms as well as potential disruptions to normal weather patterns that could lead to more frequent flooding and droughts. The National Oceanic and Atmospheric Administration predicts that the 2022 Atlantic hurricane season will likely have 14 - 21 named storms.

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 of Fintech, amidst the government's financial inclusion strategy, the risk exposure to the financial system continues to be a concern for corporations and governments.

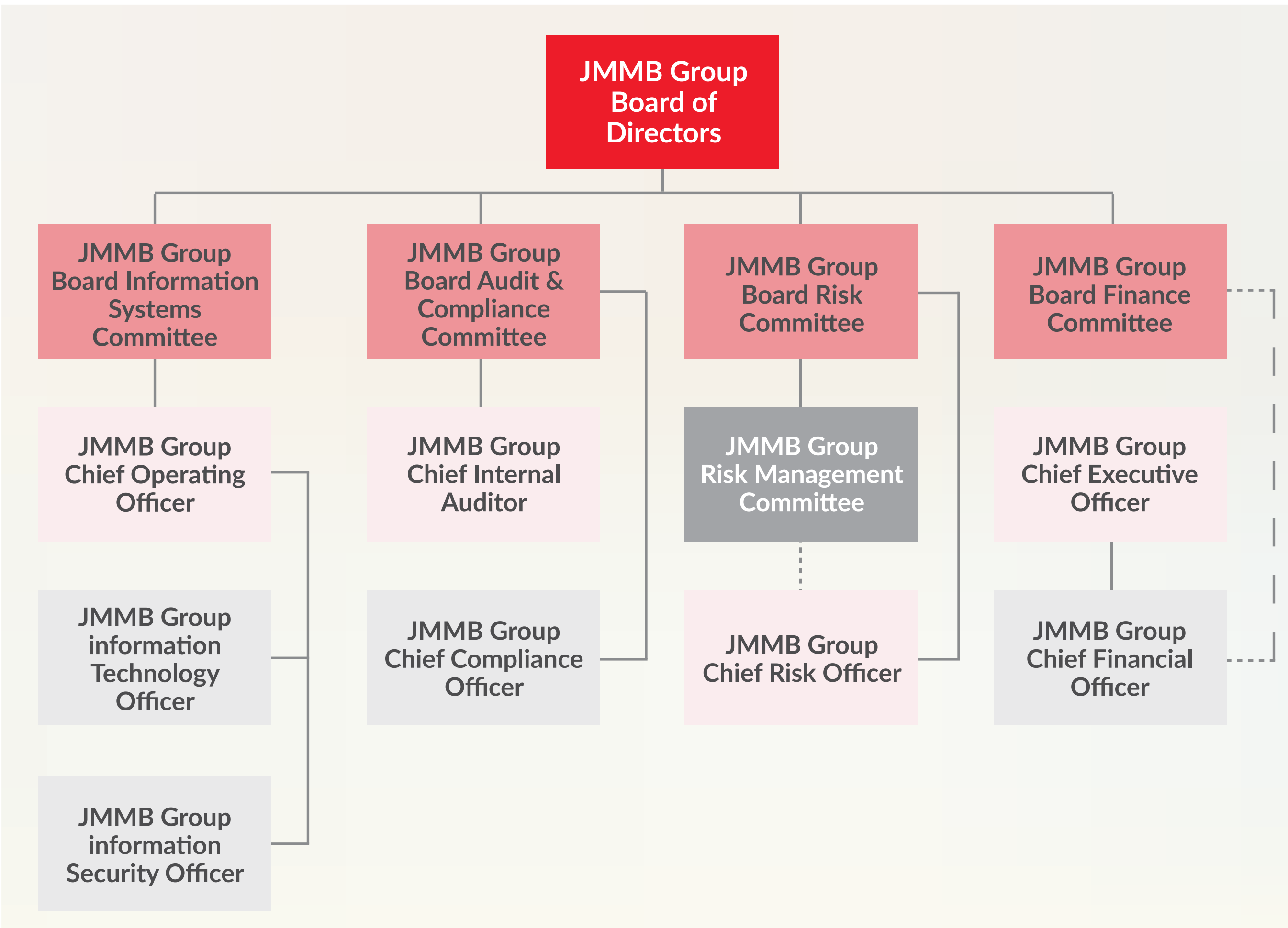
The JMMB Group continues to adjust its financial and investment profile and actively manage its risk exposures to position itself to take advantage of market opportunities and ensure resilience even if significant adverse market conditions should develop in global markets or in any of the jurisdictions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

RISK GOVERNANCE FRAMEWORK: SAFEGUARDING STAKEHOLDERS' INTEREST

Our unique value proposition remains at the core of all our undertakings at the JMMB Group.

The Board of Directors of the JMMB Group determines the overall level of acceptable risk, with active oversight provided by the BRC that approves and monitors the supporting risk tolerances. Thus, the BRC 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: RISK MANAGEMENT HIERARCHY



This governance structure ensures that the JMMB Group invariably takes proactive measures to safeguard the best interest of all our stakeholders. The Board Committees provide independent oversight of the key control functions with the Group's executive management team having the direct responsibility for day-to-day execution of the control framework. This is within the context of a robust capital and risk management framework whereby the risk universe is accurately identified; material risk factors are 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 Board of Directors (BOD) after being reviewed, approved and recommended by the JMMB Group Board Risk Committee (BRC). This also occurs in the context of the ICAAP process where strategy is assessed on an annual basis and the capital requirements necessary for maintaining an acceptable risk profile are determined. This is a central key component of the organization's strategy for managing risk to create value.

RISK MANAGEMENT DEFENSE

On an annual basis, the JMMB Group conducts 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.

RISK APPETITE

The Group's approach to risk management is to identify and measure all material risks within the Group and to ensure a suitable framework is in place to manage these risks within acceptable parameters. While the Group Board has overall responsibility for the Group-wide risk management framework, the respective subsidiary Boards of directors have responsibility to ensure the risk framework is appropriate for their organization.

The Group Risk unit monitors the risk exposures across the Group's portfolios on an ongoing basis and provides support to the subsidiaries' Investment/Treasury Departments and business decision makers regarding strategic business decisions and material transactions.

The Boards of banking subsidiaries have an Audit Committee and a Credit Committee. Banking subsidiaries also have, at the management level, an Asset and Liability Committee ("ALCO") and Management Credit Committee, which normally have representation from Group management.

Risk appetite statements were developed by the Group Board to guide management as to acceptable actions and levels of exposure that can be taken in the context of the Board approved strategies. The overarching risk tolerance metrics set by the Group Board relate to:

- Capital
- Asset Quality/Credit Risk
- Concentration of Assets and Liabilities
- Market Risks
- Funding and Liquidity Risk
- Policy Stress Tests

Risk reports are presented to the Group and subsidiary Boards with more detailed reporting to relevant management committees. Where necessary, a report addressing substantive changes to market/economic conditions is prepared to highlight the potential impact of market developments along with suggested actions.

THE JMMB GROUP RISK POLICY OVERVIEW

JMMB Group's risk policy, together with other supporting policies for the different areas of risk, formally outlines the risk management approach of the overall Group. The process for review and updating of the group risk and other policies are as follows:

- management review and update
- review by relevant board sub-committee for recommendation of approval to group board
- review and final approval by group board.

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 risks.

These principal 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.

The framework identifies the methodologies to be used to identify, quantify and manage risk utilizing international best practice and in addition outlines an enterprise-wide risk management process that supports the effective identification and management of risk.

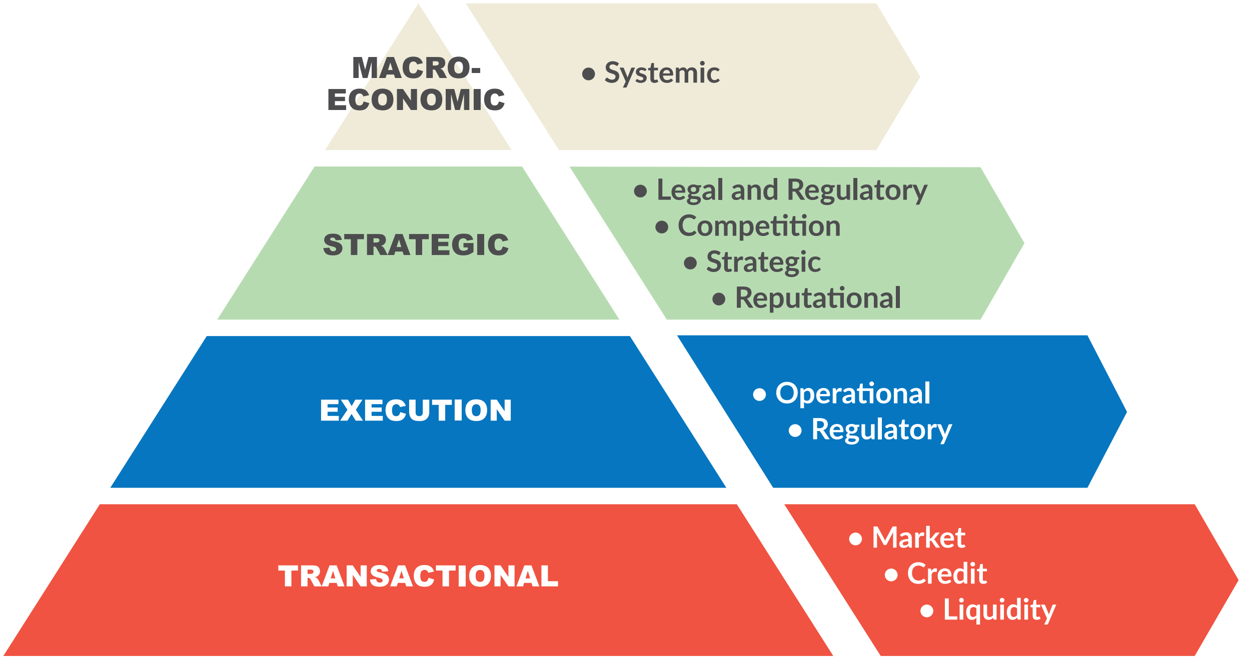
RISK MANAGEMENT PRINCIPLES AND CULTURE

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

- There is full Board ownership of risk governance and this oversight responsibility is enhanced by the specific focus of a BRC.
- There is a vibrant risk management culture embedded in the organisation inclusive of the Board, Senior Management, Team Leaders and all Team Members throughout the entities in the Group. They are all 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.
- 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.
- Risks undertaken are within the Group's risk appetite and there are effective, dynamic and adaptive processes for the ongoing identification, measurement and management of material risk exposures.
- All entities within the Group are adequately capitalised to protect against the effects of major shocks.
- Data quality is continuously monitored in order to achieve timeliness, transparency, accuracy, completeness and relevance of reporting.
- The operating environment for each jurisdiction is taken into consideration and risk management techniques are tailored to adequately support each entity.
- All entities within the Group comply with the regulatory requirements of the jurisdictions in which they operate.

RISK MEASUREMENT, CONTROL AND REPORTING

The assessment of the material risk exposures includes both quantitative and qualitative approaches, thus ensuring an 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) credit and concentration risk; II) market risk; III) liquidity risk; IV) operational risk; V) Legal, Regulatory and Compliance risk; VI) Reputational; and VII) Capital Adequacy.

TOOLS USED TO MEASURE AND MANAGE RISK

The management of risks will be executed in the context of the overall framework for the Group as follows:

I. CREDIT AND CONCENTRATION RISK

Using internally developed quantitative and qualitative models, fundamental research, and where practicable, use of third-party research, we assign ratings and determine exposure limits to counterparties arising from lending, investment and funding activities. The strategy for the commercial banking entities is to facilitate continued growth in the portfolio while maintaining prudent underwriting strategies which will be achieved by ensuring robust evaluation of the credit worthiness of clients. The Credit Risk department provides direct oversight of credit exposures, including management of the credit portfolio, adjudicates on proposed exposures, reviews exposure limits against regulatory and internal requirements and manages remediation/recovery of past due exposures. Independent Credit Administration functions reinforce separation of duties and enhance controls.

II. MARKET RISK

Market risk exposures are managed using a combination of approaches. For loan portfolios, the use of variable rate pricing limits the potential exposure to movements in interest rates. Repricing gaps are utilised to manage overall interest rate exposures. Value at Risk (VaR) and stress testing assessments are conducted on the investment portfolios to ensure any potential impact is identified and managed.

III. LIQUIDITY RISK

The liquidity profile is assessed in detail as part of the review by the Asset and Liability Committee (ALCO) on a monthly basis to determine the potential liquidity needs in light of market conditions. Liquidity stress tests are also conducted to determine if obligations can be met in predefined adverse scenarios, and potential response plans are in place to ensure that obligations can be reasonably expected to be serviced under any plausible scenario. Key liquidity metrics including 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 liquidity levels are adjusted according to evaluations of market and internal liquidity conditions.

IV. OPERATIONAL RISK

Policies, procedures and compliance activities are in place to manage the operational risk inherent throughout the Group. Recruitment and training of competent staff, segregation of duties and independent checks are employed to reduce the possibility of errors or inappropriate actions. An important part of managing operational risks is a robust business continuity plan ("BCP"). The 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 internal audit framework provides independent verification of the robustness of the overall control framework and facilitates continuous improvement as issues are identified or circumstances change. The Group Board Audit & Compliance Committee maintains strategic oversight of the entity's control environment through the review of internal audit and operational risk reports.

V. LEGAL, REGULATORY AND COMPLIANCE RISK

The Compliance Department is charged with overseeing the Anti-Money Laundering/ Counter-Financing of Terrorism and Proceeds of Crime Act framework and supporting entities in the execution of functions in this regard. The Compliance function conducts reviews and assesses controls; conformance with policies and procedures; and submits monthly compliance reports to the Board. Where there is the potential for any breach, this is promptly escalated to all relevant parties and to the Board with an appropriate explanation and remediation plan.

VI. REPUTATIONAL RISK

There is a low tolerance for reputational risk, and it is a key consideration in all activities that the Group undertakes. Policies are developed to reduce any business activity that would damage the Group's reputation and staff members are strongly encouraged through a Staff Code of Conduct and directives from management to act in a manner that reflects positively on the institution and adheres to the JMMB Group's standards.

VII. CAPITAL ADEQUACY

On an annual basis, the JMMB Group institutes an Internal Capital Adequacy Assessment Process (ICAAP) process 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 environment.

Where the assessments suggest that a subsidiary could require additional capital to support the projected growth or in the event of very adverse market developments, this is reviewed by the BRC and the Board of Directors of the subsidiary and appropriate capital plans articulated. If both agree that additional capital is potentially required, it is then referred to the Group Board for consideration.

Capital will be maintained above the minimum levels needed to support the financial profile, given the Group's desire to ensure the financial stability of all entities under all plausible circumstances.

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. This includes compliance with risk limits, and reflect management's strategies and tactics while ensuring compliance with the Board's expressed risk tolerance.

APPENDIX: RELEVANT REGULATION FY 21/22

COUNTRY	REGULATION
JAMAICA	The Bank of Jamaica (BoJ) circulated its consultation paper on the Implementation of the Basel III Framework for review and feedback from the industry in early 2021. The industry continues to work with the BOJ on the review and implementation of the framework.
	The Retail Repo Mismatch Ratio (RRMR) has been deferred to September 2020. The securities dealers continue to work with the Financial Services Commission (FSC) on the review of this metric.
	The FSC circulated a consultation paper on a proposed Liquidity Assets Coverage Ratio (LACR) framework for securities dealers in December 2021. Further consultation between the industry and the FSC will occur on this metric during the course of the year.
TRINIDAD AND TOBAGO	As a part of the ongoing Basel II/III implementation initiative, the Financial Institutions (Capital Adequacy) Regulations became effective in May 2020 to update the way capital adequacy is calculated and reported. The full Basel II/III implementation was postponed to 2022. During the year, the Central Bank also finalized the Guidelines on the Management of Liquidity Risk for Institutions Licensed under the Financial Institutions Act, 2008.
	The Trinidad and Tobago Securities and Exchange Commission (TTSEC) circulated a consultation paper on its proposed Capital Adequacy Framework and Liquidity Requirements for review and feedback from the securities industry in 2022.

2007

JMMB opens JMMB Puesto de Bolsa, S.A. in the Dominican Republic. Our first Spanish Speaking Subsidiary.

ENVIRONMENTAL SUSTAINABILITY REPORT

The JMMB Group's (the Group/JMMB) commitment to sustainable development is driven by our core values of love, care, integrity, honesty and openness, and is embedded in our Vision of Love as follows:

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

Each JMMB Group Board of Directors understands in carrying out its responsibilities, that it has a role to play in Environmental, Social and Governance (hereinafter termed "ESG") matters. ESG is therefore included in JMMB's business strategies, and in its Corporate Social Responsibility strategies. We have invested in deliberate and focused actions to enhance the Group's efforts to promote our sound and equitable growth, while seeking to support and strengthen the communities in which we operate, and deliver long-term sustainable value to all our clients, team members and stakeholders.

With this in mind, during the last fiscal year, the JMMB Group ensured that sustainability was a key feature of its strategic planning process. Our key initiatives were aligned with and supported by ongoing work with the International Development Bank (IDB) with whom the Group partnered, to provide financing to the SME segment. This focus on SME support services and financing, and ESG screening of key clients and investors, is a common theme across the Group.

During the 2022/23 fiscal year, we intend to build on our sustainability strategy, by implementing a formal ESG framework geared at enhancing and complementing our existing lending and investment policies, governance guidelines and business practices to better safeguard the environment, manage sustainability challenges and promote responsible growth based on an ethical client base and supply chain across our core business lines.

We believe this framework is essential to ensuring that the Group actively supports its clients and the communities within which we operate, while ensuring we do not knowingly support projects or business activities undertaken by our clients and third parties that unnecessarily harm the environment or vulnerable communities or contribute to poverty or social inequality. We further believe that this framework will ensure that environmental and social risks are identified and assessed at the earliest possible stage and effectively avoided, mitigated, or managed over the duration of such potential exposure.

Over the next three to five years, our target is to strengthen our ESG framework, to continue building on our sustainability strategy so that we empower our clients and communities to become more resilient, and to ensure continuous training and engagement opportunities for our team members in sustainability practices, environmental stewardship and responsibility.

As part of our sustainability strategy, our actions over the past year included:

JAMAICA

WATER CONSERVATION - RAIN WATER HARVESTING AND IRRIGATION SYSTEM

We increased our rainwater harvesting capacity by 4,000 gallons during the FY bringing our total capacity to 11,000 gallons. This is used for irrigation of our green spaces at our Phoenix Avenue and Portmore locations.

We expect to continue increasing our capacity in the next FY as we build out more infrastructure to support this initiative.

REDUCTION OF ENERGY CONSUMPTION & SUBSEQUENT CARBON EMISSIONS

The JMMB Group continues to utilize alternative energy solutions, namely Solar Photovoltaic (PV) systems to power some of our facilities in order to simultaneously reduce our carbon emissions and dependence on the electrical grid.

JMMB LOCATIONS UTILISING SOLAR POWER

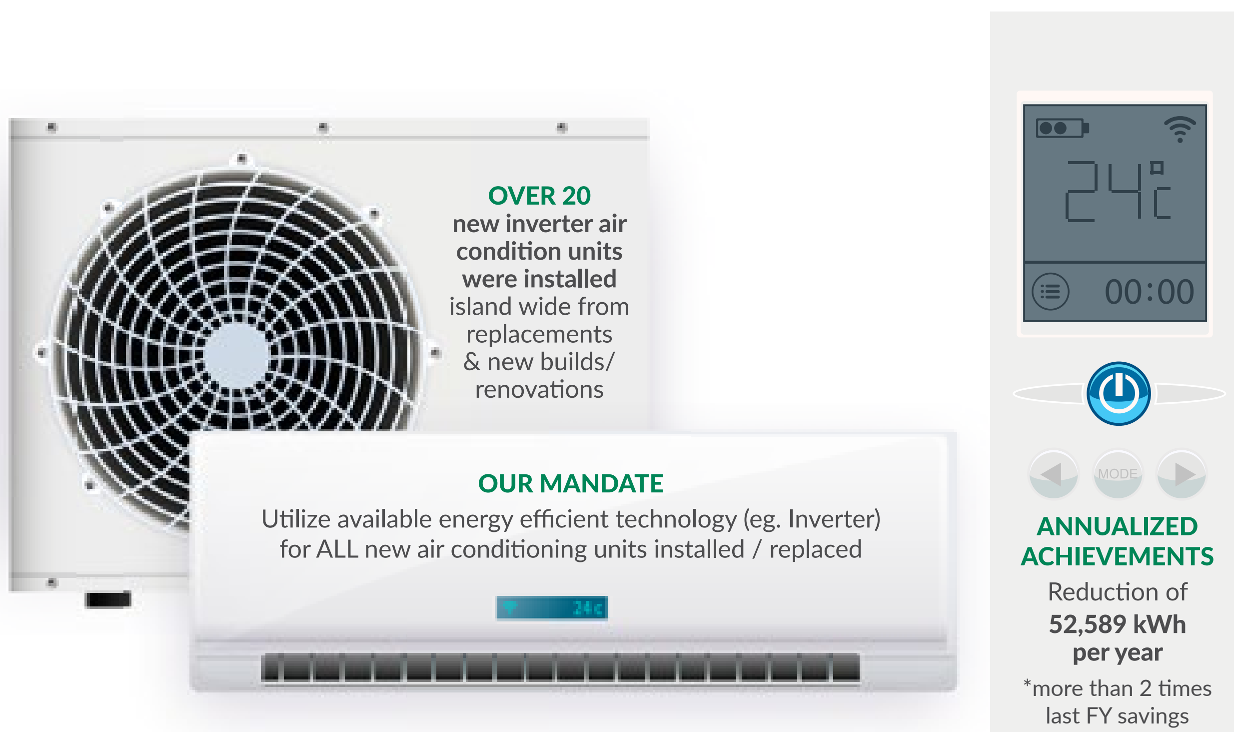
LOCATIONS WITH SOLAR	TOTAL SIZE OF SYSTEMS	TOTAL ENERGY SAVINGS	TOTAL DOLLAR VALUE SAVINGS	TOTAL CARBON EMISSION SAVINGS
Haughton Terrace Branch, Phoenix Ave Centre, Portmore Branch	70 kWp	20%	$3.5 Million	Over 1,349,112 kg per year

We will be rolling out three (3) additional PV systems for the next FY across portfolio of buildings.

INSTALLATION OF LED LIGHTS

All of our locations have been outfitted with LED lighting and we continue to utilize these in all new builds completed within the FY. Additionally, as we replace LED fixtures via routine maintenance activities, we typically replace these with more efficient ones as the technology advances year to year.

We continue to pair our lighting with occupancy sensors to reduce use of light as well as our air condition units in unoccupied areas. Our extractor fans inside our restrooms are also paired with the lighting and occupancy sensors, thereby reducing energy usage when these spaces are unoccupied.



RENEWABLE ENERGY LOANS

We continue to make the JMMB Bank's renewable energy loan product available to our clients to combat the rise in oil prices and dependence on the electrical grid. This in turn lowers the overall environmental impact on each household or business that makes use of this product.

Up to 100 % financing @ 8% interest to purchase and implement renewable energy system.

JMMB Bank has partnered with energy providers as well as developers in order to further our sustainability agenda and reduce the overall environmental impact of households and businesses across the island. We continue to seek opportunities to increase our partnerships in this area.

Over $4.7 M worth of renewable loans issued this FY and we endeavour to continue to increase this figure year over year.

WASTE REDUCTION & RECYCLING

Recycling initiatives:

PLASTIC BOTTLES

We have partnered with Jamaica Recycling Partners to jump start our plastic bottle recycling initiative. We currently have (2) two main collection cages installed at our Phoenix Ave location and have begun collecting plastic waste generated at our Head Office and Phoenix Ave properties. We will be rolling out our campaign to include more locations in the upcoming FY

RECYCLING AREA

COMPOSTING

We recently completed the infrastructure for our composting area also at our Phoenix Ave location. and have begun the collection of waste generated by our canteen, kitchenettes as well as green cuttings from our landscaping activities. We will re-use the generated compost to fertilize plants in our green areas thereby reducing the need for chemical fertilizers.

PAPER

We continue to partner with a company that offers onsite shredding to destroy paper generated from our operations. This by-product is saved from ending up in landfills as it is later recycled and thereby reduces the potential environmental impact of our business operations.

REDUCTION INITIATIVES

PAPER USAGE AND PRINTING

As our online service delivery channels expand and our ATMs are upgraded across the island, we have further reduced our paper usage. We aim to continue finding more innovative ways to reduce our paper dependence as we continue to expand our digital footprint.

EMISSIONS FROM OFFICE COMMUTE

Work from home (WFH) arrangement continues to be a part of our company's long term strategy and as a result we continue to reap environmentally friendly benefits in terms of reductions in carbon emissions as fewer persons commute to the office on a daily basis. This also leads to a reduction in overall office energy usage.

SUPPORTING ENVIRONMENTAL SUSTAINABILITY INITIATIVES WITHIN THE COMMUNITY

Due to the continued COVID-19 gathering restrictions this FY, our usual involvement in the wider community as a part of our annual Labour Day initiative - such as coastal cleanup and tree planting activities - was once again impeded. However, we continued to encourage JMMB team members to create and or nurture/expand green spaces at home.

TRINIDAD AND TOBAGO

The JMMB Trinidad and Tobago entities remain focused on building its ESG framework. During the 2021/22 Fiscal Year, CSR was enshrined as a pillar of the TT operations, and under this umbrella, the team worked to facilitate and support environmental developmental projects and initiatives. One main initiative was the partnering with Environment Tobago and the launch of their Sustainable Studies in Action (SSIA) that seeks to expand in the school curriculum, topics associated with agroforestry, environmental awareness, climate action and sustainable development goals. The programme started with 7 secondary schools, and serves to revisit how important the education system is in this push for economic and social survival.

