THE JMMB GROUP LTD.

Love IS AT OUR CORE

ANNUAL REPORT

FOR YEAR ENDED MARCH 31,2020

Our Mission

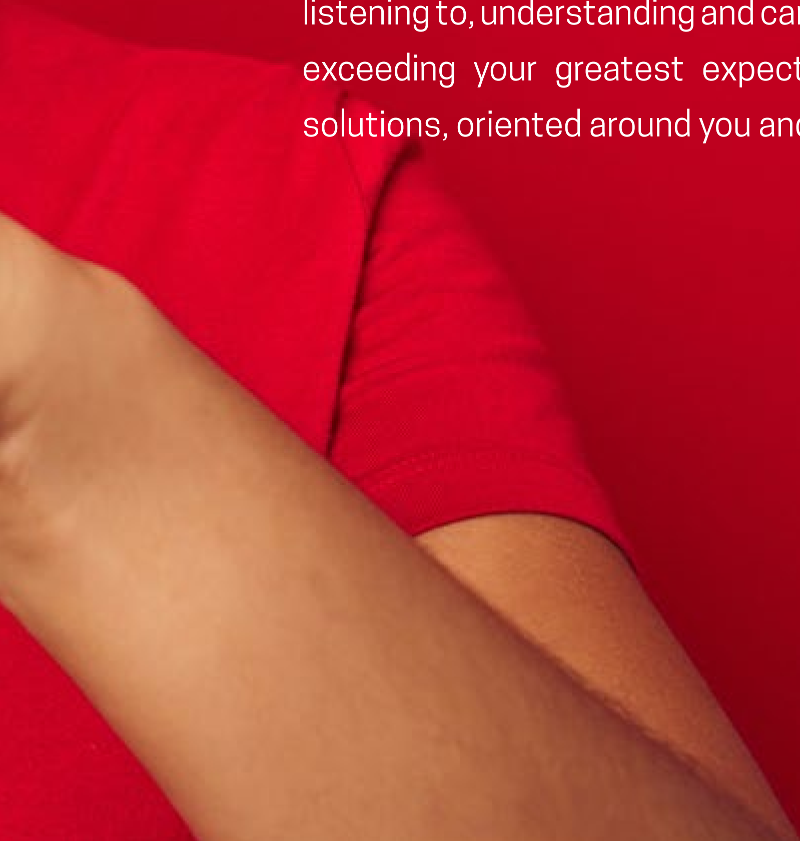
To maximise client satisfaction through exceptional client care and world class financial advice and expertise.

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

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



THE JMMB GROUP LTD.


TOGETHER
WE ARE
Stronger
THE
JMMB
GROUP LTD.

THE JMMB GROUP LTD.

JMMB Bank

JMMB Investments

JMMB SECURITIES LTD
A Member of the Jamaica Stock Exchange

JMMB FUND MANAGERS LTD

JMMB INSURANCE BROKERS

JMMB Money Transfer

JMMB REAL ESTATE HOLDINGS LTD

JMMB Bank

JMMB (Trinidad and Tobago) Limited

JMMB Investments (Trinidad and Tobago) Limited

JMMB SECURITIES (T&T) Limited

JMMB Express FINANCE (T&T) LIMITED

JMMB Puesto de Bolsa, S.A.

JMMB HOLDING COMPANY SRL

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

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

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

> “Coming together is a **beginning.** Keeping together is **progress.** Working together is **success.**”
>
> — Henry Ford

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2019-2020 PERFORMANCE HIGHLIGHTS

EXPANDING FOR YOU

LANDMARK ADDITIONAL PUBLIC OFFER

- 92.5% Oversubscribed
- J$ 20B in Total Subscriptions
- J$ 12.3B Raised

RECORD PERFORMANCE

SOLID FINANCIAL PERFORMANCE

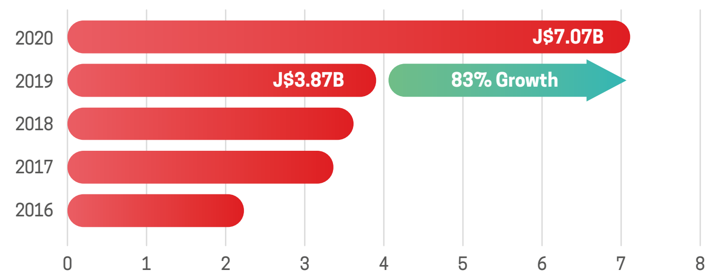
J$ **7.07B** Net Profit	**83%** YoY Growth
J$ **9.28B** Net Interest Income	**5%** YoY Growth
J$ **21.52B** Total Operating Revenue	**19%** YoY Growth
J$ **408.55B** Total FUM	**21%** YoY Growth
J$ **400.22B** Total Assets	**25%** YoY Growth

YoY - Year over Year

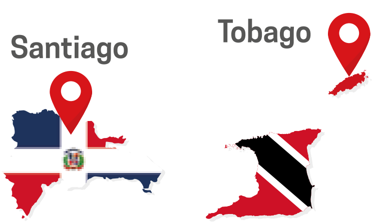
MAJOR GROUP ACQUISITION

22.5% Acquisition of Sagicor Financial Company Ltd.

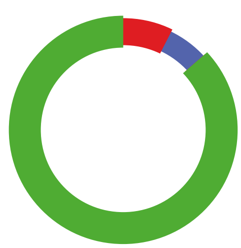
NET PROFIT (J$ '000)



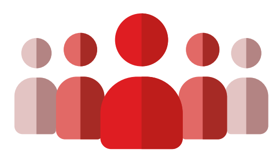
TWO NEW INTEGRATED LOCATIONS



COUNTRY CONTRIBUTION TO OPERATING PROFIT



CLIENT GROWTH

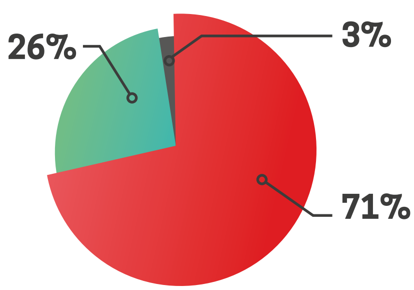


- 36,000+ New Clients joined the Group
- 352,000+ Total Clients in the Group
- 11% Growth of Client Base

BUSINESS LINE CONTRIBUTION TO PROFIT

BANKING & RELATED SERVICES

- Deposits
- Loans
- Credit Facilities
- Foreign Currency Trading
- Remittances



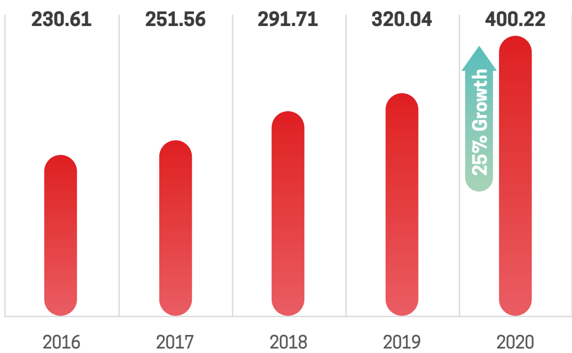
OTHER

- Insurance Brokering
- Investment & Real Estate Holding

FINANCIAL & RELATED SERVICES

- Securities Brokering
- Stock Brokering
- Portfolio Planning
- Fund Management
- Investment Advisory Services

TOTAL ASSETS (J$ '000)



"A" GRADE REGIONAL RATINGS

jmA/A+ Rating

A-af Feller Rate

CLIENT WINS

INCREASED RETURNS FOR SHAREHOLDERS

- J$ **3.99** Earnings Per Share
- J$ **0.44** Dividends Per Stock Unit
- J$ **38.01** JSE Closing Price

12,600+ GOAL PLANS CREATED

PARTNERING WITH SMALL AND MEDIUM ENTERPRISES

OPEN FOR BUSINESS

- Special Credit Adjudication Framework for SMEs Implemented
- In-Branch Partnership Structure revised to better meet needs of SMEs
- Strategic Alliance with Branson Center of Entrepreneurship Caribbean Launched
- New SME Financing Solutions Launched

35 % MORE FINANCING GOALS ACHIEVED

122% more Business Financing goals achieved

14% more Home Financing goals achieved

20% more Car Financing Goals achieved

BUILDING OUR TEAMS TO BETTER PARTNER WITH YOU

OUR CORE TRAINING COMPETENCIES

LEADERSHIP

REGULATORY

TECHNICAL

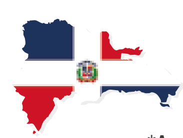
PARTNERSHIP

STRATEGY

MORE TEAM MEMBERS TRAINED

50%

11%



40%

*April 2019 – January 2020

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the SEVENTH ANNUAL GENERAL MEETING of JMMB GROUP LIMITED (the "Company") will be held on OCTOBER 8, 2020 at 10:30 a.m. (Jamaica) in a fully electronic format in accordance with the order of the Supreme Court of Judicature of Jamaica dated June 24, 2020 in Claim SU 2020 CD 00227 (the "Court Order", a copy of which is attached to this Notice) to consider and if thought fit, to pass the following ordinary resolutions:

AS ORDINARY RESOLUTIONS:

1. TO RECEIVE THE REPORTS OF THE DIRECTORS AND AUDITORS AND THE AUDITED ACCOUNTS FOR THE TWELVE (12) MONTHS ENDED MARCH 31, 2020

"THAT the Reports of the Directors and Auditors and the Audited Accounts for the year ended March 31, 2020, circulated with the Notice convening the meeting be adopted".

2. TO RATIFY INTERIM DIVIDEND PAYMENTS AND DECLARE THEM FINAL

"THAT the interim dividend of Twenty One Cents (21¢) paid on December 20, 2019, be and is 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 Association are Dr. Archibald Campbell, Mr. Andrew Cocking, Dr. Anne Crick, Mrs. Patricia Dailey-Smith and Mr. H. Wayne Powell, who being eligible offer themselves for re-election.

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

(a) "THAT Dr. Archibald Campbell be and is hereby re-elected a Director of the company."

(b) "THAT Mr. Andrew Cocking be and is hereby re-elected a Director of the company."

(c) "THAT Dr. Anne Crick be and is hereby re-elected a Director of the company."

(d) “THAT Mrs Patricia Dailey-Smith be and is hereby re-elected a Director of the company.”

(e) “THAT Mr. H. Wayne Powell 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, 2020, as remuneration for their services as Directors be and is hereby approved.”

Dated this 24 day of July 2020.

By Order of the Board

Carolyn DaCosta
Secretary

REGISTERED OFFICE
6 Haughton Terrace
Kingston 10

NB: A member entitled to vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not be a member of the Company. Enclosed is a Proxy Form for your convenience, which must be lodged at the Company’s Registered Office at least forty-eight (48) hours before the time appointed for holding the meeting. The Proxy Form shall bear the stamp duty of J$100.00. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy Form.

*** **The details of the various modes of accessing the meeting online will be shared shortly.**

CORPORATE PROFILE

28 YEARS BUILDING A VISION OF LOVE

Jamaica Money Market Brokers Limited opened its doors in November 1992 as the first Money Market Broker in Jamaica. This was the beginning of a legacy built on the core values of integrity, care, honesty and openness, underpinned by a Vision of Love. In 2015, JMMB Group Limited (JMMBGL), a holding company, became the parent of the now group of companies, including Jamaica Money Market Brokers Ltd. The group of companies serves over 352,000 clients and their families in Jamaica, Trinidad & Tobago and the Dominican Republic. Genuine care for clients, credibility, talent and expertise have catapulted the group of companies into a dynamic, international, multi-faceted financial institution that, unlike most, is committed to heart-to-heart connections and providing genuine, caring relationships, while proactively delivering personalised financial solutions across banking, investments and insurance brokerage services.

CORPORATE STRUCTURE

In 2015, Jamaica Money Market Brokers Limited was replaced as the parent company of the JMMB Group by JMMB Group Limited, a company incorporated in Jamaica under the Companies Act 2004. This was achieved by a court-sanctioned and shareholder-approved Scheme of Arrangement among the two companies and their shareholders. On implementation of the Scheme of Arrangement, JMMBGL became the holding company of the JMMB Group of companies, which includes the companies listed in the chart set out below. As part of the reorganization, Jamaica Money Market Brokers Limited's ordinary shares were delisted from the Jamaica Stock Exchange, the Barbados Stock Exchange and the Trinidad and Tobago Stock Exchange, 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 received approved letter dated July 30, 2019, from the Barbados Stock Exchange, confirming that our application for the delisting of the Company's ordinary shares from the Barbados Stock Exchange has been approved. The Company was delisted on October 22, 2019.

STANDING FOR THE GREATNESS OF ALL

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

MILESTONES

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

- JMMB Group Limited (JMMBGL) acquired 33,213,764 common shares of Sagicor Financial Company Ltd. (Sagicor), on December 5, 2019 as a result of this transaction, JMMBGL now owns approximately 22.5% of the issued and outstanding common shares, of Sagicor. Additionally, Sagicor is now an associated company of JMMB Group.

- JMMB Group Ltd made history in Jamaica and the Caribbean by closing the largest Additional Public Offer (APO) on November 7, 2019. The Group's first APO was oversubscribed by 92.5% with a total of 325 million ordinary shares issued, subscriptions of approximately J$20B and a total of J$12.3B in capital raised for the JMMB Group.

- A 50% acquisition of shareholdings in Intercommercial Bank Limited (IBL) in 2004 and later full ownership of the IBL Group in 2013. This first brought commercial banking services to the Group and was initial step in building out banking services and offering clients an enhanced value proposition across the region. In late 2012, JMMB Investments (Trinidad and Tobago) Ltd. was established adding investment services to the portfolio of companies in Trinidad and Tobago. IBL Bank was rebranded to JMMB Bank (T&T) Ltd. in 2016. Additionally, in 2018, JMMB Bank (T&T) Ltd., under its licensed merchant bank, launched a fully unsecured consumer lending entity under the brand JMMB Express Finance (T&T) Limited.

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

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

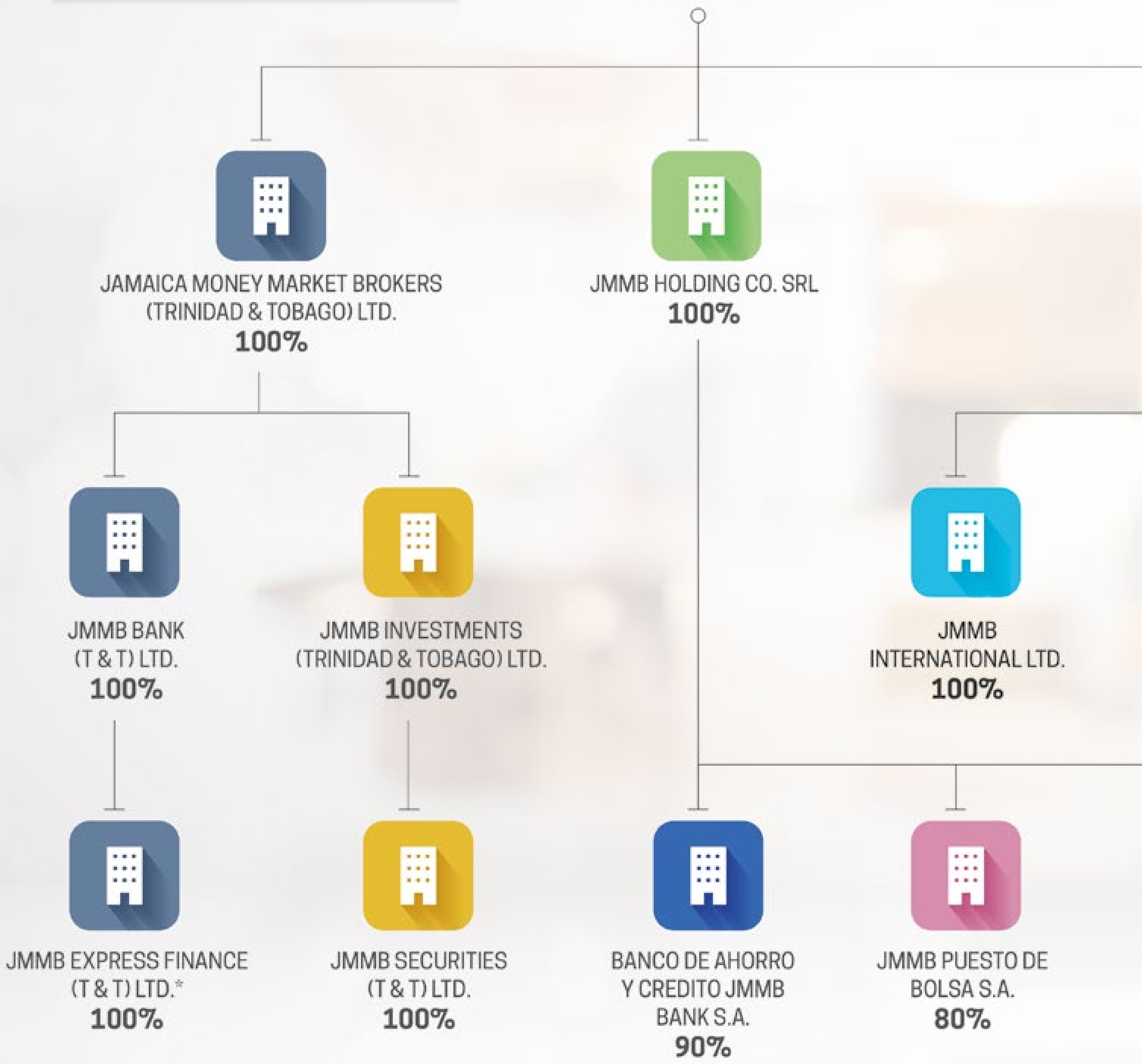
- Jamaica Money Market Brokers Limited, under an approved Scheme of Arrangement, was delisted from the Jamaica Stock Exchange (JSE), Barbados Stock Exchange (BSE) and Trinidad and Tobago Stock Exchange (TTSE), and relisted as JMMB Group Limited on April 13, 2015.

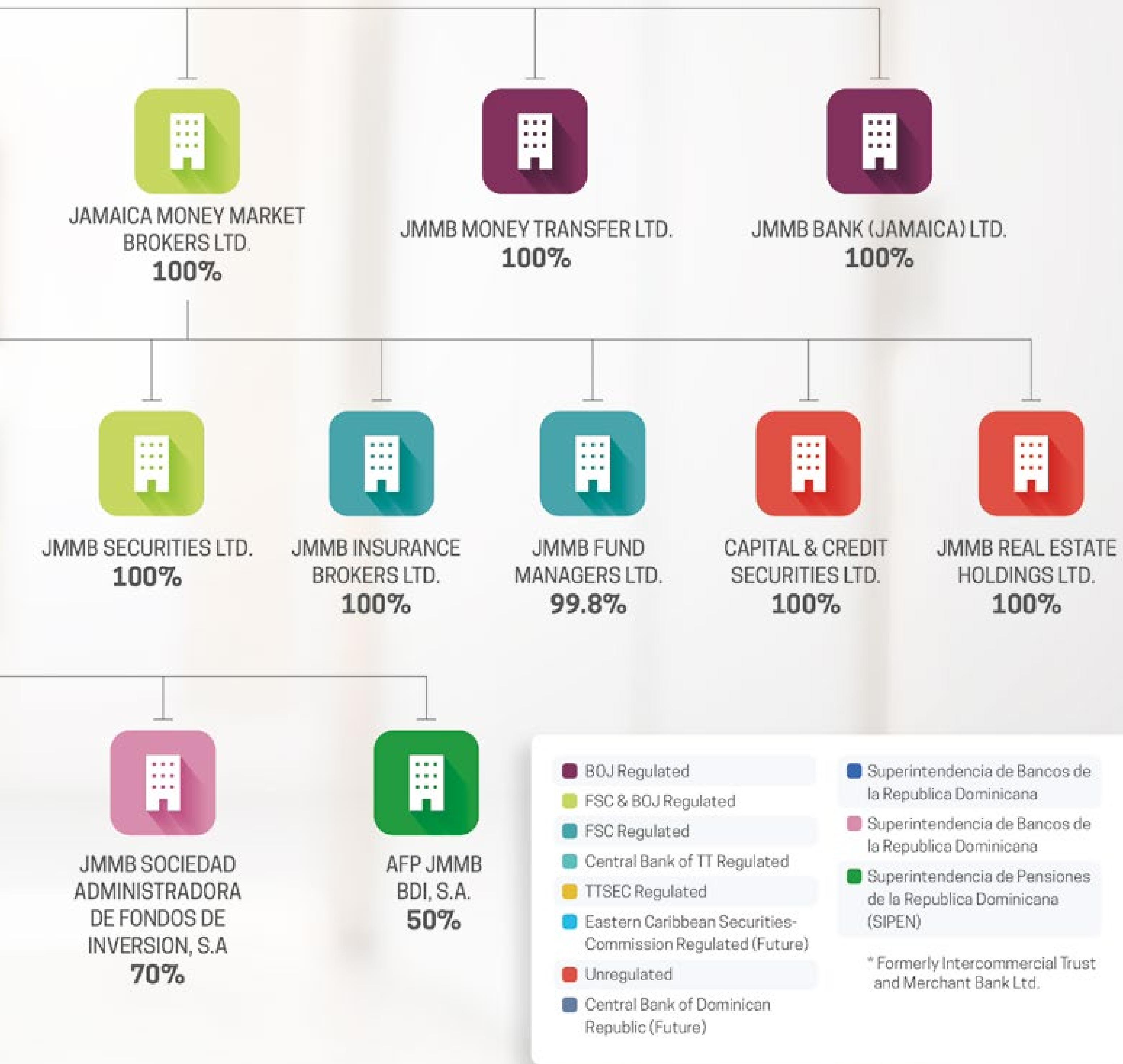
- In August 2017, JMMB Merchant Bank transitioned to JMMB Bank (Jamaica) Limited.

LONG-TERM SUCCESS

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

CORPORATE STRUCTURE




JAMAICA MONEY MARKET BROKERS LTD.
100%
JMMB MONEY TRANSFER LTD.
100%
JMMB BANK (JAMAICA) LTD.
100%
JMMB SECURITIES LTD.
100%
JMMB INSURANCE BROKERS LTD.
100%
JMMB FUND MANAGERS LTD.
99.8%
CAPITAL & CREDIT SECURITIES LTD.
100%
JMMB REAL ESTATE HOLDINGS LTD.
100%
JMMB SOCIEDAD ADMINISTRADORA DE FONDOS DE INVERSION, S.A
70%
AFP JMMB BDI, S.A.
50%
BOJ Regulated
FSC & BOJ Regulated
FSC Regulated
Central Bank of TT Regulated
TTSEC Regulated
Eastern Caribbean Securities-Commission Regulated (Future)
Unregulated
Central Bank of Dominican Republic (Future)
Superintendencia de Bancos de la Republica Dominicana
Superintendencia de Bancos de la Republica Dominicana
Superintendencia de Pensiones de la Republica Dominicana (SIPEN)
* Formerly Intercommercial Trust and Merchant Bank Ltd.

GROUP CHAIRMAN'S REPORT

I am pleased to submit the Annual Report for the JMMB Group (the Group) for the year ended March 31, 2020. The JMMB Group posted a net profit of J$ 7.07 billion and operating revenue of J$ 21.52 Billion, an increase of 19 % over the prior year. Earnings per share stood at J$ 3.99.

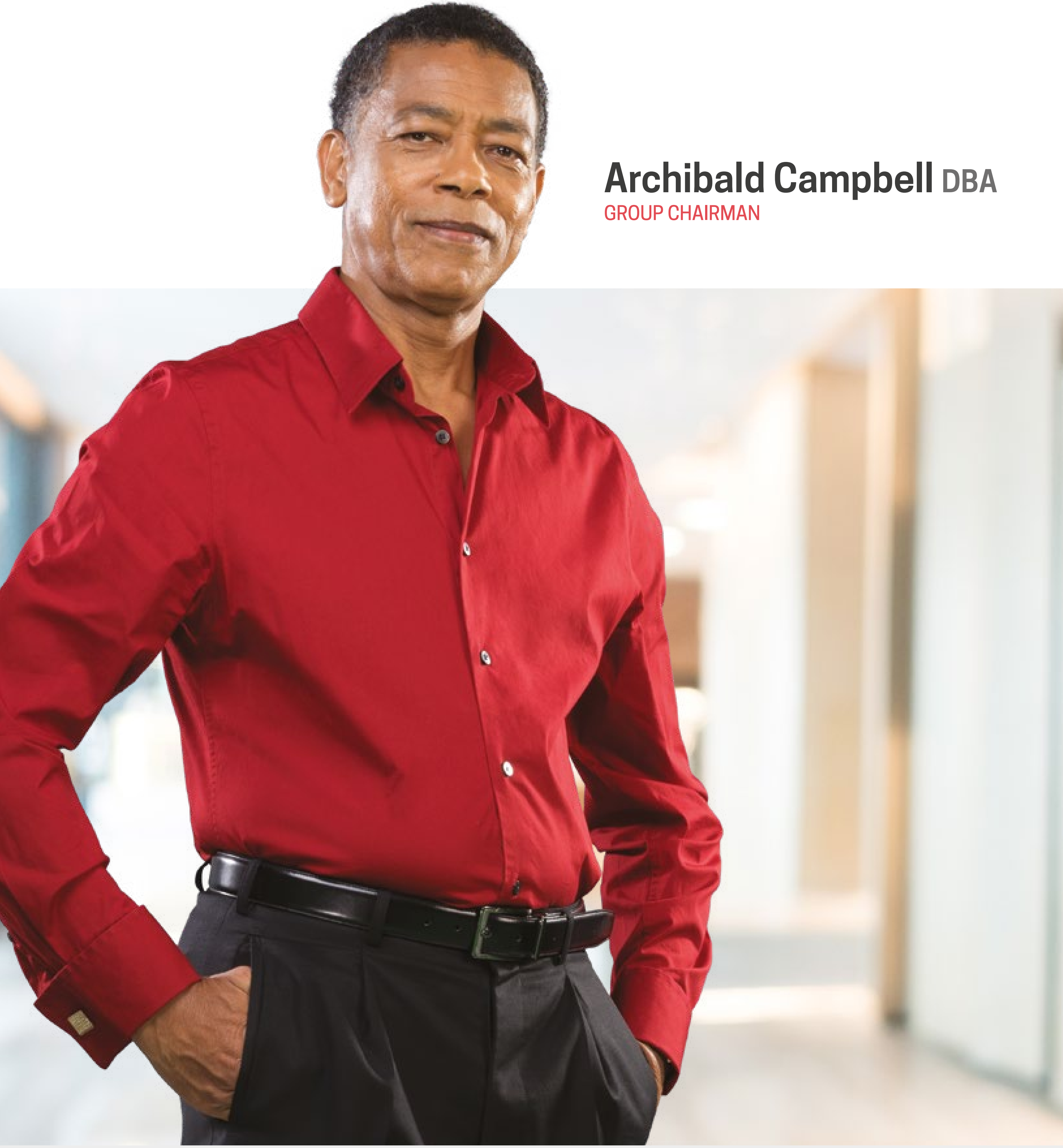
NET PROFIT	OPERATING REVENUE	EARNINGS PER SHARE
J$ 7.07B	**J$ 21.52B**	**J$ 3.99**

This strong and solid performance was broad-based, encompassing increased contributions from all business lines, as well as, the Group's acquisition of a 22.5% investment stake in Sagicor Financial Co. Ltd. The year's financial results reinforces the strength and efficacy of the strategy and business model we have been pursuing over the last five financial years.

A more in depth analysis of the performance of each business line and the Group's overall results is presented in the Management Discussion and Analysis Section of this report.

KEY HIGHLIGHTS OF THE FY 2019-20

In our continued efforts to strengthen our capital base which is critical in executing our long-term strategies and capitalizing on opportunities, the Group closed its first Additional Public Share Offering on November 7, 2019. The offer was oversubscribed by 92.5% and raised a total of J$12.3B in capital for the Group. This is a significant achievement for the Group which has bolstered our balance sheet and positions us strategically for the future.



Archibald Campbell DBA

GROUP CHAIRMAN

On the heels of the Additional Public Offering, the Group announced its 22.5% minority holdings in Sagicor Financial Company Ltd. (Sagicor). This acquisition of a minority stake in Sagicor, results in the Group becoming the single largest shareholder, and is a major investment for the Group bringing with it a unique opportunity to participate in the future growth of the Caribbean's insurance and asset management sectors. This achievement is a significant milestone for the Group and marks a new phase in advancing the Group's regional integrated financial services strategy . The Group's CEO, Keith Duncan, and I serve as Directors on the Sagicor Financial Company Ltd. Board.

During the year, a key area of focus for the Group was streamlining the banking business line's operating platforms for the best possible client experience. Our intention is to effectively deploy our resources and teams to deliver "One JMMB" throughout the region. We also increased focused on improving process efficiency and service delivery across business lines as well as building key digital services and solutions aimed at:

- Enhancing the overall experience of our clients,
- Improving access to services and solutions and
- Adding new, more efficient service delivery channels.

We expected the results of these efforts to be realized in in the coming financial year.

We additionally continued to deepen our efforts in serving clients and embedding our Financial Partnership strategy through the year.. The Dominican Republic and Trinidad and Tobago expanded their footprint, with each adding an integrated branch through which clients can access all our available financial services solutions. Additionally, in Trinidad and Tobago our consumer finance arm, JMMB Express Finance Trindad and Tobago Ltd., expanded its reach with two new locations one of which (Tobago) establishes a presence for the Group for further service expansion in the coming financial year. In Jamaica, we continued to support building and strengthening the capabilities of our Small and Medium Enterprise businesses, through a soft launch of our Group SME Resource Centre, and a partnership with the Branson Centre to roll out training solutions for our SME clients.

In February 2020, The JMMB Group received the Award for Excellence in Business Leadership from the American Foundation for the University of the West Indies (AFUWI). We are proud yet humbled to have been selected and acknowledged for our efforts in this area. A hearty congratulations to the entire JMMB team on this achievement, and to Keith Duncan for his leadership and direction of the team, which resulted in this Award for the JMMB Group!

ACKNOWLEDGEMENTS

To those we are privileged to serve, our shareholders and clients, we say thanks for your loyalty, trust and confidence in us. We will continue to manage the Group prudently, as we capitalize on both the opportunities that exist today and, especially, those that will undoubtedly emerge in the future.

The JMMB Group continues to serve and support our clients throughout their financial journey. This, however, could not have been achieved without the hard-working and dedicated team members across the Group. Thank you wholeheartedly for your contribution, time and commitment.

To our Management team, the Board salutes you for your unwavering leadership and commitment and for the work you have done in 2019/20 and continue to do, to further evolve and grow the JMMB Group.

I would also like to show my appreciation for my fellow Directors across the Group, for providing guidance amidst the varying operating market environments. Thank you for your prudent and sound Board governance.

THE PATH AHEAD

With our strong 2019/20 performance, the Group remains well-positioned to deliver on our value proposition and our long-term strategy.

As we look to the future, we note the shift globally in the financial services sector and generally our lives given the onset of the COVID-19 pandemic. We, however, remain committed to executing on our strategy, strengthening our capabilities and business model, and investing for growth in new businesses and opportunities. Our focus will remain on what has sustained the JMMB Group over the years: our people, our culture, and above all, the evolving needs of our clients. In doing so, we are well-positioned to compete in the years ahead, and to deliver higher and more sustainable returns for our shareholders.

Archibald Campbell DBA
Group Chairman


THE
GROUP

SALUTING Heroes

BOARD OF DIRECTORS

Dr. Archibald Campbell | CHAIRMAN

Archibald is the Chairman of majority of the subsidiaries of the JMMB Group, as well as, the Board of Trustees of the JMMB Pension Fund. Prior to this he served as a director at the University Hospital of the West Indies, a member of the Sugar Industry Divestment negotiation team, two pension funds and also a director of several companies that included hotels, property management, banks, tertiary level institutions and a number of non-profit organisations. He was a lecturer at the University of the West Indies (UWI) where he taught Accounting, as well as, Risk Management in the Banking Degree. Archibald also served as Bursar of the UWI and Chief Financial Officer with responsibility for maintaining relations with the seventeen (17) contributing Caribbean countries with regard to funding. He is a Chartered Accountant and is a past president of the Institute of Chartered Accountants of Jamaica. Archibald is a published author and speaker in the accounting and finance sectors. With a Doctorate in Business Administration (DBA) and an M.Sc. in Accounting from the University of the West Indies, various international training and certification and over 40 years of experience in the industry, Dr. Campbell is an unmatched resource.

AREAS OF EXPERTISE:

▪ Academia ▪ Accounting ▪ Administration
▪ Business Ethics ▪ Business Operations
▪ Finance ▪ Arbitration ▪ Strategic Thinking

Keith Duncan | EXECUTIVE DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER

Keith is the Group Chief Executive Officer at JMMB Group of Companies and has responsibility for overall performance and charting the strategic direction. His financial expertise has not only benefited the JMMB Group, but also the Jamaican financial sector. Mr. Duncan is currently the President of the Private Sector Organization of Jamaica (PSOJ), having served as a Vice-President of the PSOJ throughout 2013 – 2015. He is also 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).

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.

Known for his commitment to youth development, Keith served as Chairman of the National Youth Service from 2003 to 2009 and worked closely with the respective boards and teams to fulfill the mission of creating and reforming Jamaica's youth to become purposeful citizens. He is also a founding member of the YUTE Programme in Jamaica (Youth Upliftment through Employment).

He is a Chartered Financial Analyst and holds a B.A. (Economics) from the University of Western Ontario in Canada.

AREAS OF EXPERTISE: ▪ Administration ▪ Business Ethics ▪ Business Operations ▪ Corporate Governance ▪ Finance ▪ Investment Management ▪ Strategic Planning

Patria-Kaye Aarons | DIRECTOR

Patria-Kaye is a well-known and widely respected member of the media fraternity and an entrepreneur. With 18 years experience in the field of marketing and public relations, she brings a unique and invaluable combination of expertise and experience. 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 impacted the business landscape not only in Jamaica but also International Fortune 500 Companies, namely, Western Union and Sharp Corporation. She holds a Master's degree in Management from the University of Edinburgh and a Bachelors in Media and Communications from the University of the West Indies.

AREAS OF EXPERTISE:

- Academia ▪ Administration ▪ Business Ethics
- Business Operation ▪ Crisis Management
- Marketing ▪ Public & Media Relations

Dr. Anne Crick | DIRECTOR

Anne holds a Master's degree and a PhD in Organizational Management, is a Senior Lecturer and former Associate Dean and Department Head at the University of the West Indies in the Faculty of Social Sciences. She has served on several boards 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. In addition to being an extensively published author, she brings to 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 the Group Culture and Human Development Board Committee and chairs its Nomination and Corporate Governance Committee.

AREAS OF EXPERTISE:

- Academia ▪ Administration ▪ Business Ethics ▪ Corporate Governance
- Human Resource Management ▪ Organizational Management

BOARD OF DIRECTORS

Andrew Cocking | DIRECTOR

Andrew brings to the Group over 35 years of experience in banking, with over 33 years at the senior management level. Andrew's areas of expertise include treasury management, information technology, mergers and acquisitions, risk management, banking, finance, administration and emerging trends in finance & 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 and Credit Financial Group, as well as, an independent consultant. Prior to assuming this position, he served as President and CEO of Capital and Credit Merchant Bank for 11 years.

AREAS OF EXPERTISE:

- Administration ▪ Banking ▪ Business Ethics
- Finance ▪ Mergers

Patricia Dailey-Smith | DIRECTOR

Patricia brings to the JMMB Group over 25 years of experience and is an inexhaustible reservoir of knowledge in the areas of accounting, audit and finance. Patricia is also a member of the Company's audit and finance committees. Patricia retired from the position of Audit Partner at KPMG, having served the firm both locally and internationally at varying senior management levels. While at KPMG, Patricia managed large portfolios covering a wide cross-section of industries, including financial services, telecommunications, hospitality and tourism, manufacturing and healthcare.

AREAS OF EXPERTISE: ▪ Accounting ▪ Audit ▪ Business Ethics ▪ Business Operations ▪ Finance

Audrey Deer-Williams | 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. She holds an undergraduate degree in Economics and Accounting and a Master's degree in Business Administration. She is the Chair of the Group Culture and Human Development Committee and she sits on the board Risk Committee.

AREAS OF EXPERTISE:

- Administration ▪ Business Ethics
- Treasury Operations
- Investment Management
- Process Improvement
- Strategic Planning

Donna Duncan-Scott | DIRECTOR

Donna is passionate about building and maintaining the love based culture which support the Group's competitive advantage. As an authentic, principled and love based leader, she works with the Culture and Human Development Team (CHDT) in creating and implementing the people-operating frameworks, people policies, processes and practices that develop and maintain our unique culture. The CHDT supports team members to "realize the greatness within, to the benefit of themselves, our clients, the organisation and the society" (Our Vision of Love). She also has extended this transformational thinking to the development of the Conversations for Greatness programme aimed at providing individuals with the tools for mindset change to increase the experience of love and possibility thinking in the world. She holds a Bachelor's degree in Industrial Engineering, as well as, a Masters in Business Administration from the Richard Ivey School of Business at the University of Western Ontario in Canada. She also holds the prestigious international Chartered Financial Analyst professional designation.

AREAS OF EXPERTISE:

- Business Ethics ▪ Business Operations ▪ Corporate Governance
- People and Leadership Development ▪ Organizational Culture Development
- Transformational Methodologies ▪ Marketing ▪ Finance

BOARD OF DIRECTORS

Hugh Duncan | DIRECTOR

Hugh's experience and expertise span a variety of critical disciplines in the banking and finance industry. Hugh previously served as the Head of Group Capital Markets at JMMB for several years and now acts as an advisor to JMMB Group. Hugh operated at the CEO, Director and Vice President levels in Asia and some Caribbean territories. With over 20 years of international banking, trade and investment experience in senior positions, Hugh brings an uncommon and invaluable interplay of skills to the Group position. 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 with a focus on Finance and Marketing.

AREAS OF EXPERTISE:

- Administration ▪ Asset-based Finance
- Business Ethics ▪ Corporate Banking
- Corporate Governance
- Global Relationship Banking
- Investment Banking
- Structured Trade Finance

Dennis Harris | DIRECTOR

Dennis is the Managing Director of Unicomer (Jamaica) Limited, which trades as Courts, Lucky Dollar, Ashley and Radio Shack. He is also the Executive Leader of the USA "Courts" stores in New York. Prior to his appointment as Managing Director in 2011, he served as Regional Finance Director of Courts Caribbean, and before his return to Jamaica worked as Finance Director in the United Kingdom. As a certified accountant with over 40 years of experience both locally and internationally, Dennis brings an unparalleled wealth of experience and knowledge in the area of finance and business management.

Dennis also serves as an Independent Director of Gallagher Caribbean Group Limited, the largest insurance brokers in the Caribbean. He is the Chairman of JMMB Bank (Jamaica) Ltd., as well as, the Group Board Risk Committee.

AREAS OF EXPERTISE: ▪ Strategy ▪ Leadership ▪ Finance and Accounting ▪ Business Operations ▪ Corporate Governance ▪ Information Technology

Reece Kong | DIRECTOR

Reece has almost three decades of experience as an information technology professional.

His Information Technology expetise includes the development of the Automated Fingeprint Identification Systems (AFIS) Document Imaging and Business Process Reengeneerring. He was also the chief architect of the first computerised Government Accounting System developed and deployed in Jamaica.

Reece started his own company – 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 Board Committee and serves as a member of the Board Risk Committee.

AREAS OF EXPERTISE:

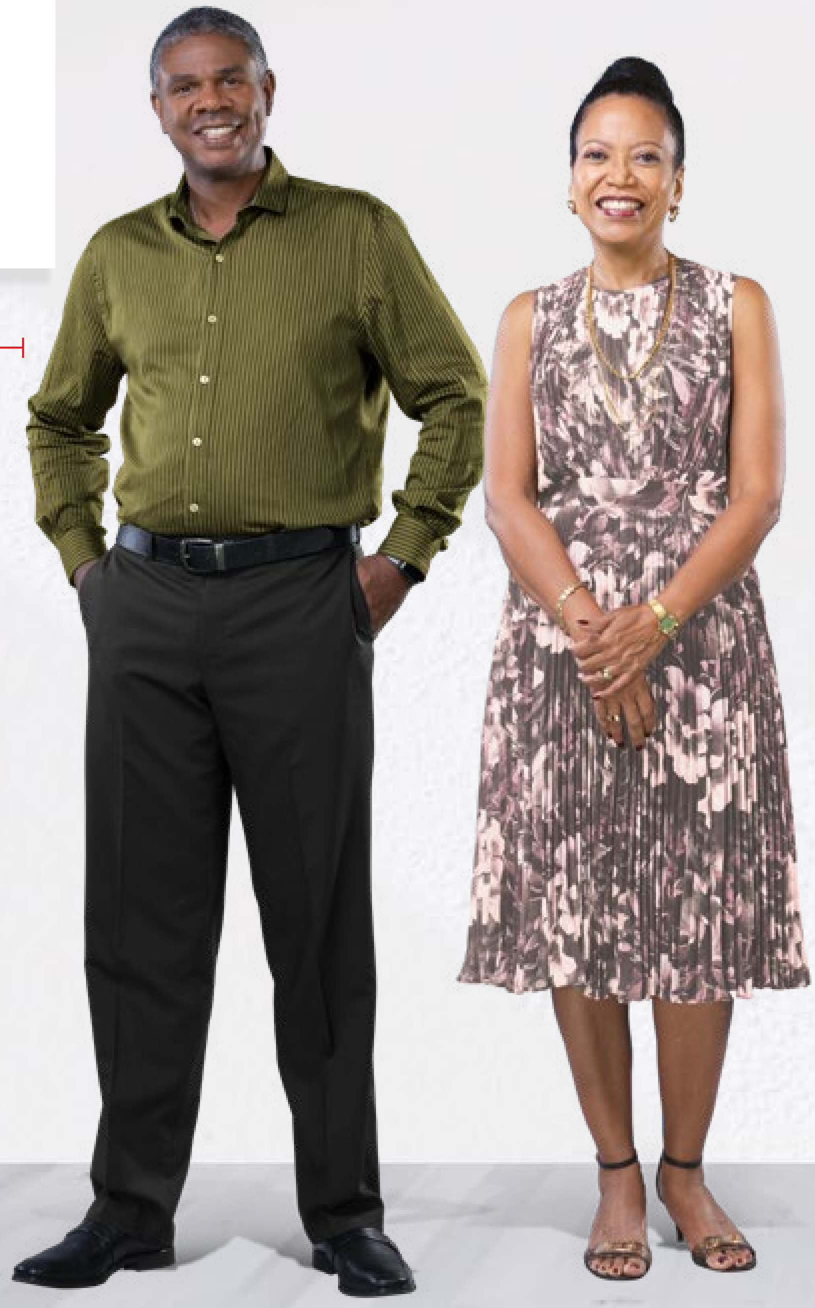
▪ Information Technology ▪ Administration
▪ Business Ethics

H. Wayne Powell O.D., J.P. | DIRECTOR

H. Wayne is currently a Business, Financial and Leadership Consultant, who has previously served as Vice-President at Scotiabank International and Executive Vice-President at Scotiabank Jamaica. He has been recognized at the national level for his extraordinary contribution to the banking sector in Jamaica. As a finance, banking and leadership consultant, he brings to JMMB Group over 45 years of knowledge and experience in the financial sector, both locally and internationally. H. Wayne is also known for his contribution to nation building as a Justice of the Peace, as well as, through his affiliation with the Rotary Club of New Kingston and other charitable organizations. H. Wayne also sits on several corporate and public sector boards, currently serves as a member of the JMMB Group's Audit, Finance and Culture and Human Development Board Committee.

AREAS OF EXPERTISE: ▪ Administration ▪ Banking ▪ Business Ethics ▪ Business Operations
▪ Finance ▪ Human Resource Management ▪ Leadership Consultation

BOARD OF DIRECTORS



Wayne Sutherland | DIRECTOR

Wayne is the former Managing Director of Butterkist Limited, Jamaica Venture Fund Limited and Senior Director of Air Jamaica Ltd and the Jamaican Securities Commission. He is currently a professional Investor and is a member of the First Angels Investor group. He has personally invested in more than 10 companies over the past 12 years. Wayne currently 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). Wayne 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 Groups as well as the T&T subsidaries Board Audit Committees. Wayne is also a member of the Board Nominations and Corporate Governance and Information Technology Board Committees.

AREAS OF EXPERTISE:

- General Management
- Finance
- Marketing
- Corporate Governance
- Business Ethics
- Business Operations

Audrey Welds | DIRECTOR

Audrey has distinguished herself as an outstanding Attorney-at-Law in both the private and public sectors, with a career spanning over 35 years. Audrey is also an active member of the legal fraternity who has served on several sub-committees of the Jamaican Bar Association and currently serves on the Accounts and Records Committee and the Proceeds of Crime Act Committee of the General Legal Council. She holds an LL.B. degree from the UWI, an LL.M. from King's College, London and a CLE from the Norman Manley Law School. She has been a Course Director at the Norman Manley Law School for over 10 years.

AREAS OF EXPERTISE:

- Academia
- Administration
- Business Ethics
- Business Operations
- Corporate Governance
- Legal/Regulatory

V. Andrew Whyte | DIRECTOR

V. Andrew Whyte is the Group Treasurer at Jamaica Producers Group, a multi-national company with operations in Jamaica, the Netherlands, United Kingdom, the Dominican Republic, Cayman Islands and the USA. He previously worked in the financial industry for several years. An independent Director, he currently serves as chairman of the Audit 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. In addition to his training and experience. Andrew utilizes his Christian principles to guide his contribution. He chairs the Board of Trustees of the preparatory school, Emmanuel Christian Academy.

AREAS OF EXPERTISE:

- Accounting / Finance ▪ Banking
- Risk Management ▪ Corporate Governance
- Internal Audit

Carolyn DaCosta J.P. | 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. She is also the Group Chief Compliance Officer. She holds certification in Corporate Governance from Harvard Business School, an MBA in Finance as well as a Diploma in International Compliance from the Manchester Business School in the UK, a Bachelor of Laws degree from the University of London and a Bachelor of Arts degree from the University of the West Indies. She brings an unparalleled combination of technical skills and experience to this critical role. In keeping with the Group's commitment to effective corporate governance, she ensures compliance with all relevant statutory and regulatory requirements, monitors changes in relevant legislation and ensures the taking of appropriate action, as required. Additionally, Carolyn is a Fellow of the International Compliance Association and a Justice of the Peace for the parish of St. Catherine.