JMMB Trinidad and Tobago also set about reducing its carbon footprint. Key initiatives included:

1. Reduction in printed committee presentations, switching to digital papers to reduce paper usage.
2. Reducing paper storage by utilizing cloud storage for certain documents at JMMB Express Finance (T&T) Limited.
3. As part of a wider Group initiative, exploring digital onboarding to reduce the use of paper in account openings at JMMB Bank (T&T) Limited.
4. Engaging a local recycling company to assist with paper recycling from the Organizations archiving management.
5. Review of building energy usage, ensuring regular maintenance of LED lighting fixtures and managing the culture around energy conservation by conserving electricity outside of working hours.

STRATEGIC LENDING FOCUS:

JMMB Bank (T&T) Limited continues to focus through our Small and Medium Enterprise lending program, our openness to companies focusing on ESG and environmental conservatism.

DOMINICAN REPUBLIC

In August 2021, JMMB DR launched the JMMB Sustainable Energy Fund "JMMB FES", a US$60,000,000 total size publicly issued Fund aimed at professional investors. The Fund's primary objectives are investing in equity/debt projects in the Dominican Republic that have an impact in the country's transformation to a more sustainable energy mix. The main projects in the Fund are the following:

PROJECT VILLARPANDO (AZUA, DOMINICAN REPUBLIC)

Type: Solar Photovoltaic
Size: 120MWp
Status: Under Construction
Project Investment: ~US$105MM
Capital Structure: 70/30 (Debt/Equity)
Expected Lender: PROPARCO
FES Investment: ~US$12.5MM Equity
Social Impact: 2,000 indirect+direct jobs, 117,700 tons CO2 reduction per year

PROJECT COTOPERÍ I, II & III (LA ROMANA, DOMINICAN REPUBLIC)

Type: Solar Photovoltaic
Size: 162MWp
Status: Initial Development
Project Investment: ~US$142MM
Capital Structure: 70/30 (Debt/Equity)
Expected Lender: TBD
Fund Investment: ~US$11MM Equity
Social Impact: 2,500 indirect+direct jobs, 150,000 tons CO2 reduction per year

GROUP CHANGE SUPPORT SERVICES AND INFORMATION TECHNOLOGY

Financial year 2021/22 saw the Group's Change Support Services and Information Technology teams maintain their focus on standardizing and improving core enabling systems and technology as well as expanding digital capabilities and channels, all with a view to augmenting clients' experiences while supporting the Group's current pace of growth and preparing it for future organic and inorganic expansion. The teams' continued work to transform their execution approach yielded much success during the year, as they were able to deliver key projects, internal and client facing process improvements as well as successfully restructuring to meet critical resource and functional needs.

DRIVING EXECUTION, INNOVATION, ACCESSIBILITY AND SUSTAINABILITY

The Change Support Services Team, utilising its two-pronged execution disciplined approach, was able to deliver substantial wins for clients and the Group while supporting the advancement of the Group's digital exploratory and development portfolio during the year. These wins include the execution of twenty-eight projects, seven (7) of which were major projects while twenty-one (21) focused on improving critical internal and client-facing processes.

The process improvement initiatives aimed to deliver incremental improvements for business lines and key functions, drive efficiency, enhance clients' experiences and meet regulatory requirements. The major projects completed during the year were essential to enabling the Group to successfully execute its diversification strategy as they directly supported the:

- Embedding of Visa Debit card services across the Group
- Upgrade of the Group's Jamaican based remittance business line's core enabling technology platform
- Improved management of clients' investment portfolios
- Continued build-out of the Group's Integrated Branch network

Through the Group's innovation lab partnership with Innovate 10X, the team was able to drive exploratory and development work on key initiatives which are expected to deliver efficiencies for key business lines and further differentiate clients' experiences and solutions across the Group in the coming financial year. Through this execution approach, the Change Support Team was able to commence work on projects aimed at:

- Digitising the Group's proprietary financial partnership conversation model
- Digitising the Group's client goal creation process
- Managing in-branch wait time and activity digitally
- Delivering quick internal process wins for key business lines

The Group's Information Technology Team, noting the continued changes to local operating environments and the global financial services sector brought on by the onset of COVID-19 pandemic and a consequent heavy reliance on technology platforms to start, support and maintain client relationships and key business activity has maintained its focus on supporting the Group's sustainability as well as the maintenance and build-out of core client access capabilities. This specifically included initiatives aimed at enhancing the Group's system recovery capabilities as well as improving system availability and accessibility for the Group's digital channels. The team thus brought its expertise to bear on the development, execution, and management of the Group's digital services projects portfolio as well as the Group's client care center capability upgrade initiatives during the year. Noting the risks and challenges associated with a heavier reliance on technology platforms and systems to enable client partnership, the team undertook a series of initiatives aimed at enhancing the Group's system recovery capabilities in the event of unforeseen incidents which could impact client access. They thus sought to bolster service reliability, system availability, disaster recovery and data security.

In striving to improve efficiency in delivery and execution and meeting ongoing and evolving business needs, the Information Technology Team undertook a Group Information Technology restructuring exercise during the year. This exercise created and implemented a structure which will streamline activities within departments across the team and span the Group. The team was also able to introduce key roles to address pre-existing resource and functional gaps within the department. It is intended that this re-structuring will support the Group's objective of leveraging centers of excellence towards better implementation and management, ultimately yielding efficiencies for the Group in the coming years.

LOOKING AHEAD: IMPROVING EFFICIENCY WHILE EXPANDING STANDARDIZED SPACE

The work undertaken by the Change Support and Information Technology Teams to implement critical business capabilities, standardize core technology, systems and functions as well as to support the sustainability of the Group over the last two years will continue in earnest in the coming year.

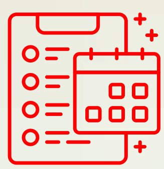
This work has set the Group up to better deliver more efficient operations across business lines and territories and lays a solid foundation for its continued organic and inorganic expansion. Focus in the coming year will thus include:

- The execution of projects aimed at innovating loan origination and management for the Group's Banking business line.

- The execution of a suite of prepaid card solutions for the Group's remittance and banking business line.

- Continued upgrades to core enabling technology of key business lines, online banking and card management services.

- Key system/functionality upgrades to support regulatory compliance in the Group's operating territories.



- Supporting the Group's remote working program via the continuous improvement of infrastructure, and video conferencing capabilities as well as specific initiatives aimed at ensuring that data security and controls continue to work effectively for the organization. These initiatives will also set the stage for the Group's compliance with the Data Protection Act of 2020 in Jamaica.

DIGITAL SERVICES REPORT

In keeping with our Client First mantra of placing our clients' needs at the center of any development and design, our objective is to provide our clients with the ability to interact with us digitally during their entire client journey by FY 2024/2025.

With this in mind, efficient processing of client transactions and interactions is a must. In order for clients to have faster response times from our systems, specifically Moneyline, our team completed modifications to our core systems which streamlined communication and processing between systems. This coupled with our continuous process improvements led to improvement in online transaction processing.

Cash continues to be an important part of our clients' day-to-day lives. Our smart ATM rollout in both Jamaica and Trinidad gave our clients the convenience of making cash deposits in both local and US currencies which are reflected and available across all channels in real time. The convenience of real time deposits also applies to clients depositing cheques via the ATMs (relevant hold periods apply). Additionally, JMMB is the first institution in the region to enable the contactless (tap) feature at the ATM for greater convenience.

During FY2021/22 our card transactions in Jamaica grew by 62% while we saw a 40% increase in Trinidad. Across the region there has been an over 50% increase in the use of tap to transact for face-to-face payment transactions. We upgraded our Visa Debit cards in Trinidad to give our clients the convenience of using tap for their face-to-face payments thus providing faster check-out times. The upgrade of these cards also gave the additional security benefit of EMV/ chip and pin. We also improved the security of card transactions by providing our clients with transaction alerts via email and text messages in both Trinidad and Jamaica.

Payments are an important part of our clients' journey and facilitating this is key to our plans of enabling a full digital journey by FY 2024/2025. This led JMMB Bank Jamaica to enter into a strategic partnership with Norbrook Transaction Services to provide payment solutions including the JMMB ePAY Meals Card, which was launched in FY 2021/22. This product provides a digital platform for employers to provide meal subsidies or benefits to employees. The JMMB ePAY Meal Card provides convenient access to employer provided meal benefits through a card, mobile application or website. Importantly it provides a vehicle for the acquisition of new retail, SME and Corporate clients supporting deposit growth in our banking business line. It also creates an opportunity for further diversification of revenues through fee income in a way that is aligned to our fee philosophy and who we are as an organization.

In the coming year, we plan to expand our digital offerings in the Dominica Republic.

MARKETING REPORT

The 2021-22 JMMB Group marketing strategy was focused on:

- Strengthening the brand;
- Support revenue growth; and
- Deepening client insights.

The outcome of this strategy proved very successful, as the JMMB brand continued to enjoy both strong brand awareness and brand sentiment, during a time when clients required greater sympathy and a sense of partnership, from their financial institutions.

The major marketing initiatives that the Group embarked on, in the countries within which we have operations, were as follows:

JAMAICA

The marketing function in Jamaica continued its ongoing thrust to fulfill its strategic mandates of building the brand and driving growth. Still operating within the confines of a pandemic, the function maintained its pivoting from more traditional engagement activities, to further leverage digital and online strategies that were not only effective, but also extremely cost-efficient. Such activities included:

- Financial education webinars;
- The annual financial empowerment event turned online, 'JMMB Elevate';
- Social media marketing;
- Campaigns that promoted some of our value-added products and services; and
- Client insight-based research and analyses.

These marketing strategies, coupled with the JMMB brand's unique positioning centred on love, have caused it to continue to enjoy strong awareness and equity among our target segments across the country.

TRINIDAD & TOBAGO

In Trinidad and Tobago, we hinged our efforts on three strategic pillars: to increase brand awareness among various target markets; differentiate the JMMB brand on exceptional client partnership and care; and driving new business growth.

Major activities that were implemented included:

- A webinar series for small and medium-sized enterprises (SMEs), which provided comprehensive information on the available financial solutions to support the business and financial life cycles of SMEs;
- Promoting financial solutions (such as secured and unsecured credit facilities) that helped to best position clients who needed added financial support, during a very challenging time;
- Educational financial content distributed across digital/online and traditional communication channels; and
- Storytelling messages that highlighted our superior client experiences.

DOMINICAN REPUBLIC

The pandemic brought many challenges, pushing us to reinvent ourselves, adapt and look for creative ways to partner with our clients on their financial journey. This gave us the opportunity to transition more marketing activities to the digital/online channels, with the communication objective of positioning JMMB as an expert financial partner, with a suite of comprehensive financial solutions that can help our clients to achieve their financial goals and dreams. To this end:

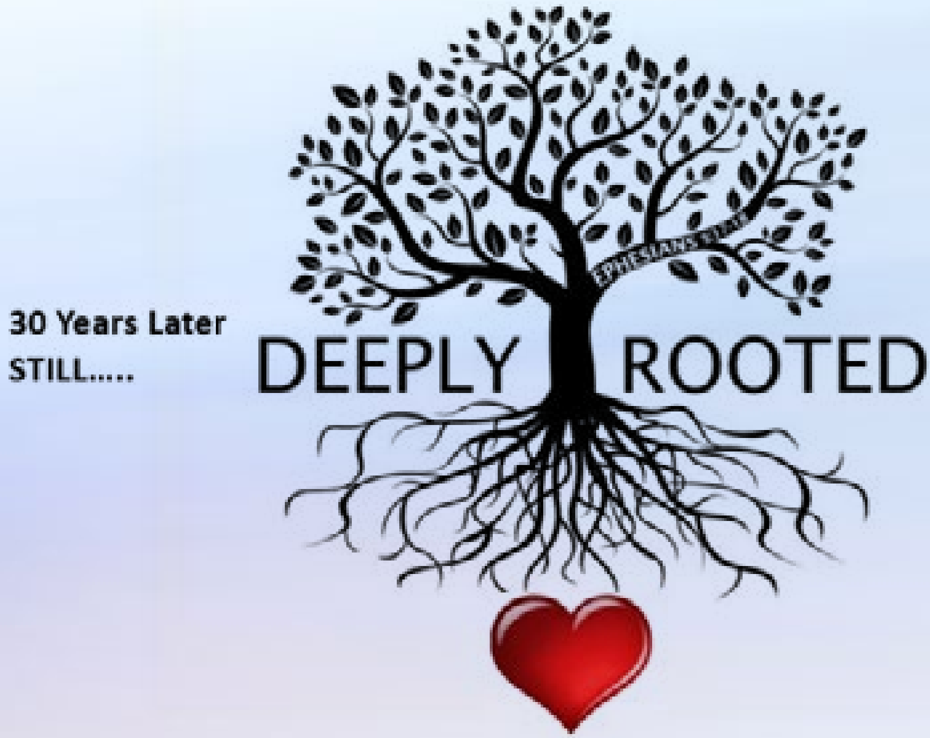
KEY HIGHLIGHTS

- An all-media marketing campaign, themed “Enamorate de tu camino” (*Fall in love with the journey*) was launched;
- A complementary “Billboards of Change” initiative was also launched, turning people into investors, by monetizing their walls/storefronts as billboards, painted by local artists;
- Financial education online, social media and the company website;
- Strategic sponsorships and public relations activities; and
- The introduction of new financial solutions, such as, tailored loans and the JMMB Sustainable Energy Fund.


ENAMÓRATE
DE TU
CAMINO
BEER
JMMB
GRUPO FINANCIERO
Convertimos a personas y
negocios en inversionistas a través
de murales con nuestra campaña:
#EnamórateDeTuCamino


¡POR ESE
HOGAR QUE
ESPERAS!
PARA QUE COMPRES LA CASA
QUE SUEÑAS EN PLANOS.
Préstamos Prehipotecarios, a tu medida.
JMMB Bank

GROUP CULTURE AND HUMAN DEVELOPMENT



I would like to contribute to the good of all persons with whom I come in contact, and to achieve complete harmony with the Holy Spirit.

I will do so by focusing on, and endeavouring to realize the good for all persons concerned, which can be derived from every situation with which I am presented.

Joan Duncan's Mission Statement

In 1992, Joan Duncan had the dream of starting a company where any Jamaican could walk in off the street, take a few hundred dollars from their pocket, and invest it. When they did, they would be greeted by team members who, motivated by love and truly having their best interest at heart, treated them with respect. Her dream also encompassed the creation of a different sort of workplace from the traditional organisations she had encountered in the Jamaican business world. She wished to begin a company that would be focused on unconditional love. A company where team members would work in a fun-loving atmosphere in which there would be a commitment to innovation and creativity, to integrity and responsibility and to the opportunity for each member of the team to learn and grow.

30 years later, love is the root that continues to help us grow and it is still the mission of JMMB to help everyone to experience love and to realise the greatness in themselves, their families and their communities. In serving our clients, our goal is to maximise client satisfaction through exceptional client care and world-class financial expertise. The JMMB Group fosters a family environment through our people policies, cultural activities, and learning and development opportunities that support team members to realise the greatness within themselves and to manifest the **Vision of Love**.

THE JMMB GROUP FOCUSES ON:

Throughout our 30 years in business, the depth and solidity of our roots were tested. The past year proved to be no different with the significant challenges faced from the continuing crisis caused by the novel Coronavirus (COVID-19) outbreak. JMMB continues to keep our team members' best interest at heart and supporting them in realizing their full potential consistent with our Family Success Model. The results of our last Group-wide Team Member Satisfaction and Engagement Survey had a team member participation rate of 94.73% and provided invaluable feedback.

WITH AN ENGAGEMENT LEVEL OF 80%, OUR ROOTS ARE WELL ESTABLISHED AS THESE SURVEY RESULTS REFLECTED:

01 I practice the values of the company — 89%

02 I am proud to tell others I work at JMMB — 88%

03 My direct Team Leader encourages teamwork — 88%

04 My direct Team Leader is honest and ethical in his/her business practices — 88%

05 My direct Team Leader is approachable, easy to talk with — 87%

06 Taking everything into account, I would say this is a great place to work — 81%

ENGAGEMENT LEVEL 80%

TEAM RESPONSE RATE 94.73%

OUR FAMILY SUCCESS MODEL

85%
My direct Team Leader delivers on his/her promises.

84%
My direct Team leader shows a sincere interest in me as a person, not just a team member.

Extraordinary Leadership

74%
Right People in the Right Role.
Right people in the right roles

83%
My work has special meaning: this is not "just a job".
Powerful, Happy, High Performing, Self Actualizing Individuals

76%
There is a high level of trust among my team members.
Genuine, Powerful, High Trust Relationships

79%
We're all in this together.
Happy, Cohesive, High Performing Teams

Engaged Clients
83%

Full expression of the Vision of Love

CHRONICLING THE YEAR 2021-2022

PASSION FOR SELFLESS SERVICE

The JMMB mission to help everyone to experience love and to realise the greatness in self and others, was demonstrated in our continued partnership for a healthy, safer world. Expert advice from medical professionals was facilitated to to guide Team Members in choosing the best course of action in the face of the pandemic. Our commitment to serve our clients and provide a safe environment for the communities in which we operate, was borne from our innate desire to serve.

HOLISTIC CARE

The emotional and mental strain brought on by the pandemic amid everyday life was responded to by an increase in access to our Employee Assistance Programmes (EAP), partnerships with qualified counsellors and gym instructors (holistic care) – remotely and on-site. The potential of our team is great, therefore we strive for balance in all aspects of our being.

EXTRAORDINARY LEADERSHIP

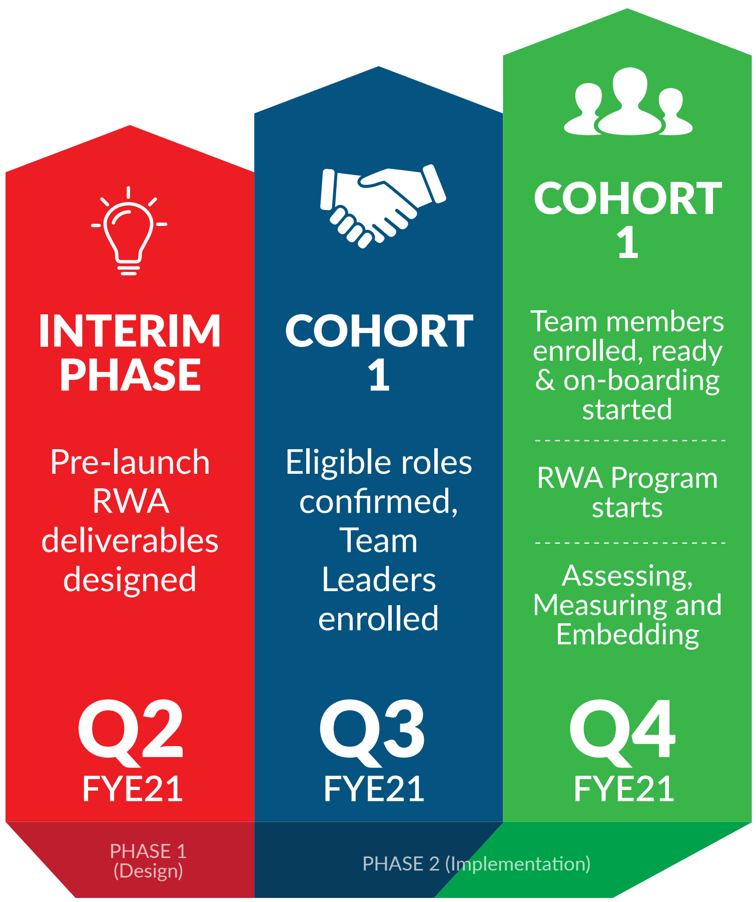
Our Team Leaders were empowered through the provision of tools and resources to address the needs of their teams and clients. This was made possible through various touchpoints and leadership training sessions throughout the year. To up-level the performance and results of the Organization and its team members, inside our changing Business/Operating Model we deepened the level of focus and intimacy with our clients. We increased collaboration and synergy across the Group in the best interest of all, delivering on the professional goals and dreams of our team members.

CULTURE & CONNECTIONS

We genuinely support and care for each other! Whether we are grieving the loss of a member of our Family, or celebrating the joys from the achievement of a personal or professional goal, love motivates us! Connected by our DNA of love, activities which were crafted, hosted, produced and executed brought us together. We built on the targeted strategic initiatives with features that kept us together, created by team members, delivered by team members and for the benefit of team members across the region. Regardless of the nature and status of the spaces from which we operated, engagement levels remained high.

FLEXIBLE WORK ARRANGEMENT

Data gathering and insightful analysis formed the baseline from which we optimized and embedded our Remote Work Arrangements with the requisite structures, tools and capabilities to ensure sustained success. With eighty-nine (89) team members registered formally in Cohort 1 of the Remote Work Arrangement (RWA) programme, great strides have been made and opportunities provided to eligible roles within the Group. Of our eligible team members, 84% have applied to the RWA programme.



ENROLMENT OF REMOTE WORK ARRANGEMENT (RWA) ELIGIBILE ROLES

84% REGISTERED

16% NOT REGISTERED

We are pleased that a robust model has been built – flexible, adaptable, caters to an integrated balanced life for team members and promotes a high productivity culture rooted in love. The engagement conversations have been vigorous; the wellness needs of the RWA team have been assessed and the options for benefits widened and customized.

TALENT MANAGEMENT

As we implemented the changes needed for growth, optimization projects were employed in a smooth manner with the resulting movements towards the achievement of our Family Success Model. We are pleased that a number of positions were filled from young talents who were provided with the occasion to experience the culture and shine in their areas of specialty. Our leadership restructuring acknowledged the deliberate development of our team members through training, combined with talent, culture fit and leadership to take our Group to the next and beyond.

Within the Group, intentional optimization of the business model, created expanded opportunities for sales focused team members with smart goals set up to achieve the desired deliverables. We worked with the teams, agreed on the short term and medium term efficiency numbers, strategically matched team members with the right fit, in the right roles, and created win-win outcomes with appealing incentives.

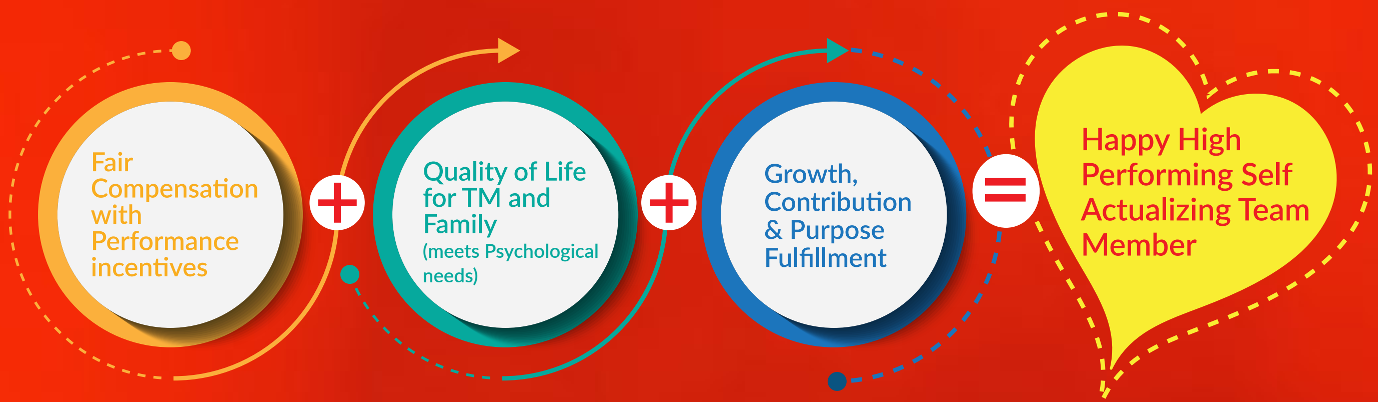
The impressive results of the financial year were achieved, purely and beautifully, through the energies of our passionate, committed and caring team members. They are the reason that regionally and internationally for this year, and for the past 30 years, in their personal and professional capacities, our values-based culture of LOVE sets us apart. It is because of them and their love, integrity, fun and togetherness, that we boldly rise to meet the challenges ahead, to identify and position our Group, clients and shareholders to achieve their life goals through genuine partnership while giving back to our communities.

OUR 30TH ANNIVERSARY FOCUS/VISION

Our Team Members, Teams & Team Leaders own the full expression of their purpose and JMMB's Vision of Love. We are moving to a higher level of expression and most importantly having FUN while doing so. We are on fire!

AS TEAM MEMBERS, TEAM LEADERS AND TEAMS, WE ARE:

LOVE FUELS OUR TEAM MEMEBER VALUE PROPOSITION THROUGH OUR "BEST INTEREST OF ALL" PHILOSOPHY



LOVE FUELS QUALITY OF LIFE FOR OUR TEAM THROUGH:

FLEXIBLE WORK ARRANGEMENTS

- Increased team member engagement through Integrated Lifestyle
- Achieving increased team member productivity
- Improved operational efficiency

TEAM SERVICES SUPPORT PROGRAMME

- Providing the tools to create and build Happy, Cohesive High Performing Teams
- Facilitating dialogue to achieve Genuine, Powerful, High Trust Relationships
- Empowering conversations with Team Leaders and Team Members to live on purpose, owning their productivity and results

TEAM MEMBER & TEAM LEADER WELLBEING PROGRAMME

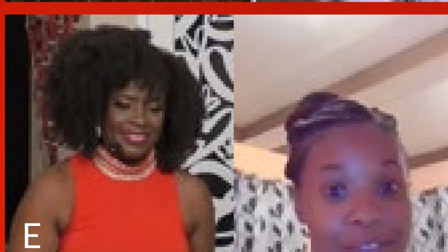
- Team Members enjoy unique benefits and are uniquely supported through their lifecycle
- Opportunities for Self-Care and services intentionally designed to meet their needs

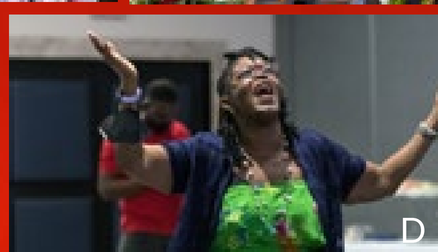
LOVE FUELS TEAM MEMBERS' GROWTH + CONTRIBUTION THROUGH:

1) **Center of Excellence Learning & Development pathways** – leveraging a whole new level of being within the organization where Team Members and Leaders are empowered to fulfil their purpose and set in a winning position for self, the organization and society in general

2) **Succession Planning & Career pathing** – Team Members are empowered towards growth and development in their passion and purpose within JMMB through our continuous learning environment and culture.