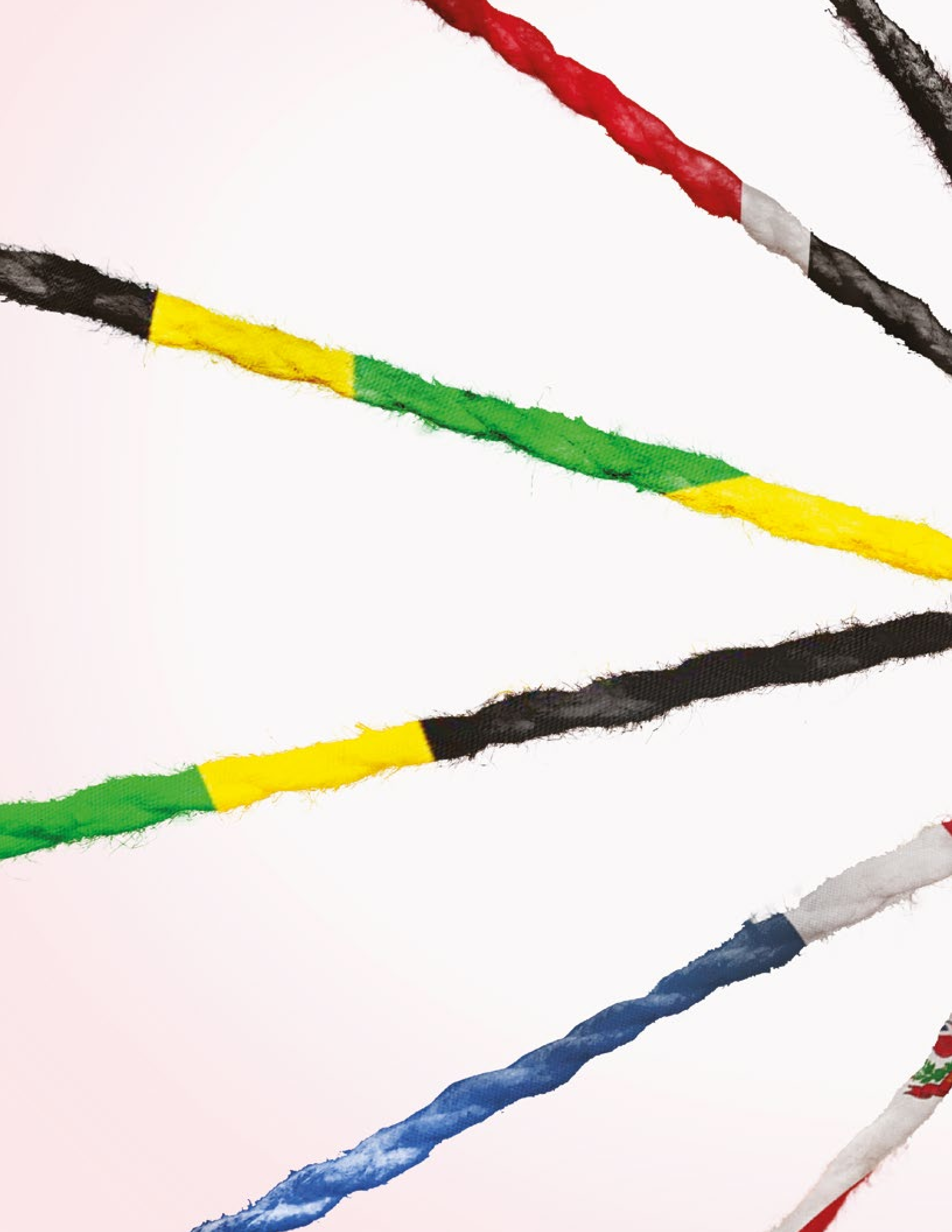
AREAS OF EXPERTISE:

- Corporate Governance ▪ Financial Operations ▪ Law
- Regulatory and International Compliance

TEN-YEAR STATISTICAL REVIEW

	YEAR ENDED 31-MAR-20	YEAR ENDED 31-MAR-19	YEAR ENDED 31-MAR-18	YEAR ENDED 31-MAR-17
GROUP FINANCIAL DATA	(J$`000)	(J$`000)	(J$`000)	(J$`000)
Total assets	**400,222,626**	320,036,257	291,715,730	251,556,110
Investment in associate	**35,009,306**			
Investment securities	**192,270,521**	205,972,359	194,905,868	171,571,803
Loans and notes receivables	**98,841,073**	67,947,268	55,625,743	47,133,134
Other interest earning assets	**48,635,962**	30,726,396	28,957,274	21,810,160
Repurchase agreements	**179,589,980**	163,907,891	158,167,289	156,647,595
Customer deposits	**104,183,074**	63,947,279	52,165,066	49,087,517
Stockholders' equity	**41,179,154**	31,104,276	29,003,747	26,794,699
Funds under management	**408,553,090**	338,379,728	312,969,031	281,101,963
PROFITS AND DIVIDENDS	(J$`000)	(J$`000)	(J$`000)	(J$`000)
Operating revenue net of interest expense	**21,516,491**	18,036,406	15,840,957	14,650,056
Operating expenses	**15,929,810**	12,989,242	11,240,284	10,446,222
Profit before tax	**7,216,523**	4,870,549	4,352,989	4,156,046
Net profit	**7,066,486**	3,868,406	3,604,404	3,350,531
Dividends paid and proposed (in respect of the financial year)	**867,221**	798,971	766,360	733,749
Profit retained (in respect of the financial year)	**6,199,265**	3,069,435	2,838,044	2,616,782
FINANCIAL RATIOS	(J$`000)	(J$`000)	(J$`000)	(J$`000)
Earnings per stock unit (cents)	**399**	234	218	203
Dividends per stock unit (cents)	**44**	49	47	45
Dividend payout ratio	**12.27%**	20.65%	21.26%	21.90%
Price earnings ratio	**9.53**	13.67	11.93	8.28
Return on average equity	**19.55%**	12.87%	12.92%	13.53%
Return on average assets	**1.96%**	1.26%	1.33%	1.39%
Book value per stock unit (J$)	**20.57**	18.44	17.12	15.89
Net interest margin	**2.90%**	3.03%	2.98%	2.94%
Efficiency ratio (Admin. exp/ Revenue)	**73.85%**	71.62%	70.54%	71.09%
OTHER DATA	(J$`000)	(J$`000)	(J$`000)	(J$`000)
Exchange rate (J$ per US$1.00)	**133.96**	125.02	125.32	128.22
Inflation rate (year over year)	**4.81%**	3.40%	3.90%	4.14%
Market Price per share (JSE closing price)	**38.01**	31.99	26.00	16.81
Number of stock units at year end	**1,955,552,532**	1,630,552,532	1,630,552,532	1,630,552,532
Market capitalisation	**74,330,551,741**	52,161,375,499	42,394,365,832	27,409,588,063

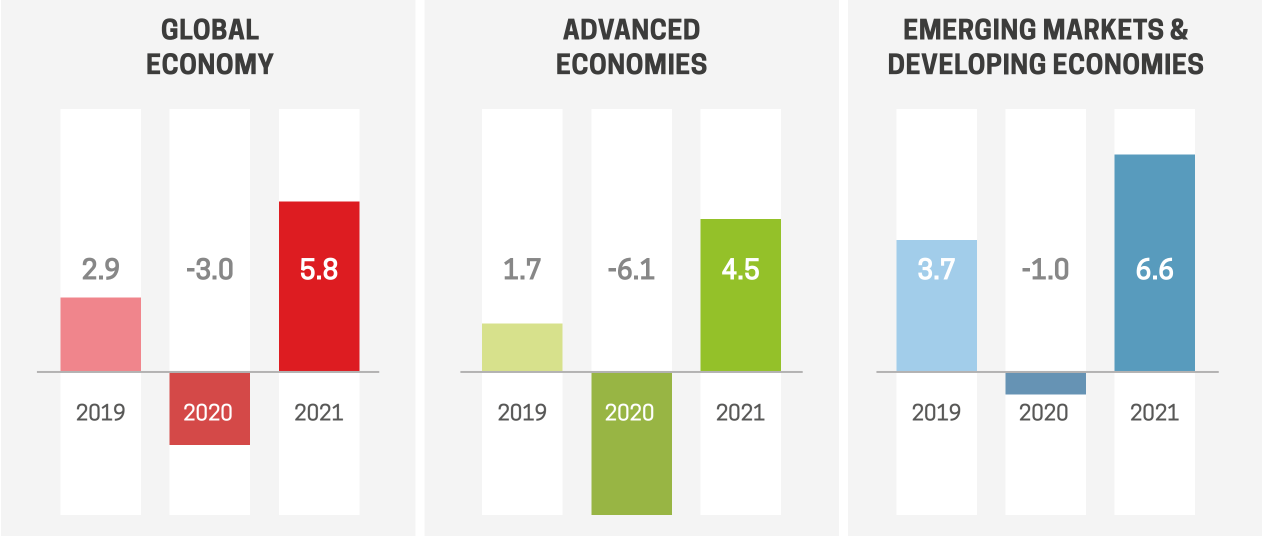
YEAR ENDED 31-MAR-16	YEAR ENDED 31-MAR-15	YEAR ENDED 31-MAR-14	YEAR ENDED 31-MAR-13	YEAR ENDED 31-MAR-12	YEAR ENDED 31-MAR-11
(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
230,607,286	217,715,302	206,706,119	166,860,961	124,736,554	113,019,058
156,976,090	157,226,757	145,777,726	138,412,944	108,153,801	98,233,393
37,450,257	31,924,543	26,551,175	10,227,126	-	-
25,731,228	18,944,984	23,979,406	3,890,913	5,929,366	3,996,291
149,262,369	144,501,658	143,302,425	135,907,311	107,591,924	97,068,266
41,296,373	38,463,504	35,887,750	7,567,380	-	-
22,716,581	21,723,064	18,688,980	17,212,876	10,872,131	9,402,331
250,485,809	238,695,980	223,584,330	165,584,482	121,683,458	111,423,910
(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
11,424,075	10,319,661	8,732,250	6,243,316	5,987,479	4,073,084
8,781,265	7,787,697	5,670,247	4,616,625	3,214,703	2,585,949
2,595,557	2,354,039	3,398,051	3,647,375	2,814,017	1,509,635
2,299,231	2,047,282	3,062,059	3,856,863	2,240,456	1,142,930
603,304	521,776	538,082	375,027	453,650	234,142
1,695,926	1,525,506	2,523,977	3,481,836	1,786,806	908,788
(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
139	118	174	235	151	76
37	32	33	23	31	16
26.24%	25.49%	17.57%	9.72%	20.25%	20.49%
7.21	5.96	4.05	3.00	6.50	6.04
10.35%	10.13%	16.83%	27.47%	22.10%	14.03%
1.03%	0.96%	1.58%	2.65%	1.88%	0.97%
13.45	12.86	11.24	10.24	7.37	6.39
2.57%	2.60%	3.02%	3.05%	3.10%	2.46%
76.64%	75.17%	64.86%	73.08%	53.59%	63.08%
(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
121.70	114.77	109.28	98.41	87.10	85.57
2.90%	4.00%	8.35%	9.13%	7.30%	7.80%
10.01	7.06	7.04	6.20	9.81	4.61
1,630,552,532	1,630,552,530	1,630,552,530	1,630,552,530	1,463,386,752	1,463,386,752
16,321,830,845	11,511,700,862	11,479,089,811	10,109,425,686	14,355,824,037	6,746,212,927




WE ARE
STRONGER
Together
THE JMMB GROUP LTD

REGIONAL MACROECONOMIC LANDSCAPE

Table 1: Global Economic Outlook



Source: IMF

The International Monetary Fund has estimated that the global economy expanded 2.9% in 2019, the slowest rate of growth since the global financial crises in 2008-09. The slowdown in growth was occasioned by the trade impasse between the world's two largest economies - The United State of America (US) and China - and geo-political tensions in the Middle East. These events had a negative impact on global trade and output, and sparked volatility across financial markets. Towards the end of the year, volatility in financial markets increased due to the potential impact of the coronavirus on the Chinese economy and global growth.

Despite record low unemployment rate, growth in the US slowed from 2.9% in 2018 to 2.3% in 2019. Amid weak inflationary pressure the Federal Reserve (Fed) maintained an accommodative monetary

policy stance through the provision of repurchase agreement and buybacks of securities in the secondary market. The Fed lowered the policy rate to 0.25% in mid-March noting that "the effect of the coronavirus will weigh on economic activity in the near term and pose risk to economic outlook." The last time the Fed slashed the policy rate this low was in December 2008, amid the global financial crises. The economic situation in the Euro zone remains weak due to falling output in the industrial sector in the stronger economies within the zone and slowing global trade. To help support economic growth, the European Central Bank cut short-term interest rates to negative while continuing the process of quantitative easing through the buyback of securities on the secondary market.

A combination of weak commodity prices and socio-political tensions had a negative impact on growth in Latin American economies. The IMF estimated that the economies in the region expanded by only 0.1% in 2019 as there was marked slowdown in the economies of Venezuela (35%), Nicaragua (3.9), and Argentina (2.1%). Despite the decline in growth in these economies, there was strong to moderate growth in Columbia, Panama and Peru.

Strong job market conditions and modest growth in the US buoyed tourism activities across tourism-dependent Caribbean economies. This was supported by construction and related activities, as well as the spillover effect of public sector reforms in economies such as Jamaica. There were strong growth performances in the Dominican Republic and Guyana. On the other end of the spectrum the growth rate in Barbados and Trinidad &Tobago underperformed the outturn in the region.

The IMF is estimating that global growth will contract by 3% in 2020 and rebound by 5.8% in 2021. The decline in growth is likely to be mixed across economic groupings with developed countries expected to contract by 6.1% while Emerging Market & Developing Economies are expected to contract by 1%. These forecasts underline the Fund's baseline estimate in relation to how the global economy will evolve, which assumes that the coronavirus pandemic will fade in the second half of the year and containment measures will gradually unwind. The Fund however, noted that risk for more severe economic outcome is high.

JAMAICA

PERFORMANCE

It is estimated that the Jamaican economy expanded by 0.9% during calendar year 2019. The IMF was projecting growth of 2.6% for the period. The lower than expected outturn was occasioned by sharp contraction in Mining and Bauxite and slower than envisaged growth in the Agriculture sector. During Q3:19, Jiuquan Iron and Steel announced that they would close the alumina production plant at Alpart for two years for upgrade. The closure of the plant resulted in a 11.5% contraction in the Mining and Quarrying sector. Drought like conditions during the second and third quarter had a negative impact on the production of most agricultural produce. There was underperformance in the Construction and Retail and Distribution. Growth in the Construction sector is estimated to have contracted by 0.5% in 2019 compared to expansion of 3.3% in the previous year. The lower growth in the sector was attributable to slowdown in work in the private sector, as spending by government and its agencies increased during the year. This is the first time that the sector has contracted since 2012. Output in the Retail and Distributive trade continues to lag behind overall growth in the economy due to weak income growth and rising household debt levels.

Despite the underperformance in the above mentioned sectors, there were creditable performances for Hotel & Restaurants (Tourism) and Manufacturing sectors. Strong job market conditions in the US buoyed increased visitor arrivals and spending during the review period, which contributed to the positive performance in Tourism while the manufacturing sector benefitted from operational efficiency and increased exports.

Table 2: Selected Macroeconomics Data

	2016	2017	2018	2019	2020	2021	2022	2023
Nominal GDP per capita, USD	4,843	5,069	5,354	5,366	5,204	5,393	5,562	5,741
Real GDP growth, % y-o-y	1.4	1.9	1.9	0.9	-6.5	1.1	2.0	2.0
Central bank policy rate, %	5	3.25	1.75	0.50	0.50	0.75	2.50	3.25
LCU/USD, eop	128.44	124.93	127.72	132.57	-	-	-	-
Total expenditure, % of GDP	26.2	26.6	27.3	28.7	29.6	27.7	27.6	27.0
Total revenue, % of GDP	25.9	26.4	27.7	29.8	30.6	27.8	27.7	27.3
Budget balance, % of GDP	-0.3	-0.2	0.4	1.2	-8.0	-5.0	-3.0	-1.0
Primary balance, % of GDP	6.9	7.2	7.1	7.3	7.1	5.6	5.2	4.9
Inflation, eop, % change	1.7	5.3	2.4	5.2	4.9	5.5	5.5	5.5
FDI inflows, pct of GDP	1.92	0.23	0.08	-	-	-	-	-
Current account balance, pct of GDP	-0.3	-2.6	-1.8	-2.5	-6.0	-4.2	-4.0	-3.9
Total Governmnet debt, % of GDP	121.7	106.4	96.2	100.9	97.7	103.6	97.3	93.4
Interest payments, % of FX reserves	21.2	18.2	20.7	20.6	20.3	19.3	18.4	17.6
Foreign reserves ex gold, US$ mn	3,291	3,781	3,532	3,709	3,894	4,089	4,293	4,508
Import cover months	5.57	5.81	4.87	5.27	5.64	5.81	5.90	5.99
Foreign reserves ex gold, pct of GDP	23.89	24.81	22.12	23.17	25.71	25.99	26.35	26.71

Sources: Fitch Connect, IMF and JMMBIR

FISCAL ACCOUNTS

FY 2019/20

The Government of Jamaica (GOJ) generated a fiscal surplus of $18.6 billion (approximately 1% of GDP) which was $3.9 billion (26.1%) higher than initially budgeted. The better than programmed outturn resulted from Revenue receipt of $649.7 billion and Expenditure of $630.4 billion. When compared to budget, Revenue was $5.6 billion (0.9%) higher than planned while Expenditure of $630.4 billion was relatively in line with programmed spending. The primary balance of $150.9 billion (7% of GDP) mirrors the amount that was budgeted.

During the year the government tabled three supplementary budgets due to anticipated changes in expenditure. This resulted mainly in adjustments in compensation to public sector workers and capital expenditure.

FY 2019/20 AND SUPPLEMENTARY BUDGET

The Minister of Finance tabled in the Parliament in mid-May the first Supplementary Budget just two and a half months after tabling the budget for FY 2020/21. There was always a high risk that the budget would have been recast due to the imminent threat of the coronavirus and its potential impact on GDP growth and revenue flows. The virus has become a full-scale global pandemic infecting over 4.9 million persons and has so far caused the deaths of more than 321,000 individuals. Two of Jamaica's principal trading partners, the United States and the United Kingdom, are among the countries with the highest number of deaths.

Based on the Supplementary Budget, the government is programming overall spending of $838.2 billion, $15.3 billion or 1.8% lower than the initial budget. The shift in the budgeted numbers represent in part expected decline in revenues and fallout in employment arising from anticipated contraction in the domestic and global economies.

On the revenue side, the government is expecting total inflows of $580.0 billion. This is a decline of $81.0 billion or 12.3% when compared to the $660.9 billion that was initially targeted. Further breakdown of the numbers indicate that the government is now expecting inflows from Tax Revenue and Non-Tax Revenue of $510.1 billion and $65.0 billion, respectively. Juxtaposed against the original budget, these numbers highlight shortfalls of $78.7 billion (13.4%) and $2.3 billion (3.4%), respectively.

Owing to the expected fallout in revenue, the profile of above the line spending has shifted downwards, with marked reallocation from capital expenditure to recurrent spending. The government is now expecting to spend $642.8 billion, $18.2 billion or 2.7% lower than the original budget. However, recurrent spending at $596.7 billion is $9.9 billion or 1.7% higher than the original budget. The jump is due to higher spending on Programmes and interest of $4.7 billion (2%) and $4.9 billion (3.8%), respectively. The lion share of the shift in Programmes is occasioned by provision in the budget for increased social spending to assist persons who have lost their jobs or are furloughed due to the prevailing economic conditions.

Capital expenditure was cut by 28.1% from $74.2 billion to $46.1 billion consequent on programmed upward shift in recurrent spending and fallout in revenues. This comes as no surprise as the government tries to rein in the fiscal deficit and debt-to-GDP despite the economic challenges. Arising from the cut in capital spending, a portion of the works on the eastern section of the highway from Harbour View to St. Thomas has been suspended.

Table 3' Abridged Supplementary Budget

Item	Budget 2020/21	First Supp. 2020/21	Change	% Change
Revenue & Grants	**660,907.1**	**579,885.8**	**-81,021.3**	**-12.3%**
Tax Revenue	588,807.2	510,050.9	-78,756.3	-13.4%
Non-Tax Revenue	67,290.9	65,025.9	-2,265.0	-3.4%
Bauxite Levy	135.7	135.7	0.0	0.0%
Capital Revenue	336.0	336.0	0.0	0.0%
Grants	4,337.3	4,337.3	0.0	0.0%
Expenditure	**661,017.8**	**642,841.1**	**-18,176.7**	**-2.7%**
Recurrent Expenditure	586,814.6	596.740.2	9,925.6	1.7%
Programmes	232,802.7	237,478.5	4,675.8	2.0%
Compensation of Employees	221,357.6	221,611.8	254.2	0.1%
Interest	132,654.2	137,649.8	4,995.6	3.8%-
Domestic	55,461.2	55,461.2	0.0	0.0%
External	77,193.0	82,188.6	4,995.6	6.5%
Capital Expenditure	74,203.3	46,101.0	-28,102.3	-37.9%
Fiscal Balance (Surplus + / Deficit-)	**-110.7**	**-62,955.3**	**-62,844.6**	**56758%**
Loan Receipts	**143,602.9**	**147,827.8**	**4,224.9**	**2.9%**
Domestic	109,224.4	111,224.4	2,000.0	1.8%
External	34,378.5	36,603.4	2,224.9	6.5%
Other Inflows	**32,193.0**	**22,805.8**	**-9,387.2**	**-29.2%**
Other Outflows	**37,260.8**	**37,260.8**	**0.0**	**0.0%**
Amortization	**155,189.7**	**158,048.2**	**2,858.5**	**1.8%**
Domestic	111,019.8	111,019.8	0.0	0.0%
External	44,169.9	47,028.4	2,858.5	6.5%
Overall Balance (Surplus + / Deficit-)	**-16,765.3**	**-87,630.8**	**-70,865.5**	**422.7%**
PRIMARY BALANCE (SURPLUS + / DEFICIT-)	**132,543.5**	**74,694.5**	**-57,849.0**	**-43.6%**
TOTAL EXPENDITURE & PAYMENTS	**853,468.3**	**838,150.2**	**-15,318.2**	**-1.8%**

Sources: Ministry of Finance & Planning and JMMIR

BELOW THE LINE

As there is an overall deficit of $87 billion, $70 billion more than programmed, the funding profile in the supplementary budget is incomplete. The authority expects loan receipt of $143 billion, $4.2 billion

(2.9%) more than the original budget. Other inflows, being receipt from the divestiture of government assets, is expected to fall by $9.4 billion to $22.2 billion while no change is expected in other outflows amounting to $37 billion.

The revised estimate for Amortization is now $158.0 billion, which is $2.9 billion (1.8%) more than the original budget. The change is due wholly to an increase in external amortization, which now stands at $47.0 billion, a rise of 6.5% over the initial figures.

The primary balance is expected to shrink from $132.5 billion (5.8% of GDP) to $74.6 billion (3.5%) of GDP. Debt to GDP is expected to rise to 104% by the end of the fiscal year, reflecting an increase in the fiscal deficit, economic contraction and depreciation of the Jamaican dollar. A fiscal deficit of $63 billion (approximately 3% of GDP) is expected compared to an almost balanced when the minister made his budget speech in March.

INFLATION

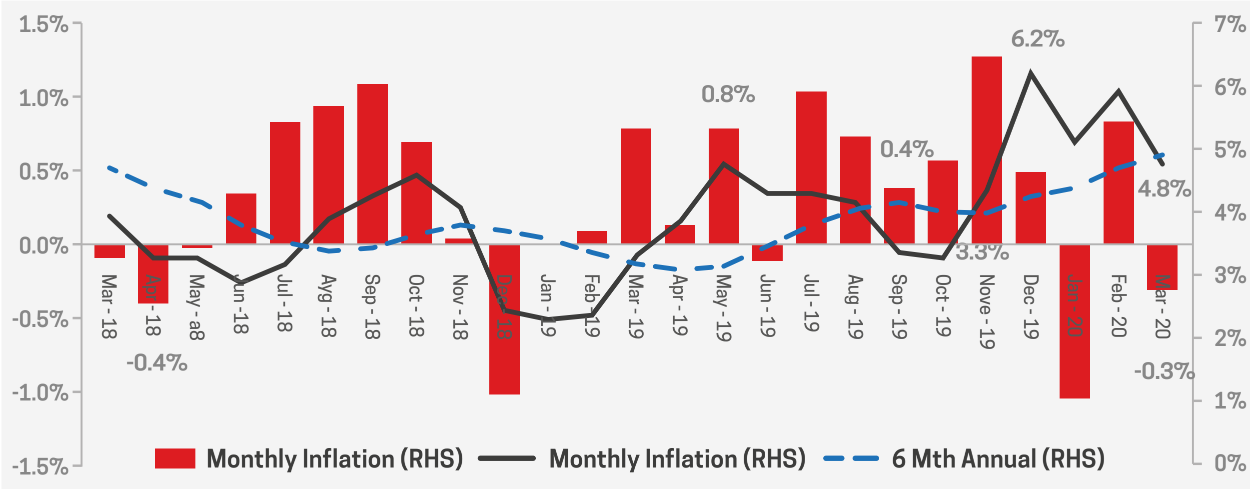
At March-end the 12-month inflation rate was 4.8% while the month-over-month inflation rate was -0.3%. Jamaica's inflation rate has trended down since 2013 reflecting a combination of containment of the fiscal deficit, buoyant domestic agricultural output and benign external conditions. The last two variables have played a significant role in moderating the inflation outturn over the last 12 months. During the first six months (April – September), the Agriculture sector was challenged by drought-like conditions which negatively affected output, resulting in upward movement in the heaviest weighted division in the Consumer Price Index (CPI) basket 'Food and Non-Alcoholic Beverages'. The shift in the prices over the period however, was partially offset by the fall in oil prices, resulting in slower price rise in Transportation and Utilities. Supply challenges encountered in the Agriculture sector in H1:20 carried over into December. As a result the calendar year inflation for 2019 rose to 6.18%, compared to 2.4% for the similar period in 2018.

Reduction in global crude oil prices and increased agricultural output resulted in deflation in January and March. Prices during the period fell cumulatively by 0.5%, pushing down the 12-month inflation rate to 4.8%, approximately the mid-point of the Bank of Jamaica's (BOJ) targeted range of 4%-6%.

Despite low oil prices, the inflation rate could increase over the next 6 months due to lower levels of agriculture production and the pass-through effect of increased depreciation of the Jamaican dollar. The coronavirus has negatively affected operation in the hotel sector and household income, resulting in lower demand for agriculture output which will attenuate the impact of lower production. Prices for local agriculture produce are expected to increase gradually relative to the similar period in 2019. Fallout in tourism and remittance flows and demand overhang by end-users are highly likely to drive the depreciation of local currency over the next few months. This coupled with developments in the Agriculture sector is likely to push inflation to the higher end of the BOJ's forecast range by the end of 2020 into the first quarter of 2021.

The risk of higher than expected inflation is elevated, as the factors cited above could have a greater than envisaged impact on inflation. Although oil prices are expected to remain subdued over the medium term, shocks to the oil market could result in faster than expected upward price adjustments. If these events occur singularly or simultaneously, it is possible that the inflation rate could exceed 6% in December 2020 and March 2021.

Figure 1: Jamaica Inflation



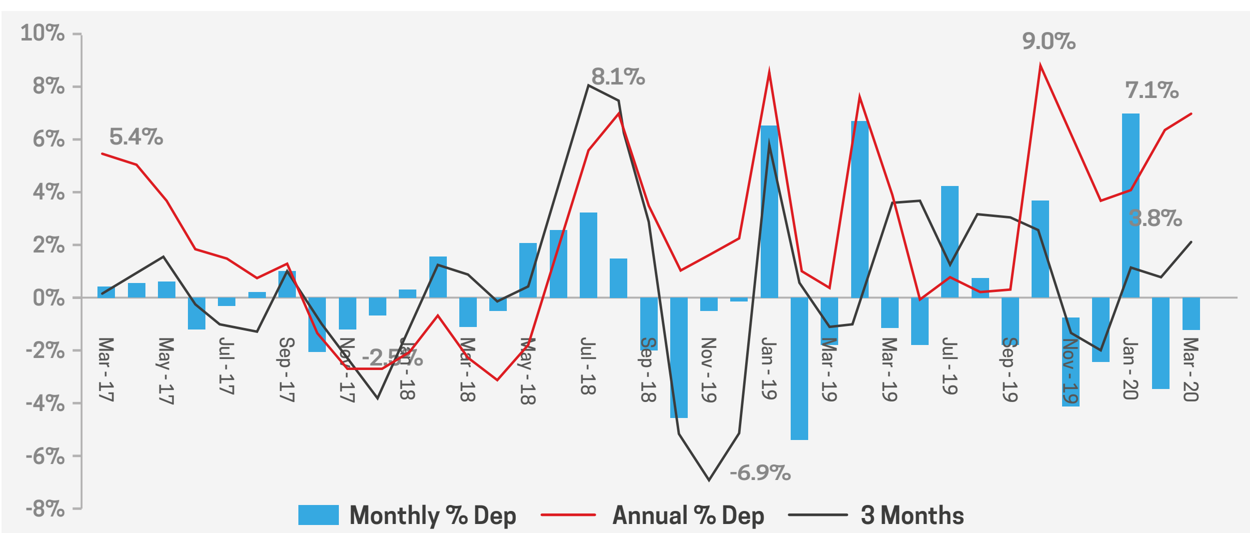
Sources: STATIN and JMMBIR

EXCHANGE RATE

The Jamaican dollar traded at an exchange rate of $135.30 to US$1 dollar at the end of March 2020. The domestic currency lost 7.1% over a 12-month period despite appreciating 1.2% month-over-month relative to February. Since Q4:18 there has been a discernable pattern in the foreign exchange market where there is distinct month-over-month depreciation followed by appreciation at the end of a quarter. The monthly change in the value of Jamaican dollar resembles a sine wave while the 12-month change is not too far off the mark.

Movements in the value of the Jamaican dollar reflect demand and supply at various points in time. Demand for foreign currency is driven by end-users and capital market transactions while remittance and tourism flows as well as direct foreign investments (FDIs) dominate the supply side. Demand and supply tend to be lumpy and are not synchronized. As a result of this, there are months where demand outstrips supply and vice versa. This divergence between the two forces lead to depreciation and appreciation of the Jamaican dollar on a monthly basis, depending on which variable is more dominant during the period.

Figure 2: Jamaica Inflation



Sources: Bank of Jamaica and JMMBIR

LOOKING AHEAD

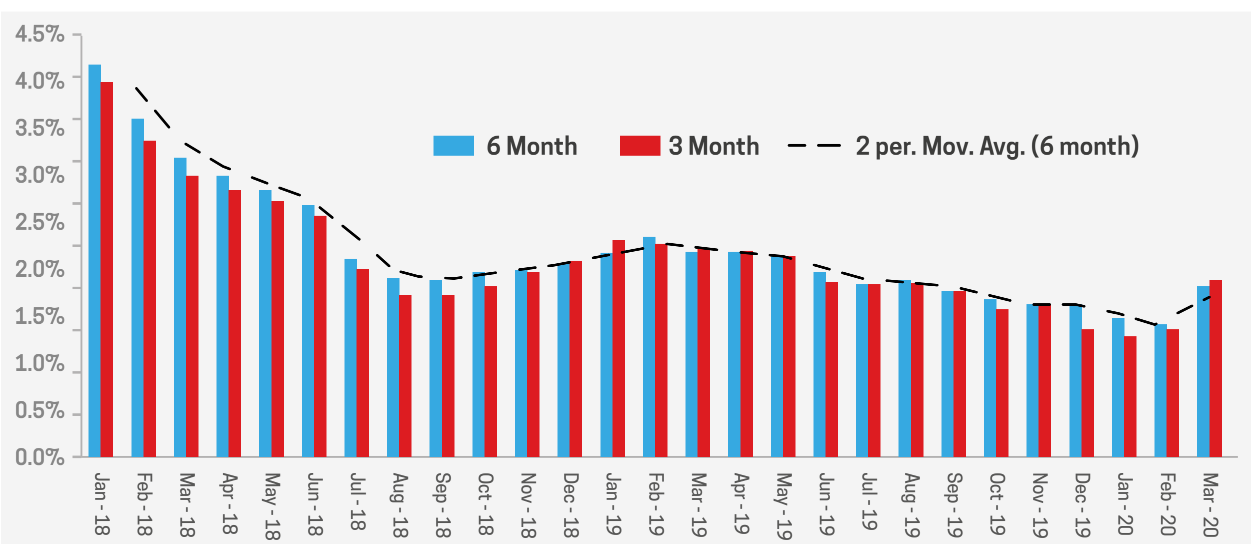
With the source market for tourism and remittance facing serious economic challenges, lower flows from these channels of foreign exchange are expected in coming months. In fact, in March there was a decline in tourism and remittance flows of 54.6% and 8.6%, respectively, when compared to the similar period in 2019. Lower FDI flows are envisaged over the next year, at least, as the investment climate is less accommodating. On the opposite side, the demand for external goods and services is expected to decline due to falling household and business income. This is likely to be reinforced by subdued oil prices and lower volumes of capital market transaction by financial institutions. On a net flow basis, it is likely that demand for foreign currency will outstrip supply resulting in depreciation of the Jamaica dollar. Improvements in tourism and remittance flows could reduce depreciatory pressure on the Jamaica dollar and catalyse the return of the periodic month-over-month up and down shift in its value as observed over the last eight quarters.

Owing to the possibility of deterioration in Jamaica's external position over the next 9-12 months, the GOJ sought assistance from the IMF for balance of payment support. On May 15, the Executive Board of the IMF approved a loan to Jamaica amounting to US$520 million under the Rapid Financing Instrument (RFI) to mitigate the impact of the shock arising from COVID-19 on the sovereign's balance of payment. The funds are being made available to support the external sector to ensure that sufficient foreign currency is available to meet the normal purchase of goods and services externally. These resources are not for budget support and therefore will not be used for this purpose.

Although the Bank of Jamaica (BOJ) is armed with additional resources as part of its toolkit to combat anomaly in the foreign exchange market, we do not foresee the Bank deploying it unless conditions deteriorate rapidly. It is important to note that the 12-month movement in the Jamaican dollar relative to the US dollar remains within the five-year moving average depreciation rate.

INTEREST RATE

Figure 3: Treasury bills yield



Sources: Bank of Jamaica and JMMBIR

Treasury bill (T-bill) yields continued the downward trajectory in FY 2019/20, albeit at a slower rate relative to earlier periods. In March 2020, the yield on the 6-month T-bill was 1.80% which was 37 basis points (bps) lower than the similar period in 2019. Yield fell by 100 bps in March 2019 when compared to the same period in 2018. The Bank of Jamaica maintained an accommodative monetary stance during the review period, which allowed for the buildup of Jamaican dollar liquidity. Having assessed that inflationary pressure was weak and that headline inflation would potentially fall within the targeted period, the central bank reduced the policy rate twice in 2019 to 0.5%.

Fiscal operation has been generally supportive of the central bank's policy, as the government continued to maintain fiscal prudence. With GOJ generating a small fiscal deficit in FY 2019/20, debt issuance was largely geared towards matching existing maturities.

Looking over the next 12 months, inflationary pressure arising from monetary policy is likely to be weak owing to subdued economic activities. This will engender the central bank to at least keep the policy rate stable. With the policy rate as low as it is, there is limited room for further cuts; therefore, it is likely that the BOJ will utilize less orthodox means, if required, to steer domestic economic activities.

T-bill yields are expected to fall marginally, reflecting a weak domestic economic environment and relatively high Jamaican dollar liquidity. In March yield on the 6-month T-bill increased by 40 bps. This in our opinion was one-off and is reflective of the finicky nature of the market from time to time. The market has since settled owing to the general expectation of gradual improvement in global and domestic economic conditions. This has helped to reinforce our view regarding how domestic interest rates are likely to evolve in the short run.

OUTLOOK

The government expects that real GDP will fall more than 5%, which is in line with the IMF's estimate. The IMF noted in its outlook on the global economy, amid the coronavirus pandemic, that conditions are likely to start normalizing by the second half of the year. This view in our opinion is overly optimistic in light of how the situation on the ground is evolving in Europe and North America. The number of daily COVID-19 related deaths, although declining, is falling at a slow rate in the US and parts of Europe. In the absence of a vaccine, we expect second, if not third and fourth waves where persons are infected with the coronavirus. Most recently the Chinese authorities had to close down townships close to the Russian border due to a new wave of infections, which were believed to be imported. This is a stark reminder of the risk that governments contend with when they open up their economies.

Considering the challenges facing the global economy, we expect inflows from tourism and remittance to remain subdued for the rest of the year. This will negatively affect operations across all sectors, including agriculture, retail and distribution, and manufacturing. Steep cuts in capital expenditure by the government will have a sharp negative effect on the construction industry. It is likely that the domestic economy could contract at a faster rate than expected by the authority.

TRINIDAD & TOBAGO

In 2019 real GDP contracted by 0.2%, which marks the fourth consecutive year of economic contraction. The average annual economic decline over the period was 1.8%. The last time the economy expanded was in 2015 where it grew by 1.8%. Relatively subdued energy prices; maturation of existing oil and gas fields; falling investments, in particular, in the Petroleum sector; and lack of diversification of the economy are some of the factors that have weighed on economic growth and government finances in recent years. The share of Petroleum revenue to overall revenue intake by the government has declined from 43% in 2008 to less than 15% in 2019. The government now relies on other revenue sources to fund the fiscal account, which has failed to match the pace of growth in expenditure resulting in the widening of the fiscal deficit. This coupled with slowing growth has led to acceleration in debt to GDP, which moved from 34% in 2010 to 62% in 2019.

Table 4: Ratings Action

Agency	Rating	Outlook	Date
Moody's	Ba1	negative	May 22 2020
S&P	BBB-	stable	Mar 26 2020
S&P	BBB	stable	Jul 09 2019
S&P	BBB+	negative	Apr 28 2018
Moody's	Ba1	stable	Apr 25 2017
S&P	BBB+	stable	Apr 21 2017
S&P	A-	negative	Apr 22 2016
Moody's	Baa3	negative	Apr 15 2016
Moody's	Baa2	negative watch	Mar 04 2016

Sources: Tradingeconomics.com and JMMBIR

Deterioration in the sovereign's fiscal accounts and growth metrics have led to several ratings downgrades over the last five years. The latest occurred in March 2020, where Standard and Poor's (S&P) lowered Trinidad & Tobago's sovereign credit ratings to 'BBB-' from 'BBB' and revised the outlook price to stable. The ratings agency advised that the downgrade is predicated on lower oil and gas price forecast over the medium-term, which will significantly affect government finances leading to widening of the fiscal deficit and increase in debt. S&P noted that the current account is likely to move to a deficit position in 2020, 6.4% of GDP. The ratings agency however noted that the sizeable Heritage Stabilization Fund (HSF) and foreign reserves provide ample fiscal and external buffers. S&P stated that the stable outlook reflects lower energy prices, a current deficit in 2020, and increase in debt which are attenuated by the sovereign's sizeable external assets, allowing for flexibility to address the fallout in hydrocarbon prices.

The government managed to reduce the fiscal deficit in FY 2018/19 to TT $3.9 billion compared to TT$5.7 billion in the previous year. This was partly achieved through tax amnesty which netted TT$2.4 billion. In FY 18/19 the government laid out a plan to curtail the deficit. Towards this end a piecemeal tax reform was implemented along with reduction in subsidies. A deficit of 2% of GDP was programmed in FY 2019/20, but this could potentially widened to 8% of GDP due to the effect of the coronavirus on government finances and economic growth.

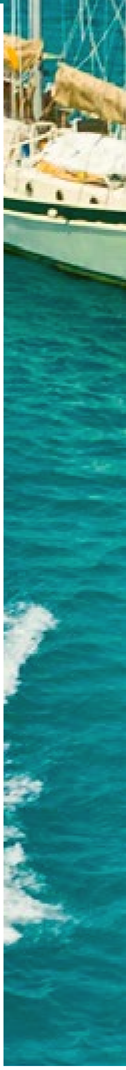


Table 5: Selected Macroeconomic Indicators

Indicator	2016	2017	2018	2019	2020	2021	2022	2023
Nominal GDP per capita, USD	16,191	15,952	16,285	17,213	16,980	17,284	17,794	17,471
Real GDP growth, % y-o-y	-6.0	-2.3	-0.2	-0.1	-3.0	2.2	2.6	2.9
Central bank policy rate, %	4.75	4.75	5	5	3.50	5.25	5	5
LCU/USD, eop	6.78	6.78	6.80	6.80	7.00	7.50	7.50	7.50
Total revenue, % of GDP	28.0	26.0	29.1	28.4	27.3	28.8	29.8	30.7
Total expenditure, % of GDP	35.6	33.2	31.9	31.3	35.1	35.5	35.5	34.7
Budget balance, % of GDP	-7.5	-7.2	-2.8	-3.0	-7.8	-6.7	-5.7	-4.0
Primary balance, % of GDP	-5.0	-4.1	-0.2	0.6	-4.1	-2.8	-1.8	0.0
Inflation , eop, %	3.1	1.3	1.1	0.6	2.0	2.2	2.2	2.2
Current account balance, %of GDP	-4.4	5.5	5.9	5.7	5.3	4.7	4.5	4.5
Total government debt, % of GDP	60.0	61.0	62.1	61.8	69.0	73.7	77.1	78.6
Government domestic debt, % of GDP	45.5	45.1	45.0	46.1	51.7	55.4	57.7	58.7
Foreign reserves ex gold, USD	9,466	8,370	7,575	6,818	6,144	6,482	6,806	7,147
Import cover months	16.0	15.6	13.6	12.7	11.2	11.5	12.0	12.3
Foreign reserves ex gold, pct of GDP	43.0	37.8	33.5	28.5	26.6	29.0	29.1	29.0

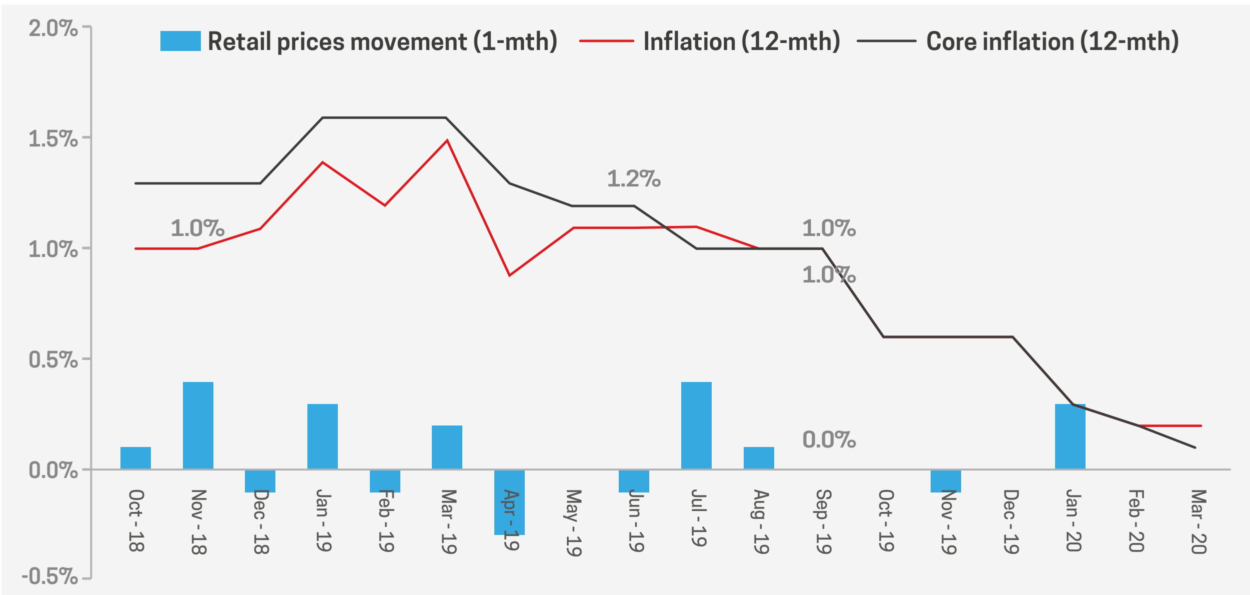
Sources: Fitch Connect, IMF and JMMBIR

INFLATION

At March-end, the 12-month inflation rate for Trinidad & Tobago was 0.4%, the 36th consecutive month where headline inflation has been below 2%. The low inflation rate resulted from a combination of weak household and business demand, as well as subdued external prices. The sovereign has been faced with weak domestic demand since 2015, following the collapse of energy prices. As a consequence real GDP has since fallen below the 10-year average leading up to 2015, resulting in declines in household and business income. The government has not been able to pick up the slack in the economy due to cuts in petroleum revenue and increased debt levels. In fact, the government since 2018 is pursuing an ambitious plan to curtail the fiscal deficit and rein in the debt. In the short run, this has helped to curtail overall domestic economic activities rather than engender higher levels of output. Lower government spending has also weakened inflationary pressures.

Measures implemented in March by the government to curtail the spread of COVID-19 have further stymied overall economic activities and in the process negatively affected demand. Inflation is expected to remain subdued through Q3:20, but is likely to slowly increase in Q4:20. This however is predicated on the extent to which the government is prepared to spend additional resources to stimulate the economy. The government passed a bill that increased the amount of resources that can be drawn from the Heritage and Stabilization Fund (HSF) in any one year to US$1.5 billion (7%of GDP). Should the authority draw down and deploy the full amount, as per the provision of the law, it could help to stimulate domestic demand and push up the inflation rate.

Figure 4: Inflation Rate: Monthly and 12-Month



Sources: Central Bank of Trinidad and Tobago and JMMBIR

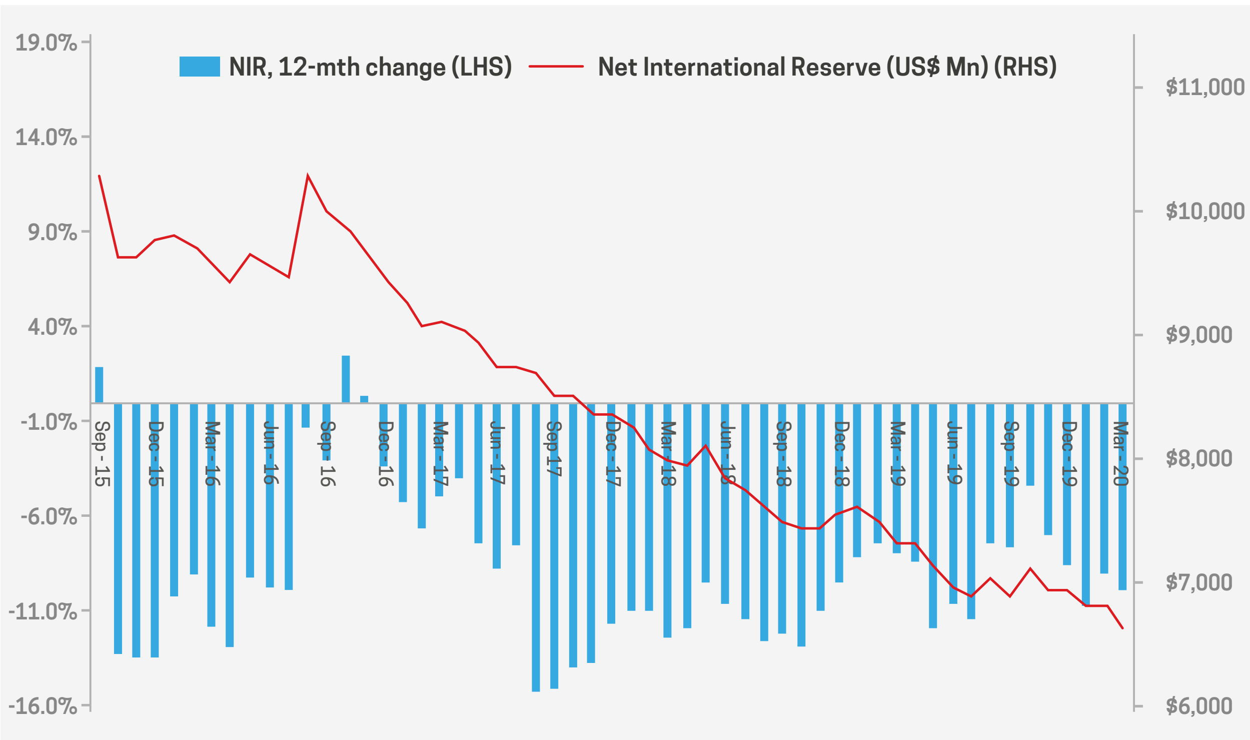
FOREIGN EXCHANGE MARKET

The TT-dollar was relatively stable against the US-dollar throughout 2019 through to Q1:20. At March-end 2020, the TT-dollar traded at an exchange rate of TT$6.7799 to US$1, which represents depreciation of 0.3% relative to the similar period in 2019. Although the TT-dollar was relatively stable, end-users experienced challenges sourcing US dollar as the market was characterized by severe shortages. The central bank was instrumental in keeping things under control by prioritizing the sale of US-dollars to the productive sector and intervening in the market at various intervals by selling US-dollar. This however did little to nullify the depreciatory pressure that has built up in the system over time.

The challenges facing the foreign exchange market in Trinidad & Tobago culminated with the reduction in energy prices resulting in a sharp decrease in the current account surplus and lower energy investments. Despite the overall reduction in foreign currency inflows, there was no equally offsetting decline in demand to help stabilize market condition. As a result of this there is a demand surplus resulting in the central bank intervening in the market in order to keep the TT-dollar stable. This comes at a cost to the external reserves, which has been bleeding at a rate of 0.9% per month over the last 3 years. At the end of August 2016, reserves climbed to US$10.3 billion but fell to $6.6 billion by the end of March 2020. This represents a compounded annual average decline of 11.2%.

If developments that have helped to shape the current state of the foreign exchange market and balance of payments account remain relatively unchanged, the sovereign's reserves will deplete to nearly half the current level in 4 years. This could have negative implication for Trinidad and Tobago's credit ratings and price of its debt. The authority is reluctant to allow the TT-dollar to depreciate because of the fear of expending political goodwill. However, failure to act now and allow the currency to find its true value in the foreign exchange market will amplify pent-up pressure in later years. In the absence of an increase in foreign exchange flows, reserves are highly likely to fall to critically low levels. Should the authority allow the situation to get to this point, the TT-dollar is expected to depreciate at an accelerated pace. Being that a general election is imminent, we expect the TT-dollar to hold firm in the near term. However, given the expectation of a relatively soft energy market and depletion in reserves, we expect the TT-dollar to depreciate over the medium-term.

Figure 5: Reserves and 12-month Change in reserves



Sources: Central Bank of Trinidad and Tobago and JMMBIR

INTEREST RATE- POLICY RATE

The Central Bank of Trinidad and Tobago (CBTT) held its policy rate throughout 2019, but was forced to adjust it downwards in March 2020 to 3.5% amid concerns about sharp reduction in growth. The policy rate was set at 4.5% from 2018 through to 2019. With the policy rate being where it was prior to the adjustment there were concerns regarding the negative interest rate differential between TT- and US-denominated securities and the potential implication for capital outflows. However, given weak inflationary pressures and relatively high TT-dollar liquidity in the financial system throughout the period, there was little or no incentive to adjust rates despite the spectre of capital flight. The Federal Reserve cut its policy rate three times in 2019, starting August, on concerns about growth in the US economy due to the looming trade war with China and expectation of slower global growth. Further rate cuts followed, and by the end of March 2020, the policy rate was slashed by 150 basis points relative to the start of the year. This resulted in positive interest rate differentials between TT- and US- denominated investments.

OUTLOOK

Trinidad & Tobago's real GDP is expected to contract by 3% in 2020, weighed down by global economic contraction and subdued commodity prices. The economy could potentially contract even deeper if there is steeper reduction in energy prices, or if the gains made to stymie the spread of the coronavirus globally are wiped out. There is also the possibility that the economy could contract at a much slower pace if the government uses the full amount that can be withdrawn from the HSF to add to the fiscal stimulus that has already been rolled out. The HSF currently stands at more than US$6.3 billion, and in March the government changed the amount that can be drawn down in any one year to US$1.5 billion.