LOVE HAS FUELED OUR CLIENT EXPERIENCE FOR 30 YEARS





A. Doubles Day
B. Labour Day Initiatives
C. Nighttime Live School Challenge Quiz
D. Praise and Worship Thanksgiving Service
E. Online Vision Board with Felecia Williams

HOW OUR TEAM MEMBERS BENEFIT FROM OUR LOVE PHYLOSIPHY

- Our Team Members are cared for, respected and heard
- Our Team Members are passionate and live their dreams
- Our Team Members experience an open, honest and trusting environment
- Our Team Members have opportunities to express their creativity, opinions and ideas

HOW OUR CLIENTS BENEFIT FROM TEAM MEMBERS WHO FEEL VALUED

- Our clients are respected and heard and cared for
- Our clients benefit from fully engaged team members passionate about helping them accomplish their dreams
- Our clients benefit from a trusting environment with confident and open Team Members
- Our clients benefit from better decisions, more creative solutions and higher productivity

2012

Donna Duncan-Scott takes time to personally listens to the concerns of a visiting client.

OUR VISION OF LOVE

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 the 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.

A LEGACY OF CARING AND SUPPORT


30 JMMB
JMMB loan agreement with IDB to favour women-led businesses
JMMB BANK Jamaica has set aside one-fifth or $1 billion of a loan it recently signed off on with IDB Invest, as backing for small businesses led by women.
JMMB's agreement with IDB Invest, a member of the Inter-American Development Bank Group, is its first funding deal with the multilateral agency since it entered the commercial banking sector about four years ago. It's also the first time that IDB has approved a loan with a focus on gender in Jamaica, but the bank told the Financial Gleaner that it hopes to work with other financial institutions in Jamaica on similar developmental projects.
The US$35-million loan is repayable in five years. The rate
Jerome Smalling, CEO of JMMB Bank Jamaica Limited.
www.jamaica-gleaner.com | LIVING
JMMB extends financial lifeline to its retail clients, SMEs
WITH THOUSANDS set to experience the personal impact of a major economic fallout, due to the circumstances surrounding the coronavirus (COVID-19) crisis in Jamaica, The JMMB Group has responded by easing some of the weight of this financial burden on its most vulnerable clients.
JMMB introduces rewards programme for women
Digita Global partners with JMMB to drive digital transformation among SMEs
From left: Vincent Auld, senior SME Resource Centre officer, JMMB; Shari Duncan-Falconer, senior corporate manager, SME Resource Centre, JMMB; Kamal Brown, president and chief executive officer, DGM; and Thesya Chin-Fletcher, chief enabler, DGM at the Digita Global and JMMB MoU signing.
JMMB Bank adds US$20M to SME loan pool
CEO of JMMB Bank Jerome Smalling. FILE
Currently, women-led businesses account for 34 per cent of JMMB Bank's loan portfolio.
Prior to its partnership with FinDev, JMMB Bank signed an agreement with the IDB Invest in 2021 which allowed for the financial institution to lend 20 per cent of the funds, or a US$7 million loan, to women entrepreneurs.
FinDev's arrangement with JMMB Bank marks the Canadian institution's first transaction in the Caribbean.
JMMB Bank will repay the loan over a five-year period.
Paulo Martelli, VP and Chief Investments Officer of FinDev Canada, anticipates that the loan agreement will give Jamaican SMEs looking for capital a "significant boost" to expand operations, and retain or create local jobs.
"This loan represents another example of our COVID recovery strategy to provide capital resources to financial institutions so that they can directly fund businesses within the markets they know best," Martelli said.
JMMB Group, UTech ink MOU to assist MSMEs
LEADERSHIP SKILLS

JOAN DUNCAN'S MISSION STATEMENT

I would like to contribute to the good of all persons with whom I come in contact, and to achieve complete harmony with the Holy Spirit.

I will do so by focusing on, and endeavouring to realize the good for all persons concerned, which can be derived from every situation with which I am presented.

Anchored by our core values of love, openness, honesty, integrity and care, the JMMB Joan Duncan Foundation continued to serve the nation within the constraints of COVID-19. The results of year 2021-22 showed our resilience to adapt and respond to challenges that stretched our capacity as we stood firm in our commitment to people, empowerment and the building of our beautiful country.

The Foundation continued to execute projects and programmes, while ensuring the health and safety of all concerned and partnering with individuals and organizations in the areas of education, transformational leadership, youth entrepreneurship, capacity building and community development.

We are delighted to share the details of some of our key initiatives for JMMB FY year 2021-22.

UNIVERSITY HOSPITAL OF THE WEST INDIES (UHWI) FIELD HOSIPTAL

In October 2021, the Foundation joined with other corporate donors to make the field hospital at the University Hospital of the West Indies (UHWI) a reality, with its donation of approximately $1.7 million. This facility, which caters to COVID-19 patients, was built in response to the dramatic increase in hospitalisations, as the country went through another wave of infections.

Kim Mair, (left) CEO of JMMB Joan Duncan Foundation and the Hon. Daryl Vaz (right) Minister of Energy, Science and Technology discuss the new medical facility with Dr. Carl Bruce, medical chief of staff at the University Hospital of the West Indies.

SHARE THE LOVE ANNUAL CHRISTMAS OUTREACH

LOVE was in the air, as the JMMB Joan Duncan Foundation donated care packages to over 1,100 individuals islandwide with the assistance of JMMB Group team members in partnership with a wide cross-section of charities. This initiative is a part of the JMMB Group's Share the Love annual Christmas outreach programme.

Team members participate in the annual Share the Christmas Initiative.

TABLETS FOR SCHOOLS

The continuance of online classes for academic year 2021/22 rekindled the need for devices for students. The Foundation again responded by donating another 400 tablets and data valued at approximately $10 million, to schools and organisations across Jamaica to help students to recover from learning loss and be able to participate fully in online learning.

Six scholars share a photo op with members of the Foundation – Kim Mair (left), Patricia Sutherland (2nd right), and Beverley Manley Duncan (right).

Patricia Sutherland (left), Chair of the JMMB Joan Duncan Foundation share a photo op with students of Hayes Primary and Kim Mair, (Right) CEO of JMMB Joan Duncan Foundation.

Kim Mair, (left) CEO of JMMB Joan Duncan Foundation, and Patricia Sutherland, (right) Chair of JMMB Joan Duncan Foundations share a photo opp with students and teachers at Salt Savannah Primary School.

JAMAICA CANCER SOCIETY BUS

Healthcare workers will be better able to offer cancer screening and awareness training in rural and underserved communities, following the handover of a bus to the Jamaica Cancer Society. The 15-seater, 2021 Toyota Hiace bus, which cost US$43,000, was donated through the collaborative efforts of the Rotary Club of St. Andrew North, JMMB Joan Duncan Foundation and other corporate organisations.

Earl Jarrett, Chairman of Jamaica Cancer Society, Kim Mair, (centre) CEO of JMMB Joan Duncan Foundation and Kecia Taylor, President Rotary Club, St Andrew North share the lense for the handover of a 15 seater bus to the Jamaica Cancer Society.

JOY TOWN RESOURCE AND WELLNESS CENTRE

Joy Town Community Development Foundation received a $3M donation toward the building of a training centre to serve the people of Trench Town and its environs. This is the first step in the building of a larger complex to be named the "Joy Town Resource and Wellness Centre" which will also house a child health clinic, a pharmacy, a resource desk and a youth recreation and development facility.

THOMAS MANNING BUILDING REFURBISHMENT

Contributing to the preservation of Jamaica's history, the Foundation pledged $4M support of the refurbishment of the Thomas Manning Building, which was declared a national heritage building in 1999.

NATIONAL PROJECTS

EDUCATION

SCHOLARSHIPS

In support of Jamaica's youth and ensuring that future generations are equipped to fully contribute to a prosperous society, academic scholarships and bursaries were provided to several individuals for Academic Year 2021/22. Emphasis was again placed on funding of final year tertiary students.
In keeping with the Foundation's approach to the holistic development of our beneficiaries and remaining true to our mandate to support the development of youth, through education and transformation, scholarship recipients were also provided with the newly developed LIFE Accelerator programme. The *'Leadership, Involvement and Innovation, Financial Literacy & Education (LIFE) Accelerator'* is a year-long programme designed to support scholars in their transition to the world of work.

JOAN DUNCAN SCHOOL OF ENTREPRENEURSHIP, ETHICS & LEADERSHIP

Keith Duncan, CEO, JMMB Group; President, Private Sector Organization of Jamaica and Rochelle Cameron discuss Leadership during a Crisis at the 8th annual Joan Duncan Memorial Lecture.

The 8th annual Joan Duncan Memorial Lecture, "Leadership During Crisis", presented at the University of Technology, Jamaica, was a timely and critical conversation with expertise imparted by guest speaker, Keith Duncan, CEO, JMMB Group; President, Private Sector Organization of Jamaica (PSOJ) and Chairman, Economic Programme Oversight Committee (EPOC). Leveraging his vast experience in leadership, Duncan offered applicable advice on navigating crisis. He highlighted the importance of social partnerships and building an environment of trust as paramount to successful leadership and emphasized the need for leaders who cultivate an environment of trustworthiness. "You have to trust people, to be able to delegate and allow people to manifest their greatness. It begins with you trusting yourself, and trusting the people that you work with," he noted, adding that people are at their most creative at problem-solving particularly in periods of crisis.

UWI ENDOWMENT

We continue to enjoy a fruitful relationship with UWI through the Joan Duncan/JMMB Endowment. This 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.

ENTREPRENEURSHIP

Dr. David McBean, Executive Director at the Mona School of Business presents the Best Corporate, Social and Responsibility award.

This year, the JMMB Joan Duncan Foundation continued its support of both the UWI Vincent Hosang Venture Challenge and the UTECH Business Model competitions. In fulfilling our mandate to nurture young entrepreneurs and foster good corporate social responsibility in new business ventures, the Foundation continued to support competitions among tertiary institutions to encourage innovative business plans.

Team Zrise's, Trae-Ana Wilkins, cops 1st place in the UWI Vincent Hosang Venture Challenge.

Team Trade Central, was awarded for Best presented Financials at the UWI Vincent Hosang Venture Challenge.

STEPS TO WORK PROJECT

In partnership with the Programme of Advancement Through Health and Education (PATH) in the Ministry of Labour and Social Security, the Foundation now offers Conversations for Greatness specifically to their Steps to Work Project participants in its BizStart101 workshop series. This programme is offered to PATH beneficiaries who have been identified as potential or existing micro entrepreneurs who, with training, can be expected to develop and sustain successful businesses. The Ministry provides participants with the technical training and grant funding while the Foundation provides participants with the "possibility thinker" mindset and practical tools of CFG to engender an entrepreneurial mindset; that is, the confidence to make the most of opportunities, overcome and learn from setbacks, make decisions, and take ownership of their performance.

Training of beneficiaries began in October of 2021. As of March 30, we had conducted at least one workshop in every parish, touching the lives of approximately 142 beneficiaries up to March 30, 2022.

COMMUNITY INVOLVEMENT

Due to restrictions on gatherings, team members were limited in their ability to be physically involved in community outreach activities for the period, however, the Foundation remained steadfast in our commitment to community activities.

Though on a much smaller scale, we were able to support the virtual Sagicor Sigma run benefitting the Kingston Public Hospital for 2022.

CUMI – COMMITTEE FOR THE UPLIFTMENT OF THE MENTALLY ILL

Dedicated to restoring peace and tranquility, The Committee for the Upliftment of the Mentally Ill (CUMI) continued to express sincere appreciation to the JMMB Joan Duncan Foundation for our continued, reliable support even through these difficult times.

The past two years have been challenging, especially for those suffering from mental instability. CUMI was pressed to help an ever increasing number of persons and their families in their programme, as well as many who walked or called in to the Day Centre and are desperately in need of help, support and sometimes just a friendly caring voice. The Team at CUMI continues to do an amazing job to ensure the delivery of services for Montego Bay's mentally ill.

> *"I have not seen a program like this anywhere in the Caribbean. This is a pioneering program"*
>
> Dr. Deon Edwards Kerr

CONVERSATIONS FOR GREATNESS (CFG) SCHOOLS PROGRAMME

The Conversations for Greatness (CFG) In-Schools programme which impacted approximately 6700 lives, in 88 schools over 5 years, came to a close in June 2021. This transformational conversation inspired educators and entire school communities, to take a stand for themselves and their students to manifest their greatness and transform their lives.

This holistic approach toward healthy, safe, transformational teaching and learning environments that enable both adults and students to effectively achieve desired educational and developmental outcomes was a pioneering one. The impact on school staff had a ripple effect thereby impacting students, parents and community members, empowering them with tools and strategies that foster mindset change leading to behaviour change. The premise remains, that when our teachers are able to see the greatness in themselves they are able to see the greatness in their students and armed with the CFG tools, are able to influence positive change. CFG was able to positively impact teaching and learning environments toward furthering the national educational goals.

SPECIFIC SCHOOL OUTCOMES

The evaluation of CFG determined that there were positive shifts is all 5 dimensions of school climate.

1. Safety: values and norms; social and emotional safety
2. Interpersonal relationships: respect for diversity, social support, inclusion
3. Teaching and learning: support for academic learning
4. Institutional environment: school connectedness and engagement
5. Leadership/staff relations: instructional leadership, support for professional relationships

Further, the evidence showed positive shifts in the following:

1. Increase in the capacity of staff, using the tools, to cognitively process situations (awareness) and to choose healthy and appropriate responses driven by love and not fear
2. Increase in the capacity of staff to resolve conflicts, to restore or create productive relationships and to positively generate solutions

Of note in the final project report are the Evaluation and Findings of Conversations for Greatness Project in Schools by Dr. Edwards-Kerr and Dr. Joan Spencer-Ernandez, School of Education, UWI.

CONVERSATIONS FOR GREATNESS (CFG) SCHOOLS PROJECT OUTCOMES

POSITIVE SHIFTS IS ALL 5 DIMENSIONS OF SCHOOL CLIMATE.

1. **SAFETY:** values and norms; social and emotional safety.
2. **INTERPERSONAL RELATIONSHIPS:** respect for diversity, social support, inclusion.
3. **TEACHING AND LEARNING:** support for academic learning.
4. **INSTITUTIONAL ENVIRONMENT:** school connectedness and engagement.
5. **LEADERSHIP/STAFF RELATIONS:** instructional leadership, support for professional relationships.

3 KEY AREAS OF THE SCHOOL CLIMATE THAT SHIFTED POSITIVELY

1. COMMUNICATION
2. STAFF MORALE & MOTIVIVATION
3. INTERPERSONAL RELATIONSHIPS & TEAMWORK

POSITIVE SHIFTS IN THE FOLLOWING:

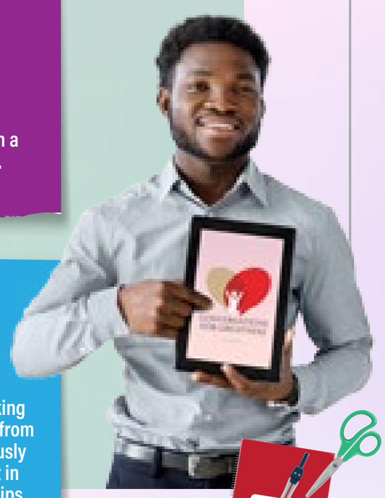
1. **INCREASE** in the capacity of staff (by using the tools) to cognitively process situations (awareness) and to choose healthy and appropriate responses driven by love and not fear.

2. **INCREASE** in the capacity of staff to resolve conflicts, to restore or create productive relationships and to positively generate solutions.

WORKSHOPS WERE SUCCESSFUL IN HELPING EDUCATORS TO;

1. Confront personal struggles and interpersonal conflict in a non-threatening way.

2. Begin the process of taking action and moving away from 'stories' that had previously maintained the conflict in interpersonal relationships.



WHAT HAVE WE ACCOMPISHED WITH CONVERSATIONS FOR GREATNESS?

88 SCHOOLS

5485 TEACHERS & EDUCATION SUPPORT STAFF

106 TERTIARY LEVEL SCHOLARS

3729 ONE-DAY PARTICIPANTS

134 BENEFICIARY ORGANIZATIONS

1 MAJOR CONFERENCE APROX. 700 PARTICIPANTS

Dr Edwards-Kerr opined that they had **not seen a program like this anywhere in the Caribbean**. There is no "literature" that deals with social, emotional development and emotional learning for teachers anywhere in the Caribbean. There exist programmes for students, but not for teachers nor for school leaders. This is a **pioneering program** which only few researchers are undertaking in North America or Europe.

She stated that what **we have tapped into is something that needs to be done** - addressing the invisible needs of the professionals who work in schools, because very often this is not considered.

Conversations for Greatness (CFG) is **a practical program that can make a fundamental impact** on what we see inside the learning environment, to enhance productivity, improve morale and the general school climate.

TEACHERS COLLEGES

MICO CFG PILOT

One of the key mechanisms identified to sustain and build on the gains of the CFG Schools project, is the need to support and improve upon socio-emotional training for pre-service teachers. As such this fiscal year saw the signing of the MOU between The Mico University and the JMMB Joan Duncan Foundation for the pilot on the CFG course at the institution. Patricia Duncan Sutherland, Chairman of the Foundation at the signing indicated, "We are happy to partner with Mico University to replicate and sustain some of the positive outcomes achieved through the programme in our schools by starting this work of mindset change and transformation before teachers enter or re-enter the classroom." Sutherland added, "We believe that through this MOU, we will be able to better impact the teaching-learning environment, and by extension, our communities, as these teachers will be equipped with the requisite tools to help their students to unearth their greatness even as they unearth their own greatness."

With the majority of the pilot successfully completed during the 21/22 fiscal year both institutions are pleased with the outcomes and look forward to continued partnership.

Seated from left: Patricia Sutherland, Chairman, JMMB Joan Duncan Foundation; Asburn Pinnock, President, Mico University College; Franklyn Bennett, Director, School of Continuing Studies, (standing from left) Catherine Smith, CFG project manager at the Foundation; Kim Mair, CEO of the Foundation; and Sharon Bogues Wolfe, director, Office of Alumni and Development, Mico University College.

Under the same premise asserted for the partnership with Mico, the Foundation also forged relationships with Sam Sharpe Teachers College as well as Church Teachers College, conducting CFG workshops for staff and students, with a view to introducing the full CFG in the future.

MULTICARE YOUTH FOUNDATION (M.Y.F.)

The Foundation was delighted to partner with the MultiCare Youth Foundation (M.Y.F.) in their ongoing interventions toward the transformation and improvement of lives in targeted areas and communities. We delivered Conversations for Greatness (CFG) to various groups in support of mindset change leading to behaviour change. The engagement included Remand Centers (South Camp, Metcalf Street, Rio Cobre and Hill Top) as well as Green Pond High School and Multicare Mentors. The data suggests that the inclusion of CFG in their existing interventions was a positive one and supported capacity building in tools to support mindset change, leading to positive behavior change.

Additionally, JMMB Joan Duncan Foundation continued to partner with the MultiCare Youth Foundation programme because of our belief in mentorship as a powerful intervention tool and an effective way to enhance young people's awareness of and belief in their own potential, helping them achieve educational, career or life goals.

The MultiCare Youth Foundation has thanked JMMB Joan Duncan Foundation for its care and support for, and collaboration with the MYF in offering the rich benefits of mentoring to provide life-changing opportunities for Jamaica's youth.

CHILD RESILIENCY PROGRAMME

JMMB Joan Duncan Foundation continued its invaluable support to the Child Resiliency Programme for academic year 2021-2022. This year the Programme expanded its objectives to include training in Peace Building, Resiliency and Wellness (PRW). Through the support of the Foundation, the launch of the Peace Institute of the International University of the Caribbean took place in March 2022. Subsequently, the PRW course has been integrated into the Guidance and Counseling and Masters in Educational Leadership Curriculum with the first cohort of 20 students. Additionally, 70 persons have been trained in Peace Building Resiliency and Wellness including 30 church leaders, 20 community leaders and 20 Ministry of National Security Case managers.

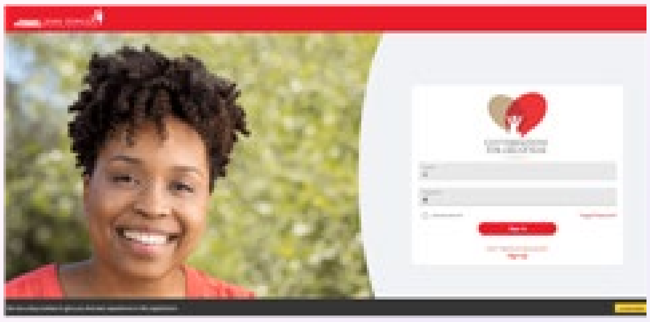
Pivoting back to its school referral system in January 2022, the Child Resiliency Programme returned with all children participating face to face with the reopening of the primary schools. The Programme expanded beyond the Boys Town Community-Based model to include Red Hills Primary as an In-school model. 65 children and parents were referred for this academic year.

The Child Resiliency Programme team and all the beneficiaries expressed their gratitude to the Foundation for its ongoing support to all their endeavours.

TRANSFORMATIONAL TRAINING

At the Foundation, we choose to provide our beneficiaries with more than just donations of cash or kind. Every individual or entity that receives funding, regardless of the size or nature of the contribution, is given a transformational experience which empowers recipients to make the most of every opportunity. We believe that this is the larger contribution we make. In the true JMMB spirit originally championed by our co-founders Joan Duncan and Dr. Noel Lyon, participants are empowered with a possibility-thinking mindset and given practical tools as they continue their journey to make their unique mark toward an "infinite, prosperous and abundant society & Universe" (Vision of Love). Beneficiaries are invited to participate in a Conversations for Greatness transformational workshop, which supports persons in tapping into and unleashing their individual and collective greatness.

MYCFG APP



The end of financial year 2021-22 brought with it the close of "Project Greatness" – the creation of a Conversations for Greatness Web-based Application (MyCFG App). As a part of its offering to our beneficiaries, the Foundation now has Version 1 of an application designed to allow new and existing members of the Conversations for Greatness community to further develop the practices required to build and strengthen a transformational mindset. The app provides interactive and static content and can be used to access virtual workshops and other types of live and pre-recorded sessions. It is also a vehicle through which the CFG Community can engage in conversations with other community members. We are now focused on the continuous improvement process. We look forward to the lessons to be learned from the utilization of this version and feedback from our CFG Community which will support us in making the application even better.

MAN OF PURPOSE AND VISION

In January 2022, the JMMB Joan Duncan Foundation lost James (Jimmy) Moss-Solomon, former Board Director, who was an instrumental figure in the Jamaican corporate and political sectors.

Jimmy had a deep love for his country and was very generous with his thoughts and actions toward making Jamaica a better place. His generosity of spirit and love for people made him an ideal candidate for our board. We will miss his ideas, his gentle and engaging nature, and those phone calls to remind us that we need to support one member or another, on a particular day. Jimmy was a committed Jamaican, and a good friend. We were blessed by having had this Man of Vision and Purpose serve on our board.

We end this year with a spirit of gratitude and hope, grateful that we have been able to continue to impact lives in significant ways through one of the most difficult periods Jamaicans have ever experienced, and hopeful that through the power of love and service, Jamaica will rise and rebound even stronger.

2016 JMMB Group Limited Listing Ceremony

TOP 10 SHAREHOLDERS AT 31 MARCH, 2022

ORDINARY SHARES
1,955,552,532

SHARHOLDERS	SHAREHOLDING	%
PROVEN INVESTMENTS LIMITED	391,310,525	20.010
TRUSTEES JMMB ESOP	183,590,420	9.388
NATIONAL INSURANCE FUND	108,231,640	5.535
COLONIAL LIFE INSURANCE CO (TRINIDAD)	88,453,776	4.523
PANJAM INVESTMENTS LIMITED	56,500,000	2.889
SJIML A/C 3119	55,570,542	2.842
CONCISE E.I. LTD	47,438,366	2.426
JVF O.E. LTD	43,900,000	2.245
SAGICOR POOLED EQUITY FUND	43,768,338	2.238
JVF E.I. LTD	40,311,674	2.061
	1,059,077,281	**54.157**
NO. OF SHAREHOLDERS @ 31 MARCH 2022	TTCD	3,308
	MAIN	101
NO. OF SHAREHOLDERS @ 31 MARCH 2022	JCSD	25,568
	TOTAL	**28,977**

SHAREHOLDINGS OF DIRECTORS AT 31 MARCH, 2022

DIRECTORS	SHAREHOLDING - ORDINARY	CONNECTED PARTIES
Donna Duncan-scott	7,678,110	ESOP
	71,700	
	36,511,950	JVF O.N. Ltd
	37,530,103	CONCISE O.N. Ltd
Archibald Campbell	108,400	
	16,000	Lauren Campbell
	894,827	Odette Campbell
Keith P. Duncan	20,591	
	47,438,366	CONCISE E.I. Ltd
	40,311,674	JVF E.I. Ltd
	846,745	ESOP
Vinroy Andrew Whyte	200,000	
Wayne Sutherland	135,800	Patricia Sutherand
	1,800	Joshua & Patricia Sutherland
	28,540,838	CONCISE R.I. Ltd.
Dennis Lloyd Harris	493,277	
Dr. Anne Crick	5,234	
Hugh Duncan	4,828	
Reece Kong	-	
Audrey C. Welds	100,000	
Audrey Deer Williams	-	
Andrew Cocking	10,025,000	
	23,700	Chelsi Cocking
Hugh W. Powell (Hugh Powell)	294,800	
	205,400	Jennifer Powell
Patricia Dailey-smith	5,200	Brittany Smith
	2,500	Brittany Smith
Patria-kaye Aarons	180	Kwasi Oginga Charles
TOTAL HOLDINGS	**211,466,843**	

SHAREHOLDINGS
OF SENIOR MANAGERS
AT 31 MARCH, 2022

SENIOR OFFICERS HOLDINGS	SHAREHOLDING - ORDINARY	CONNECTED PARTIES
Donna Duncan-scott	7,678,110	ESOP
	71,700	
	36,511,950	JVF O.N. Ltd
	37,530,103	CONCISE O.N. Ltd
Keith P. Duncan	20,591	
	47,438,366	CONCISE E.I. Ltd
	40,311,674	JVF E.I. Ltd
	846,745	ESOP
Carolyn Dacosta	74,640	ESOP
	263,474	
	3,357	Craig Dacosta
	127,169	Dermott Dacosta
	4,795	Merline Dacosta
	5,237	Amanda Dacosta
Paul Gray	263280	Teverly Gray
	46,600	Brittany Gray & Teverly Gray
	27,300	Toni-ann Gray & Teverly Gray
Julian Mair	239,711	ESOP
Patrick Ellis	239,872	ESOP
Janet Patrick	854,461	ESOP
	64,832	
Damion Brown	210,677	ESOP
	249,400	
Kerry-Ann Betton Stimpson	780,032	ESOP
Claudine Tracey	908,000	ESOP
	60,900	
Peta-Gaye Bartley	847,260	ESOP
	11,000	Samuel Bartley
Patricia Sutherland	135,800	Wayne Sutherland
	1,800	Joshua & Patricia Sutherland
	28,540,838	CONCISE R.I. Ltd
TOTAL HOLDINGS	205,322,239	

CORPORATE INFORMATION

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

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Email: info@jmmb.com
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Tel: (876) 998-5662
Opening Hours:
Monday – Friday:
8:30 a.m. to 2:30 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. – 2:30 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. – 2:30 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:
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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. – 2:30 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. – 2:30 p.m.

SANTA CRUZ BRANCH
Shop # 2 Oasis Plaza,
Coke Drive,
Santa Cruz, St. Elizabeth
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Fax: (876) 966-9816
Opening Hours:
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H. Wayne Powell -
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Carolyn DaCosta -
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Claudine Campbell-Bryan -
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Claudine Campbell-Bryan -
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A Member of the Jamaica Stock Exchange

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Deputy *Corporate Secretary*

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Kingston 10
Tel: (876) 998-5662
Fax: (876) 920-7281 or
(876) 998-9380
Opening Hours:
Monday – Friday:
8:30 a.m. – 2:30 p.m.
Drive-Thru:
Monday – Friday:
9:00 am – 2:30 p.m.

KNUTSFORD BOULEVARD BRANCH
11 Knutsford Boulevard
New Kingston, Kingston 5
Tel: (876) 998-5662
Fax: 960-3927 or 960-4455
Opening Hours:
Monday – Friday:
8:30 a.m. – 2:30 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. – 2:30 p.m.

MONTEGO BAY CHURCH STREET BRANCH
25 Church Street,
Montego Bay, St. James
Jamaica, W.I.
Tel: (876) 998-5662
Fax: (876) 952-4647
Opening Hours:
Monday – Friday:
8:30 a.m. – 2:30 p.m.

MONTEGO BAY FAIRVIEW 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. – 2:30 p.m.

OCHO RIOS BRANCH
2 Graham Street
Ocho Rios, St. Ann
Jamaica, W.I.
Tel: (876) 998-5662
Fax: (876) 974-8631
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 2:30 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. – 2:30 p.m.

BOARD OF DIRECTORS

Dennis Harris -
Chairman
Vintoria Bernard -
Director
Dr Archibald Campbell -
Director
Donna Duncan Scott -
Director
Keith Duncan -
Director
Martin Lyn -
Director
H Wayne Powell -
Director
Gregory Shirley -
Director
Jerome Smalling -
Executive Director

CORPORATE INFORMATION Cont'd

BOARD OF DIRECTORS CONTD.

Patricia Sutherland -
Director
Carolyn DaCosta -
Corporate Secretary
Claudine Campbell-Bryan -
Deputy Corporate Secretary

JMMB Money Transfer

JMMB MONEY TRANSFER LTD.

HEAD OFFICE
6 Haughton Terrace,
Kingston 5
Jamaica, W.I.
Tel: (876) 998-5662
Toll Free: 1 (888) 991-2062/7
Fax: (876) 960-2833
Opening Hours:
Monday – Friday:
8:30 a.m. – 2:30 p.m.
www.jmmb.com
Email: info@jmmb.com

BOARD OF DIRECTORS

Dr Archibald Campbell -
Chairman
Kisha Anderson -
Director
Andrew Cocking -
Director
Keith Duncan -
Director
V. Andrew Whyte -
Director
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

JMMB PUESTO DE BOLSA, S.A

HEAD OFFICE
Gustavo Mejia Ricart No. 102, esq. Abraham Lincoln. Torre Corporativo 2010. Piso 12. Piantini. Santo Domingo, República Dominicana
Tel: (809) 566-5662
Fax: (809) 620-5662
www.jmmb.com
Email: info@jmmb.com.do

SANTO DOMINGO BRANCH
Gustavo Mejia Ricart No. 102, esq. Abraham Lincoln. Torre Corporativo 2010. Piso 2. Piantini. Santo Domingo, República Dominicana
Tel: (809) 566-5662
Fax: (809) 620-5662
Opening Hours:
Monday – Friday:
9:00 a.m. – 6:00 p.m.
www.jmmb.com
Email: info@jmmb.com.do

SANTIAGO BRANCH
Av. 27 de Febrero esquina Erick Ekman. Plaza Portal del Norte. Santiago, República Dominicana
Tel: (849) 937-JMMB (5662)
Fax: (809) 620-5662
Opening Hours:
Monday – Friday:
9:00 a.m. – 6:00 p.m.

BOARD OF DIRECTORS

Alerso Pimentel Dominguez
President
Juan Jose Melo Pimentel
Vice-President
Carolina Pichardo Toral -
Secretary
Ricardo Antonio Ginebra Pou -
Director
Lilliana Rodriguez Alvarez -
Director
Alberto Fiallo-Billini Scanlon -
Director
José De Moya Cuesta
Director

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

AFP JMMB BDI, S.A

Gustavo Mejia Ricart No. 102, esq. Abraham Lincoln. Torre Corporativo 2010. Piso 15. Piantini. Santo Domingo, República Dominicana
Tel: (809) 542-JMMB (5662)
Fax: (809) 620-5662
Opening Hours:
Monday – Friday:
8:00 a.m. – 5:00 p.m.
www.jmmb.com
Email: info@jmmb.com.do

BOARD OF DIRECTORS

Dr. Archibald Campbell -
President
Juan Carlos Rodríguez Copello -
Vice President
Carolina Pichardo Toral -
Secretary
Keith Duncan -
Director
Lizette Solano De Aquino -
Director
Rafael Patricio Medina Quiñones -
Director
Polibio Miguel Valenzuela Scheker -
Director

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

JMMB SOCIEDAD ADMINISTRADORA DE FONDOS DE INVERSIÓN, S.A.

SANTIAGO OFFICE
Gustavo Mejia Ricart No. 102, esq. Abraham Lincoln. Torre Corporativo 2010. Piso 15. Piantini. Santo Domingo, República Dominicana
Tel: (809) 567-JMMB (5662)
Fax: (809) 620-5662
Opening Hours:
Monday – Friday:
9:00 a.m. – 6:00 p.m.
www.jmmb.com
Email: info@jmmb.com.do

SANTIAGO BRANCH
Av. 27 de Febrero esquina Erick Ekman. Plaza Portal del Norte. Santiago, República Dominicana
Tel: (809) 567-JMMB (5662)
Fax: (809) 620-5662
Opening Hours:
Monday – Friday:
9:00 a.m. – 6:00 p.m.
www.jmmb.com
Email: info@jmmb.com.do

BOARD OF DIRECTORS

Isaac Castañeda -
President
Juan Jose Melo Pimentel -
Vice President
Carlos Alberto de Jesús Del Giudice Goicoechea -
Secretary
Roberto Luis Jimenez Collie
Director
Rodolfo Antonio Cabello Blanco -
Director

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

HEAD OFFICE
Gustavo Mejia Ricart No. 102, esq. Abraham Lincoln. Torre Corporativo 2010. Piso 1. Piantini. Santo Domingo, República Dominicana
Tel: (809) 683-1333 (JMMB)
Fax: (809) 620-5662
Opening Hours:
Monday – Friday:
8:30 a.m. – 5:30 p.m.
www.jmmb.com
Email: info@jmmb.com.do

SANTO DOMINGO BRANCH
Gustavo Mejia Ricart No. 102, esq. Abraham Lincoln. Torre Corporativo 2010. Piso 1. Piantini. Santo Domingo, República Dominicana
Tel: (809) 683-1333 (JMMB)
Fax: (809) 620-5662
Opening Hours:
Monday – Friday:
9:00 a.m. – 6:00 p.m.
www.jmmb.com
Email: info@jmmb.com.do

SANTIAGO BRANCH
Av. 27 de Febrero esquina Erick Ekman. Plaza Portal del Norte. Santiago, República Dominicana
Tel: (809) 683-1333 (JMMB)
Fax: (809) 620-5662
Opening Hours:
Monday – Friday:
9:00 a.m. – 6:00 p.m.

BOARD OF DIRECTORS

Archibald Campbell -
President
Juan José Melo Pimentel -
Vice President
Denisse Pichardo Espaillat -
Secretary
Keith Duncan -
Director
Lizette Solano de Aquino -
Director
Roberto EligioArias Ossaye -
Director
Wallis Elizabeth Pons Cardi -
Director

TRINIDAD & TOBAGO

JMMB Bank

JMMB BANK (TRINIDAD AND TOBAGO) LTD.

HEAD OFFICE
DSM Plaza, Old Southern Main Road, Chaguanas, Trinidad and Tobago
Tel: (868) 800-JMMB (5662)
(868) 665-4425
Fax: (868) 665-6663
www.jmmb.com
Email: infott@jmmb.com

PORT OF SPAIN BRANCH
77 Independence Square South, Port of Spain, Trinidad and Tobago
Tel: (868) 800-JMMB (5662)
(868) 665-4425
Fax: (868) 625-8678
Opening Hours:
Monday – Thursday:
9:00 a.m. – 3:00 p.m.
Friday: 9:00 a.m. – 5:00 p.m.

TUNAPUNA BRANCH
30-32 Eastern Main Road, Tunapuna, Trinidad
Tel: (868) 800-JMMB (5662)
(868) 665-4425
Fax: (868) 645-1821
Opening Hours:
Monday – Thursday:
9:00 a.m. – 3:00 p.m.
Friday: 9:00 a.m. – 5:00 p.m.

SAN FERNANDO 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

Lorraine Kam -
Chairman
Hugh Duncan -
Director
Wayne Sutherland -
Director
Catherine Kumar -
Director
John Tang Nian -
Director
Vijai Ragoonanan -
Director
Anna-Maria Garcia-Brooks -
Director
Darren Mohammed -
Director
Aliyah Hamel-Smith -
Director
Denise Roopnarinesingh -
Asst. Company Secretary

JMMB Express FINANCE T&T LTD

JMMB EXPRESS FINANCE (T&T) LIMITED

ARIMA BRANCH
#6 PRINCE STREET, ARIMA, TRINIDAD
Opening Hours:
Monday – Friday:
9:00 a.m. – 4:00 p.m.

CHAGUANAS BRANCH
130 Charlotte Street, Port of Spain, Trinidad

CORPORATE INFORMATION Cont'd

SAN FERNANDO BRANCH
65 Cipero Street, San Fernando, Trinidad
Opening Hours:
Monday – Friday:
9:00 a.m. – 4:00 p.m.

SCARBOROUGH BRANCH
#4 Knott Court, Milford Road, Scarborough, Tobago
Opening Hours:
Monday – Friday:
9:00 a.m. – 4:00 p.m.

BOARD OF DIRECTORS

Lorraine Kam -
Chairman
Hugh Duncan -
Director
Wayne Sutherland -
Director
Catherine Kumar -
Director
John Tang Nian -
Director
Vijai Ragoonanan -
Director
Anna-Maria Garcia-Brooks -
Director
Darren Mohammed -
Director
Aliyah Hamel-Smith -
Director
Denise Roopnarinesingh -
Asst. Company Secretary

JMMB Investments (Trinidad and Tobago) Limited

JMMB INVESTMENTS (TRINIDAD AND TOBAGO) LIMITED

PORT-OF-SPAIN BRANCH
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.

CHAGUANAS BRANCH
DSM Plaza, Old Southern Main Road, Chaguanas, Trinidad and Tobago
Tel: (868) 800-JMMB (5662)
(868) 665-4425
Fax: (868) 671-9120
Opening Hours:
Monday – Thursday:
8:00 a.m. – 4:00 p.m.
Monday – Friday:
8:00 a.m. – 5:00 p.m.
www.jmmb.com
Email: infott@jmmb.com

SAN FERNANDO BRANCH
South Park Centre,
Michael Rahael Boulevard,
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

Archibald Campbell -
Chairman
Keith Duncan -
Director
Wayne Sutherland -
Director
Julian Mair -
Director
Kisha Anderson -
Director
Leonardo Ambrose -
Director
Catherine Kumar -
Director
Carolyn DaCosta -
Company Secretary
Denise Roopnarinesingh -
Asst. Company Secretary

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

JMMB SECURITIES (T&T) LIMITED

169 Tragarete Road,
Port-of-Spain
Tel: (868) 224-JMMB (5662)
Fax: (868) 224-5667
Opening Hours:
Monday – Friday:
8:00 a.m. – 4:00 p.m.
www.jmmb.com
Email: infott@jmmb.com

BOARD OF DIRECTORS

Archibald Campbell -
Chairman
Keith Duncan -
Director
Wayne Sutherland -
Director
Julian Mair -
Director
Kisha Anderson -
Director
Leonardo Ambrose -
Director
Catherine Kumar -
Director
Carolyn DaCosta -
Company Secretary
Denise Roopnarinesingh -
Asst. Company Secretary

PROXY FORM

I/We ____ of ____________________

____ being a member/members of JMMB Group Limited (the Company) hereby appoint either one of the following persons:

Dr. Archibald Campbell or (b) Mr. Dennis Harris

___________________________________ 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 THURSDAY SEPTEMBER 22, 2022 at 10:00 a.m. (Jamaica) in a hybrid format (i) at the Jamaica Pegasus Hotel, Grand Jamaican Suite, 81 Knutsford Boulevard, Kingston 5 **subject to pre-registration**, and (ii) via electronic means* in accordance with the provisions of the Companies Act of Jamaica 2004 (as amended) to consider and if thought fit, to pass the following ordinary resolutions:

Please indicate by inserting a cross (x) in the appropriate box for how you wish to cast your vote. If you do not insert the cross in any of the boxes below, your proxy shall be entitled to vote as they deem fit in respect of the resolution corresponding with such box.

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, 2022		
RESOLUTION 2 To ratify interim dividend payments and declare them final THAT the interim dividends of Sixty Cents (60¢) paid on September 9, 2021, Twenty-Five Cents (25¢) paid on January 7, 2022, and Twenty Five Cents (25¢) paid on July 11, 2022 making a total payment of One Dollar and Ten Cents ($1.10¢) 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".		
RESOLUTION 3 TO RE-APPOINT DIRECTORS **RESOLUTION 3 (A)** "THAT Mrs. Audrey Welds 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 Mr. 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 (C) "THAT Mr. H. Wayne Powell 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 Mr. Wayne Sutherland who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company."		
RESOLUTION 4 "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 end of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company.".		
RESOLUTION 5 THAT the amount included in the Audited Accounts of the Company for the year ended March 31, 2022, as remuneration for their services as Directors be and is hereby approved."		

Dated this 27th day of July, 2022

Affix stamp J$100.0

____

Signature

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 J$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.

NB: The details of the various methods of accessing the Annual General Meeting online will be shared via our website, in daily newspapers and in any event at least 21 days before the date fixed for the holding of the Annual General Meeting. Limited attendance **may be permitted by sending an email to shareholderquery@jmmb.com with your name, address and JCSD or TTCD account number. Only persons who have successfully pre- registered will be allowed to attend. On confirmation of registration you will receive an email with the protocols that must be followed.*

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED MARCH 31, 2022

The Directors of JMMB Group Limited are pleased to present their report for the year ended March 31, 2022, and submit the Consolidated Income Statement and the Consolidated Statement of Financial Position.

GROUP RESULTS

OPERATING REVENUE NET OF INTEREST EXPENSE WAS

J$26.64 BILLION

(2021: J$22.44 billion)

THE PROFIT BEFORE INCOME TAX WAS

J$11.45 BILLION

(2021: J$7.96 billion)

THE PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT AFTER INCOME TAX WAS

J$11.44 BILLION

(2021: J$7.51 billion)

SHAREHOLDERS' EQUITY WAS

J$56.39 BILLION

(2021: J$61.2 billion)

DIVIDENDS

The Directors recommend that the interim dividend paid on December 21, 2021 be ratified and declared as final and that no further dividend be paid in respect of the year under review.

DIRECTORS

In accordance with Article 105 of the Company's Articles of Incorporation, the Directors retiring from office by rotation are Mrs. Audrey Welds, Mr. Andrew Whyte, Mr. H. Wayne Powell, and Mr. Wayne Sutherland 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 23rd day of July, 2022

Carolyn DaCosta
Corporate Secretary

FINANCIAL STATEMENTS

PAGES

KPMG
P.O. Box 436
6 Duke Street
Kingston
Jamaica, W.I.
+1 (876) 922 6640
firmmail@kpmg.com.jm

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 10 to 122, which comprise the Group's and Company's statements of financial position as at 31 March 2022, 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 2021, 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 International Code of Ethics for Professional Accountants including International Independence Standards (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 16 and 32(a)]	*How the matter was addressed in our audit*
A significant portion of the Group's investment securities measured at fair value are instruments for which quoted prices are not available. Valuation of these investments, although based on observable market inputs, requires significant estimation. Management used valuation techniques which involve inputs such as market yields obtained from established yield curves which are impacted by uncertainty of market factors. Though market conditions have improved since the onset of the COVID-19 pandemic, there has been continued volatility of prices in various markets which has increased estimation risk for yields and prices used in determining fair values.	Our procedures in this area included the following: • Assessing the design and operating effectiveness of the Group's controls over the determination and computation of fair values. • Challenging the reasonableness of yields or prices by comparison to independent pricing sources. • Assessing the reasonableness of significant assumptions used by management. • Involving our valuation specialists to determine or obtain yields or prices of specific securities and comparing these yield or prices to those used by management. • Assessing the adequacy of the disclosures, including the degree of estimation involved in determining fair values and sensitivities to changes in key assumptions.

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 note 31(b)]	*How the matter was addressed in our audit*
The Group recognises expected credit losses ('ECL') on financial assets, the determination of which is highly subjective and requires management to make significant judgements and assumptions. The key areas that required greater management judgement included the determination of significant increase in credit risk ('SICR'), the determination of probability of default, loss given default, exposures at default and the application of forward-looking information. Whilst there have been improvements in market conditions since the onset of the COVID-19 pandemic, there is still uncertainty regarding the outcome of the pandemic. This continues to require increased judgements in determining increases in credit risk and uncertainties about potential future economic scenarios and other impact on credit losses.	Our procedures in this area included the following: • Updating our understanding of the models used by management for the calculation of expected credit losses, including governance over the determination of key judgements and assumptions. • Testing the design and implementation of the controls over the determination of expected credit losses. • 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, independently assessing the assumptions for probability of default, loss given default, 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 31(b)]	*How the matter was addressed in our audit*
Significant management judgement and assumptions are also used in determining the appropriate variables and assumptions in the model used to measure 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.	Our procedures in this area included the following (continued): • Evaluating the adequacy of the financial statements' disclosures including disclosures of the key assumptions and judgements.

3. Impairment assessment of investment in associate

Key Audit Matter [see note 18]	*How the matter was addressed in our audit*
The market capitalisation of the Group's shareholding in the associated company is below its carrying value, determined using equity accounting. This is considered to be an indicator of impairment for which management performed a formal impairment assessment.	Our procedures in this area included the following: • Involving our valuation specialists to review management's calculation of the recoverable amount of the investment and evaluating the assumptions and methodology used. • Comparing the Group's assumptions to externally derived data as well as our own assessment of key inputs such as discount rate.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (continued)

3. Impairment assessment of investment in associate (continued)

Key Audit Matter [see note 18]	*How the matter was addressed in our audit*
While there has been improvement in market conditions arising from the Covid-19 pandemic, there remains uncertainties regarding the outcome of the pandemic and the impact it will have on economic activities in the markets in which the associate operates. This creates some uncertainties forecasting and requires significant judgement in estimating future cashflows and determining appropriate discount rate used in the assessment of recoverable value.	Our procedures in this area included the following (continued): • Reviewing management's assessment of the forecast performance of its investment and performing inquiries with key management. • Assessing the adequacy of the Group's disclosures about the impairment assessment and the key assumptions and sensitivities used in the measurement of recoverable value.

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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (Continued)

Other Information (continued)

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.

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 8-9, forms part of our auditors' report.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

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 1, 2022

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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
Net Interest Income and Other Revenue			
Interest income from securities, calculated using the effective interest method	5	27,132,536	22,119,035
Interest expense	5	(15,556,897)	(11,658,789)
Net Interest Income		**11,575,639**	**10,460,246**
Fee and commission income		2,989,152	1,725,085
Gains on securities trading, net		7,323,596	6,785,903
Net gain from financial assets at fair value through profit or loss (FVTPL)		133,279	47,085
Fees earned from managing funds on behalf of clients		2,032,227	1,489,530
Foreign exchange margins from cambio trading		2,586,867	1,932,001
Operating Revenue Net of Interest Expense		**26,640,760**	**22,439,850**
Other income			
Dividends		141,887	121,123
Other		26,001	57,314
		26,808,648	**22,618,287**
Operating Expenses			
Staff costs	6	(10,341,158)	(8,005,020)
Other expenses	7	(8,172,242)	(6,522,373)
		(18,513,400)	(14,527,393)
		8,295,248	**8,090,894**
Impairment loss on financial assets	8	(1,932,924)	(2,006,821)
Share of profit of associate	18	5,079,427	1,884,811
Gain/(loss) on disposal of property, plant and equipment		4,631	(8,186)
Profit before Taxation		**11,446,382**	**7,960,698**
Taxation	9	570,716	(242,201)
Profit for the Year		**12,017,098**	**7,718,497**
Attributable to:			
Stockholders of the parent		11,442,474	7,505,902
Non-controlling interest	30	574,624	212,595
		12,017,098	**7,718,497**
Earnings per stock unit	10	**$5.85**	**$3.84**

The notes on pages 21 to 122 are an integral part of these financial statements

JMMB GROUP LIMITED

Consolidated Statement of Profit and Loss and Other Comprehensive Income

Year ended 31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
Profit for the Year		**12,017,098**	**7,718,497**
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)		33,870	74,466
Items that may be reclassified to profit or loss:			
Realised (losses)/gains on debt securities at FVOCI reclassified		(831,116)	15,889
Unrealised (losses)/gains on debt securities at FVOCI		(16,349,044)	14,600,275
Related tax	22	3,162,648	(3,979,318)
Share of other comprehensive (losses)/ income of associates		(2,482,556)	1,126,050
Foreign exchange differences on translation of foreign subsidiaries		1,223,453	965,433
Total other comprehensive (loss)/income, net of tax		(15,242,745)	12,802,795
Total comprehensive (loss)/income for the year		**(3,225,647)**	**20,521,292**
Total comprehensive (loss)/income attributable to:			
Equity holders of the parent		(3,056,333)	19,910,428
Non-controlling interest	30	(169,314)	610,864
		(3,225,647)	**20,521,292**

The notes on pages 21 to 122 are an integral part of these financial statements

JMMB GROUP LIMITED

Consolidated Statement of Financial Position

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
ASSETS			
Cash and cash equivalents	12	62,180,345	67,292,923
Interest receivable		4,860,486	4,253,222
Income tax recoverable		492,964	671,443
Loans and notes receivable	13	142,712,234	119,456,147
Other receivables	14	7,563,312	4,227,018
Securities purchased under agreements to resell	15	2,454,525	3,299,974
Investment securities	16	332,081,929	262,392,047
Interest in associate	18	42,783,595	38,930,751
Investment property	19	1,227,476	698,932
Intangible assets	20	3,374,681	2,900,420
Property, plant and equipment	21	3,669,478	3,556,890
Deferred income tax assets	22	9,883,034	4,593,139
Right-of-use assets	23	1,182,192	1,433,973
		614,466,251	**513,706,879**

The notes on pages 21 to 122 are an integral part of these financial statements

JMMB GROUP LIMITED

Consolidated Statement of Financial Position (Continued)

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
STOCKHOLDERS' EQUITY			
Share capital	24	14,115,924	14,115,924
Retained earnings reserve	25(a)	9,605,055	9,605,055
Investment revaluation reserve	25(b)	(11,337,082)	4,562,694
Cumulative translation reserve	25(c)	2,641,245	1,240,276
Retained earnings		39,904,816	30,124,562
		54,929,958	59,648,511
Non-controlling interest	30	1,462,088	1,563,047
		56,392,046	**61,211,558**
LIABILITIES			
Customer deposits		151,846,966	128,303,836
Due to other financial institutions	28	11,789,703	6,026,824
Securities sold under agreements to repurchase	26	298,287,175	227,730,286
Notes payable	27	51,619,130	48,328,592
Lease liabilities	23	1,376,078	1,588,571
Redeemable preference shares	24	28,745,897	28,021,391
Deferred income tax liabilities	22	15,813	270,749
Interest payable		2,977,387	1,978,908
Income tax payable		1,271,872	2,715,824
Other payables		10,144,184	7,530,340
		558,074,205	**452,495,321**
		614,466,251	**513,706,879**