Having contracted by more than 30% since the start of year, the price of energy is expected to remain depressed throughout 2020 in light of slowing demand and build-up in inventories. The domestic petroleum industry is expected to continue to be impacted by low investments while the shortage of liquid natural gas (LNG) feedstock and low international prices are likely to affect the petro-chemical industry. The US sanction on Venezuela and the threat of sanctions on Trinidad & Tobago have effectively crippled he LNG partnership between the two sovereigns, which would have allowed for increase in feedstock for the Trinidad and Tobago petrochemical industry over the medium to long term.

Regarding the external sector, the sovereign's current account surplus is likely to fall in light of subdued energy prices and supply bottlenecks. Given the negative outlook on the global economy and the energy market, foreign direct investments are likely to remain depressed, at least in the short run. This will reverberate in the currency market, where demand is likely to outstrip supply forcing further contraction in reserves to help stabilize the TT-dollar.

The Government is likely to generate a fiscal deficit of 8% of GDP, up from 2%, due to slowing revenue inflows resulting from contraction in overall economic activities and lower than programmed energy prices. Absense inflows from the HSF to plug the gap, debt to GDP is expeced to rise from 62% to 70% by the end of 2020. With the general election due in September 2020, the risk is high that an administration change could derail current government policies.

DOMINICAN REPUBLIC

The Dominican Republic remained one of the fastest growing economies in Latin America and the Caribbean (LAC) in 2019. The economy expanded by 5.1%, having expanded by 7% in 2018. Throughout the period, a buoyant US economy and job market conditions supported activities in Tourism. Tourism expanded by 7.4% which was supported by growth in Construction (11.9%), Commerce (10.1%) and Transportation & Communication (8.3%). The sovereign's business friendly environment and abundant supply of unskilled and cheap labour assisted in the provision of an enabling environment for continued foreign investment flows into such areas as Tourism and Free Zone Manufacturing.

Despite the positive growth outturn in 2019, there are signs that growth is likely to contract in 2020 due to the coronavirus. In early March the government closed all borders and ordered that persons stay at home in order to help stem the spread of the virus. As a consequence of these measures and growing economic challenges in overseas markets, there have been fallouts in productive activities with more than 350,000 persons in the tourism and manufacturing industry being laid off or furloughed. Tourism arrivals have plummeted and the Dominican Republic is facing challenges containing the virus. While a number of Caribbean territories are contemplating opening their borders for tourism early H2:20, it is highly likely that the authority in the Dominican Republican will not follow suit. To do so without reducing the rate of infections could have serious negative consequences for the lives of visitors and residents. The country risks even greater than expected contraction in GDP should it open up too soon.

Figure 6: Selected Macroeconomic Indicators

	2016	2017	2018	2019	2020	2021	2022	2023
Nominal GDP per capita, USD	7,281	7,609	8,051	8,283	7,515	7,620	8,078	8,582
Real GDP growth, % y-o-y	6.7	4.7	7.0	5.1	-4.7	5.2	4.9	4.8
Central bank policy rate, %	5.50	5.25	5.50	4.50	3.25	4	4.50	4.75
LCU/USD, eop	46.71	48.30	50.28	52.96	59	60.33	61.29	62.40
Total expenditure, % of GDP	16.9	17.4	16.5	16.9	18.9	18.9	18.8	18.8
Total revenue, % of GDP	13.9	14.0	14.2	14.6	15.3	15.3	15.3	15.3
Budget balance, % of GDP	-3.0	-3.3	-2.3	-2.3	-3.7	-3.6	-3.5	-3.5
Primary balance, % of GDP	-0.5	-0.8	0.3	0.5	-0.8	-0.8	-0.7	-1.0
Inflation, eop, % chg y-o-y	1.7	4.2	1.2	3.7	3.3	3.6	3.8	4.0
Current account balance, pct of GDP	-1.1	-0.2	-1.4	-1.4	-2.5	-1.9	-1.3	-0.8
Terms of trade, % chg y-o-y	3.9	-4.4	-5.2	2.5	6.4	1.8	2.4	1.9
Government domestic debt, % of GDP	12.5	13.5	14.0	13.8	15.6	15.3	15.6	16.1
Total government debt, % of GDP	35.8	37.3	37.9	38.4	43.4	42.8	43.6	44.9
Foreign reserves ex gold, USD	6,047	6,781	7,628	8,782	9,221	9,682	10,166	10,674
Import cover months	4.17	4.59	4.53	5.19	5.99	5.99	5.98	5.97
Foreign reserves ex gold, pct of GDP	8.10	8.61	9.05	10.19	11.87	11.73	11.47	11.25

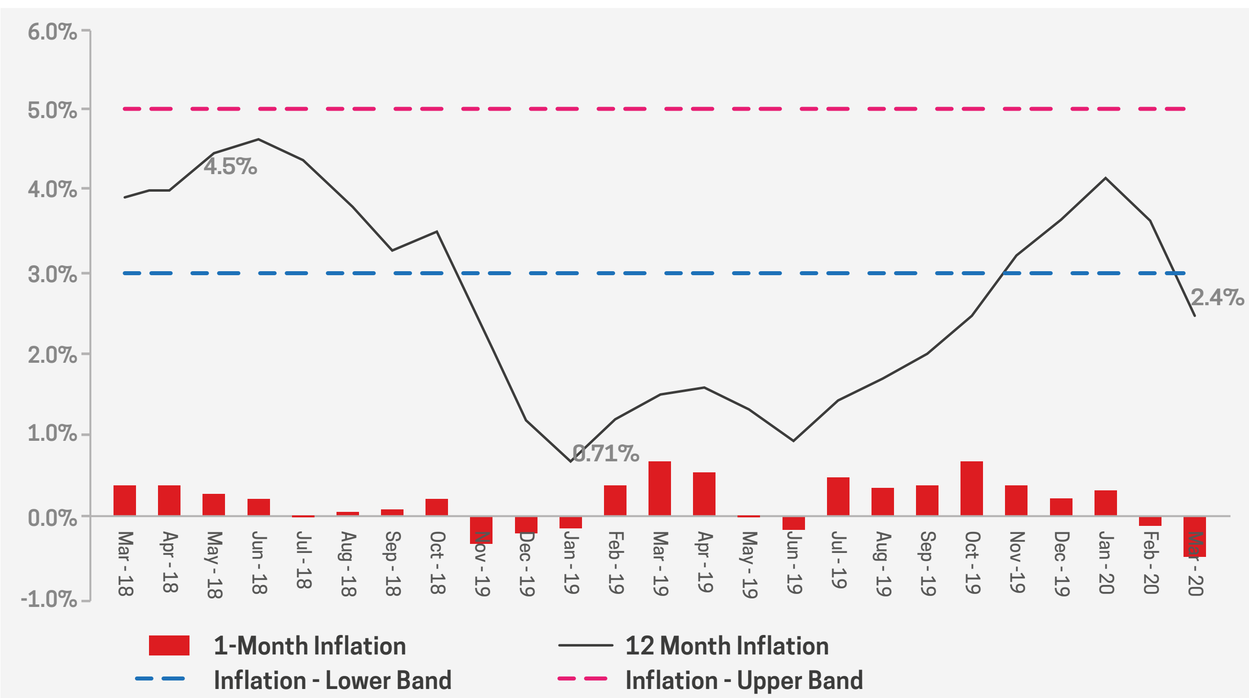
Sources: Fitch Connect, IMF and JMMBIR

INFLATION

Headline inflation has been trending downwards over the last three years. At the end of March, the 12-month inflation rate was 2.5%, which was below the lower end of the central bank's forecast range of 3%-5%. Subdued external prices, especially crude oil, has had a positive effect on domestic prices. This is supported by favourable developments in the agriculture sector and the slow pace of depreciation of pesos. The weather has been generally favourable and so the sovereign has experienced increased production in local staples, which have helped to keep agricultural prices stable. Controlled depreciation of the pesos relative to the US-dollar helped to curtail the pass-through effect of external prices on the local price index.

Domestic prices are likely to remain depressed despite measures implemented in late March by the government to help stimulate the economy from the effect of the coronavirus. Weak domestic demand and subdued external prices are expected to prevail for the rest of 2020, through to at least Q1:21. As a result there is a relatively high probability that the inflation rate could fall below the lower end of the central bank's forecast range. Price pressure could however arise in the event of weather-related shocks, acceleration in global economic activities and increase in external prices. These, whether they occur singularly or simultaneously, could push prices towards the mid-point of the forecast range or even higher.

Figure 7: Inflation



Sources: BCRD and JMMIR

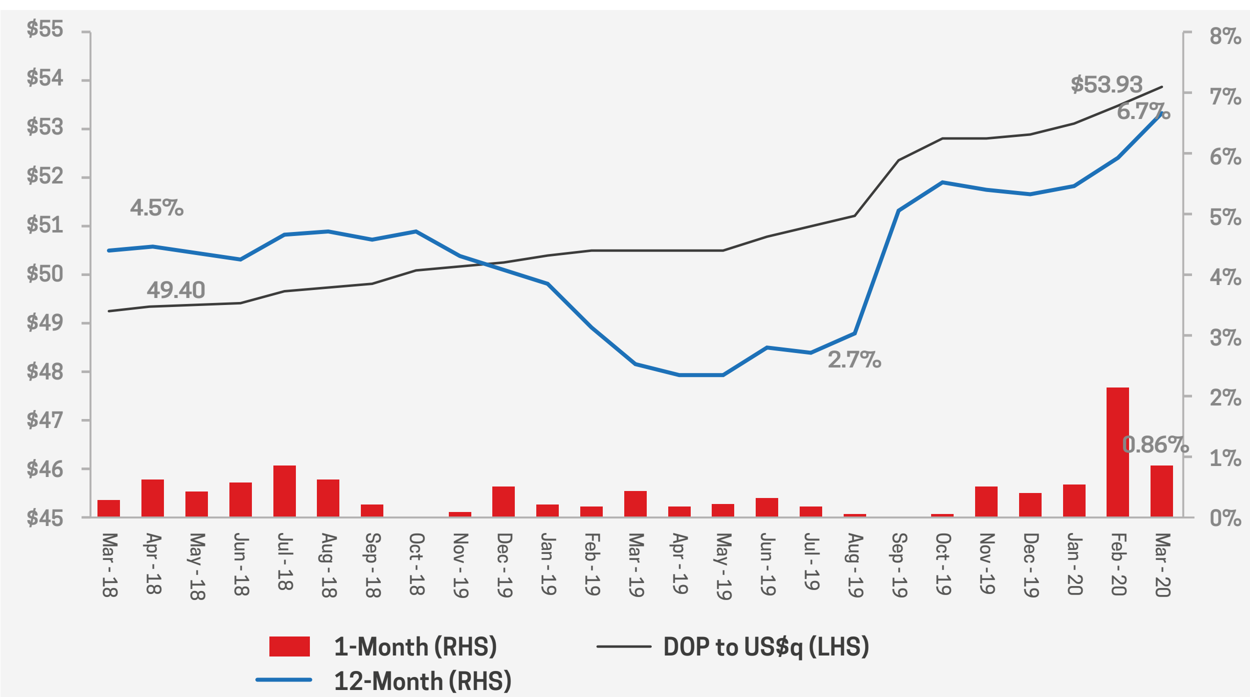
FOREIGN EXCHANGE RATE

The peso traded at an exchange rate of DOP 53.93 to US$1 at the end of March. This represents a depreciation of 6.7% over the 12-month period, and the fastest pace of depreciation of the peso since

November 2013. Two events have influenced activities in the foreign exchange market over the last 12 months. The first is the central bank's decision to lower the policy rate to help stimulate economic growth and the second event, which occurred more recently, is the lower foreign exchange flows due to the impact of the coronavirus on tourism. During the period July to September the central bank lowered the policy rate by 100 basis points (bps), 50 bps in July and 25 bps in August and September respectively. As a result of these measures there was increased demand for domestic and consumer loans, as well as increased demand for foreign currency. This happened at a point during the year when foreign exchange flows are generally less robust. Owing to the prevailing market conditions, the pesos lost 3% over the period September to October 2019. A series of timely interventions and moral suasion by the central bank coupled with increased inflows from tourism helped to restore calm in the market in subsequent periods. At the end of December 2019, the pesos depreciated by 5.5% compared to 4.1% for the similar period in 2018. However, demand overhang and falling inflows occasioned by precipitous decline in tourist arrivals resulted in increased depreciatory pressure in Q1:20. The pesos lost 1.8% in value during the period, compared to 0.5% in Q1:19.

Tight market conditions are expected to characterize the foreign exchange market over the next 12 months, at least. Lower than average inflows from tourism and remittance are expected, which are likely to be partially offset by slowing demand for external goods and services, especially those associated with the tourism industry. Accordingly, the depreciation rate of the peso is expected to increase in Q2:20 - Q4:20, and thereafter slowly ease as inflows from tourism and remittance gradually normalize. Despite this outlook, should conditions in the global economy remain depressed, especially in source markets for tourism and remittance, the depreciation rate could remain elevated over a longer period.

Figure 8: Foreign Exchange



Sources: BCRD and JMMBIR

INTEREST RATE

Throughout the first half of 2020 the Banco Central de la República Dominicana (BCRD) held the policy rate fixed at 5.5%, the same as it has been since July 2018. However, signs of slowing real economic growth and weak inflation expectation compelled the central bank to lower the policy rate by 100 basis points to 4.5% over the period July - September 2019. The BCRD advised that by adjusting the policy rate it hoped to encourage loans growth and stimulate overall demand in the local economy to help guide real growth while at the same time balancing the inflation risk. This action had the desired effect as business and consumer loans expanded in 2019 when compared to 2018.

The expectation of slower domestic and global economic growth came sharply into focus in Q1:20, as the coronavirus put a damper on economic activities in most countries. Facing the grim reality of decline in real GDP amid contraction in employment in key sectors in the economy, the BCRD cut the policy rate to 3.5% in March, a 100 bps reduction when compared to the previous month. As it did in 2018, the Bank hopes that its action will act as a signal to financial institutions to lower lending rates while in the process maintaining credit to businesses and consumers. This forms part of several measures instituted by the government and the Bank to help steer the economy from decelerating at a much faster pace. The measures included a reduction in the required reserves for deposits denominated in pesos and dollars and change in allowable liquid assets.

Despite the expectation of contraction in the local economy, the BCRD has to carefully guard against further reduction in the policy rate given the current conditions in the foreign exchange market, especially in the absence of capital control. Further cuts could result in peso denominated assets becoming even less attractive than US denominated assets, forcing capital flight and exacerbates an already problematic issue in the foreign currency market. Given the risk, it is likely that any reduction in the policy rate would have to be matched by greater levels of foreign exchange inflows, which is a low probability event at this time. It is therefore likely that the central bank will keep the policy rate stable, and use less orthodox monetary policy to help guide future economic activities.

OUTLOOK

Real output is expected to decline in the Dominican Republic by 3% in 2020 amid concerns of the US economy entering steep recession and the economic challenges in Europe. Tourism and Manufacturing are expected to be adversely impacted due to the high correlation between these industries and the US economy. The Agriculture sector is also likely to experience decline owing to lower demand from the Tourist industry as well as households. Lower remittance flows are also likely to adversely affect household income and consumption of domestic goods and services. This will have a direct effect on output in sectors such as Commerce as well as employment, which are expected to decline. Contraction is also expected in Construction, due to cuts in capital spending by the government to help attenuate the fiscal deficit. Slower execution of private sector projects are also expected to weigh negatively on growth in the sector.

Contraction in real GDP growth is highly likely to adversely affect government revenues. On the other hand, measures implemented to minimize the economic impact of the coronavirus on households and businesses will limit overall expenditure cuts. As a result, the fiscal deficit and debt are therefore expected to rise. It is possible that the deficit could increase above expectation in the event of sharper than envisaged contraction in economic growth coupled with minimal expenditure cuts. Modest increase in the debt is not expected to be a big drag on the local economy owing to Dominican Republic's relatively low debt level. There is room for the government to increase taxation, as its tax effort is the lowest among Latin American and Caribbean sovereign at 17% of GDP.

Decline in foreign exchange flows are likely to cause acceleration in the pace of decline of the pesos in Q2:20 through to Q3:21. This is likely to be attenuated in subsequent periods by falling demand for foreign goods and services, as well as subdued commodity prices.

If the pace of decline in the value of the peso slows the central bank is likely to further adjust the policy rate downwards to help spur domestic economic activities. This action also takes into consideration the inflation, which is expected to meander at the lower end of the forecast range.

Overall risk to the domestic economy is high, as there is a strong possibility of greater than expected contraction in overall output and increased volatility in the foreign exchange market. There will be a changing of the guard in the next presidential election, as President Danilo Medina, is constitutionally barred contesting the next generl election. If the president is selected from one of the opposing parties, it is possible that he may not follow the policy path of the previous administration. This could prove disruptive to the business environment in the short run, adding to the already high country risk. At this point there is no clear indication as to when the country will start opening up for business, as the number of coronavirus cases is relatively high when compared to Caribbean peers and the sovereign is experiencing challenges with reducing community spread. While we consider this a low probability event, fast upward adjustments in global prices could also cause sharp rise in inflation.


LOVE IS
Universal


THE
JMMB
GROUP LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

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

The information presented is based on the informed judgment of Management with appropriate consideration to materiality. The MD&A is prepared to enable readers, clients and shareholders to assess the operations and financial performance of JMMBGL for the financial year ended March 31st 2020 compared with prior years. It should be read in conjunction with the JMMBGL's financial statements.

In this regard, Management maintains a system of accounting and reporting that provides for the necessary internal controls to ensure transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposal and liabilities fully recognized. Importantly, the system of control is continually reviewed for effectiveness and is supported by written policies and guidelines, qualified personnel, and strong internal audit and risk assessment procedures.

The financial information disclosed in this MD&A is consistent with JMMBGL's audited consolidated financial statements and related notes for the financial year ended March 31, 2020. Unless otherwise indicated, all amounts expressed are in Jamaican dollars and have been primarily derived from JMMBGL's financial statements which are prepared in accordance with International Financial Reporting Standards (IFRS).

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

Keith Duncan

GROUP CHIEF
EXECUTIVE OFFICER

FY 2019/20 RESULTS, HIGHLIGHTS & ACHIEVEMENTS

The JMMB Group Limited ("JMMBGL", "JMMB Group" or "the Group") achieved strong performance in 2019/20, continuing upward trajectory of delivering positive results and returns to its stakeholders.

Financial partnership continues to be the Group's driving force. During the year, the teams across the Group made considerable progress in the execution of the regional integrated financial services strategy. Work this year focused on deepening financial partnership and improving the service experience of clients, as well as driving core revenue, improving efficiency and managing capital. The Group also placed focus on inorganic growth through an active business development strategy which resulted in JMMBGL becoming the single largest shareholder of Sagicor Financial Company during the year under review. The JMMB Group team is therefore pleased to review the Group's performance and achievements for financial year 2019/20, and to present an overview of the Group's direction for financial year 2020/21.

JMMB GROUP AT A GLANCE AS AT MARCH 2020

15 Client Facing Companies in the Group	Operating in **3 countries**	**24 Branch** Locations	**352,000+** Clients	Total Assets **J$400.22B**	Total Funds under Management **J$408.55B**	Net Profit **J$7.07B**

FINANCIAL RESULTS SUMMARY

The Group continues to operate in three countries with 24 branch locations complemented by our non-branch channel, offering integrated financial solutions delivered via the fifteen client facing companies comprising the Group. In terms of financial performance, the Group again posted solid results with all major financial performance indicators recording year-over-year growth including:

- Net profit which increased to J$7.07B representing 83% growth over the prior year.
- 19% year-over-year growth for Total Operating Revenue which increased to J$21.52B.
- Total Assets which moved to J$400.22B from J$320.04B representing 25% growth over the prior year.
- 1% Growth of Total Funds under Management (FUM) moving to J$408.55B.
- Earnings per Stock Unit (EPS) which moved from J$2.34 to J$3.99 representing growth of 71%.
- Dividends per Stock Unit remained flat at J$0.44.

Net Profit **J$7.07B**
83% Growth

Total Operating Revenue **J$21.52B**
19% Growth

Total FUM **J$408.55B**
21% Growth

Total Assets **J$400.22B**
25% Growth

STRATEGIC ACHIEVEMENT & HIGHLIGHTS

Landmark Additional Public Offer (APO) – Boosting Capital & Preparing for Further Acquisitions

On November 7, 2019, the Group closed its first Additional Public Share Offering, the largest in the history of Jamaica and the Caribbean and a first for Jamaica. The offer was hugely successful being oversubscribed by 92.5% with a total of 325 million ordinary shares issued, subscriptions of approximately J$20B and a total of J$12.3B in capital raised for the JMMB Group.

LANDMARK ADDITIONAL PUBLIC OFFER

- **92.5% Oversubscribed**
- **J$ 20B in Total Subscriptions**
- **J$ 12.3B Raised**

This contributed to the significant increase in the Group's total stockholders' equity by 32% to J$41B despite the impact of market movements due to COVID-19. This also strengthened the Group's regulatory capital profile with tier 1 capital, now accounting for approximately 76% of total regulatory capital. The Group was issued a Caricris investment rating of jm A/A+ (foreign/local currency) prior to the APO and the increase in the capital base further strengthens the financial profile of the Group. The capital raised will bolster the Group's overall capital base and proceeds will be strategically deployed into areas that have a strong potential to grow profit materially – both organically and inorganically.

The take-up of the offer also underscores investor confidence in the Group's financial partnership strategy, integrated financial services business model and commitment to rolling out its growth and expansion plans over the medium-term. Of particular note was the response from investors in Trinidad and Tobago which applied for the Trinidad and Tobago dollar equivalent of over J$3 billion. This speaks to the strength of the JMMB Group brand and its ability to resonate with investors, whether large or small, irrespective of country.

Executing the Group's Regional Integrated Financial Services Model – Acquisition of Sagicor Financial Company Ltd. (Sagicor)

Financial year 2019/20 saw the Group enhancing its approach to building out the regional integrated financial services business model, diversifying earnings, strengthening maturing business lines, scaling newer business lines for efficiencies and improving the Group's overall operations; While seizing opportunities to get accretive returns by acquiring stakes in solid companies. The first big win coming out of this enhanced approach was the successful acquisition of 22.5% of Sagicor on Thursday, December 5, 2019.

MAJOR GROUP ACQUISITION

22.5% Acquisition of Sagicor Financial Company Ltd.

This acquisition of 33,213,764 ordinary shares positions the Group as the single largest shareholder in a solid group of companies and has already realized good value, evidenced by negative goodwill of approximately US$20M and diversification of earnings. This major investment gives the Group a unique opportunity to indirectly participate in a new business line and contribute to the future growth of a market leader in the Caribbean's insurance, banking and asset management sectors. The Group sees business development opportunities, such as this, as critical to providing shareholders with sustainable and attractive returns and will continue to explore opportunities as a staple component of its strategy in the coming financial year.

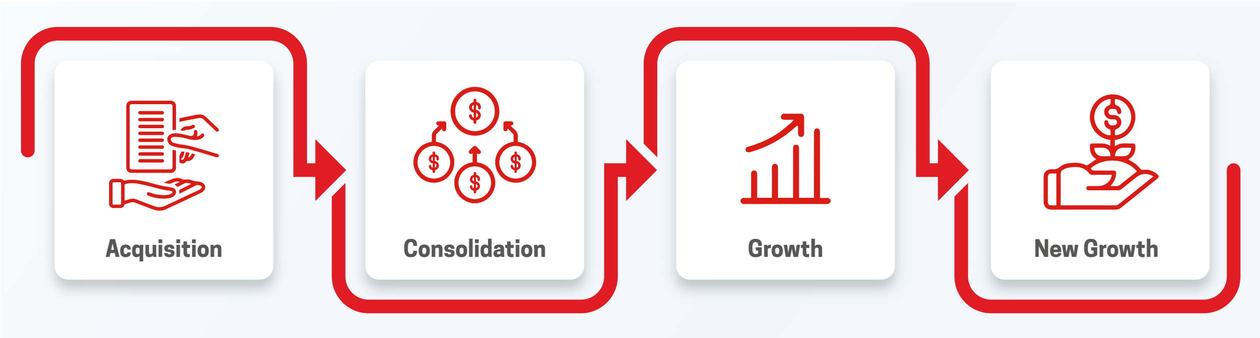
Results of Acquisition

The gains on this acquisition amounted to J$2.80B and the Group received dividend payments of J$225.94M since acquisition. Despite Sagicor reflecting a US$ 25M loss in the fourth quarter given the onset of the COVID-19 pandemic, the Group still recorded it's share of profit of J$195.21M over the four-month period. As the global economic environment normalizes, the Group expects asset prices to recover and in turn, that Sagicor will return to normal operating profitability.