The financial statements on pages 10 to 122 were approved for issue by the Board of Directors on May 31, 2022 and signed on its behalf by:

Archibald Campbell — Chairman

Keith P. Duncan — Group Chief Executive Officer

The notes on pages 21 to 122 are an integral part of these financial statements

JMMB GROUP LIMITED

Consolidated Statement of Changes in Stockholders' Equity

Year ended 31 March 2022

(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 2020		**14,115,924**	**9,605,055**	**(6,919,287)**	**317,731**	**23,107,548**	**40,226,971**	**952,183**	**41,179,154**
Total comprehensive income for 2021									
Profit for the year		-	-	-	-	7,505,902	7,505,902	212,595	7,718,497
Other comprehensive income:									
Unrealised gains on investment securities at FVOCI, net of tax		-	-	10,355,931	-	-	10,355,931	355,381	10,711,312
Share of other comprehensive income of associate		-	-	1,126,050	-	-	1,126,050	-	1,126,050
Foreign exchange differences on translation of foreign subsidiaries		-	-	-	922,545	-	922,545	42,888	965,433
Total other comprehensive income		-	-	11,481,981	922,545	-	12,404,526	398,269	12,802,795
Total comprehensive income		-	-	11,481,981	922,545	7,505,902	19,910,428	610,864	20,521,292
Transactions with owners of the Company:									
Dividends paid to ordinary stockholders	11	-	-	-	-	(488,888)	(488,888)	-	(488,888)
Balances at 31 March 2021		**14,115,924**	**9,605,055**	**4,562,694**	**1,240,276**	**30,124,562**	**59,648,511**	**1,563,047**	**61,211,558**
Total comprehensive income for 2022									
Profit for the year		-	-	-	-	11,442,474	11,442,474	574,624	12,017,098
Other comprehensive loss:									
Unrealised losses on investments securities at FVOCI, net of tax		-	-	(13,417,220)	-	-	(13,417,220)	(566,422)	(13,983,642)
Share of other comprehensive loss of associate		-	-	(2,482,556)	-	-	(2,482,556)	-	(2,482,556)
Foreign exchange differences on translation of foreign subsidiaries		-	-	-	1,400,969	-	1,400,969	(177,516)	1,223,453
Total other comprehensive (loss)/income		-	-	(15,899,776)	1,400,969	-	(14,498,807)	(743,938)	(15,242,745)
Total comprehensive income		-	-	(15,899,776)	1,400,969	11,442,474	(3,056,333)	(169,314)	(3,225,647)
Transactions with owners of the Company:									
Dividends paid to ordinary stockholders	11	-	-	-	-	(1,662,220)	(1,662,220)	-	(1,662,220)
Paid in capital		-	-	-	-	-	-	68,355	68,355
Balances at 31 March 2022		**14,115,924**	**9,605,055**	**(11,337,082)**	**2,641,245**	**39,904,816**	**54,929,958**	**1,462,088**	**56,392,046**

The notes on pages 21 to 122 are an integral part of these financial statements

JMMB GROUP LIMITED

Consolidated Statement of Cash Flows

Year ended 31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
Cash Flows from Operating Activities			
Profit for the year		12,017,098	7,718,497
Adjustments for:			
Interest income	5	(27,132,536)	(22,119,035)
Interest expense	5	15,556,897	11,658,789
Share of profits of associate	18	(5,079,427)	(1,884,811)
Income tax (credit)/charge	9	(570,716)	242,201
Impairment loss on financial assets	8	1,932,924	2,006,821
Amortisation of intangible assets	20	321,158	223,159
Depreciation of property, plant and equipment	21	482,901	477,934
Depreciation of right-of-use assets	23	325,752	305,700
Fair value gain on investment properties	19	(74,803)	(77,700)
(Gain)/loss on sale of property, plant and equipment		(4,631)	8,186
Dividends income		(141,887)	(121,123)
Unrealised gains on trading securities		(133,279)	(47,085)
Foreign exchange losses on lease liabilities		54,008	106,872
Foreign currency translation losses		2,029,273	978,503
		(417,268)	(523,092)
Changes in operating assets and liabilities:			
Income tax recoverable, net		178,480	(53,234)
Loans and notes receivable		(24,780,123)	(22,198,882)
Other receivables		(3,355,031)	2,761,496
Securities purchased under agreements to resell		845,384	2,700,001
Customer deposits		23,543,130	24,120,762
Due to other financial institutions		5,762,879	5,816,219
Other payables		2,613,844	753,294
Securities sold under agreements to repurchase		70,556,889	48,140,306
		74,948,184	61,516,870
Interest received		26,525,272	21,370,535
Interest paid		(14,466,239)	(11,313,584)
Taxation paid		(3,255,419)	(2,290,022)
Net cash provided by operating activities (Page 16)		**83,751,798**	**69,283,799**

The notes on pages 21 to 122 are an integral part of these financial statements

JMMB GROUP LIMITED

Consolidated Statement of Cash Flows (Continued)

Year ended 31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
Cash Flows from Operating Activities (Page 15)		**83,751,798**	**69,283,799**
Cash Flows from Investing Activities			
Investment securities, net		(87,368,960)	(55,131,693)
Dividends received		1,230,302	819,482
Purchase of intangible assets	20	(825,453)	(887,508)
Purchase of property, plant and equipment	21	(495,458)	(357,932)
Investment property	19	(453,741)	-
Proceeds from disposal of property, plant and equipment		7,836	-
Net cash used in investing activities		**(87,905,474)**	**(55,557,651)**
Cash Flows from Financing Activities			
Proceeds from issue of shares		68,355	-
Redeemable preference shares, net	24	-	9,965,934
Proceeds from notes payable		5,574,526	9,522,780
Repayment of notes payable	27	(4,386,262)	(8,772,886)
Payment of lease liabilities	23	(415,179)	(408,493)
Dividends paid to ordinary stockholders	11	(1,662,220)	(488,888)
Net cash (used in)/provided by financing activities		(820,780)	**9,818,447**
Effect of exchange rate changes on cash and cash equivalents		**(138,122)**	1,112,328
Net (decrease)/ increase in cash and cash equivalents		(5,112,578)	24,656,923
Cash and cash equivalents at beginning of year		67,292,923	42,636,000
CASH AND CASH EQUIVALENTS AT END OF YEAR	12	**62,180,345**	**67,292,923**

The notes on pages 21 to 122 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 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
Net Interest Income and Other Revenue			
Dividends	29(ii)	600,646	280,502
Foreign exchange gains		467,072	770,744
		1,067,718	1,051,246
Operating Expenses	7	(387,824)	(258,705)
		679,894	792,541
Interest income	5	2,797,860	1,981,928
Interest expense	5	(2,694,121)	(2,129,418)
Impairment loss on financial assets	8	(26,112)	(25,028)
Other		-	20,604
Profit before Taxation		757,521	640,627
Taxation	9	(32,550)	-
Profit for the year, being total comprehensive income		**724,971**	**640,627**

The notes on pages 21 to 122 are an integral part of these financial statements

JMMB GROUP LIMITED

Company Statement of Financial Position

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
ASSETS			
Cash and cash equivalents	12	80,946	44,323
Interest receivable		232,726	409,529
Income tax recoverable		68,031	116,413
Loans and notes receivable	13,29(i)	39,439,109	41,944,982
Other receivables	14	1,494,586	12,636,270
Securities purchased under agreements to resell	15	303,434	1,274,449
Investment securities	16	4,033	4,033
Interest in subsidiaries	17	20,733,508	15,533,508
		62,356,373	**71,963,507**
STOCKHOLDERS' EQUITY			
Share capital	24	14,115,924	14,115,924
Retained earnings		225,068	1,162,317
		14,340,992	**15,278,241**
LIABILITIES			
Notes payable	27	16,480,778	16,179,947
Redeemable preference shares	24	28,745,897	28,021,391
Interest payable		295,490	275,937
Due to subsidiary	29(i)	2,469,595	12,189,126
Other payables		23,621	18,865
		48,015,381	**56,685,266**
		62,356,373	**71,963,507**

The financial statements on pages 10 to 122 were approved for issue by the Board of Directors on May 31, 2022 and signed on its behalf by:

Archibald Campbell	Chairman	Keith P. Duncan	Group Chief Executive Officer

The notes on pages 21 to 125 are an integral part of these financial statements

JMMB GROUP LIMITED

Company Statement of Changes in Stockholders' Equity

Year ended 31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	Share Capital $'000	Retained Earnings $'000	Total $'000
Balances at 31 March 2020		**14,115,924**	**1,010,578**	**15,126,502**
Profit, being total comprehensive income for the year		-	640,627	640,627
Transaction with owners of the Company:				
Dividends paid to ordinary stockholders	11	-	(488,888)	(488,888)
Balances at 31 March 2021		**14,115,924**	**1,162,317**	**15,278,241**
Profit, being total comprehensive income for the year		-	724,971	724,971
Transaction with owners of the Company:				
Dividends paid to ordinary stockholders	11	-	(1,662,220)	(1,662,220)
Balances at 31 March 2022		**14,115,924**	**225,068**	**14,340,992**

The notes on pages 21 to 125 are an integral part of these financial statements

JMMB GROUP LIMITED

Company Statement of Cash Flows

Year ended 31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2022 $'000	2021 $'000
Cash Flows from Operating Activities			
Profit for the year		724,971	640,627
Adjustments for:			
Interest income	5	(2,797,860)	(1,981,928)
Interest expense	5	2,694,121	2,129,418
Impairment loss on financial assets	8	26,112	25,028
Taxation	9	32,550	-
Dividend income	29(ii)	(640,646)	(280,502)
Foreign exchange losses		1,025,337	938,505
		1,064,585	1,471,148
Changes in operating assets and liabilities:			
Income tax recoverable, net		15,832	81,220
Loans and notes receivable		2,479,770	(20,109,799)
Other receivables		11,141,684	(12,453,085)
Other payables		4,756	(9,113)
Securities purchased under agreements to resell		971,006	(127,661)
Due to subsidiaries		(9,719,531)	21,762,599
		5,958,102	(9,384,691)
Interest received		2,974,663	1,795,764
Interest paid		(2,674,568)	(2,370,910)
Net cash provided by/(used in) operating activities		**6,258,197**	**(9,959,837)**
Cash Flows from Investing Activities			
Dividends received		640,646	280,502
Investment in subsidiaries		(5,200,000)	(1,500,000)
Net cash used in investing activities		**(4,559,354)**	**(1,219,498)**
Cash Flows from Financing Activities			
Proceeds from issue of notes payable		-	9,057,947
Repayment of notes payable		-	(7,323,403)
Issue of redeemable preference shares	24	-	9,965,934
Dividends paid	11	(1,662,220)	(488,888)
Net cash (used in)/provided by financing activities		**(1,662,220)**	**11,211,590**
Net increase in cash and cash equivalents		36,623	32,255
Cash and cash equivalents at beginning of year		44,323	12,068
CASH AND CASH EQUIVALENTS AT END OF YEAR	12	**80,946**	**44,323**

The notes on pages 21 to 122 are an integral part of these financial statements

JMMB GROUP LIMITED

Notes to the Financial Statements

31 March 2022

(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 and an associate which are listed below. The Company and its subsidiaries and associate are collectively referred to as "the Group".

Name of Subsidiary and Associate	% Shareholding Held by Parent/Subsidiary		Country of Incorporation	Principal Activities
	Parent	Subsidiary		
JMMB Financial Holdings Limited	100		Jamaica	Financial holding company
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		100	Jamaica	Fund management
JMMB International Limited	100		Barbados	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) 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
Associate				
Sagicor Financial Company Limited	23.29 (2021: 22.73)		Bermuda	Life and health insurance. pension, banking and investment management

JMMB Financial Holdings Limited (JMMB FHL) was incorporated on 24 December 2021. JMMB FHL will be a licensed Financial Holding Company as required under the Banking Services Act (2014) and will be regulated by the Bank of Jamaica. The Group is in the process of reorganisation its existing structure in accordance with the Banking Services Act (2014). All regulated entities in the Group will be transferred to JMMB FHL.

1. Identification (continued)

During the prior year, Jamaica Money Market Brokers Limited transferred ownership of JMMB International Limited to the Company. The direct ownership of Sagicor Financial Company Limited was also transferred from the Company to JMMB International Limited. The transfers were made at book value.

2. Statement of Compliance and Basis of Preparation

(a) Statement of compliance:

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

Certain new and amended standards came into effect during the current financial year. None of these issued had a material impact on the Group's financial statements. Details of the Group's significant accounting policies are included at note 35.

(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 Jamaican 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.

2 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

The measurement of the allowances for expected credit loss (ECL) 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).

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3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(a) Key sources of estimation uncertainty (continued)

(i) Impairment of financial assets (continued)

A number of significant judgements are required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increases in credit risk with qualitative factors incorporating the economic impact of Covid-19;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios with increased uncertainties due to Covid-19 for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in notes 31(b) and 35(b).

(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 derived 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, particularly with increased volatility of certain markets due to Covid-19. The fair values determined in this way are classified as Level 2 fair values.

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 16 and 32).

(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).

(iv) Impairment of the carrying value of interest in associate

Impairment of interest in associate is dependent upon management's internal assessment of future cash flows from the associate. That internal assessment determines the recoverable value of the associate. The estimate of the amount recoverable from future operations of the associate is also sensitive to the discount rates used.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(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:

(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 require 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 require significant judgement.

(3) Income taxes:

The current and deferred tax liabilities and assets arising from certain transactions or events may be uncertain in the ordinary course of business. The Group recognises tax assets and liabilities based on its understanding of the relevant tax rules and its judgement. Where, on the basis of a subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

4. 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.

4. Segment Reporting (Continued)

	The Group				
	2022				
	Financial & Related Services	Banking & Related Services	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	26,712,721	15,346,745	310,710	-	42,370,176
Inter-segment revenue	7,864,103	233,131	-	(8,097,234)	-
Total segment revenue	34,576,824	15,579,876	310,710	(8,097,234)	42,370,176
Segment results	5,827,896	2,360,907	106,445	-	8,295,248
Impairment loss on financial assets	-	-	-	-	(1,932,924)
Share of profit of associate	-	-	-	-	5,079,427
Gain on disposal of property, plant and equipment	-	-	-	-	4,631
Profit before tax	-	-	-	-	11,446,382
Taxation	-	-	-	-	570,716
Profit for the year	-	-	-	-	12,017,098
Total segment assets	573,576,310	229,827,725	2,856,355	(191,794,139)	614,466,251
Total segment liabilities	523,419,380	205,741,737	2,480,059	(173,566,971)	558,074,205
Interest income	14,567,502	12,557,248	7,786	-	27,132,536
Interest expense	11,182,446	4,374,451	-	-	15,556,897
Operating expenses	10,769,926	7,539,087	204,387	-	18,513,400
Depreciation and amortisation	551,276	560,586	17,949	-	1,129,811
Capital expenditure	829,251	403,426	541,975	-	1,774,652

	The Group				
	2021				
	Financial & Related Services	Banking & Related Services	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	22,200,730	11,764,273	303,886	-	34,268,889
Inter-segment revenue	4,565,781	119,410	-	(4,685,191)	-
Total segment revenue	26,766,511	11,883,683	303,886	(4,685,191)	34,268,889
Segment results	5,496,647	2,452,046	142,201	-	8,090,894
Impairment loss on financial assets	-	-	-	-	(2,006,821)
Share of profit of associate	-	-	-	-	1,884,811
Loss on disposal of property, plant and equipment					(8,186)
Profit before tax	-	-	-	-	7,960,698
Taxation	-	-	-	-	(242,201)
Profit for the year	-	-	-	-	7,718,497
Total segment assets	468,661,714	192,806,364	2,158,923	(149,920,122)	513,706,879
Total segment liabilities	413,594,345	173,433,921	1,865,764	(136,398,709)	452,495,321
Interest income	12,344,669	9,769,492	4,874	-	22,119,035
Interest expense	8,451,188	3,207,601	-	-	11,658,789
Operating expenses	7,437,351	6,927,792	162,250	-	14,527,393
Depreciation and amortisation	508,084	483,089	15,620	-	1,006,793
Capital expenditure	611,407	633,975	58	-	1,245,440

5. Net Interest Income/(Expense)

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Interest income, calculated using the effective interest method				
Cash and cash equivalents	204,590	102,839	-	-
Loans and notes receivable	11,367,880	8,774,494	2,227,534	1,917,207
Resale agreements	6,835	296,400	570,326	64,721
Investment securities	15,553,231	12,945,302	-	-
Total interest income	**27,132,536**	**22,119,035**	**2,797,860**	**1,981,928**
Interest expense				
Repurchase agreements	6,321,765	6,076,643	-	-
Notes payable	4,676,417	2,423,708	999,405	1,216,368
Customer deposits	2,771,820	2,147,068	-	-
Lease liabilities	92,179	98,319	-	-
Redeemable preference shares	1,694,716	913,051	1,694,716	913,050
Total interest expense	**15,556,897**	**11,658,789**	**2,694,121**	**2,129,418**
Net interest income/(expense)	**11,575,639**	**10,460,246**	**103,739**	**(147,490)**

6. Staff Costs

	The Group	
	2022 $'000	2021 $'000
Salaries and benefits, including profit-related pay	8,533,765	6,428,851
Statutory payroll contributions	618,836	486,343
Pension costs (note 33)	302,640	227,545
Training and development	64,343	55,135
Other staff benefits	821,574	807,146
	10,341,158	**8,005,020**

7. Other Expenses

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Marketing, corporate affairs and donations	669,506	507,049	105,666	79,372
Depreciation and amortisation	1,129,811	1,006,793	-	-
Directors' fees [note 29(iii)]	159,353	103,784	52,932	43,197
Irrecoverable – GCT	337,952	322,854	5,865	-
Insurance	223,290	189,734	-	-
Auditors' remuneration	186,516	139,728	-	3,592
Asset tax	831,335	621,598	-	-
Information technology	1,100,223	836,587	-	-
Legal and professional fees	1,741,308	1,303,073	214,185	130,840
Repairs and maintenance	310,739	235,055	-	-
Travel and entertainment	20,283	11,440	-	-
Motor vehicle	23,390	27,628	-	-
Office rental	152,892	138,838	-	-
Security	280,392	150,259	9,152	1,171
Stationery, printing and postage	175,891	115,216	-	-
Utilities	286,756	367,559	-	-
Bank charges	349,244	179,839	-	-
Other	193,361	265,339	24	533
	8,172,242	**6,522,373**	**387,824**	**258,705**

8. Impairment Losses on Financial Assets

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Charged/(credited) for the year on:				
Investment securities at amortised cost (note 16)	(30,762)	25,043	-	-
Investment securities at FVOCI	516,950	407,135	-	-
Loan and notes receivable (note 13)	1,427,934	1,570,507	26,103	25,027
Securities purchased under agreement to resell (note 15)	65	(12)	9	1
Other receivables (note 14)	18,737	4,148	-	-
	1,932,924	**2,006,821**	**26,112**	**25,028**

9. 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	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Current income tax	1,807,693	3,053,320	-	-
Tax credit	(375)	(375)	-	-
Green fund and business levy	15,661	27,960	-	-
Prior year under provision	(11,512)	4,198	32,550	-
	1,811,467	3,085,103	32,550	-
Deferred income tax (note 22)				
Origination and reversal of temporary differences	(2,605,900)	(2,920,668)	-	-
Tax benefit of losses carried forward	223,717	77,766	-	-
	(2,382,183)	(2,842,902)	-	-
	(570,716)	**242,201**	**32,550**	**-**

(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	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Profit before taxation	11,446,382	7,960,698	757,521	640,627
Tax using domestic rate calculated at 25% (2021: 25%)	189,380	160,157	189,380	160,157
Tax using domestic rate calculated at 331/3% (2021: 33%)	774,274	1,446,148	-	-
Effect of tax rates in foreign jurisdiction	1,897,940	383,870	-	-
Adjusted for the effects of:				
Income not subject to tax	(3,587,921)	(2,064,870)	(124,280)	(160,157)
Share of profits associates included net of tax	(253,971)	(94,241)	-	-
Disallowed expenses	453,105	516,320	-	-
Tax losses recovered	(35,502)	(2,966)	-	-
Deferred tax not recognised	-	862	-	-
Tax credit	(375)	(375)	-	-
Green fund and business levy	11,457	16,741	-	-
Other	(7,591)	(123,267)	-	-
Prior year (over)/under provision	(11,512)	3,822	(32,550)	-
	(570,716)	**242,201**	**32,550**	**-**

(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 $7,647,469,000 (2021: $3,393,344,000) for the Group.

10. Earnings per Stock Unit

Earning per stock unit ("EPS'') is computed by dividing the profit attributable to stockholders of the parent of \$11,442,474,000 (2021: \$7,505,902,000) by the weighted average number of ordinary stock units in issue during the year, numbering 1,955,552,532 (2021: 1,955,552,532).

11. Dividends paid to Ordinary Stockholders

	The Group and the Company	
	2022	2021
	$'000	$'000
Interim dividend in respect of 2021 @ 60.0 cents per stock unit	1,173,332	-
Interim dividend in respect of 2021 @ 25.0 cents per stock unit	488,888	-
Final dividend in respect of 2020 @ 25.0 cents per stock unit	-	488,888
	1,662,220	**488,888**

12. Cash and Cash Equivalents

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Cash	33,711,785	58,234,192	-	-
Balances with Central Bank	20,668,052	7,461,360	-	-
Cash equivalents	7,800,508	1,597,371	80,946	44,323
	62,180,345	**67,292,923**	**80,946**	**44,323**

Cash equivalents of the Group include \$669,459,000 (2021: \$1,540,259,000) 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 (2021: \$7,859,000) deposited at an interest rate of 0.75% (2021: 0.5%) 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.

13. Loans and Notes Receivable

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Corporate	59,909,360	54,174,297	-	-
Financial institutions	6,162,941	5,296,901	39,550,763	42,030,533
Individuals	81,565,213	64,419,206	-	-
	147,637,514	123,890,404	39,550,763	42,030,533
Less: allowance for impairment	(4,925,280)	(4,434,257)	(111,654)	(85,551)
	142,712,234	**119,456,147**	**39,439,109**	**41,944,982**

Allowance for impairment:

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Balance at 1 April	4,434,257	3,038,456	85,551	60,524
Charge for year (note 8)	1,427,934	1,570,507	26,103	25,027
Write-offs	(1,033,013)	(274,014)	-	-
Translation differences	96,102	99,308	-	-
Balance at 31 March	**4,925,280**	**4,434,257**	**111,654**	**85,551**

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 includes the balance on an interest-free revolving advance of $2,458,548,605 (2021: $2,458,548,605) 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 2022 was 183,590,420 (2021: 182,733,515).

14. Other Receivables

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Receivable from related parties	2,416,212	469,325	1,399,461	11,878,103
Other receivables	5,160,885	3,750,394	95,125	758,167
Staff loans	16,844	19,991	-	-
	7,593,941	4,239,710	1,494,586	12,636,270
Less: allowance for impairment	(30,629)	(12,692)	-	-
	7,563,312	**4,227,018**	**1,494,586**	**12,636,270**

Allowance for impairment:

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	12,692	8,544	-	-
Charge for year	18,737	4,148	-	-
Write off	(800)	-	-	-
Balance at 31 March	30,629	12,692	-	-

15. Securities Purchased Under Agreements to Resell

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Denominated in Jamaican dollars	-	3,300,000	186,875	-
Denominated in United States dollars	2,454,616	-	116,579	719,271
Denominated in Trinidad and Tobago dollars	-	-	-	555,189
	2,454,616	3,300,000	303,454	1,274,460
Less: allowance for impairment	(91)	(26)	(20)	(11)
	2,454,525	**3,299,974**	**303,434**	**1,274,449**

15. Securities Purchased Under Agreements to Resell (Continued)

Allowance for impairment:

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Balance at 1 April	26	38	11	10
Charge/(credit) for year	65	(12)	9	1
Balance at 31 March	91	26	20	11

Resale agreements include balances with related parties as set out in note 29. 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 26).

At the reporting date, the fair value of the securities obtained and held under resale agreements was $3,319,979,000 (2021: $3,715,174,000) and $303,454,000 (2021: $1,274,460,000) for the Group and Company, respectively.

16. Investment Securities

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Debt securities at amortised cost:				
Certificates of deposit	-	54,446	-	-
Government of Jamaica securities	801,441	7,951,068	-	-
Other sovereign bonds	-	279,919	-	-
Corporate bonds:			-	-
Government of Jamaica guaranteed	1,957,615	2,170,737	-	-
Other	-	2,078,848	-	-
	2,759,056	12,535,018	-	-
Debt securities at fair value through other comprehensive income:				
Government of Jamaica securities	128,941,842	91,245,244	-	-
Certificates of deposit	25,953,084	23,198,367	-	-
Government of Jamaica guaranteed	3,748,926	3,785,902	-	-
Corporate bonds	109,690,626	69,872,864	-	-
Other sovereign bonds	49,575,844	52,865,155	-	-
	317,910,322	240,967,532	-	-
Equity securities at fair value through other comprehensive income:				
Quoted securities	2,552,032	2,551,215	-	-
Balance carried forward to page 33	**323,221,410**	**256,053,765**	-	-

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16. Investment Securities (Continued)

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Balance brought forward from page 32	**323,221,410**	**256,053,765**	-	-
Other securities at fair value through other comprehensive income:				
Other	4,033	4,033	4,033	4,033
Debt securities designated at fair value through profit or loss:				
Corporate bonds	2,131,914	1,430,918	-	-
Other sovereign bonds	238,581	-	-	-
	2,370,495	1,430,918	-	-
Equity securities at fair value through profit and loss:				
Quoted securities	4,569,430	4,362,931	-	-
Other securities at fair value through profit and loss:				
Units in unit trusts	1,095,369	515,895	-	-
Money market funds	66,447	67,289	-	-
Unquoted securities	770,895	17,418	-	-
	1,932,711	600,602	4,033	-
	332,098,079	262,452,249		4,033
Less: allowance for impairment losses for investments at amortised cost	(16,150)	(60,202)	-	-
	332,081,929	**262,392,047**	**4,033**	**4,033**

Allowance for impairment for investments at amortised cost:

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	60,202	290,602	-	-
(Credit)/charge for the year	(30,762)	25,043	-	-
Write offs	(13,290)	(255,443)	-	-
Balance at 31 March	**16,150**	**60,202**	-	-

16. Investment Securities (Continued)

Investments mature, from the reporting date, as follows:

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Government of Jamaica securities:				
Within 3 months	663,344	543,781	-	-
Over 3 months to 1 year	2,185,741	10,315,373	-	-
Over 1 year to 5 years	11,799,204	9,638,127	-	-
Over 5 years	115,091,550	78,667,379	-	-
	129,739,839	99,164,660	-	-
Certificates of deposit:				
Within 3 months	20,273,294	223,566	-	-
Over 3 months to 1 year	1,900,000	5,631,838	-	-
Over 1 year to 5 years	3,779,790	17,397,409	-	-
	25,953,084	23,252,813	-	-
Sovereign and corporate bonds:				
Within 3 months	19,037,347	11,449,744	-	-
Over 3 months to 1 year	15,920,572	8,519,924	-	-
Over 1 year to 5 years	58,462,081	50,746,913	-	-
Over 5 years	73,910,800	61,753,077	-	-
	167,330,800	132,469,658	-	-
Other [see (c) below]	9,058,206	7,504,916	4,033	4,033
	332,081,929	**262,392,047**	**4,033**	**4,033**

(a) Government of Jamaica securities and certain other bonds are pledged as security for repurchase agreements (note 26) and notes payable (note 27).

(b) Government of Jamaica securities with an aggregate face value of $620,000,000 (2021: $620,000,000) have been pledged as collateral against possible overdrafts at the Central Bank and against uncleared effects at one of the Company's bankers.

(c) Other securities include quoted equities, unit trust holdings and interest in pooled money market fund, for which there are no fixed maturity dates.

17. Interest in Subsidiaries

	The Company	
	2022	2021
	$'000	$'000
Shares at cost:		
Jamaica Money Market Brokers Limited	4,564,054	1,864,054
JMMB International Limited	500,000	500,000
JMMB Bank (Jamaica) Limited	10,085,176	7,585,176
JMMB Money Transfer Limited	50,789	50,789
Jamaica Money Market Brokers (Trinidad and Tobago) Limited	4,054,726	4,054,726
JMMB Holding Company, SRL and its subsidiaries	1,478,763	1,478,763
	20,733,508	**15,533,508**

18. Interest in Associate

	The Group	
	2022	2021
	$'000	$'000
At beginning of the year	38,930,751	35,009,306
Share of profits	5,079,427	1,884,811
Dividends received	(1,088,415)	(698,359)
Movement in other reserves	(2,482,556)	218,657
Translation adjustment	2,344,388	2,516,336
At end of the year	42,783,595	38,930,751

The Group owns 23.29% (2021: 22.73%) of the issued and outstanding common shares of Sagicor Financial Company Limited (SFC). The change in percentage shareholding during the year arose from SFC's repurchase of its own shares.

The Group has accounted for this investment as an associate and has applied the equity method of accounting.

The principal activities of SFC are life and health insurance, annuities and pension administration services and banking and investment management services. The main purpose of the acquisition is to diversify the Group's income stream while improving core earnings. SFC is listed on the Toronto Stock Exchange.

18. Interest in Associate (Continued)

The following table presents the summarised financial information in respect of SFC as indicated in its own financial statements, adjusted for fair value adjustment at acquisition. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in SFC. The Group has used the last audited financial statements of SFC as at and for the year ended 31 December 2022 adjusted for its unaudited results for the three months to 31 March 2022.

	2022	2021
Percentage ownership		
	$'000	**$'000**
Total assets	1,611,810,120	1,335,606,270
Total liabilities	(1,358,413,680)	(1,100,544,700)
Net assets	253,396,440	235,061,570
Revenue	397,476,976	241,228,532
Profit from continuing operation	21,871,524	8,285,977
Other comprehensive (loss)/income	(10,584,878)	5,010,965
Total comprehensive income/(loss)	11,286,646	13,296,942
Group's share of profit 23.29% (2021: 22.73%)	5,079,427	1,884,811
Group's share of other comprehensive income	(2,482,556)	1,126,050
Group's share of total comprehensive income	2,627,452	3,010,873
Net assets of the associate – 100%	253,396,440	235,061,570
Pre-acquisition goodwill and intangible assets	(12,068,099)	(12,068,099)
Non-controlling interests	(80,822,732)	(75,623,303)
Adjusted net assets	160,505,609	147,370,168
Group's share of adjusted net assets 23.29% (2021: 22.73%)	37,000,541	33,314,443
Intangible assets recognised on acquisition	6,238,343	6,238,343
Translation loss	(455,289)	(622,035)
Carrying amount of interest in associate	42,783,595	38,930,751

The carrying value of SFC and the fair value indicated by its quoted price on the Toronto Stock Exchange (''TSE Indicative Value'') as at 31 March is as follow:

	The Group 2022		The Group 2021	
	Carrying Value	**TSE Indicative Value**	**Carrying Value**	**TSE Indicative Value**
	$'000	**$'000**	**$'000**	**$'000**
Sagicor Financial Company Limited	42,783,595	26,741,280	38,930,751	22,606,201

18. Interest in Associate (Continued)

Management has conducted an impairment assessment in respect of this investment involving a review of the performance of the entity as well as the fair value of the underlying asset and determined that no impairment in the carrying values has occurred.

19. Investment Property

	The Group	
	2022	**2021**
	$'000	**$'000**
Balance as at 1 April	698,932	621,232
Acquisitions	453,741	-
Fair value gain	74,803	77,700
	1,227,476	698,932

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 uses a market approach and considers the location and condition of the properties as well as recent comparable transactions in proximity to the investment properties.

Investment properties generated rental income of Nil (2021: $1,515,000) and incurred expenses of $38,489,000 (2021: $18,821,000) for the year.

The fair value of the Group's investment properties is categorised as Level 3 in the fair value hierarchy.

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 2020	2,737,260	623,342	298,850	29,310	368,788	4,057,550
Additions	887,508	-	-	-	-	887,508
Exchange rate adjustment	1,852	21,719	18,578	1,164	12,659	55,972
31 March 2021	**3,626,620**	**645,061**	**317,428**	30,474	**381,447**	**5,001,030**
Additions	825,453	-	-	-	-	825,453
Reclassification (note 21)	111,996	-	-	-	-	111,996
Exchange rate adjustment	7,169	17,356	17,232	3	8,229	49,989
31 March 2022	4,571,238	662,417	334,660	30,477	389,676	5,988,468
Accumulated Amortisation						
31 March 2020	**1,138,124**	**424,739**	-	-	**289,138**	**1,852,001**
Charge for the year	168,684	54,475	-	-	-	223,159
Exchange rate adjustment	1,363	11,428	-	-	12,659	25,450
31 March 2021	**1,308,171**	**490,642**	-	-	**301,797**	**2,100,610**
Charge for the year	271,549	49,609	-	-	-	321,158
Reclassification (note 21)	167,131	-	-	-	-	167,131
Exchange rate adjustment	5,859	10,799	-	-	8,230	24,888
31 March 2022	1,752,709	551,050	-	-	310,027	2,613,786
31 March 2022	**2,818,529**	**111,367**	**334,660**	**30,477**	**79,649**	**3,374,681**
31 March 2021	**2,318,449**	**154,419**	**317,428**	**30,474**	**79,650**	**2,900,420**

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) with the licences are based on value in use, determined by discounting the future cash flows 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:

	2022	2021
Discount rate:	14%; 16%	14%; 16%
Long-term growth rate	3%	3%
Time to obtain licence	3-4 years	3-4 years

Discount rates would need to exceed 19%, 52% and 155% for the recoverable amounts to be below the carrying amount of the licences.

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20. Intangible Assets (Continued)

Impairment testing for intangible assets with indefinite useful lives (continued)

Licences recognised in JMMB (Trinidad & Tobago) Limited and JMMB Holding Company Limited, SRL (continued)

The discount rates are 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 carrying 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 2020	**2,393,326**	**852,111**	**88,455**	**2,118,248**	**1,751,768**	**7,203,908**
Additions	48,045	154,819	5,573	37,189	112,306	357,932
Disposals	(7,233)	(393)	-	(368,800)	(7,688)	(384,114)
Exchange rate adjustment	839	41,458	13	62,940	44,975	150,225
31 March 2021	**2,434,977**	**1,047,995**	**94,041**	**1,849,577**	**1,901,361**	**7,327,951**
Additions	144,980	42,787	14,500	194,733	98,458	495,458
Transfer	(52,004)	2,783	-	47,998	1,223	-
Reclassification (note 20)	169,505	(171,104)	-	-	(110,397)	(111,996)
Disposals	-	(29,844)	(13,005)	(86,791)	(22,430)	(152,070)
Adjustment	(837)	45,147	-	(112,878)	67,732	(836)
Exchange rate adjustment	2,404	55,592	51	47,926	15,502	121,475
31 March 2022	**2,699,025**	**993,356**	**95,587**	**1,940,565**	**1,951,449**	**7,679,982**

21. Property, Plant and Equipment (Continued)

	The Group					
	Freehold Land and Buildings	**Leasehold Improvement**	**Motor Vehicles**	**Computer Equipment**	**Equipment, Furniture and Fittings**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Depreciation						
31 March 2020	**272,710**	**519,103**	**40,712**	**1,750,039**	**981,351**	**3,563,915**
Charge for the year	34,935	79,781	13,027	108,566	241,625	477,934
Disposals	-	-	-	(368,477)	(7,451)	(375,928)
Exchange rate adjustment	-	24,553	13	57,489	23,085	105,140
31 March 2021	**307,645**	**623,437**	**53,752**	**1,547,617**	**1,238,610**	**3,771,061**
Charge for the year	43,460	58,638	14,791	209,863	156,149	482,901
Reclassification (note 20)	2,050	(5,952)	- -	-	(163,229)	(167,131)
Disposals	-	(29,844)	(10,088)	(86,791)	(22,142)	(148,865)
Adjustment	-	40,825	-	(109,031)	65,007	(3,199)
Exchange rate adjustment	112	28,660	51	(178,229)	225,143	75,737
31 March 2022	353,267	715,764	58,506	1,383,429	1,499,538	4,010,504
Net Book Value						
31 March 2022	**2,345,758**	**277,592**	**37,081**	**557,136**	**451,911**	**3,669,478**
31 March 2021	**2,127,332**	**424,558**	**40,289**	**301,960**	**662,751**	**3,556,890**

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 balance sheet 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	
	2022	**2021**
	$'000	**$'000**
Deferred income tax assets	9,883,034	4,593,139
Deferred income tax liabilities	(15,813)	(270,749)
	9,867,221	**4,322,390**

22. Deferred Income Tax (continued)

Deferred income tax assets and liabilities are due to the following items:

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Deferred income tax assets -				
Investments	2,952,619	499,075	-	-
Unrealised foreign exchange losses	5,527,092	3,084,354	-	-
Property, plant and equipment	55,627	69,593	-	-
Other payables	58,177	75,383	-	-
Interest payable	884,981	639,595	-	-
Tax losses carried forward	426,273	203,419	-	-
Notes receivable	632,602	344,423	-	-
Other	2,330	3,823	-	-
Lease liabilities	72,567	23,390	-	-
	10,612,268	4,943,055	-	-
Deferred income tax liabilities -				
Interest receivable	(745,047)	(620,665)	-	-
Net deferred income tax assets	**9,867,221**	**4,322,390**	-	-

22. Deferred Income Tax (Continued)

The movement for the year in the net deferred tax is as follows:

	2022			
	The Group			
	Balance at Beginning of Year	Recognised in Income (note 9)	Recognised in Other Comprehensive Income	Balance at End of Year
	$'000	$'000	$'000	$'000
Tax losses carried forward	202,556	223,717	-	426,273
Investments	625,415	(835,444)	3,162,648	2,952,619
Accounts payable	75,383	(17,206)	-	58,177
Property, plant and equipment	69,593	(13,966)	-	55,627
Interest payable	639,595	245,386	-	884,981
Unrealised foreign exchange loss	2,958,877	2,568,215	-	5,527,092
Notes receivable	344,423	288,179	-	632,602
Other	3,823	(1,493)	-	2,330
Lease liabilities	23,390	49,177	-	72,567
Interest receivable	(620,665)	(124,382)	-	(745,047)
	4,322,390	**2,382,183**	**3,162,648**	**9,867,221**

	2021			
	The Group			
	Balance at Beginning of Year	Recognised in Income (note 9)	Recognised in Other Comprehensive Income	Balance at End of Year
	$'000	$'000	$'000	$'000
Tax losses carried forward	124,790	77,766	-	202,556
Investments	4,094,599	510,134	(3,979,318)	625,415
Accounts payable	55,263	20,120	-	75,383
Property, plant and equipment	22,163	47,430	-	69,593
Interest payable	405,417	234,178	-	639,595
Unrealised foreign exchange loss	1,067,945	1,890,932	-	2,958,877
Notes receivable	172,887	171,536	-	344,423
Other	-	3,823	-	3,823
Lease liabilities	11,602	11,788	-	23,390
Interest receivable	(495,860)	(124,805)	-	(620,665)
	5,458,806	**2,842,902**	**(3,979,318)**	**4,322,390**

23. Leases

The Group leases properties for office space and other uses. The leases run for periods of 1 to 15 years. Certain leases have an option to renew for further periods of 1 to 15 years.

The Group leases IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

(i) Amounts recognised in the statement of financial position:

	The Group	
	2022	**2021**
	$'000	**$'000**
Right-of-use assets - properties:		
Balance as at 1 April	1,433,973	1,849,321
Additions	4,311	885
Charge for the year	(325,752)	(305,700)
Remeasurement	-	(190,686)
Foreign currency translation differences	69,660	80,153
Balance at 31 March	**1,182,192**	**1,433,973**
Lease liabilities:		
Current	325,948	305,679
Non-current	1,050,130	1,282,892
	1,376,078	**1,588,571**

(ii) Amounts recognised in the profit and loss account:

	The Group	
	2022	**2021**
	$'000	**$'000**
Depreciation charge of right-of-use assets	325,752	305,700
Foreign exchange loss on lease liabilities	54,009	22,306
Interest expense on lease liabilities	92,363	98,319
Expense relating to short-term and low-value leases (included in administration expenses)	138,727	97,561

23. Leases (Continued)

(iii) Amounts recognised in the statement of cash flows

	The Group	
	2022	**2021**
	$'000	**$'000**
Total cash outflows for leases	415,179	408,493

(iv) Extension options

Some property leases contain extension options exercisable by the Group up to twelve months before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of $672,615,000 (2021: $ 442,461,000).

24. Share Capital

	2022	**2021**
	Number of Shares	**Number of Shares**
	('000)	**('000)**
Authorised ordinary stock units at no par value: unlimited		
Fixed rate cumulative redeemable preference shares of no par value	10,000,000	10,000,000

	2022	**2021**
	Number of Shares	**Number of Shares**
	('000)	**('000)**
Issued ordinary share capital:		
Ordinary stock units in issue at no par value	1,955,552	1,955,552

24. Share Capital (Continued)

	The Company	
	2022	**2021**
	$'000	**$'000**
Stated capital:		
1,955,552,532 (2021: 1,955,552,532) ordinary stock units	14,115,924	14,115,924
9,434,000 7.25% cumulative redeemable preference stock units	14,151	14,151
1,827,548,000 7.50% cumulative redeemable preference stock units	1,827,548	1,827,548
213,500 5.75% cumulative redeemable preference stock units	49,098	46,398
42,783,500 US$ 6.00% cumulative redeemable preference stock units	6,559,138	6,198,473
32,177,000 7.00% cumulative redeemable preference stock units	64,354	64,354
1,848,937,000 7.25% cumulative redeemable preference stock units	3,697,874	3,697,874
155,000 US$ 5.50% cumulative redeemable preference stock units	47,526	44,913
21,265,000 US$ 5.75% cumulative redeemable preference stock units	6,520,274	6,161,746
3,206,485,000 J$ 7.35% cumulative redeemable preference stock units	9,619,455	9,619,455
115,493,000 J$ 7.15% cumulative redeemable preference stock units	346,479	346,479
	42,861,821	42,137,315
Less: redeemable preference stock units classified as liability	(28,745,897)	(28,021,391)
	14,115,924	**14,115,924**

On 19 March 2021, the Company issued 3,206,485,000 and 115,493,000 7.35% and 7.15% JMD fixed rate cumulative redeemable preference shares respectively at a price of J$3.00 by public offering. The redeemable preference shares mature on 19 March 2028.

24. Share Capital (Continued)

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 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 11).
(ii) Entitlement to one vote per share at meetings of the Company.

25. Reserves

(a) Retained Earnings Reserve

In a previous year, 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, 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.

26. Securities Sold Under Agreements to Repurchase

	The Group	
	2022	**2021**
	$'000	**$'000**
Denominated in Jamaica dollars	68,997,863	59,198,864
Denominated in United States dollars	188,910,088	133,508,770
Denominated in Pound Sterling	-	110,129
Denominated in Euro	147,153	149,446
Denominated in Dominican Republic Peso	31,635,681	26,921,286
Denominated in Trinidad and Tobago dollars	8,596,390	7,841,791
	298,287,175	**227,730,286**

JMMB GROUP LIMITED

Notes to the Financial Statements
31 March 2022
(expressed in Jamaican dollars unless otherwise indicated)

26. Securities Sold Under Agreements to Repurchase (Continued)

Repurchase agreements are collateralised by certain securities and other instruments held by the Group with a carrying value of $312,325,890,000 (2021: $ 243,449,245,800) (notes 15 and 16).

27. Notes Payable

		The Group		The Company	
		2022	**2021**	**2022**	**2021**
		$'000	**$'000**	**$'000**	**$'000**
(i)	Senior Unsecured US$ Fixed Note	2,962,562	2,799,661	-	-
(ii)	Subordinated debt	2,263,000	2,159,000	-	-
(iii)	Senior secured TT$ Fixed Note	2,430,009	2,228,088	-	-
(iv)	Senior secured US$ Fixed Note	732,222	1,678,463	-	-
(v)	Promissory Note US$ Note	1,149,825	1,086,600	-	-
(vi)	Promissory Note US$ Fixed Note	22,996,500	21,732,000	-	-
(vii)	Unsecured J$ Fixed Note	3,500,000	3,500,000	3,500,000	3,500,000
(viii)	Unsecured US$ Fixed Note	3,832,750	3,622,000	3,832,750	3,622,000
(ix)	Unsecured J$ Fixed Note	7,509,800	7,509,800	7,509,800	7,509,800
(x)	Unsecured US$ Fixed Note	1,638,228	1,548,147	1,638,228	1,548,147
(xi)	Unsecured TT$ Fixed note	1,584,100	464,833	-	-
(xii)	Unsecured US$ Fixed note	1,020,134	-	-	-
		51,619,130	**48,328,592**	**16,480,778**	**16,179,947**

(i) The note is unsecured and bears interest at 5.5% per annum, with interest payable on a quarterly basis and a maturity date of 15 June 2023.

(ii) This represents subordinated debt of TT$100M issued by a subsidiary for a term of eight (8) years, maturing on 28 March 2030 at a fixed rate of 5% per annum.

(iii) This represents a fixed rate TT debt issued in three tranches bearing interest at 3.00% and 3.75% per annum, payable on a semi-annual basis. The notes mature in November 2022 and November 2024 and are secured by investment securities (note 16).

(iv) This represents a fixed rate US$ indexed debt issued in two tranches bearing interest at 3.15% and 3.65% per annum, payable on a semi-annual basis. These notes mature in November 2022 and November 2024 and are secured by investment securities (note 16).

(v) This represents a short-term unsecured funding facility from Citibank, N.A. of US$7,500,000 at an interest rate of 2.64% (2021: 4.51%) for the period 29 November 2021 to 25 May 2022.

(vi) This note is unsecured and bears interest at 2.5% per annum, payable quarterly. The note matures on 30 April 2022.

(vii) This represents unsecured fixed rate J$ debt bearing interest at 6.6% per annum, payable on a quarterly basis. The note matures on 2 December 2022.

27. Notes Payable (Continued)

(viii) This represents unsecured fixed rate US$ debt bearing interest at 5.6% per annum, payable on a quarterly basis. The note matures on 2 December 2022.

(ix) This represents unsecured fixed rate J$ debt bearing interest at 6.25% per annum, payable on a quarterly basis. The note matures on 27 July 2022.

(x) This represents a fixed rate US$ indexed debt bearing interest at 5.25% per annum, payable on a quarterly basis. The note matures on 27 July 2022.

(xi) This represents a fixed rate TT$ debt bearing interest at 3.25% to 3.30% per annum payable on a semi-annual basis. The notes are unsecured and mature in November 2022 and July 2023.

(xii) This represents a fixed rate TT$ debt bearing interest at 4.00% per annum payable on a semi-annual basis. This debt is unsecured and mature in November 2025.

28. Due to Other Financial Institutions

	The Group	
	2022	**2021**
	$'000	**$'000**
Development Bank of Jamaica (a)	895,417	432,350
National Housing Trust (b)	1,900,047	523,674
Inter-American Investment Corporation (c)	8,994,239	5,070,800
	11,789,703	**6,026,824**

(a) The balance due to Development Bank of Jamaica (DBJ), bears interest rates at 0.5% to 7% per annum for periods up to 7 years (2021: 5% to 7% per annum for periods up to 8 years). The loans are for on-lending to customers to finance development and agricultural projects within the terms and conditions specified by the DBJ and are repayable in monthly instalments.

(b) The balance due to National Housing Trust (NHT) bears interest rates at 0.0% to 2.5% (2021: 0.05% to 2.5%) per annum for periods of 25 years. The loan is for on-lending to customers to finance home acquisition within the terms and conditions specified by the NHT and are repayable in monthly instalments.

(c) The balance consists of US$58,667,000 (2021: $35,000,000) due to Inter-American Investment Corporation (IDB Invest), at interest rates of 4.1286% and 4.4375% (2021: 4.4375%) per annum for a period up to 5 years. The loan is for on-lending to SME'S within the terms and conditions specified by IDB Invest and are repayable in semi-annual instalments.

29. 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.

(i) The statement of financial position includes balances, arising in the normal course of business, with related parties, as follows:

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Directors-				
Loans and notes receivable	407,935	362,234	-	-
Interest payable	(699)	(705)	-	-
Customer deposits	(142,335)	(100,202)	-	-
Securities sold under agreements to repurchase	(98,270)	(151,473)	-	-
Major shareholders -			-	-
Notes receivable	2,535,155	2,458,549	-	-
Securities sold under agreements to repurchase	(263,896)	-	-	-
Interest payable	(2,743)	-	-	-

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Subsidiaries -				
Securities purchased under agreements to resell	-	-	303,434	1,274,449
Loans and notes receivable	-	-	39,439,109	41,944,982
Other receivables	-	-	-	12,099,040
Other payables	-	-	(2,469,595)	(12,189,126)
Managed funds -				
Cash equivalents	1,013,797	1,433,160	-	-
Accounts receivable	2,746,575	570,035	-	-
Investments	219,420	206,797	-	-
Accounts payable	(631,797)	(103,291	-	-
Securities sold under agreements to repurchase	(943,093)	(886,231)	-	-
Notes payable	(23,095,731)	(22,275,294	-	-
Customer deposits	(2,376,233)	(2,338,323)	-	-

29. 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	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Directors:				
Interest income	13,797	18,913	-	-
Interest expense	(4,719)	(3,345)	-	-
Subsidiaries:				
Dividend income	-	-	593,982	70,712
Associated company				
Dividend income	-	-	-	209,790
Managed funds:				
Gain on sale of securities	58,277	71,598	-	-
Fee income	980,919	868,020	-	-
Interest income	13,592	7,164	-	-
Interest expense	(1,645,239)	(381,068)	-	-

(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		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Directors emoluments:				
Fees (note 7)	159,353	103,784	52,932	43,197
Management remuneration	98,483	73,792	-	-
Other key management compensation:				
Short-term employee benefits	548,465	476,498	-	-
Post-employment benefits	15,990	15,020	-	-
	822,291	669,094	52,932	43,197

30. Non-Controlling Interest

The following table summarises information relating to material non-controlling interest (NCI) in JMMB Puesto de Bolsa, S.A. before any intra-group eliminations.

(a) Statement of financial position:

	2022	2021
NCI percentage	20%	20%
	$'000	$'000
Total assets	58,398,745	45,373,503
Total liabilities	(53,171,560)	(39,642,005)
Net assets	5,227,185	5,731,498
Carrying amount of NCI	1,462,088	1,563,047

The following table summarises information relating to a material non-controlling interest (NCI) in JMMB Puesto de Bolsa, S.A. before any intra-group eliminations.

	2022	2021
	20%	20%
(b) Profit or loss account and other comprehensive income/(loss):		
Revenue	6,150,112	4,334,236
Profit	2,425,277	1,000,705
Other comprehensive income	(1,680,832)	1,077,235
Profit allocated to NCI, net	574,624	212,595
Other comprehensive income allocated to NCI	(169,315)	610,864
(c) Statement of cash flows:		
Cash flows from operating activities	1,048,957	9,312,185
Cash flows from investing activities	(6,795,905)	(8,991,670)
Cash flows from financing activities	6,312,912	198,793
Net increase in cash and cash equivalents	565,964	519,308

31. 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 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.

(iii) Audit Committees

The Audit Committees monitor the quality of the Group's internal controls and compliance with regulatory requirements. The Audit Committees are assisted in their 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 Committees.

The management of certain specific aspects of operational risk, such as fraud, is also within the purview of the Audit Committees.