About Sagicor

Sagicor currently conduct business in 22 countries and maintains a strong market position in most of the markets where it operates. Their primary business is the provision of insurance (life, annuity, health and property and casualty) and financial services, including pension management, asset management and banking. Its businesses are operated through its three reporting operating segments, namely Sagicor Life, Sagicor Jamaica, and Sagicor Life USA. For the financial period ending 2019, the Sagicor Group's net income (excluding Alignvest transaction expenses) amounted to US $147.5 million compared to US $102.9 million in the prior year. Net income from continuing operations attributable to common shareholders (excluding Alignvest transaction expenses) closed the year at US $87.4 million compared to US $36.5 million in the prior year. The Sagicor Group reports that net income and income attributable to shareholders from continuing operations were affected by the Government of Barbados debt restructuring in 2018 and estimates that net income attributable to shareholders from continuing operations (excluding the Government of Barbados debt restructuring) would have been US $72.6 million, in the prior year.

FINANCIAL PARTNERSHIP DRIVING THE EXECUTION OF THE GROUP'S REGIONAL INTEGRATED FINANCIAL SERVICES STRATEGY 2012-2020



The work to build out the Group's Regional Integrated Financial Services Strategy and Business Model continued in earnest during the financial year under review. Key emphasis was placed on:

1. Execution of the foundation work required to enable the effective consolidation of the Group's entities to yield synergies and efficiencies,
2. Deepening market dominance of the Group's more mature business lines, and gaining market share in other business lines and
3. Seizing opportunities in new markets and segments as a means of undergirding the sustainability of the Group, and to position it for future growth.

Major activities completed successfully under the Consolidation and New Growth arms of the Group's strategy are highlighted below.

ONE GROUP. ONE CLIENT. ONE EXPERIENCE. – Group Bank Standardization

With three banking operations across the Group, operating on differing core platforms, offering varying levels of online and digital banking service and disparate solution sets, the Group set an imperative for the year to standardize the banking business line during the financial year. Although not completed in 2019/20 as planned, the teams were able to complete foundational elements under Phase I, which included the:

- Selection and implementation of one core enabling technology platform for the Group's banking business line.
- Rationalization of solution sets and services in Jamaica, the Dominican Republic and Trinidad and Tobago.
- Standardization of core enabling technology and transaction processes for ATM transactions.
- Selection and implementation of a single card management system and card support services technology and processes.
- Upgrade of online banking experience that is supported by standardized technology, processes and systems across the Group.

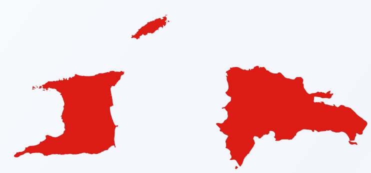
In the coming financial year Phase II, the completion of the Group's bank standardization imperative, will include, the implementation of a new core banking platform and new online banking services via Moneyline in the Dominican Republic and Trinidad and Tobago and the upgrade of visa debit card services in Trinidad and Tobago.

CONSOLIDATION

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

BANK STANDARDIZATION WINS 2019/2020

- Core Banking Technology Upgrade
- Group Visa Debit Card Implemented
- ETMs Converted to Bank ATMs



BANK STANDARDIZATION 2020/2021

- Core Banking Technology Implementation
- Group Visa Debit Card Upgrade (T&T)
- Online Banking Standardization to Moneyline

Group Payments Strategy Launched

In the previous financial year, the Group identified and prioritized gaps impacting the Group's ability to fully meet clients' payments needs. Financial year 201920 thus saw the Group officially kicking off its payment strategy with the roll out of visa debit card services. This first project was executed under the Group's standardization project as there were many interdependencies with its objectives as well as the systems and enabling technology to be deployed. The first phase of the project saw the launch of Visa-enabled debit card and proprietary ABM services in Jamaica. This brings to the Group's extensive Jamaican client base local proprietary ABM deposit services, international and local cash withdrawal services as well as international transaction services and e-commerce capabilities given VISA's worldwide acceptance. The following phases of the Group's payment strategy will see the addition of credit card and point of sale solutions in the Dominican Republic, Jamaican and Trinidad and Tobago markets.

An equally important imperative for the Group in the coming financial year is the kickoff of the standardization project for the Group's investments business line. The pillars of solutions, technology and experience will continue to drive the work to be executed. Equipping and enabling teams across the Group to deliver partnership in a standardized way while still recognizing the individuality of clients and the nuances of cultures in the territories in which the Group operates, will also continue to drive the work to be executed.

NEW SOLUTIONS & PRODUCT ENHANCEMENTS

In deepening the Group's value proposition of 'Partnership' and 'Best Interest', our teams placed increased focus on tailored solutions that were innovated around clients' needs, the Group's expertise and market opportunities.

NEW GROWTH

- New Business Lines
- New Segments
- New Markets

NEW SOLUTIONS

Transformative Approach to Equity Financing

Through JMMB Securities Limited, the Group will be rolling out its private equity offering in the coming financial year. The Group sees this solution for partnering with clients as transformative as it provides a more patient financing solution for growing medium-size companies. The Group further sees this as essential to the growth and development of the economies in which it operates. Specifically, the solution will entail an injection of equity capital as well as bringing relevant capabilities and expertise to each portfolio company in which the Group will invest in order to support the strategic development and operations of the company. Financial year 2019/20 was therefore used to establishing the framework, policies and procedures that will govern the roll out of the offering.

Super Investor – Win-Win Solution

Clients in the Dominican Republic can now benefit from the Super Investor fixed income product. The benefit of the solution is two-fold as the team is able to leverage added flexibility in the management of the securities in order to pay clients a premium above market repo rates.

ENHANCEMENTS

In addition to new product innovation, considerable effort was placed on enhancing products to better position the Group's product suite to deliver tailored solutions which meet clients' unique needs. A few of the critical enhancements made to existing products are highlighted below.

Country	Entity	Solution		Benefit to Clients
Dominican Republic	Investment Management	JMMB Real Estate Closed Investment Fund II	New Round of Capital Raise	Previous fund fully subscribed. Clients can now invest new funds in real estate.
Jamaica	Bank	Joint Finance Mortgage	National Housing Trust (NHT) Mortgage Solutions added	Clients can now access NHT products end to end at JMMB Bank as they pursue homeownership goals.
Jamaica	Investment Management	Structured Products	Caidoz 3Yr	Clients benefit from an off-balance sheet fixed income solution paying regular predictable cash flows at competitive rates of return.
Trinidad and Tobago	Investment Management	JMMB International Access	Reduced Investment Minimum Requirements	Lowers the investment minimum required to start.

SEGMENT APPROACH TO PARTNERSHIP

In line with the Group's financial partnership strategy, the team saw a significant opportunity to deepen partnership at the segment level and, as such, is in the process of realigning the Group's organizational structure, solutions, processes and technology, to better serve new and existing segments.

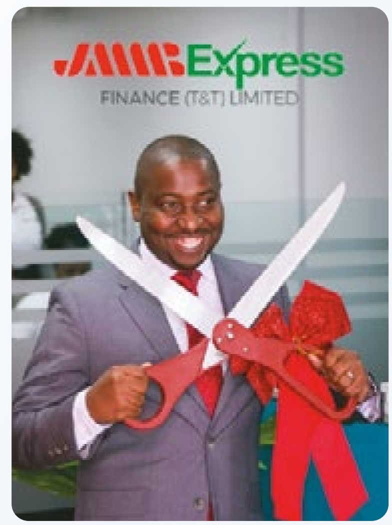
At the organizational structure level, segment specific leadership at the Group and country levels to include retail, corporate, SME and "Financial Inclusion" senior leaders across the Group are currently being installed. This supports the 'ONE GROUP. ONE CLIENT. ONE EXPERIENCE' thrust in an intimate and intentional way, as we are able to create strategies and solutions for each segment across business lines. This allows our teams to better journey with clients and address unique needs within segments throughout the varied phases of their financial life cycles.

NEW SEGMENTS

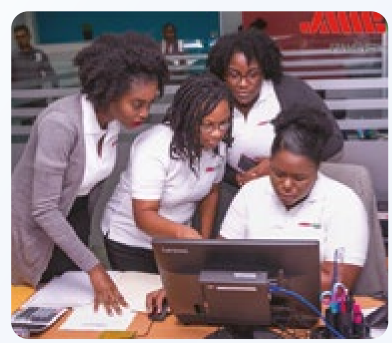
Financial Inclusion

JMMB Express Finance (T&T) Ltd. – Expanding in Footprint and Partnership

Work on the build out and execution of our Financial Inclusion Strategy shifted into high gear during the year, as the Group's first consumer lending business line in Trinidad and Tobago, JMMB Express Finance (T&T) Ltd. (JEF), achieved stellar client acquisition growth expanding its footprint and capturing market share. The year saw the business line opening two (2) locations, in Arima and the sister island of Tobago bringing the total to five (5) branches since opening in September 2018. The Tobago location is the Group's first foray into the sister island and as such, will also serve as an integrated location, housing teams from the investments and banking business lines.



The strategy for the business line continues to bear fruit as market share jumped from 0.6% to 3.6% on account of the growth of its loan portfolio during the year. The growth of the portfolio is attributable to JEF's expanded physical presence in particular, the twenty three (23) new strategic alliances with merchants across the country. Through these alliances, JEF provides merchants with an end-to-end financing solution which allows them to sell products including eye glasses, mobile phones and furniture to clients on credit. Merchants benefit as they have an additional method of financing which can be offered to clients on spot without having to manage and maintain a credit system. For JEF, this has meant access to a much broader market across an array of industries, and now, an islandwide footprint.



In the coming year, the team expects to implement the business model in new territories in the region as part of the Group's Phase II financial inclusion strategy build out while capturing market share and expanding in Trinidad and Tobago via strategic partnerships and technology-based service delivery enhancement.

JMMB Money Transfer Ltd. (JMMB MT) – Building the Brand and Inclusion

The Remittance arm of the Group continues to grow capturing market share and improving in its overall profitability. The team achieved a substantial increase in transaction volumes, which resulted in growth of 49% in operating revenues. The team additionally pursued several initiatives with international partners in strategic corridors, aimed at increasing brand awareness with senders and beneficiaries and JMMB MT continues to leverage technology to strategically widen the brand's footprint while keeping costs low.

In terms of financial inclusion the Group was able to, participate in the Government of Jamaica's C.A.R.E. program, which offered assistance to a wide range of Jamaicans adversely impacted by the COVID-19 pandemic. The Group's intention is to initiate and maintain a relationship with recipients served by the Bank and Money Transfer teams, ensuring that not just their short-term but also medium to long-term needs are planned for and addressed.

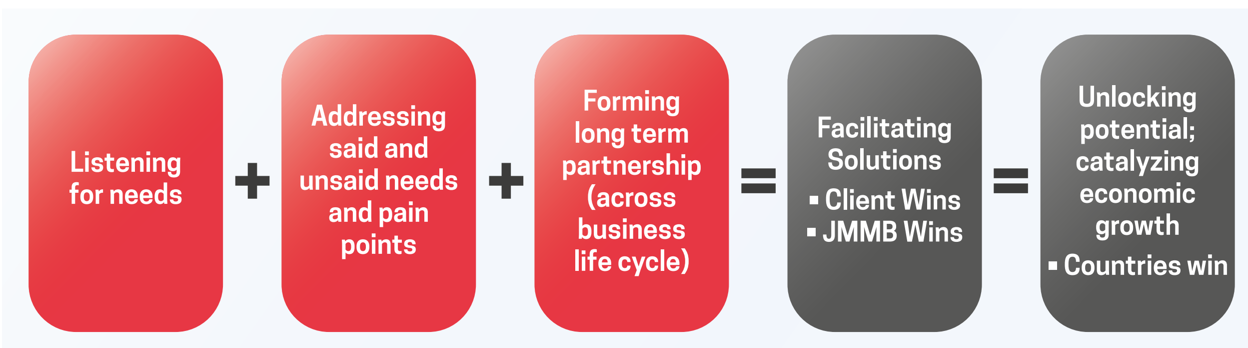
The next phase of growth for this arm of the Group will see it leveraging technology even further to add new disbursement types and new payment services while entering new markets.

Small and Medium Enterprises (SMEs) Best Interest Partnership

The Group remains committed to serving small and medium enterprises and actively redefine the way they are supported at every stage of their business life cycle.

The value proposition and promise developed by the Group have been designed around the principle of 'Best Interest'.

JMMB GROUP'S SME VALUE PROPPOSITION EQUATION



When SME clients choose JMMB Group as their financial partner, our team will:

- provide superior, easy and seamless client experience, by removing the hassle that is typically associated with doing business with financial institutions;
- facilitate access to a network or partners through the JMMB resource centre which provides client with the necessary guidance to support their business operations;
- conduct comprehensive financial planning conversation with the client, being keen to listen and understand their (spoken and unspoken) needs, objectives and pain points; and
- create customized financial plan which contains a suite of financial solutions that meet those needs, both now and across the length of the SME's business lifecycle.

Critical work undertaken during the year to realize core elements of this value proposition included:

- Rolling out a new credit adjudication framework to ensure financing is more accessible and to improve ease of doing business with the Group
- Executing a new easy client onboarding and support framework
- Further equipping the SME Resource Centre to support clients throughout the varying stages of their business lifecycle
- Building internal team member capacity and capability to specialize in delivering SME services and solution sets.

Following the SME Resource Centre's "soft" launch in financial year 2019/20, clients have had access to a full suite of support services facilitated internally by the Group's SME Resource Centre Officers as well as SME Relationship Managers located at the integrated branch network. Through this integrated partnership approach, clients have been able to benefit from coaching and business development support through the SME Resource Centre and specialized financial advice and support from SME Relationship Managers at our integrated locations.

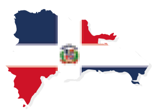
JMMB Group's Shani Duncan-Falconer (right) signing an agreement between JMMB Group and the Branson Centre of Entrepreneurship Caribbean. Looking on are: (L-R, front row) Jerome Smalling, CEO, JMMB Bank (Jamaica) Ltd., Lisandra Rickards, CEO, Branson Centre and (L-R, back row) her colleague, Dmitri Dawkins alongside, Gregory Hines, JMMB Group Chief Business Support Officer.

In the coming financial year, there will be a formal launch of the Group's SME Resource Centre and SME units across the branch network. Work will also continue on the development of other support services, solution sets including supply chain financing, and the build out of a robust Partner Network across the Group.

BUSINESS LINE PERFORMANCE

Banking – Stellar Loan Portfolio Growth

At the business line level, the Group's banking business line continued to show stellar growth as there was tremendous balance sheet growth with year-over-year growth in loans and deposits of 45% and 63% respectively; The rates of growth of each entity's loan portfolio outpaced the rate of growth of their respective markets for the second year in a row and categories.

	Market Share Loans Solution		Rate of Growth of Loan Portfolio
	2020	2019	
	6%	5%	48%
	2%	2%	40%
	7%	6%	33%

Financial & Related Services – Steady FUM Growth

Financial and Related Services-Total Funds Under Management		
2020	2019	Growth
J$408.55	J$333.38	21%

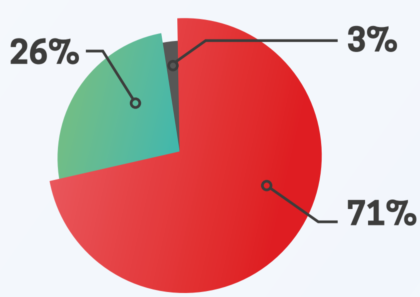
The Group's total clients' funds under management (on and off balance sheet) stood at J$408.55B reflecting steady growth of 21% or J$70.17B. This growth was due primary to increases in customer deposits, repurchase agreements, notes payable, unit trusts as well as pension funds.

Business Line Contribution to Profit

Though the Group's financial performance was historic, it was adversely impacted by the COVID-19 pandemic in the last quarter of the financial year. This was more pronounced in the banking entities across the Group on account of increased provisioning.

BUSINESS LINE CONTRIBUTION TO PROFIT

BANKING & RELATED SERVICES
- Deposits
- Loans
- Credit Facilities
- Foreign Currency Trading
- Remittances



OTHER
- Insurance Brokering
- Investment & Real Estate Holding

FINANCIAL & RELATED SERVICES
- Securities Brokering
- Stock Brokering
- Portfolio Planning
- Fund Management
- Investment Advisory Services

At the segment level, the banking business line's contribution to profit declined from 40% in the previous financial year to 26% while financial and related services moved up to 71% from 59% as the Investment Management business line performed well with significant growth in revenues from gains on securities traded. The decrease in contribution of the banking business line is also in part attributable to increased provisioning on account of the pandemic.

In the coming financial year, the Group expects to see segment contribution to profit return to levels in line with the Group's business line diversification strategy as each banking entity's loan and deposits portfolio continues to grow. Efficiencies are gained from the Group's standardization projects, as new payments solutions are added to the Group's suite of services and solutions. For the investments business line, the teams in the Group's three territories will continue to focus on partnering with clients throughout their journey, continuously tracking and monitoring agreed milestones and working with them to protect their goals in the face of anticipated economic impact and shifts in market conditions that are a consequence of COVID-19.

Financing Goals Achieved

Through the banking business line, the Group was able to support over 800 clients achieve their dream of property acquisition and/or expansion. This represents year-over-year growth of 14% in home financing goals achieved. This growth is in part attributable to the Jamaican banking entity's increased focus on mortgages following the Government of Jamaica's adjustment to transfer tax and stamp duty in April 2019. The banking entity in Trinidad and Tobago's growth is largely due to marketing efforts and strategic partnerships with key real estate developers.

Car goals continue to be a staple goal for clients as the Group saw a 20% increase in car goal achievement with over 1,800 clients achieving their goal of purchasing their first car or an upgrade.

THE JMMB GROUP

122% more business Financing goals achieved

14% more Home Financing goals achieved

20% more Car Financing Goals achieved

Financial year 2019/20 saw the Group renew its passion to support entrepreneurship and building businesses which will fuel economic growth. This renewed focus translated into a record number of business financing goals achieved through the banking business line across the Group totaling 968, representing growth of 122% over the prior financial year. All banking entities recorded over 100% growth in business financing goals and this was largely due to the roll out of the Group's revised adjudication framework for SMEs, the launch of the SME Resource Centre and a revised in-branch structure to better support partnership with small and medium enterprises.

Further growth is expected in the year ahead as the Group's banking teams continue to innovate around sector-specific financing solutions and leverage the newly implemented in-branch integrated partnership structure which is to support the growth and protection of SMEs' goals. This growth, however, may be affected by the impact of COVID-19 on their operations, earnings and service delivery.

FINANCIAL YEAR 2020/21 AND BEYOND

A New Landscape and Reality

Financial year 2020/21 should have commenced with Group wide execution in the next phase of the Group's evolution. Given, however, the onset of COVID-19 and its anticipated impact on the financial services sector and global economy, the Group, like the rest of the world, had to carve out a specific response strategy to ensure its sustainability.

JMMB GROUP'S HIGH LEVEL STRATEGIC RESPONSE

RESPOND	REASSESS	REBOUND	REINFORCE	REIMAGINE
Resolve short-medium term strategic shocks	Find opportunities to grow top & bottom line	Prepare to coexist with COVID-19	Roll over effiency gains into new normal	Rethink business & operating model

The Group's strategic response to COVID-19 initially centred around protecting our clients and ensuring the sustainability of the JMMB Group during and post the COVID-19 pandemic. Management immediately identified short to medium-term shocks to our client base, operations, capital, liquidity and expenses. Resolving these shocks while protecting the sustainability of the Group during and post the pandemic was thus the primary emphasis of the "Respond" arm of the Group's strategic response plan. For our team, this specifically meant an acute focus on modelling the implications of scenarios on revenue and expense and ascertaining, with business lines and countries, the best course of action to adjust operations and strategy. Once this work was concluded, further tactical work under this focus area was completed around protecting client goals, managing capital, liquidity and expense. This has worked well thus far, and the Group and clients in general have remained strong and resilient.

The specifically designed tactics and activities under the 'Respond' area include:

RESPOND

CLIENT PARTNERSHIP

- identify clients most vulnerable and susceptible to anticipated economic impact and shifts in market conditions and offer tailored relief packages
- relief packages designed to:
  - support Retail, Self Employed and SMEs exposed to impacted industries
  - meet sector-specific needs
  - offer reduced fees, rates and moratoriums to protect impacted goals
  - offer special financing solutions to start new goals
- identify and partner with clients not impacted, marginally impacted and/or positively impacted by protecting their goals.
- targeting growth sectors for opportunities to grow.

LIQUIDITY MANAGEMENT

- plan for potential liquidity needs across the Group
- analyze and monitor client behaviour to respond to high demands for cash and reduced inflow of cash
- manage Cash Flow Impact of Loan Moratoriums
- manage Regular and Irregular Expenses

CAPITAL MANAGEMENT

- Assess potential implication of market movements and None Performing Loans on capital
- Manage internal and regulatory capital requirements
- Focus on strengthening capital base
- Allocate capital efficiently between business lines
- Explore other potential sources of capital

EXPENSE MANAGEMENT

- focus on Technology and Digital Projects to support remote service delivery and self service
- prioritize Operational Efficiency Projects
- implement a menu of cost management initiatives
- manage COVID-19 Related Costs

BUSINESS CONTINUITY

- introduce measures to reduce exposure in Branches and Back Office
- implement new branch safety operating procedures and guidelines
- augment support services in Employee Assistance Program for team members (Transportation, Counselling etc.)
- launch COVID -19 Group Communication Strategy and Plan
- leverage technology, digital channels and other internal capabilities to replace physical team member and client contact and engagement
- work from home framework formally rolled out across the Group

REASSESS, REBOUND & REINFORCE

As our countries of operation initiated their phased reopening of their economies, the COVID-19 threat is better understood and managed and we experience very little negative impact on our client base, opportunities for growth have become increasingly apparent. Our teams in the second quarter of the new financial year began pivoting focus to the 'Reassess', 'Rebound' and 'Reinforce' arms of the strategic response plan.

Reassess & Rebound – Seek Opportunities to Grow During COVID-19

As economies within the region stabilize, our teams will be examining more aggressive strategies, particularly those that support and enable growing revenue while positioning the Group to remain competitive and fully deliver financial partnership.

Reinforce – Roll Over Efficiency Gains into 'New Normal'

Adjustments made to our operations to limit team member and client exposure have yielded considerable efficiency gains. These adjustments have sparked process improvements, policy adjustments, new channels for engagement and the increased use of technology in service delivery and back office support functions. As the infection rate slows, roll over efficiency gains yielded from these adjustments will be rolled over into the Group's 'New Normal' operational framework. Our teams will thus focus on continuously optimizing key processes, systematically improving the ease of doing business with the Group and normalizing the use of technology and digital channels to drive client and team member contact and engagement.

Reimagine - Rethinking Business and Operating Model

As the world and the financial services sector settle into a "new normal", it is clear that the Group will have to contemplate the current business and operating model vis a vis trends and developments in client needs, markets and technology that have emerged and will continue to emerge in a global post COVID-19 era. The Group's work around this will be to reimagine the next phase of the Group's evolution and, in particular, design appropriate business and operating models at the business line, country and Group levels required to support it. As has been from the Group's inception, client centricity and our core value of love will continue to be at the heart of how we shape this vision for the future.

EMBEDDING FINANCIAL PARTNERSHIP STRATEGY IN THE GROUP'S REGIONAL INTEGRATED FINANCIAL SERVICES MODEL IS REVITALIZED INTO THE "NEW NORMAL"

As the Group rebounds from the COVID-19 disruption, the focus will be on driving core revenue growth and pushing to maintain or take market share across all markets in existing business lines and expanding inorganically across the region.

During the pandemic, teams across the Group were able to use excess capacity by reallocating resources during the height of the social distancing policies which saw reduced operational hours. Some of these resources were assigned to some critical operational efficiency projects under the 'consolidation' thrust. We anticipate that we will be able to emerge from the COVID-19 pandemic stronger, with the completion of the banking business line standardization project.

The foundation work to build out the SME business model will be further enhanced and partnership teams will be deepening their relationships with SMEs in this unprecedented time; a time when they need us most. Similarly, teams across the Group will continue to expand and enhance offerings within the financial inclusion segment with new payment, insurance and lending solutions.

In keeping with the thrust towards new solutions, the design and development work to launch new products that fill gaps in solutions offerings for all other segments will continue in earnest. There will be particular emphasis placed on payment products and digital solutions. These solutions will be a win-win for clients in terms of convenience and value while yielding greater operational efficiency for the Group.