31. Financial Risk Management (Continued)

(a) Introduction and overview (continued)

Risk management framework (continued)

(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.

Impact of Covid-19

The Government of Jamaica lifted all Covid-19 pandemic related restrictions, and similar actions were taken in other territories of operation. This follows months of gradual easing of restrictions both locally and internationally as the world prepares to return to a level of normalcy in spite of the continued presence of the virus. This has been made possible through the widespread use of vaccines as well as the presence of less severe strains of the virus which helps to develop herd immunity over time. While the virus is likely to be prevalent for the foreseeable future and further waves of infection are likely, the management through large scale lockdowns is a less likely outcome.

Going forward we expect to see a gradual recovery in all the territories of operation.

The Group operates in multiple segments of the financial sector in Jamaica, Dominica Republic and Trinidad and Tobago that are susceptible to the impact of any resurgence in the Covid-19 pandemic. The Group continues to monitor its exposure to systemic risk and has continues to focus on active management of capital, liquidity and operational risks.

There is a framework in place to ensure that all entities within the Group are adequately capitalized through the Internal Capital Adequacy Assessment Process (ICAAP) and that these entities have sufficient liquid assets and ready access to financing to support business operations and growth. Furthermore, the Group has developed contingency plans to ensure that the impact of any unforeseen events is manageable and to facilitate timely responses. The Group maintains its Business Continuity Plan (BCP) to ensure that our clients, team members and other key stakeholders remain safe and that the Group is prepared for any eventuality.

Despite the gradual reduction of the impacts of the pandemic and reopening of the economy, management has adopted several measures specifically around financial risk management. These measures include the following:

(i) Enhanced monitoring of market movements by the Risk Unit and the impact on the credit and investment portfolios and the resulting impact on capital and liquidity to support timely decision making.

31. Financial Risk Management (Continued)

(a) Introduction and overview (continued)

Impact of Covid-19 (continued)

Despite the gradual reduction of the impacts of the pandemic and reopening of the economy, management has adopted several measures specifically around financial risk management. These measures include the following (continued):

(ii) Enhanced monitoring of market movements by the Risk Unit and the impact on the credit and investment portfolios and the resulting impact on capital and liquidity to support timely decision making.

(iii) Ensuring that the Group's recovery plan for banking and investments subsidiaries is kept up to date. The key aspects of the plan include:

- Measures to secure sufficient funding and adequate availability;
- Contingency arrangements that enable continuation of operations as recovery measures are being implemented;
- Actions that can be taken to strengthen the entity's capital base;
- A clear escalation and decision-making process to ensure that the plan can be executed in a timely manner; and
- Crisis Management and Communication plan to ensure that stakeholders (internal and external) are given timely and appropriate information during any recovery process.

(iv) Keeping close communication with our clients and supporting them through the use of payment accommodations where appropriate as well as restructuring options to provide more appropriate payment arrangements and modification of loan terms and conditions based on clients' specific situation. Other special arrangements with clients, such as amending their collateral/margin requirements on select products based on their needs continue to be utilized in some cases.

(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.

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(i) Management of credit risk (continued)

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).

The Covid-19 pandemic has caused significant market volatility which has increased the Group's credit risk. The downgrading of credit ratings and/or the outlook for investments securities has resulted in an increase in the credit risk of debt securities and loans.

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
8	Loss

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.

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Management of credit risk (continued)

Key financial assets are managed as follows:

(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 is 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.

(iii) 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). Unless specifically indicated 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 13):

	The Group			
	2022			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Credit grade				
Standard monitoring	129,879,903	4,770,535	-	134,650,438
Special monitoring	206,337	5,910,422	-	6,116,759
Default	-	-	6,870,317	6,870,317
	130,086,240	10,680,957	6,870,317	147,637,514
Loss allowance [note 31(b)(vi)(v)]	(1,333,540)	(1,071,529)	(2,520,211)	(4,925,280)
	128,752,700	9,609,428	4,350,106	142,712,234

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis (continued)

Loans and notes receivable at amortised cost (note 13):

	The Group			
	2021			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Credit grade				
Standard monitoring	104,415,121	4,174,029	-	108,589,150
Special monitoring	2,412	8,072,270	-	8,074,682
Default	-	-	7,226,572	7,226,572
	104,417,533	12,246,299	7,226,572	123,890,404
Loss allowance [note 31(b)(vi)(v)]	(1,161,969)	(719,547)	(2,552,741)	(4,434,257)
	103,255,564	11,526,752	4,673,831	119,456,147

	The Group			
	2022			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Ageing of loans and notes receivable				
Neither past due nor impaired	118,391,919	4,843,330	-	123,235,249
Past due 1-30 days	11,694,321	435,077	-	12,129,398
Past due 31-60	-	4,066,013	-	4,066,013
Past due 61-90	-	1,336,536	-	1,336,536
More than 90 days	-	-	6,870,318	6,870,318
Total	130,086,240	10,680,956	6,870,318	147,637,514

	2021			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Ageing of loans and notes receivable				
Neither past due nor impaired	94,413,228	7,023,343	-	101,436,571
Past due 1-30 days	10,004,305	559,066	-	10,563,371
Past due 31-60	-	3,444,240	-	3,444,240
Past due 61-90	-	1,219,650	-	1,219,650
More than 90 days	-	-	7,226,572	7,226,572
Total	104,417,533	12,246,299	7,226,572	123,890,404

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis (continued)

Loans and notes receivable at amortised cost (note 13) (continued):

For financial assets not recognised at the reporting date:

	The Group	
	2022	2021
	Stage 1	Stage 1
	$'000	$'000
Loan commitments	2,644,538	4,239,470
Guarantees and letters of credit	1,938,584	969,433
	4,583,122	5,208,903

	The Company	
	2022	2021
	Stage 1	Stage 1
	$'000	$'000
Credit grade		
Standard monitoring	39,550,763	42,030,533
Loss allowance [note 31(b)(vi)(v)]	(111,654)	(85,551)
	39,439,109	**41,944,982**

	The Company	
	2022	2021
	Stage 1	Stage 1
	$'000	$'000
Ageing of loans and notes receivable		
Neither past due nor impaired	**39,550,763**	**42,030,533**

Debt securities at amortised cost (note 16):

	The Group	
	2022	2021
	Stage 1	Stage 1
	$'000	$'000
Credit grade		
Watch	2,759,056	12,535,018
Loss allowance [note 31(b)(vi)(v)]	(16,150)	(60,202)
	2,742,906	**12,474,816**

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis (continued)

Debt securities at FVOCI (note 16):

	The Group			
	2022			
	Stage 1	Stage 2	Stage 3	Total
	$'000	$'000	$'000	$'000
Credit grade				
Investment grade	16,543,620	-	-	16,543,620
Watch	293,427,303	4,102,286	-	297,529,589
Speculative	3,359,734	15,034	-	3,374,768
Default	-	-	462,345	462,345
	313,330,657	**4,117,320**	**462,345**	**317,910,322**
Loss allowance [note 31(b)(vi)(v)]	**1,570,606**	**168,933**	**234,134**	**1,973,673**

	2021			
	Stage 1	Stage 2	Stage 3	Total
	$'000	$'000	$'000	$'000
Credit grade				
Investment grade	10,822,258	-	-	10,822,258
Watch	223,431,007	3,002,577	-	226,433,584
Speculative	3,353,774	13,868	-	3,367,642
Default	-	-	344,048	344,048
	237,607,039	**3,016,445**	**344,048**	**240,967,532**
Loss allowance [note 31(b)(vi)(v)]	**1,218,112**	**68,895**	**144,210**	**1,431,217**

Securities purchased under agreement to resell at amortised cost (note 15):

	The Group	
	2022	2021
	Stage 1	Stage 1
	$'000	$'000
Watch	2,454,616	3,300,000

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis (continued)

Securities purchased under agreement to resell at amortised cost (note 15) (continued):

	The Company	
	2022	2021
	Stage 1	Stage 1
	$'000	$'000
Watch	303,454	1,274,460
Loss allowance [note 31 (b)(vi)(v)]	(20)	(11)
	303,434	1,274,449

(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 $36,847,000 (2021: $44,275,000).

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.

JMMB GROUP LIMITED

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

31. 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				
	2022				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector:					
Government of Jamaica	-	-	-	129,918,336	129,918,336
Other sovereign bonds	-	-	-	92,025,721	92,025,721
Bank of Jamaica	13,522,964	-	-	25,953,084	39,476,048
Corporate	- -	61,127,600	-	82,312,418	143,440,018
Financial institutions	48,657,381	6,039,884	2,454,525	1,693,652	58,845,442
Retail	-	75,544,750	-	-	75,544,750
Other	-	-	-	178,718	178,718
	62,180,345	**142,712,234**	**2,454,525**	**332,081,929**	**539,429,033**
Concentration by location:					
Jamaica	32,049,047	76,661,282	2,454,525	188,826,987	299,991,841
North America	5,956,126	3,065,297	-	7,670,387	16,691,810
Trinidad and Tobago	14,787,578	31,855,250	-	55,378,168	102,020,996
Dominican Republic	5,884,688	8,426,422	-	49,212,749	63,523,859
Other	3,502,906	22,703,983	-	30,993,638	57,200,527
	62,180,345	**142,712,234**	**2,454,525**	**332,081,929**	**539,429,033**

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(iv) Concentration of credit risk (continued)

	The Group				
	2021				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector:					
Government of Jamaica	-	-	-	105,111,447	105,111,447
Other sovereign bonds	-	-	-	54,390,360	54,390,360
Bank of Jamaica	13,832,716	-	-	23,198,366	37,031,082
Corporate	-	55,808,377	-	58,305,321	114,113,698
Financial institutions	53,460,207	4,719,931	3,299,973	683,342	62,163,453
Retail	-	58,927,839	-	-	58,927,839
Other	-	-	-	20,703,211	20,703,211
	67,292,923	**119,456,147**	**3,299,973**	**262,392,047**	**452,441,090**
Concentration by location:					
Jamaica	30,381,281	72,636,433	3,299,973	149,313,387	255,631,074
North America	11,396,379	1,367,097	-	3,626,546	16,390,022
Trinidad and Tobago	18,043,490	32,501,450	-	39,647,687	90,192,627
Dominican Republic	3,062,874	6,429,955	-	45,791,469	55,284,298
Other	4,408,899	6,521,212	-	24,012,958	34,943,069
	67,292,923	**119,456,147**	**3,299,973**	**262,392,047**	**452,441,090**

	The Company				
	2022				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector:					
Financial institutions	80,846	39,439,109	303,434	4,033	39,827,422
Concentration by location:					
Jamaica	80,846	29,919,797	186,875	-	30,187,518
Trinidad and Tobago	-	1,853,812		-	1,853,812
Barbados	-	7,665,500	116,559	-	7,782,059
North America	-	-	-	4,033	4,033
	80,846	**39,439,109**	**303,434**	**4,033**	**39,827,422**

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(iv) Concentration of credit risk (continued)

	The Company				
	2021				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector:					
Financial institutions	44,323	41,944,982	1,274,449	4,033	43,267,787
Concentration by location:					
Jamaica	44,323	40,471,422	719,272	-	41,235,017
Trinidad and Tobago	-	1,473,560	555,177	-	2,028,737
North America	-	-	-	4,033	4,033
	44,323	**41,944,982**	**1,274,449**	**4,033**	**43,267,787**

(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 for balances with banks or broker/dealers, except when securities are held under resale agreements. Collateral is generally not held against investment securities.

31. 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	
	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Against neither past due nor impaired financial assets:								
Cash secured	24,466,033	3,925,206	-	-	39,550,763	42,030,533	303,454	1,274,460
Property	66,179,840	59,237,721	-	-	-	-	-	-
Debt securities	20,350,218	18,941,785	2,454,616	3,715,174	-	-	-	-
Liens on motor vehicles	22,912,650	20,217,699	-	-	-	-	-	-
Equities	781,179	220,615	-	-	-	-	-	-
Other	24,650,644	21,617,363	-	-	-	-	-	-
Subtotal	**159,340,564**	**124,160,389**	**2,454,616**	**3,715,174**	**39,550,763**	**42,030,533**	**303,454**	**1,274,460**
Against past due but not impaired financial assets:								
Cash secured	737,700	3,157,520	-	-	-	-	-	-
Property	11,256,801	6,741,506	-	-	-	-	-	-
Liens on motor vehicles	3,401,966	2,366,777	-	-	-	-	-	-
Debt securities	434,978	2,768,268	-	-	-	-	-	-
Equities	-	1,906	-	-	-	-	-	-
Other	4,239,866	1,355,700	-	-	-	-	-	-
Subtotal	**20,071,311**	**16,391,677**	-	-	-	-	-	-
Against past due and impaired financial assets:								
Cash secured	915	9,009	-	-	-	-	-	-
Debts securities	72,879	84,732	-	-	-	-	-	-
Property	4,766,760	3,721,191	-	-	-	-	-	-
Liens on motor vehicles	1,556,150	536,759	-	-	-	-	-	-
Equities	-	-	-	-	-	-	-	-
Other	323,224	538,758	-	-	-	-	-	-
Subtotal	**6,719,928**	**4,890,449**	-	-	-	-	-	-
Total	**186,131,803**	**145,442,515**	**2,454,616**	**3,715,174**	**39,550,763**	**42,030,533**	**303,454**	**1,274,460**

31. 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.

31. 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. The Group uses internal rating models tailored to the various categories of counterparty.

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.

31. 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 external rating agencies.

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 light of 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 instrument.

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.

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 downgraded by more than two notches 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.

31. 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 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.

Financial assets classified as 'default' are transferred to stage 3 and impairment loss is measured based on lifetime expected credit losses.

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(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 very positive, positive, stable, negative or very negative 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 10% and worst, assigned a rating of 15%. 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 to GDP ratio, annual inflation rate and GDP annual growth rate with weightings of 10%, 30% and 60%, respectively. The drivers for the retail (individual) loan portfolio are interest rate (i.e. policy rates as issued by central banks), unemployment rate and consumer price index with weightings of 30%, 35% and 35% respectively.

31. 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.

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.

EAD is no longer taken as the gross carrying amount at the time of default. Instead, EAD is computed as the sum of the amortized amount and accrued interest to reflect contractual cash flows.

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.

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31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(iv) Computation of the expected credit losses (ECL) (continued)

The Group employs a simplified scorecard in estimating its forward-looking indicator factors. This model differentiates between sovereign, corporate and retail loan exposures. A minimum of three leading macroeconomic variables are used for each asset class. There were no other significant changes in estimation techniques or significant assumptions made during the reporting period.

(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 year, 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 ECL allowance by class of financial instrument:

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(v) Loss allowance (continued)

Loans and notes receivable at amortised cost (see note 13):

	The Group 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	1,161,969	719,547	2,552,741	4,434,257
Transfer from Stage 1 to Stage 2	(102,530)	102,530	-	-
Transfer from Stage 1 to Stage 3	(76,207)	-	76,207	-
Transfer from Stage 2 to Stage 3	-	(84,123)	84,123	-
Transfer from Stage 2 to Stage 1	52,574	(52,574)	-	-
Transfer from Stage 3 to Stage 2	-	19	(19)	-
Transfer from Stage 3 to Stage 1	387	-	(387)	-
Financial assets derecognised during period	(249,925)	(322,017)	(338,961)	(910,903)
New financial assets originated or purchased	685,270	225,076	227,771	1,138,117
Paydowns	406,698	4,329	587,054	998,081
Net remeasurement of loss allowance	11,340	(662)	192,195	202,873
Foreign exchange and other movements	(556,036)	479,404	(860,513)	(937,145)
Balance at 31 March	**1,333,540**	**1,071,529**	**2,520,211**	**4,925,280**

	The Group 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	930,187	300,959	1,807,310	3,038,456
Transfer from Stage 1 to Stage 2	(284,501)	284,501	-	-
Transfer from Stage 1 to Stage 3	(365,919)	-	365,919	-
Transfer from Stage 2 to Stage 3	-	(40,496)	40,496	-
Transfer from Stage 2 to Stage 1	18,336	(18,336)	-	-
Transfer from Stage 3 to Stage 2	-	2,695	(2,695)	-
Transfer from Stage 3 to Stage 1	1,223	-	(1,223)	-
Financial assets derecognised during period	(452,566)	(86,604)	(629,398)	(1,168,568)
New financial assets originated or purchased	595,007	63,977	167,435	826,419
Paydowns	578,362	11,755	320,789	910,906
Net remeasurement of loss allowance	(1,216)	1,625	123,954	124,363
Foreign exchange and other movements	143,056	199,471	360,154	702,681
Balance at 31 March	**1,161,969**	**719,547**	**2,552,741**	**4,434,257**

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(v) Loss allowance (continued)

Loans and notes receivable at amortised cost (see note 13) (continued):

	The Company	
	2022	**2021**
	Stage 1	**Stage 1**
	$'000	**$'000**
Balance at 1 April	85,551	60,524
Net re-measurement of loss allowance	26,103	25,027
Balance at 31 March	111,654	85,551

Debt securities at amortised cost (see note 16):

	The Group			
	2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	60,202	-	-	60,202
Financial assets transferred during period	(45,589)	-	-	(45,589)
New financial assets originated or purchased	4,273	-	-	4,273
Foreign exchange and other movements	(2,736)	-	-	(2,736)
Balance at 31 March	16,150	-	-	16,150

	The Group			
	2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	100,157	-	190,445	290,602
Financial assets derecognised during period	(68,214)	-	(190,445)	(258,659)
Financial assets transferred during period	7,100	-	-	7,100
New financial assets originated or purchased	4,179	-	-	4,179
Net remeasurement of loss allowance	16,980	-	-	16,980
Balance at 31 March	60,202	-	-	60,202

31. **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 15):

	The Group	
	2022	**2021**
	Stage 1 $'000	**Stage 1 $'000**
Balance at 1 April	26	38
Net remeasurement of loss allowance	65	(12)
Balance at 31 March	91	26

	The Company	
	2022	**2021**
	Stage 1 $'000	**Stage 1 $'000**
Balance at 1 April	11	10
Net remeasurement of loss allowance	9	1
Balance at 31 March	20	11

Debt securities at FVOCI:

	The Group			
	2022			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Balance at 1 April	1,218,112	68,895	144,210	1,431,217
Transfer from Stage 1 to Stage 2	(8,092)	8,092	-	-
Transfer from Stage 1 to Stage 3	(503)	-	503	-
Transfer from Stage 2 to Stage 1	871	(871)	-	-
Financial asset derecognised	(283,693)	(395)	(9,609)	(293,697)
New financial assets originated or purchased	840,189	250	30,117	870,556
Foreign exchange and other movements	(196,278)	92,962	68,913	(34,403)
Balance at 31 March	1,570,606	168,933	234,134	1,973,673

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(v) Loss allowance (continued)

Debt securities at FVOCI (continued):

	The Group			
	2021			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Balance at 1 April	900,519	121,291	2,272	1,024,082
Transfer from Stage 1 to Stage 2	(3,859)	3,859	-	-
Transfer from Stage 1 to Stage 3	(1,343)	-	1,343	-
Financial asset derecognised	(245,685)	(118,693)	(2,273)	(366,651)
Financial asset transferred	111,747	-	-	111,747
New financial assets originated or purchased	632,019	136	418	632,573
Foreign exchange and other movements	(175,286)	62,302	142,450	29,466
Balance at 31 March	1,218,112	68,895	144,210	1,431,217

(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 investors/depositors and to fulfil loan commitments.

A Liquidity Management Committee meets at least monthly and more frequently 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 fund outflows can be predicted with a high level of certainty.

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.

The Group has implemented a liquidity risk response strategy, including stress testing for entities within the Group

31. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

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:

	2022 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	102,469,720	48,889,518	5,243,189	156,602,427	151,846,966
Due to other banks	841	2,499	14,233,355	14,236,695	11,789,703
Securities sold under agreements to repurchase	202,999,315	96,358,238	2,787,589	302,145,142	298,287,175
Notes payable	15,392,251	38,955,796	47,826,002	102,174,049	51,619,130
Lease liabilities	89,884	269,298	1,102,472	1,461,654	1,376,078
Redeemable preference shares	469,843	1,409,530	35,727,999	37,607,372	28,745,897
Other payables	10,144,186	-	-	10,144,186	10,144,184
	331,566,040	185,884,879	106,920,606	624,371,525	553,809,133

JMMB GROUP LIMITED
Notes to the Financial Statements
31 March 2022
(expressed in Jamaican dollars unless otherwise indicated)

31. 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:

	2021				
	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	69,866,521	54,591,169	8,857,035	133,314,725	128,303,836
Due to other banks	-	2,623	7,481,041	7,483,664	6,026,824
Securities sold under agreements to repurchase	171,529,145	59,415,592	-	230,944,737	227,730,286
Notes payable	25,042,943	5,492,921	24,075,139	54,611,003	48,328,592
Lease liabilities	67,931	256,039	1,363,585	1,687,555	1,588,571
Redeemable preference shares	417,139	1,251,418	36,217,015	37,885,572	28,021,391
Other payables	5,934,581	-	-	5,934,581	7,530,340
	272,858,260	121,009,762	77,993,815	471,861,837	447,529,840

	2022				
	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	144,666	17,045,513	-	17,190,179	16,480,778
Redeemable preference shares	469,843	1,409,530	35,727,999	37,607,372	28,745,897
Interest payable	295,490	-	-	295,490	295,490
Due to subsidiary	2,469,595	-	-	2,469,595	2,469,595
Other payables	23,621	-	-	23,621	23,621
	3,403,215	18,455,043	35,727,999	57,586,257	48,015,381

31. 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):

	2021				
	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	109,349	904,973	17,669,607	18,683,929	16,179,947
Redeemable preference shares	417,139	1,251,418	36,217,015	37,885,572	28,021,391
Interest payable	275,937	-	-	275,937	275,937
Due to subsidiary	12,189,126	-	-	12,189,126	12,189,126
Other payables	18,865	-	-	18,865	18,865
	13,010,416	2,156,391	53,886,622	69,053,429	56,685,266

(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.

31. Financial Risk Management (Continued)

(d) Market risk (continued)

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 2022 and during the year then ended is as follows:

	31 March	Average for Year	Maximum during Year	Minimum during Year
	$'000	$'000	$'000	$'000
2022 Overall VaR	29,619,036	13,630,119	29,619,036	6,254,422
2021 Overall VaR	9,193,285	12,085,707	28,597,903	5,948,407

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.

The Covid-19 pandemic has caused increased volatility in asset prices which has increased the Group's market risk. While market conditions have generally improved since the onset of the pandemic, we anticipate continued volatility as the impact on many countries will likely continue in the short to medium term.

31. **Financial Risk Management (Continued)**

(d) **Market risk (continued)**

(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		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
United States dollars	(3,467,211)	8,031,629	6,563,715	18,737
Great Britain Pounds	159,663	758,122	-	-
Euros	103,671	40,299	-	-
Trinidad and Tobago dollars	1,654,660	636,033	-	55
Canadian dollars	128,107	407,954	-	-
Peso	-	44,891	-	-

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			
	2022		2021	
	Change in Currency Rate	Effect on Profit	Change in Currency Rate	Effect on Profit
	%	$'000	%	$'000
Currency:				
USD	8	(277,434)	6	481,898
GBP	8	12,775	6	45,487
EUR	8	8,294	6	2,418
TT	8	132,373	6	38,162
CAD	8	10,249	6	24,477
Peso	8	-	6	2,693
		(113,743)		595,135

JMMB GROUP LIMITED

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

31. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity (continued)

	The Group			
	2022		2021	
	Change in Currency Rate %	Effect on Profit $'000	Change in Currency Rate %	Effect on Profit $'000
Currency:				
USD	-2	69,358	-2	(160,633)
GBP	-2	(3,194)	-2	(15,162)
EUR	-2	(2,073)	-2	(806)
TT	-2	(33,093)	-2	(12,721)
CAD	-2	(2,562)	-2	(8,159)
Peso	-2	-	-2	(898)
		28,436		**(198,379)**

	The Company			
	2022		2021	
	Change in Currency Rate %	Effect on Profit $'000	Change in Currency Rate %	Effect on Profit $'000
Currency:				
USD	8	525,104	6	11,243
TT	8	-	6	33
		525,104		**11,276**
USD	-2	(131,276)	-2	(375)
TT	-2	-	-2	(11)
		(131,276)		**(386)**

31. 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.

	The Group					
	2022					
	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	62,180,345	-	-	-	-	62,180,345
Interest receivable	-	-	-	-	4,860,486	4,860,486
Loans and notes receivable	35,209,711	16,811,223	34,627,703	55,299,648	763,949	142,712,234
Securities purchased under agreements to resell	2,454,525	-	-	-	-	2,454,525
Investment securities	32,335,219	11,366,993	17,137,849	264,650,215	6,591,653	332,081,929
Other receivables	-	-	-	-	7,563,312	7,563,312
Total interest-bearing assets	132,179,800	28,178,216	51,765,552	319,949,863	19,779,400	551,852,831
Financial Liabilities						
Customer deposits	99,241,831	24,432,316	23,833,678	4,335,000	4,141	151,846,966
Due to other financial institutions	833	2,271	183	11,786,416	-	11,789,703
Securities sold under agreements to repurchase	201,302,576	47,022,329	47,190,503	2,771,767	-	298,287,175
Notes payable	1,149,825	31,274,054	18,144,816	1,050,435	-	51,619,130
Lease liabilities	86,112	149,544	407,293	733,129	-	1,376,078
Redeemable preference shares	-	-	-	28,745,897	-	28,745,897
Interest payable	-	-	-	-	2,977,387	2,977,387
Other payables	-	-	-	-	10,144,184	10,144,184
Total financial liabilities	301,781,177	102,880,514	89,576,473	49,422,644	13,125,712	556,786,520
Total interest rate sensitivity gap	(169,601,377)	(74,702,298)	(37,810,921)	270,527,219	6,653,688	(4,933,689)
Cumulative interest rate sensitivity gap	(169,601,377)	(244,303,675)	(282,114,596)	(11,587,377)	(4,933,689)	

JMMB GROUP LIMITED

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

31. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group					
	2021					
	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	67,268,895	-	-	-	24,028	67,292,923
Interest receivable	-	-	-	-	4,253,222	4,253,222
Loans and notes receivable	36,632,960	5,684,460	22,855,585	52,998,297	1,284,845	119,456,147
Securities purchased under agreements to resell	3,299,973	-	-	-	-	3,299,973
Investment securities	17,548,089	2,385,393	22,774,062	214,690,055	4,994,448	262,392,047
Other receivables	-	-	117,886	100,537	4,008,595	4,227,018
Total interest-bearing assets	124,749,917	8,069,853	45,747,533	267,788,889	14,565,138	460,921,330
Financial Liabilities						
Customer deposits	76,337,306	24,551,334	24,565,087	2,850,109	-	128,303,836
Due to other financial institutions	-	-	2,485	6,024,339	-	6,026,824
Securities sold under agreements to repurchase	169,069,973	30,127,058	28,533,255	-	-	227,730,286
Notes payable	11,052,577	-	6,058,038	31,217,977	-	48,328,592
Lease liabilities	78,986	74,868	151,822	1,282,895	-	1,588,571
Redeemable preference shares	729,785	-	5,603,927	21,687,679	-	28,021,391
Interest payable	-	-	-	-	1,978,908	1,978,908
Other payables	-	672,929	12,628	936,551	5,908,232	7,530,340
Total financial liabilities	257,268,627	55,426,189	64,927,242	63,999,550	7,887,140	449,508,748
Total interest rate sensitivity gap	(132,518,710)	(47,356,336)	(19,179,709)	203,789,339	6,677,998	11,412,582
Cumulative interest rate sensitivity gap	(132,518,710)	(179,875,046)	(199,054,755)	4,734,584	11,412,582	

31. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company					
	2022					
	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	80,946	-	-	-	-	80,946
Interest receivable	-	-	-	-	232,726	232,726
Loans and notes receivable	-	9,148,028	7,665,500	22,625,581	-	39,439,109
Other receivables	-	-	-	-	1,494,586	1,494,586
Securities purchased under agreements to resell	303,434	- -	-	-	-	303,434
Investment securities	-	-	-	-	4,033	4,033
Total financial assets	384,380	9,148,028	7,665,500	22,625,581	1,731,345	41,554,834
Financial Liabilities						
Notes payable	-	9,148,028	7,332,750	-	-	16,480,778
Redeemable preference shares	- -	-	-	28,745,897	-	28,745,897
Interest payable	-	-	-	-	295,490	295,490
Other payables	-	-	-	-	23,621	23,621
Due to subsidiary	-	-	-	-	2,469,595	2,469,595
Total financial liabilities	-	9,148,028	7,332,750	28,745,897	2,788,706	48,015,381
Total interest rate sensitivity gap	384,380	-	332,750	(6,120,316)	(1,057,361)	(6,460,547)
Cumulative interest rate sensitivity gap	384,380	384,380	717,130	(5,403,186)	(6,460,547)	

31. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company					
	2021					
	Within 3 Months $'000	3 to 6 Months $'000	6 to 12 Months $'000	1 to 5 Years $'000	Non-Interest Bearing $'000	Total $'000
Financial Assets						
Cash and cash equivalents	44,323	-	-	-	-	44,323
Interest receivable	-	-	-	-	409,529	409,529
Loans and notes receivable	9,965,934	-	-	31,979,048	-	41,944,982
Other receivables	-	-	-	-	12,636,270	12,636,270
Securities purchased under agreements to resell	1,274,449	-	-	-	-	1,274,449
Investment securities	-	-	-	-	4,033	4,033
Total financial assets	11,284,706	-	-	31,979,048	13,049,832	56,313,586
Financial Liabilities						
Notes payable	-	-	-	16,179,947	-	16,179,947
Redeemable preference shares	-	-	5,603,926	22,417,465	-	28,021,391
Interest payable	-	-	-	-	275,937	275,937
Other payables	-	-	-	-	18,865	18,865
Due to subsidiary	-	-	-	-	12,189,126	12,189,126
Total financial liabilities	-	-	5,603,926	38,597,412	12,483,928	56,685,266
Total interest rate sensitivity gap	11,284,706	-	(5,603,926)	(6,618,364)	565,904	(371,680)
Cumulative interest rate sensitivity gap	11,284,706	11,284,706	5,680,780	(937,584)	(371,680)	

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable probably change in interest rates, on the Group's interest income and gains recognised in other comprehensive income, with all other variables held constant.

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 FVOCI 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			
	2022		2021	
	Effect on Profit $'000	Effect on Equity $'000	Effect on Profit $'000	Effect on Equity $'000
Change in basis points				
JMD/USD				
-100 (2021: -100)	61,674	20,665,633	61,656	14,306,457
+100 (2020:+100)	(61,674)	(15,885,175)	(61,656)	(8,334,500)

31. Financial Risk Management (Continued)

(d) Market risk (continued)

(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 5% (2021: 5%) increase in quoted bid prices at the reporting date would result in an increase of $405,442,000 (2021: $345.707,000) and $246,957,000 (2021: $218,147,000) in equity and profit respectively. A 5% (2021: 10%) decrease in quoted bid prices would result in a decrease of $398,125,000 (2021: $691,415,000) and $238,617,000 (2021: $436,293,000) in equity and profit, respectively.

(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.

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;
- 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.

31. Financial Risk Management (Continued)

(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.

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, S.A., Banco Rio De Ahorro Y Credito JMMB Bank S.A (JMMBDR), JMMB Sociedad, S.A. (SAFI), AFP JMMB BDI S.A.(AFP), JMMB Bank (Jamaica) Limited (JMMBBJL) JMMB Bank (T&T) Limited (JMMBBTT), JMMB Express Finance (T&T) Limited (JMMBETT), JMMB Investments (Trinidad and Tobago) Limited (JMMBITT) and JMMB Securities Limited (T&T) (JMMBSTT), Jamaica Money Market Brokers (Trinidad and Tobago) Limited(JMMBTTH).

31. Financial Risk Management (Continued)

(f) Capital management (continued)

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 2022 and 31 March 2021.

	JMMB		JMMBSL		JMMBIB	
	2022	2021	2022	2021	2022	2021
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
Regulatory capital –						
Tier 1 capital	21,204,509	19,966,642	991	647	277,882	231,587
Tier 2 capital	10,724,419	7,298,358	-	-	-	-
Total regulatory capital	31,928,928	27,265,000	991	647	277,882	231,587
Risk-weighted assets –						
On-balance sheet	183,900,403	182,875,356	2,771	2,006	-	-
Foreign exchange exposure	8,305,745	1,756,989	99	243	-	-
Total risk-weighted assets	192,206,148	184,632,345	2,870	2,249	-	-
Actual regulatory capital to risk weighted assets	17%	15%	35%	29%	-	-
Required regulatory capital to risk weighted assets	10%	10%	10%	10%	-	-

	JMMBETT		JMMBBTT		JMMBBJL	
	2022	2021	2022	2021	2022	2021
	TT$'000	TT$'000	TT$'000	TT$'000	J$'000	J$'000
Regulatory capital –						
Tier 1 capital	28,211	21,183	222,784	210,035	14,254,378	10,805,533
Tier 2 capital	1,631	1,403	110,179	113,652	904,254	671,306
Total regulatory capital	29,842	22,586	332,963	323,687	15,158,632	11,476,839
Total required capital	-	-	-	-	11,350,272	8,830,291
Risk-weighted assets –						
On balance sheet		132,301	2,112,038	2,104,111	107,872,943	82,667,324
Off balance sheet	-	-	-	-	5,444,272	3,866,872
Foreign exchange exposure	-	-	-	-	185,505	1,769,709
	164,160	132,301	2,112,038	2,104,111	113,502,720	88,303,905
Actual regulatory capital to risk weighted assets	18%	17%	15%	15%	13%	13%
Required regulatory capital to risk weighted assets	10%	10%	10%	10%	10%	10%

31. Financial Risk Management (Continued)

(f) Capital management (continued)

	JMMTTH		JMMBFM	
	2022	**2021**	**2022**	**2021**
	TT$'000	**TT$'000**	**$'000**	**$'000**
Tier 1 capital	343,403	285,266	421,885	813,361
Tier 2 capital	126,763	136,082	-	-
Actual regulatory capital	470,166	421,348	421,885	813,361
Required level of regulatory capital	-	-	127,915	95,784
Total risk-weighted assets	4,086,779	3,880,628	913,681	684,170
Ratio of total regulatory capital to risk-weighted assets	12%	11%	46%	119%

(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 TT$15 million and TT$6 million respectively.

(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 12%.

The regulated entities within the Group have complied with all regulatory capital requirements throughout the year.

32. 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.

32. Financial Instruments – Fair Value (continued)

(a) Definition and measurement of fair values (continued)

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.

(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.

32. Financial Instruments - Fair Value (Continued)

(b) Techniques for measuring fair value of financial instruments (continued)

Type of Financial Instrument	Method of estimating fair value
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.

32. Financial Instruments - Fair Value (Continued)

(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. Fair value information is not disclosed 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. These are included in the level 2 fair value hierarchy.

The Group

	2022						
	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	-	128,941,842	-	128,941,842	-	128,941,842	128,941,842
Certificates of deposit	-	25,953,084	-	25,953,084	-	25,953,084	25,953,084
Government of Jamaica guaranteed	-	3,748,926	-	3,748,926	-	3,748,926	3,748,926
Corporate bonds	-	109,690,626	2,131,914	111,822,540	-	111,822,540	111,822,540
Foreign Government Securities	-	49,575,844	238,581	49,814,425	-	49,814,425	49,814,425
Ordinary shares quoted	-	2,552,032	4,569,430	7,121,462	7,121,462	-	7,121,462
Units in unit trusts	-	-	1,095,369	1,095,369	-	1,095,369	1,095,369
Money market funds	-	-	66,447	66,447	-	66,447	66,447
Ordinary shares unquoted	- -	-	770,895	770,895	-	770,895	770,895
Other	-	4,033	-	4,033	-	4,033	4,033
	-	**320,466,387**	**8,872,636**	**329,339,023**	**7,121,462**	**322,217,561**	**329,339,023**
Financial assets not measured at fair value							
Cash and cash equivalents	62,180,345	-	-	62,180,345	-	62,180,345	62,180,345
Loans and notes receivable	142,712,234	-	-	142,712,234	-	142,712,234	142,712,234
Securities purchased under agreements to resell	2,454,525	-	-	2,454,525	-	2,454,525	2,454,525
Certificate of deposits	-	-	-	-	-	-	-
Government of Jamaica Securities	801,441	-	-	801,441	-	801,441	801,441
Government of Jamaica guaranteed	1,957,615	-	-	1,957,615	-	1,957,615	1,957,615
Interest receivable	4,860,486	-	-	4,860,486	-	4,860,486	4,860,486
Other receivables	7,563,312	-	-	7,563,312	-	7,563,312	7,563,312
	222,529,958	-	-	**222,529,958**	-	**222,529,958**	**222,529,958**

32. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Group 2022						
	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 liabilities not measured at fair value							
Securities sold under agreements to repurchase	298,287,175	-	-	298,287,175	-	298,287,175	298,287,175
Notes payable	51,619,130	-	-	51,619,130	-	51,619,130	51,619,130
Lease liabilities	1,376,078	-	-	1,376,078	-	1,376,078	1,376,078
Redeemable preference shares	28,745,897	-	-	28,745,897	-	28,745,897	28,745,897
Deposits	151,846,966	-	-	151,846,966	-	151,846,966	151,846,966
Due to other financial institutions	11,789,703	-	-	11,789,703	-	11,789,703	11,789,703
Interest payable	2,977,387	-	-	2,977,387	-	2,977,387	2,977,387
Other liabilities	10,144,184	-	-	10,144,184	-	10,144,184	10,144,184
	556,786,520	-	-	556,786,520	-	556,786,520	556,786,520

32. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Group						
	2021						
	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	-	91,245,244		91,245,244	-	91,245,244	91,245,244
Certificates of deposit	-	23,198,367		23,198,367	-	23,198,367	23,198,367
Government of Jamaica guaranteed	-	3,785,902		3,785,902	-	3,785,902	3,785,902
Corporate bonds	-	69,872,864	1,430,918	71,303,782	-	71,303,782	71,303,782
Foreign Government Securities	-	52,865,155	-	52,865,155	-	52,865,155	52,865,155
Ordinary shares quoted	-	2,551,215	4,201,087	6,752,302	6,752,302	-	6,752,302
Units in unit trusts	-	-	515,895	515,895	-	515,895	515,895
Money market funds	-	-	67,289	67,289	-	67,289	67,289
Ordinary shares unquoted	-	-	17,418	17,418	-	17,418	17,418
Other	-	4,033	-	4,033	-	4,033	4,033
	-	**243,522,780**	**6,232,607**	**249,755,387**	**6,752,302**	**243,003,085**	**249,755,387**
Financial assets not measured at fair value							
Cash and cash equivalents	67,292,923	-	-	67,292,923	-	67,292,923	67,292,923
Loans and notes receivable	119,456,147	-	-	119,456,147	-	119,456,147	119,456,147
Securities purchased under agreements to resell	3,299,974	-	-	3,299,974	-	3,299,974	3,299,974
Certificate of deposits	54,446	-	-	54,446	-	54,446	54,446
Government of Jamaica Securities	7,951,068	-	-	7,951,068	-	8,825,113	8,825,113
Sovereign bonds	279,919	-	-	279,919	-	279,919	279,919
Government of Jamaica guaranteed	2,170,737	-	-	2,170,737	-	2,183,624	2,183,624
Others	2,240,692	-	-	2,240,692	-	2,078,848	2,078,848
Interest receivable	4,253,222	-	-	4,253,222	-	4,253,222	4,253,222
Other receivables	4,227,018	-	-	4,227,018	-	4,227,018	4,227,018
	211,226,146	-	-	**211,226,146**	-	**211,951,234**	**211,951,234**

JMMB GROUP LIMITED

Notes to the Financial Statements

31 March 2022

(expressed in Jamaican dollars unless otherwise indicated)

32. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Group						
	2021						
	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 liabilities not measured at fair value							
Securities sold under agreements to repurchase	227,730,286	-	-	227,730,286	-	227,730,286	227,730,286
Notes payable	48,328,592	-	-	48,328,592	-	48,328,592	48,328,592
Lease liabilities	1,588,571	-	-	1,588,571	-	1,588,571	1,588,571
Redeemable preference shares	28,021,391	-	-	28,021,391	-	28,021,391	28,021,391
Deposits	128,303,836	-	-	128,303,836	-	128,303,836	128,303,836
Due to other financial institutions	6,026,824	-	-	6,026,824	-	6,026,824	6,026,824
Interest payable	1,978,908	-	-	1,978,908	-	1,978,908	1,978,908
Other liabilities	7,530,340	-	-	7,530,340	-	7,530,340	7,530,340
	449,508,748	**-**	**-**	**449,508,748**	**-**	**449,508,748**	**449,508,748**

32. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Company 2022					
	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 2 $'000	Total $'000
Financial assets measured at fair value						
Other	-	4,033	-	4,033	4,033	4,033
	-	**4,033**	**-**	**4,033**	**4,033**	**4,033**
Financial assets not measured at fair value						
Cash and cash equivalents	80,946	-	-	80,946	80,946	80,946
Interest receivable	232,726	-	-	232,726	232,726	232,726
Loans and notes receivable	39,465,212	-	-	39,465,212	39,465,212	39,465,212
Other receivables	1,498,560	-	-	1,498,560	1,498,560	1,498,560
Securities purchased under agreements to resell	303,442	-	-	303,442	303,442	303,442
	41,580,886	-	-	**41,580,886**	**41,580,886**	**41,580,886**
Financial liabilities not measured at fair value						
Notes payable	16,480,778	-	-	16,480,778	16,480,778	16,480,778
Redeemable preference shares	28,745,897	-	-	28,745,897	28,745,897	28,745,897
Interest payable	295,490	-	-	295,490	295,490	295,490
Other payables	23,621	-	-	23,621	23,621	23,621
Due to subsidiary	2,469,595	-	-	2,469,595	2,469,595	2,469,595
	48,015,381	-	-	**48,015,381**	**48,015,381**	**48,015,381**

32. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Company					
	2021					
	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 2 $'000	Total $'000
Financial assets measured at fair value						
Other	-	4,033	-	4,033	4,033	4,033
	-	**4,033**	**-**	**4,033**	**4,033**	**4,033**
Financial assets not measured at fair value						
Cash and cash equivalents	44,323	-	-	44,323	44,323	44,323
Interest receivable	409,529	-	-	409,529	409,529	409,529
Loans and notes receivable	41,944,982	-	-	41,944,982	41,944,982	41,944,982
Other receivables	12,636,270	-	-	12,636,270	12,636,270	12,636,270
Securities purchased under agreements to resell	1,274,449	-	-	1,274,449	1,274,449	1,274,449
	56,309,553	-	-	**56,309,553**	**56,309,553**	**56,309,553**
Financial liabilities not measured at fair value						
Notes payable	16,179,947	-	-	16,179,947	16,179,947	16,179,947
Redeemable preference shares	28,021,391	-	-	28,021,391	28,021,391	28,021,391
Interest payable	275,937	-	-	275,937	275,937	275,937
Other payables	18,865	-	-	18,865	18,865	18,865
Due to subsidiary	12,189,126	-	-	12,189,126	12,189,126	12,189,126
	56,685,266	-	-	**56,685,266**	**56,685,266**	**56,685,266**

33. Post-employment Benefits

Pensions are the only post-employment benefits to which the Group is committed. 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 2017 by Eckler Jamaica 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 section 134(6) of the Income Tax Act of Trinidad & Tobago. 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.

Eligible employees of the Dominican Republic subsidiaries contribute of 2.87% of their pensionable salaries to various authorised pension plans. Employers contribute a corresponding 7.10%.

The contributions for the Group for the year amounted to $302,640,000 (2021: $277,545,000).

34. Managed Funds

The Group acts as agent and earns fees for managing retail and corporate investment funds on a non-recourse basis under management agreements. This includes some of the assets of the Group's Jamaican pension fund (note 33). 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 are not recognised in the statement of financial position.

At 31 March 2022, funds managed in this way by the Group amounted to $194,074,064,000 (2021: $155,427,132,000) which includes assets of the Group's pension fund (note 33) amounting to $5,582,970,000 (2021: $4,870,416,000). The Group's financial statements include the following assets/(liabilities) relating to the funds:

	The Group	
	2022	2021
	$'000	$'000
Investments	66,447	67,289
Interest payable	(106,611)	(920)
Securities sold under agreements to repurchase	(50,006,724)	(49,019,616)
Customer deposits	(2,371,282)	(2,338,323)
Notes payable	(22,996,500)	(21,732,000)

35. Significant Accounting Policies

The significant accounting policies below conform in all material respects to IFRS.

(a) Basis of consolidation:

The consolidated financial statements include the assets, liabilities and results of operations of the Company, its subsidiaries and associate 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 the 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 interest

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.

(iii) Interest in associate

Associates are those entities in which the Group has significant influence, but not control or joint control, over the relevant financial and operating policies. Interest in associate is accounted for using the equity method in the consolidated financial statements.

35. Significant Accounting Policies (Continued)

(a) Basis of consolidation (continued):

(iii) Interest in associate (continued)

They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations, or made payments on behalf of an associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of profits equals the share of accumulated losses not recognised.

(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.

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 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.

35. Significant Accounting Policies (Continued)

(b) Financial Instruments (continued)

(ii) Classification and subsequent remeasurement

Financial assets

The Group has 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.

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 35(b)(vii). Interest income from these financial assets is included in 'Interest income from securities 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: 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.

35. Significant Accounting Policies (Continued)

(b) Financial Instruments (continued)

(ii) Classification and subsequent remeasurement (continued)

Financial assets (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, the 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. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

(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 FVTPL are included in the 'Net trading income' line in the statement of profit or loss.

35. Significant Accounting Policies (Continued)

(b) Financial Instruments (continued)

(ii) Classification and subsequent remeasurement (continued)

Financial liabilities

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 35(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.

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.

35. 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

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.

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.

35. Significant Accounting Policies (Continued)

(b) Financial Instruments (continued)

(iv) Modifications (continued)

Financial assets (continued):

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.

(v) Measurement and gains and losses

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.

For debt securities measured at FVOCI, gains and losses are recognised in other comprehensive income OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

35. Significant Accounting Policies (Continued)

(b) Financial Instruments (continued)

(v) Measurement and gains and losses (continued)

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.

For debt securities measured at FVOCI, gains and losses are recognised in other comprehensive income 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 income, calculated using the effective interest method;
- ECL charges and reversals; and
- foreign exchange gains and losses.

When a debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Changes in the fair value of certain investments in equity instruments that are not held for trading are presented in OCI. 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.

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 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.

35. Significant Accounting Policies (Continued)

(b) Financial Instruments (continued)

(v) Measurement and gains and losses (continued)

Specific financial instruments (continued):

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 carried at amortised cost. Securities purchased under resale agreements are reported not as purchases of the securities, but as receivables and are carried in the statement of financial position at amortised cost less impairment. It is the policy of the Group to obtain possession of collateral with a market value in excess of the principal amount loaned under resale agreements.

Interest earned on resale agreements and interest incurred on repurchase agreements is recognised as interest income and interest expense, respectively, over the life of each agreement using the effective interest method.

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.

Accounts 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.

35. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(v) Measurement and gains and losses (continued)

Specific financial instruments (continued):

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 35(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.

(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

The Group recognises loss allowances for expected credit losses (ECL) on debt financial instruments measured at fair value through other comprehensive income (FVOCI) and 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.

35. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(vii) Impairment (continued)

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'.

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;
- 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 costs 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.

35. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(vii) Impairment (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.

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. 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.

35. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(vii) Impairment (continued)

Write-off (continued)

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.

(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.

35. Significant Accounting Policies (Continued)

(d) Intangible assets (continued)

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 life of the assets ranging from 20% to 25% per annum, from the date it is available for use.

(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 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.

35. Significant Accounting Policies (Continued)

(e) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

35. Significant Accounting Policies (Continued)

(e) Leases (continued)

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group entities 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 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 fair value through other comprehensive income (FVOCI). In the case of changes in the fair value of monetary assets denominated in foreign currency classified as FVOCI, 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.

35. Significant Accounting Policies (Continued)

(f) 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.

(g) 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.

(h) 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 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.

35. Significant Accounting Policies (Continued)

(h) Taxation (continued)

(ii) Deferred income tax (continued)

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 Group. 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.

(i) 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.

(j) Revenue recognition

The principal types of revenue and the manner in which they are recognised are as follows:

(i) Interest income

Interest income is recognised in profit or loss using the effective interest method. The "effective interest rate" is the rate that exactly discounts the estimated future receipts through the expected life of the financial instruments to its gross carrying amount.

35. Significant Accounting Policies (Continued)

(j) Revenue recognition (continued)

The principal types of revenue and the manner in which they are recognised are as follows (continued):

(i) Interest income (continued)

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.

The ‘gross carrying amount of a financial asset’ is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

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.

(ii) Fees and commissions

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.

35. Significant Accounting Policies (Continued)

(j) Revenue recognition (continued)

The principal types of revenue and the manner in which they are recognised are as follows (continued):

(ii) Fees and commissions (continued)

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.*
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.	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 over time as 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 have been successfully executed.	Revenue is recognised at the point in time when the transaction is successfully executed.

(iii) Dividends

Dividend income is recognised when the right to receive payment is irrevocably established.

(k) 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.

35. Significant Accounting Policies (Continued)

(k) Employee benefits (continued)

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 33). Contributions to the fund, made on the basis provided for in the rules, are accrued and charged as expense when due.

(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

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.

(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

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year and which the Group has not early-adopted. The Group has assessed them with respect to its operations and has determined that the following are relevant:

35. Significant Accounting Policies (Continued)

(p) New and amended standards and interpretations issued but are not yet effective (continued)

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after 1 January 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

  Under existing IAS 1 requirements, entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. As part of its amendments, the standard requires that a right to defer settlement must have substance and exist at the end of the reporting period. A entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting date. It has also been clarified that a right to defer exists only if the entity complies with conditions specified in the loan agreement at the reporting date, even if the lender does not test compliance until a later date.

  With the amendments, convertible instruments may become current. In light of this, the amendments clarify how an entity classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the entity's own equity instruments, these would affect its classification as current or non-current. It has been clarified that an entity can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

  The Group does not expect the amendments to have a significant impact on its 2024 financial statements.

- Amendments to IAS 37 *Provision*, C*ontingent Liabilities and Contingent Assets* is effective for annual periods beginning on or after 1 January 2022 and for the purpose of assessing whether a contract is onerous, clarifies those costs that comprise the costs of fulfilling the contract.

  The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

  This clarification will require entities that apply the 'incremental cost' approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

  The Group does not expect the amendments to have a significant impact on its 2023 financial statements.

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to certain standards and are effective for annual periods beginning on or after 1 January 2022. Those that affect the Group's operations are IFRS 9 *Financial Instruments* and IFRS 16 *Leases*.

  (i) IFRS 9 Financial Instruments amendment clarifies that – for the purpose of performing the ''10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  (ii) IFRS 16 *Leases* amendment removes the illustration of payments from the lessor relating to leasehold improvements.

  The Group does not expect the amendments to have a significant impact on its 2023 financial statements.

35. Significant Accounting Policies (Continued)

(p) New and amended standards and interpretations issued but are not yet effective (continued)

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

  The Group is assessing the impact that the amendment will have on its 2024 financial statements.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and

  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

  The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

  The Group is assessing the impact that the amendment will have on its 2024 financial statements.

35. Significant Accounting Policies (Continued)

(p) New and amended standards and interpretations issued but are not yet effective (continued)

- Amendments to IAS 12 *Income Taxes* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

  The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, entities will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

  For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a reporting entity previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

  For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

  The Group is assessing the impact that the amendment will have on its 2024 financial statements.

NOTES

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