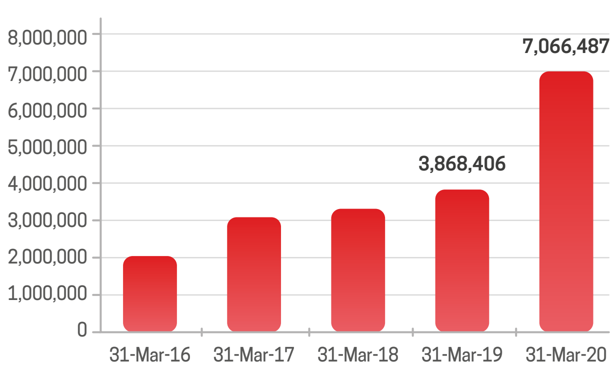
LOVE AND PARTNERSHIP - YOUR BEST INTEREST AT HEART

We closed this financial year truly thankful for the many achievements attained on our journey to build a regionally integrated financial services group of companies. The Group enters the new financial year recommitted to our core of love and partnership with our clients. We remain hopeful and confident in the sustainability of the Group and expect to continue seeing realized value for all our stakeholders, clients and team members, for whom we continue to build the JMMB Group with their Best Interest at Heart.

GROUP FINANCIAL PERFORMANCE 2019/20

NET PROFIT

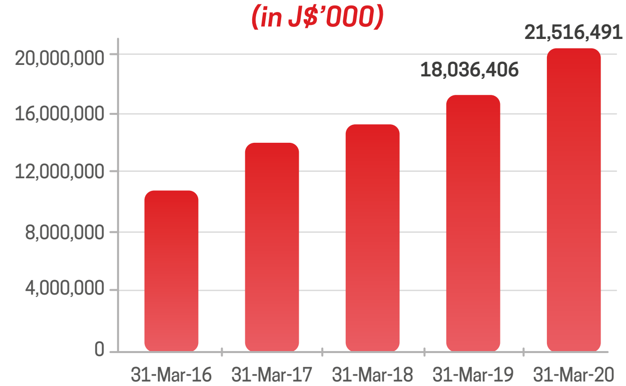
Net profit (in J$'000)



For the past five financial years, net profit for the Group has continued on a positive trajectory. This was amplified in the year under review as the Group posted record net profit of J$7.07B which was 83% or J$3.2B higher than the prior period. Both the Group's 22.5% acquisition of Sagicor Financial Company Ltd. (Sagicor) and growth in operating revenue contributed to this record growth in net profit.

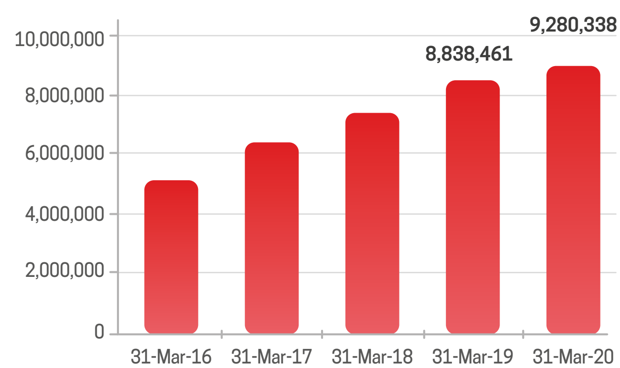
OPERATING REVENUE

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



Net operating revenue for the period totalled J$21.52B, which was 19% or J$3.48B higher than the prior period. All revenue lines recorded growth.

Net Interest Income (in J$'000)

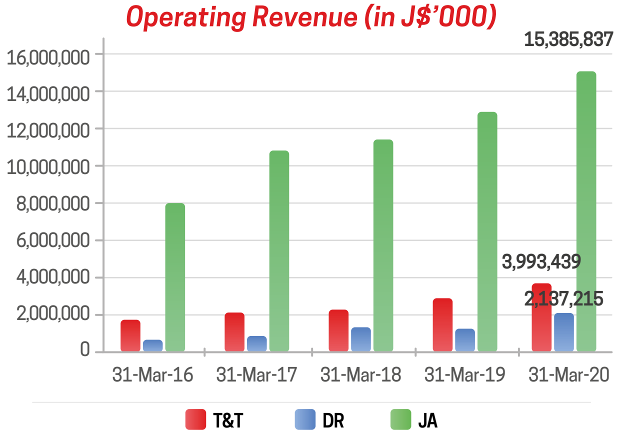


Net Interest Income (NII) grew by 5% or J$442M to J$9.28B and reflected growth in the investment and loan portfolios. Foreign Exchange (FX) Trading increased by 17% or J$410M to J$2.81B, reflecting increased activities in the banking segment. Fees earned from managed funds totalled J$1.41B, up from J$1.14B in the prior period. This was on account of organic growth, as managed funds and collective investment schemes across the Group experienced significant growth. Other fees and commissions also grew by 48% to J$2.11B primarily as a result of increased capital markets transactions as well as other value-added services to clients. The Group's trading strategy exceeded expectations as the team delivered its best year ever with results of J$6.17B, up 51% over the prior period of J$4.10B.

COUNTRY CONTRIBUTION TO OPERATING REVENUE

The Group's Jamaican entities' contribution to Group operating revenue totalled J$15.39B reflecting growth of J$2.17B or a 16% increase over the prior period of J$13.22B. This was due to growth in all revenue lines except NII which was flat at J$5.79B. Of note is trading gains which increased by 47% or J$1.64B to J$5.14B while FX trading gains grew by 26% to J$2.08B and other fees and commissions increased by 38% to J$1.43B.

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



The Group's Trinidad and Tobago entities' contribution to Group operating revenue grew by 24% ending at J$3.99B. This was due largely to increased NII as well as other fees and commissions. NII grew by 20% to J$2.47B on account of larger investment and loan portfolios. Other fees and commissions were 96% higher at J$624M, reflecting increased value-added services.

The Group's Dominican Republic entities' contribution to Group operating revenue ended the year 34% higher over the prior period at J$2.14B and largely reflected strong growth in trading gains and fees from managed funds. Trading gains were 59% higher at J$802M as the team capitalized on market opportunities throughout the year. Fees from managed funds more than doubled moving from J$99M to J$205M as there was increased subscription to unit trusts and pension funds.

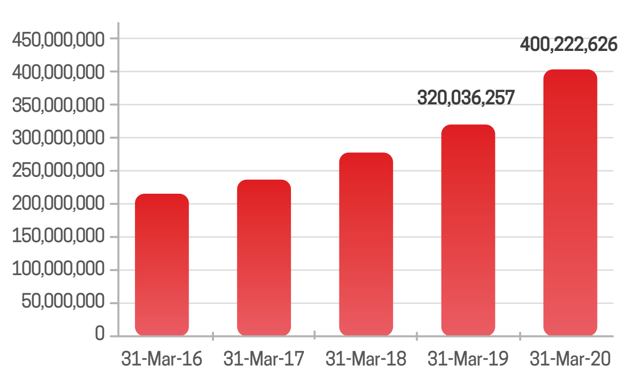
EFFICIENCY

In the 2019/20 financial year, administrative expenses moved from J$12.99B to J$15.93B. This was primarily attributable to increases in staff cost to support new sales capacity, costs incurred on transactions associated to business expansion initiatives undertaken, as well as project activities related to operational efficiency and standardization. Given these activities, the Group's efficiency ratio moved from 72% to 74%. In the coming financial year, the Group will focus on extracting operational efficiencies projected from the standardization and process improvement projects as well as the implementation of digital solutions and services aimed at digitising key processes and client interactions.

TOTAL ASSETS

The Group's total asset base grew by 25% to J$400.22B over the period. This was mainly due to increases in Interest in Associate, Loans and Notes Receivable as well as Cash and Cash Equivalents.

Total Assets (in J$'000)



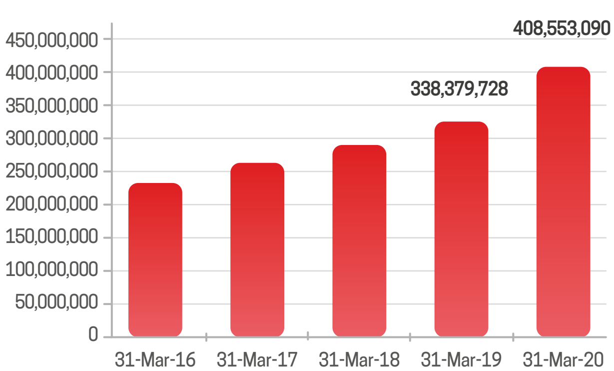
Loans and Notes Receivable as at March 31, 2020 was J$98.84B and reflected growth of J$30.89B or 45% as all the loan portfolios across the Group showed significant growth.

Cash and Cash Equivalents increased as, given the onset of the COVID-19 pandemic in the fourth quarter, the Group's liquidity was bolstered. This contributed to a 7% decline in the investment portfolio which stood at J$192.27B at the end of the period.

The growth in asset base was mainly funded by customer deposits, repurchase agreements and notes payable. Repurchase agreements increased by 10% to J$179.59B, while notes payable moved from J$37.04B to J$45.09B. Customer deposits amounted to J$104.18B and reflected growth of J$40.23B or 63%. This was due in part to organic growth, particularly in Jamaica as the team continued to promote our commercial banking operations across the entire client base. Additionally, in Jamaica, there was some product rationalization as clients were migrated from the investment business line to the Bank to better align their needs to banking solutions.

TOTAL FUNDS UNDER MANAGEMENT

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

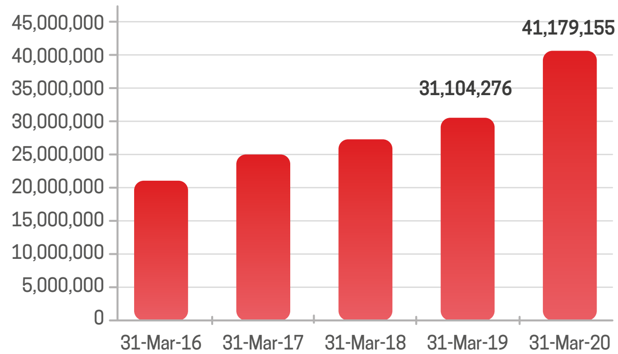


As at March 31, 2020, total clients' funds under management (on and off balance sheet) stood at J$408.55B. This reflected growth of 21% or J$70.17B and was due mainly to increases in customer deposits, repurchase agreements, notes payable, unit trusts as well as pension funds.

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.

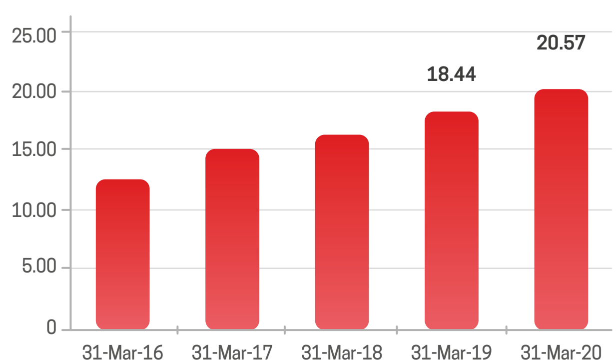
Total Stockholders' Equity (in J$'000)



Given the Group's acquisition of 22.5% of Sagicor, the Additional Public Offer (APO) and the Group's record profitability during the year, total shareholders' equity moved from J$31.1B to J$41.18B which was an increase of 32% or J$10.07B.

BOOK VALUE PER STOCK

Book Value per Stock Units (in J$)

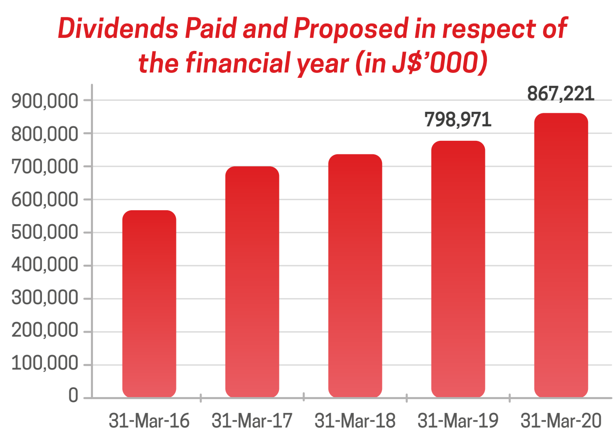


At the end of the 2019/20 financial year, the Group's book value per share of common stock was J$20.57 compared to J$18.44 in the prior period.

JSE CLOSING PRICE

The Group's stock closing price on the JSE as at the end of the financial year was J$38.01, up from J$31.99 in the prior year. This movement represents a 19% increase in capital gains to shareholders for the financial year.

SHAREHOLDERS' RETURN



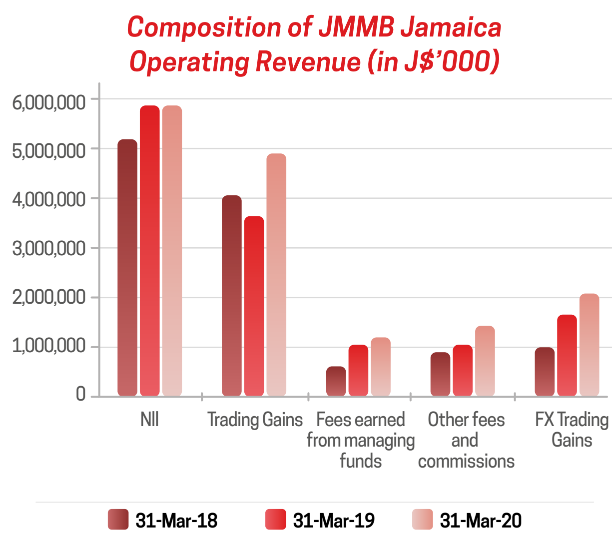
Total dividends paid and proposed in respect of the 2019/20 financial year amounted to J$867M. The Group's performance over the period continued to drive positive shareholder returns and demonstrated a focused commitment to driving sustainable growth, achieving long-term earnings and increased returns to shareholders.

COUNTRY OPERATING RESULTS & HIGHLIGHTS 2019/20

JAMAICA

COUNTRY OVERVIEW – MACROECONOMIC GAINS PARTIALLY OFFSET BY COVID-19 PANDEMIC

For the 2019/20 financial year, the Group's entities in Jamaica delivered solid performances contributing significantly to Group profitability. This was facilitated by continued improvement in Jamaica's macroeconomic fundamentals for the better part of the year. In the fourth quarter, however, the onset of the COVID-19 pandemic resulted in a marked deterioration in investor sentiment and business confidence.



The Group's Jamaican entities' contribution to Group operating revenue was J$15.39B reflecting growth of J$2.17B or a 16% increase over the prior period of J$13.22B. This was due to growth in all revenue lines, with the exception of Net Interest Income (NII) which was flat at

J$5.79B. Notably, bond and equity trading gains increased by 34% to J$4.88B. Foreign Exchange (FX) trading gains were 26% higher at J$2.08B while other fees and commissions grew by 38% to J$1.43B.

Segment	Entities
Investment Management	▪ Jamaica Money Market Brokers Ltd. ▪ JMMB Fund Managers Ltd. ▪ JMMB Securities Ltd.
Banking	▪ JMMB Bank (Jamaica) Ltd.
Remittance	▪ JMMB Money Transfer Ltd.
Insurance Brokerage	▪ JMMB Insurance Brokers Ltd.

SEGMENT RESULTS

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

INVESTMENT MANAGEMENT

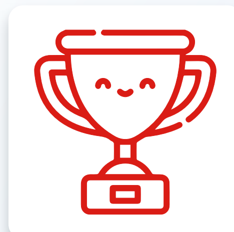
Overview – Growing Together, Achieving Together

Jamaica's Investment Management segment delivered solid performance during the financial year posting operating profit of J$2.55B, an increase of approximately 6% over the prior year.

The teams continued to focus on partnering with clients along their journey towards achieving their goals through our portfolio management services. The teams maintained focus on client engagement through a strategy of enriching and deepening relationships with our clients. Through this focused effort, 12,657 goal plans were created for the period. Although this represented a 10% decline over the prior year, it should be noted that this achievement was in a year when the market had an unusually high number of large Initial Public Offers (IPO) and Additional Public Offers (APO) which resulted in a temporary shift in client behaviour as they sought to benefit from these IPOs and APOs. The JMMB Group APO alone raised over J$19B in the third quarter.

The team's focused engagement strategy additionally enabled clients to:

- Make shifts in their portfolios that better align with their current and future goals.
- Create new goals and add funds to revive existing goals
- Access solutions and services in other business lines to meet present needs and/or goals.



12,657
GOAL PLANS CREATED

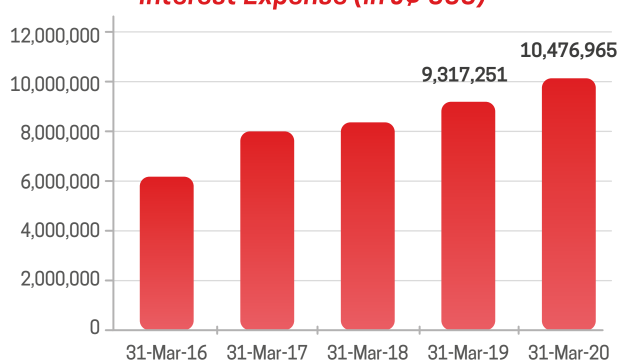
OPERATING RESULTS

Operating Revenue

The Investment Management segment reported net operating revenue of J$10.48B for the period. This reflected growth of 12% and was due largely to the Treasury Management business line and, to a lesser extent, the Asset Management business line.

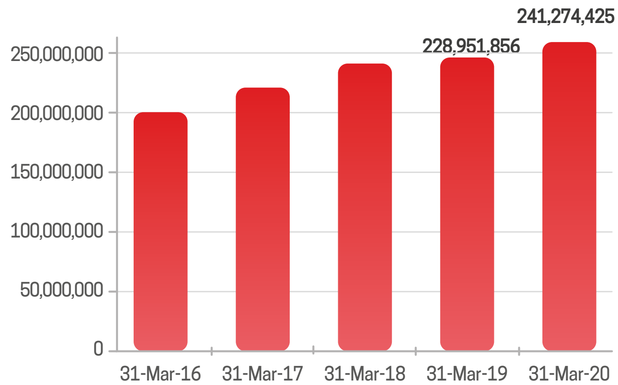
Asset Management

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



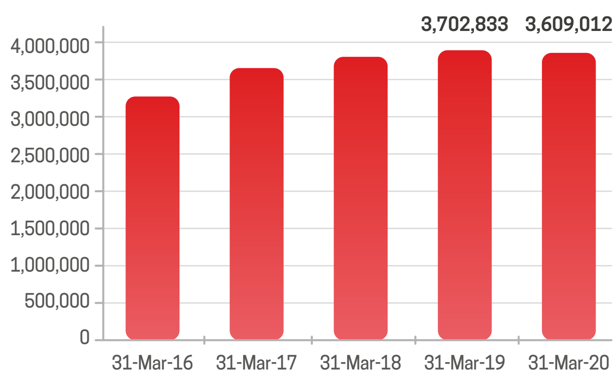
The Asset Management business line includes on- balance sheet funds that generate NII and off -balance sheet funds which provide fee income.

Total Funds under Management (in J$'000)



Despite the impact of the COVID-19 pandemic on fourth quarter operations, this business line posted solid results for the period. This reflected the team's continued emphasis on partnering with clients to achieve their financial goals through on-balance sheet and off-balance sheet solutions. Consequently, total clients' Funds under Management [1] (FUM) grew by 5% to J$241.27B and was largely driven by on-balance sheet FUM.

Net Interest Income (in J$'000)



On-balance sheet FUM increased by 9% to J$114.65B while NII declined by 3% to J$3.61B as the Fixed Income Portfolio was reduced as other earning from Equity Assets (Sagicor) was picked up and funded by the growing FUM. Sustained dividend flows and increase in value from these equity assets are expected in the coming year.

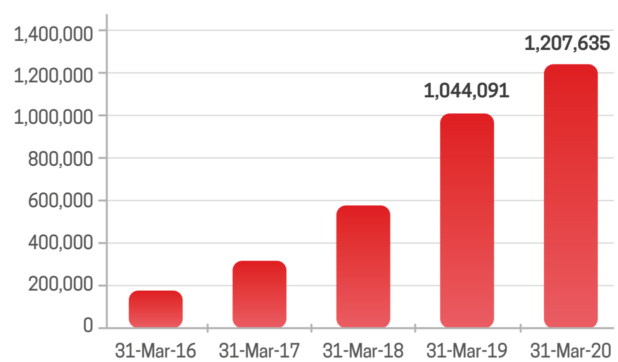
Off -Balance Sheet FUM

The team's off-balance sheet strategy continued in earnest during the year. Off-balance sheet FUM increased marginally by 2% to J$126.67B as there was a decline in asset prices in March as a result of the COVID-19 pandemic. The team, however, devised a client contact and engagement strategy which was both robust and effective. Through this strategy the team utilized portfolio conversations with clients to maintain confidence that they would remain on track with achieving their financial goals.

Collective Investment Schemes (CIS) – Partnering to Realize Goals

At the end of the 2019/20 financial year, JMMB Fund Managers Limited ranked third in unit trust FUM in Jamaica, accounting for 12.3% of the overall market. During the year, CIS FUM increased by J$3.8B or 12% to J$35.4B reflecting continued client confidence in the value proposition of our range of solutions.

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



Unit trust solutions are bolstered by discretionary portfolios which provide clients with a pre-determined mix of funds geared towards achieving a particular goal. Clients therefore have the option to invest in any one fund or a pre-determined mix of funds geared toward their specific investment goal.

Pensions - Strengthening Partnerships through Client Engagement and Financial Education

There was continued strong performance in pension fund offerings as pension FUM grew by 10% to J$17.65B. This was in spite of decline in asset prices in the fourth quarter as above market growth rate was recorded. This reflected the team's sustained efforts to strengthen partnerships with the existing customer base and promote the importance of their long-term financial security.

The pension suite of services and solutions range from pooled funds to segregated fund management and other customized service offerings. For this financial year, the team continued to focus on client engagement and education as well as operational efficiency. Client engagement activities were increased by approximately 45% relative to the prior period. These activities were aimed at raising awareness on the benefits of pension plans and retirement planning. This created opportunities to forge stronger partnerships with clients and proactively meet their needs, especially as there was heightened economic uncertainty in the fourth quarter. In addition to the team's focus on client engagement and education, focus was also placed on augmenting the suite of pension services with digital transformation initiatives to streamline internal business processes and enhance operational efficiency.

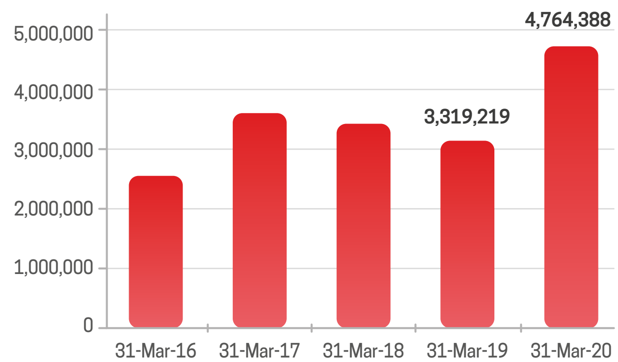
TREASURY MANAGEMENT

The Treasury management business line includes foreign exchange, bond and equity trading for the proprietary portfolio as well as equity trading commission. Financial year 2019/20 was a record year in terms of performance with revenue growth of 24% or J$934M at J$4.96B (numbers exclude equity trading commission).

Bond and Equity Trading –Record Performance

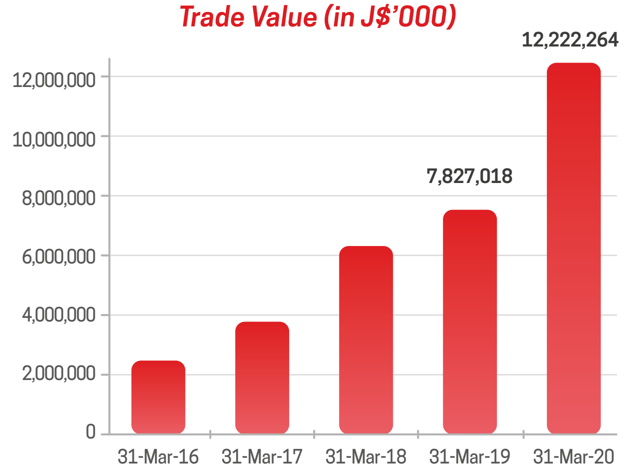
For the year, trading gains arising from equities and fixed income stood at J$4.76B compared to J$3.32B in the prior period. This was predicated on strong positive emerging market sentiments, which was buoyed by improved macroeconomic outlook for the better part of the year. Despite the market downturn at the end of the financial year, the team was able to accurately identify and capitalize on a number of profitable trading opportunities throughout the year. Further, interest rates in the local and global fixed income markets remained at historical lows which resulted in an increased number of corporate transactions both for refinancing purposes as well as new issuances.

Gains on Securities Trading (in J$'000)



The local stock market suffered a sharp reversal in the fourth quarter due to a decline in investor confidence attributable to the COVID-19 pandemic. Consequently, over the financial year, the JSE Combined Index declined by 4.33% compared to a 29% increase in the prior period. The team's equity trading strategy was, however, sufficiently robust delivering a strong return over the financial year with trading gains derived from the proprietary equity portfolio increasing by 78% when compared to the prior period.

Trade Value (in J$'000)



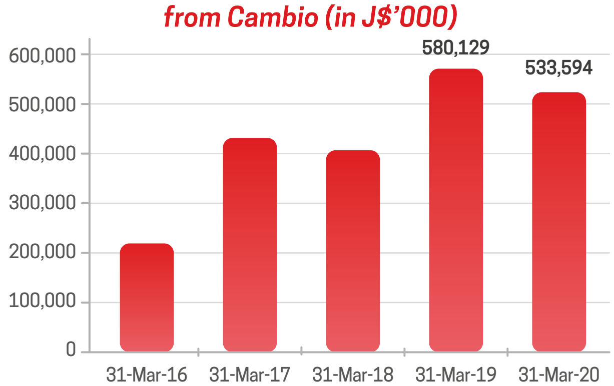
In spite of the downturn in the local equities market in the fourth quarter, the local equity brokerage business recorded significant increase as trade value for the year increased by 56%. This was due primarily to the retail client base as the team continued to facilitate access to the stock market with timely and insightful stock recommendations and convenience by means of the Group's online equity trading platform, Moneyline. As a result, the team continued to be the preferred choice for retail equity transactions as evidenced by the brokerage being ranked #1 for number of trades for the last five years.

FX Trading – Solid Performance Despite Stricter Regulatory Environment

FX trading recorded strong performance with gains of J$533.6M. The business line remained the second largest cambio with approximately 8% of the overall FX market (both cambios and authorized dealers). This was in spite of more stringent regulatory guidelines which constrained the extent to which the team was able to trade.

Performance in the last two months of the financial year was negatively impacted by COVID-19 as there was a marked reduction in FX inflows. This was on account of a slowdown in the tourism sector and reduction in remittance inflows from source markets.

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



Otherwise, the local foreign exchange trading market remained buoyant for most of the financial year and was characterized by continued volatility. Sustained volatility supported higher levels of trading and the market remained orderly as the Central Bank also remained active using BFIXTT to ensure stability. There was however, a general depreciative trend as the local currency lost 7% of its value relative to the US dollar over the financial year.

Capital Markets – Landmark Transaction, Innovation and Solid Growth

Having built out a stellar team and established itself as a preferred partner for capital markets transactions in the region, the Group's Capital Markets Unit continued to create tailored investment banking and capital markets solutions for clients during the 2019/20 financial year.

The year was marked by solid growth as the team worked to further deepen linkages within the Group to create enhanced, value-added services and solutions whilst leveraging the depth of its investment banking expertise to deliver innovative debt and equity funding instruments to corporate, government and institutional clients. This solid growth is evidenced by a 34% growth in transaction volumes having moved to J$59B from J$44B in the prior year.

The team's growth and success is, however, most punctuated by its pioneering of the JMMB Group's Additional Public Offer (APO) which it conceptualized and executed across two jurisdictions namely Jamaica and Trinidad and Tobago. The offer was hugely successful being oversubscribed by 92.5% with total subscriptions of approximately J$20B and raising a total of J$12.3B in capital for the JMMB Group. In design and execution, the offer leveraged the best of the unit's expertise as well as the Group's online trading platform, Moneyline, which provided end -to-end online service.

This offer, now the largest of its kind in the history of Jamaica and the Caribbean and a first for Jamaica, with the Capital Markets unit at its helm, was a landmark transaction for the JMMB Group team, Jamaica and the region.

BANKING

Overview – Partnering with the Fastest Growing Bank in Jamaica

The banking segment delivered another solid year's performance with operating profit totaling J$1.43B at financial year end. The Bank also remained the fastest growing bank in Jamaica with its loan portfolio again outpacing the growth of the commercial banking sector whilst capturing market share which moved from 5% in 2019 to 6% at the end of the financial year.

A key component of the Group's client value proposition is the provision of simple, integrated solutions tailored to meet client's life goals. The addition of a commercial bank to the Group's entities in Jamaica was thus a key enabler in the delivery of this value proposition. Since the acquisition of its commercial banking licence, the banking team has been focused on integrating and streamlining its suite of products to enable the seamless delivery of integrated solutions and services. To this end, work undertaken during the year, entailed product rationalization and the migration of target clients from Jamaica Money Market Brokers Limited to the Bank to better align their goals and transaction needs with banking services and solutions.

Other work concluded during the year included the conversion of the Group's proprietary Electronic Transaction Machines (ETM) to Automated Teller Machines (ATM) and the addition of Visa Debit card services to the Bank's suite of solutions which broadened client access and improved convenience.

Small and Medium Enterprises (SMEs) – Making Partnership Easy

The Bank team also intensified its focus on small and medium-sized enterprise (SME) clients and emphasis was placed on removing the 'hassles' and 'red tape' typically associated with doing business with financial institutions. The following work was completed during the year with addressing these pain points as an imperative:

- New Credit Adjudication Framework Implemented
- SME Unit Launched and Rolled out in all Integrated Branches
- Specialized Training for SME Unit Completed:
  - Client Partnership, Engagement and Needs Assessment
  - New Credit Adjudication Process
- SME Resource Centre Partner Network Build Out which broadened online training resources and tools for SMEs

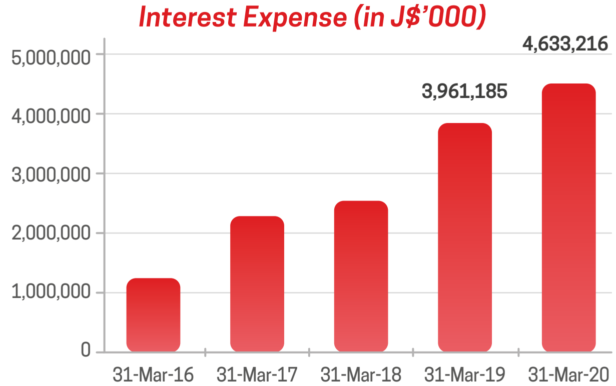
In the coming financial year, the SME Resource Centre will be formally launched and work to build out the SME units across the integrated branch network team will continue in earnest.

OPERATING RESULTS

Operating Revenue

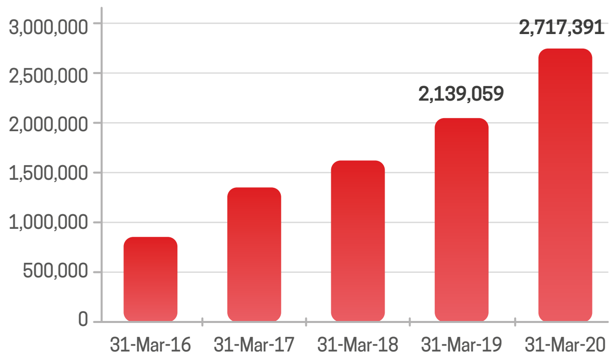
Net operating revenue for the 2019/20 financial year increased by 17% to J$4.63B and was largely attributable to growth in net interest income (NII) and foreign exchange (FX) trading. As a consequence, core revenues which consist of NII, banking fees and foreign currency trading, grew by 37% or J$1.2B to J$4.49B when compared to the prior period.

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



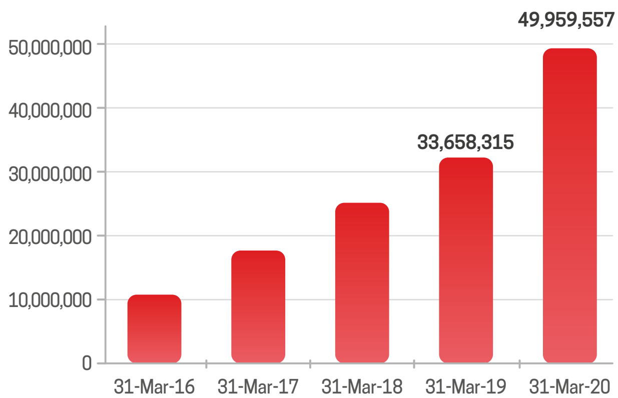
NII increased by 27% to J$2.72B compared to J$2.14B in the prior period. This was due to strong growth in the loan portfolio.

Net Interest Income (in J$'000)



Growth in the loan portfolio continued to outpace the commercial banking sector as net loans increased by 48% to J$49.96B while loan growth in the commercial banking sector was 3%.

Net Loans (in J$'000)

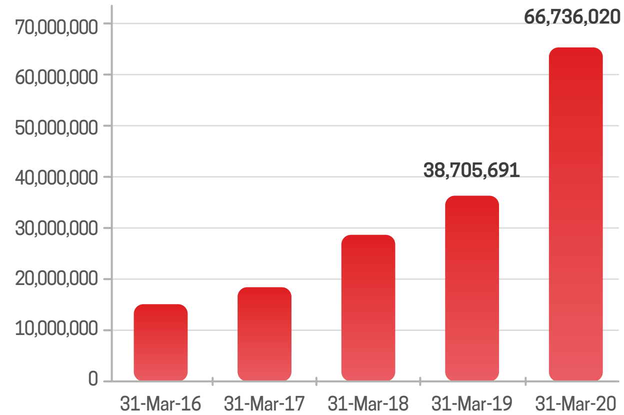


This stellar loan growth was primarily driven by the continued improvement and innovation of the Bank's suite of borrowing solutions which have been augmented to pointedly meet the unique needs of corporate and retail clients.

The year's strong loan growth performance was funded predominantly by a significant growth in the Bank's deposit base as at financial year end, the deposit base totaled J$66.74B which was a 72% increase over the prior period. This growth was due in part to migration of clients from Jamaica Money Market Brokers Limited as the two teams work to rationalize products in the best interest of clients. (See Deposits chart on right)

FX trading had another stellar year, with 50% growth in gains as the team offered competitive rates to clients.

Deposits (in J$'000)



REMITTANCE

Overview – Stellar Growth and Expansion

The Group's money transfer operations include nine (9) international partners which offer services in over 155 countries globally. Clients currently access local and international money transfer services and NHT refunds via an island wide network of over 100 agents (many of which are opened on weekends and for extended hours), as well as at JMMB Bank (Jamaica) Limited locations.

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

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

OPERATING RESULTS

For the period under review, the remittance segment achieved a substantial increase in transaction volumes which resulted in growth of 49% in operating revenues and 32% year over year growth in operating profit.

The team remained committed to improving operating efficiency by investing in automated processes, engaging in revenue enhancement strategies and diversifying product and service offerings. Strong governance continues to be a key area of focus. The team, as such, continued to strengthen its compliance program through annual online AML/CFT training for all agents and continues to utilize advance features of the operations' core payment platform to detect 'black-listed' persons and create profiles of recipients who may be considered high risk.
The next phase of growth for this arm of the Group will see it leveraging technology even further to add new disbursement types and new payment services while entering new markets.

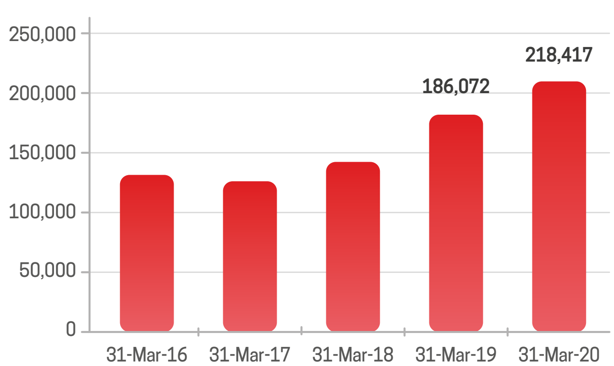
INSURANCE BROKERAGE

Overview – Keeping You Covered

Through the Group's insurance brokerage segment, clients have access to insurance solution packages and other value-added services to support them in meeting their personal and business insurance needs. For the year, the segment reported operating profit of J$77.2M as the team proactively managed existing clients to ensure retention rates remained satisfactory and leveraged process and technology work done to improve efficiencies.

OPERATING RESULTS

Operating Revenue (in J$'000)



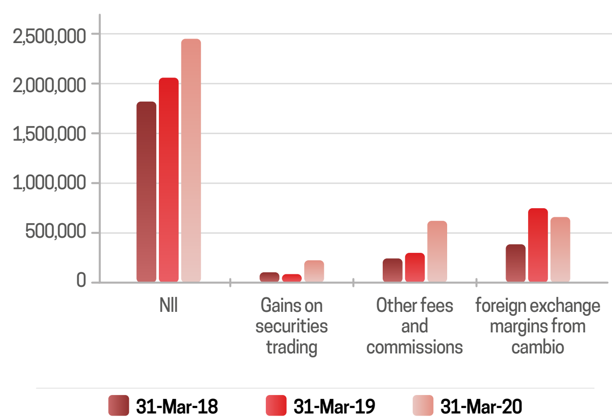
Net operating revenue totaled J$218.4M for the financial year which was 17% higher than the prior period and reflected improvement in growth in brokerage fees. This growth was attributable to sustained efforts to maximize on cross-selling opportunities in the Group, particularly with the Bank. The team additionally continued to proactively manage existing clients to ensure retention rates remained satisfactory. This was particularly important in the fourth quarter which saw the rapid onset of the COVID-19 pandemic.

TRINIDAD AND TOBAGO

COUNTRY OVERVIEW – CHALLENGING ECONOMIC ENVIRONMENT EXACERBATED BY THE PANDEMIC

For the 2019/20 financial year, the Group's entities in Trinidad and Tobago performed credibly amidst a challenging economic environment. This was exacerbated by the onset of the COVID-19 pandemic which resulted in increased provisioning particularly in the Banking segment.

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



The Group's Trinidadian entities' contribution to Group operating revenue totaled J$3.99B reflecting growth of J$772M or a 24% increase over the prior period of J$3.22B. This was due to growth in all revenue lines with the exception of Foreign Exchange (FX) trading gains which declined by 11% to J$666.8M. Notably, NII rose by 20% to J$2.47B while other fees and commissions grew by 96% to J$623.7M and bond trading gains increased by 138% to J$223.6M.

SEGMENT RESULTS

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

Segment	Entities
Investment Management	▪ JMMB Investments (Trinidad & Tobago) Limited
Banking	▪ JMMB Bank (Trinidad & Tobago) Limited

INVESTMENT MANAGEMENT

Overview – Building the Brand, Demonstrable Expertise

Trinidad's investment management segment delivered strong performance during the financial year posting operating profit of J$379.9M.

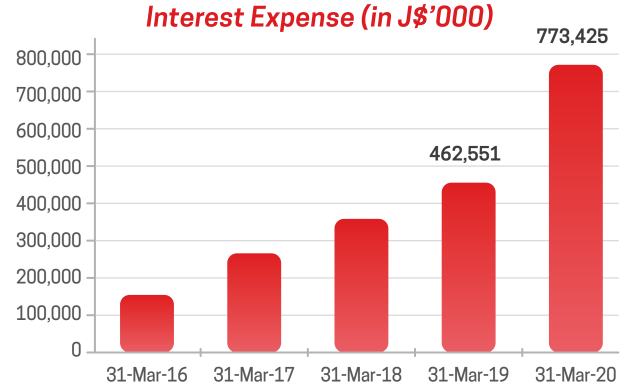
During the year, the team continued to position itself as experts in the market and leveraged Group brand awareness to undertake significant transactions in the market. The team successfully restructured JMMB Investments T&T Ltd. matured Secured Note, reconfigured its Securities Portfolio to achieve net gains, participated in the arranging of a large capital markets issue of US$52M, managed as the lead broker for the JMMB Group Additional Public Offer (APO) in Trinidad and Tobago and introduced wealth management services to its suite of solutions and services.

OPERATING RESULTS

Operating Revenue

The Investment Management segment reported net operating revenue of J$773.4M for the period under review. This was 67% higher than the prior period and was due mainly to the Treasury Management business line.

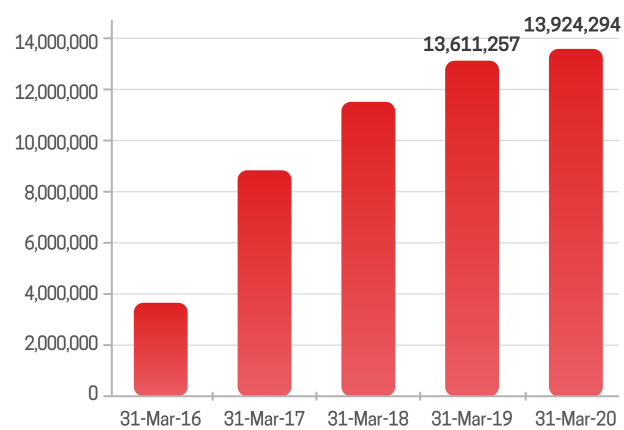
Operating Revenue Net of Interest Expense (in J$'000)



Asset Management

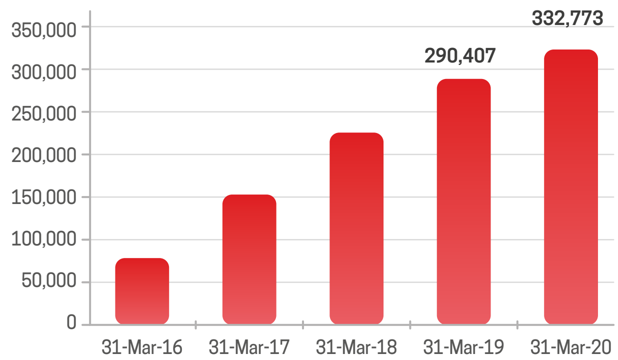
The Asset Management business line is comprised of on-balance sheet funds which generate NII.

Total Funds under Management (in J$'000)



Despite the impact of COVID-19 in the fourth quarter, the team continued to focus on financial partnerships and providing sound advice to clients to assist with protecting their goals. Bolstering confidence was especially important, as the team worked to reassure clients that they would remain on track with meeting their goals.

Net Interest Income (in J$'000)



Given this effort, total clients' Funds under Management (FUM) grew by 2% to J$13.9B and NII increased by 15% to J$332.8M.

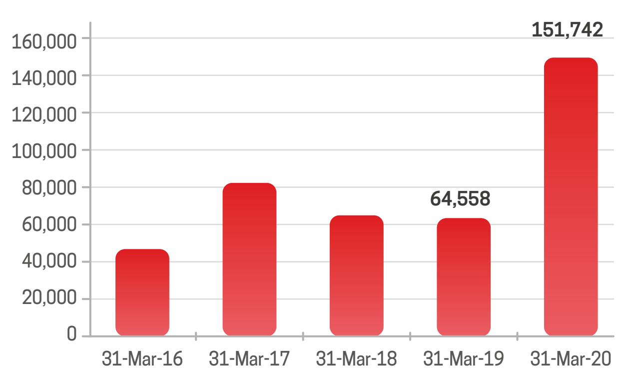
Treasury Management

The Treasury Management business line reflects bond trading for the proprietary portfolio. For the 2019/20 financial year, bond trading gains stood at J$151.7M compared to J$65M in the prior period. This was predicated on strong positive emerging market sentiments. Despite the market downturn towards the end of the financial year, the team was able to accurately identify and capitalize on a number of profitable trading opportunities throughout the year.

BANKING

Overview – Steady Growth and Performance

Gains on Securities Trading (in J$'000)



The banking segment delivered another solid year's performance with operating profit totalling J$134.7M at financial year end. In terms of growth, market share remained flat at 2%. However, the bank's loan portfolio growth continues to outpace the growth of commercial banking having posted year over year growth of 40%.

Small Medium Enterprises (SMEs) Growing Together in Partnership

The roll out of the Group's SME strategy in Trinidad and Tobago officially commenced in February 2020. Since then, the team has undertaken to build a diverse Partner Network (key to the Resource Centre's value proposition) and leverage the integrated approach to partnership with this segment spearheaded in Jamaica. As such, a partnership team comprising relationship managers and Resource Centre officers equipped to deliver a full suite of support services, was implemented and, up to the end of the financial year, this team had grown a pipeline of over 100 clients.

In line with the Group's overarching imperative to address pain points and make it easier to partner with our teams, the following work was completed during the year:

Trinidad & Tobago

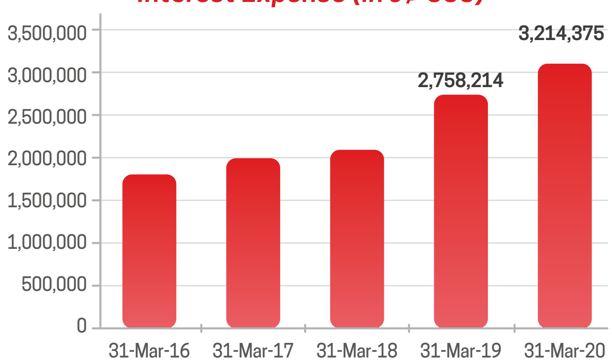
- New Credit Adjudication Framework Implemented
- SME Unit and Resource Centre Launched and Team Member Recruitment Completed
- Specialized Training for SME Unit Commenced:
  - Client Partnership, Engagement and Needs Assessment Undertaken
  - New Credit Adjudication Process Developed
- SME Resource Centre Partner Network Build Out Commenced

In the coming financial year, work to further equip the integrated partnership team, create more needs-based solution sets including supply chain financing, and formally launch SME Resource Centre and SME unit will continue.

OPERATING RESULTS

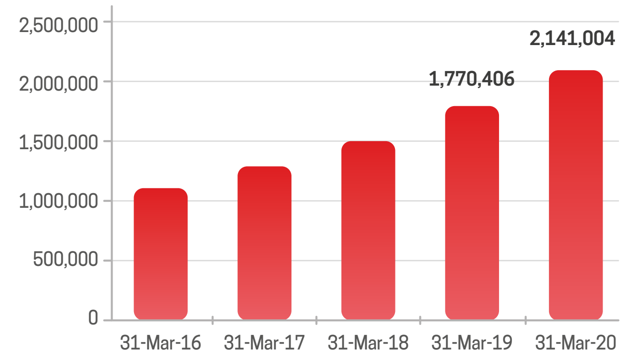
Net operating revenue for the 2019/20 financial year increased by 17% to J$3.21B and was largely attributable to growth in net interest income (NII). As a consequence, core revenues which consist of NII, banking fees and foreign currency trading, grew by 15% or J$407.9M to J$3.14B when compared to the prior period.

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



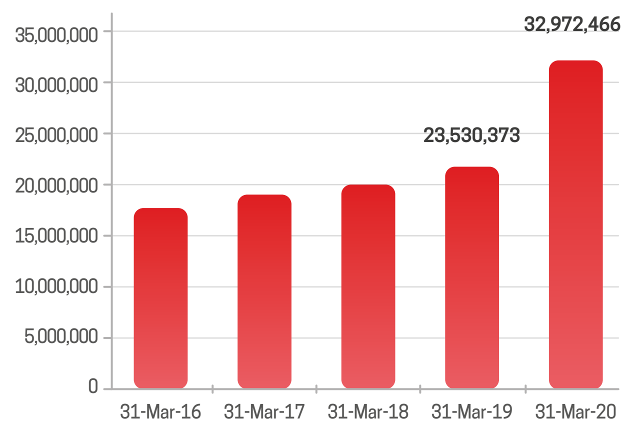
NII increased by 21% to J$2.14B compared to J$1.77B in the prior period. This was due to strong growth in the loan portfolio. Loan growth was driven in particular by our suite of borrowing solutions which are designed to meet the needs of our corporate and retail clients.

Net Interest Income (in J$'000)

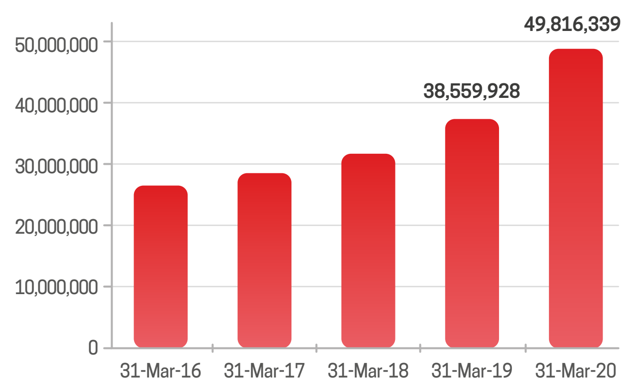


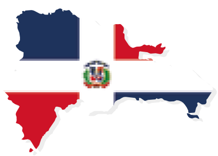
Over the year, net loans increased by 40% to J$32.97B. This year's strong loan growth performance was funded predominantly by significant growth of the Bank's deposit base. As at financial year end, the deposit base totaled J$49.82B which reflected a 29% increase over the prior period.

Net Loans (in J$'000)



Deposits (in J$'000)



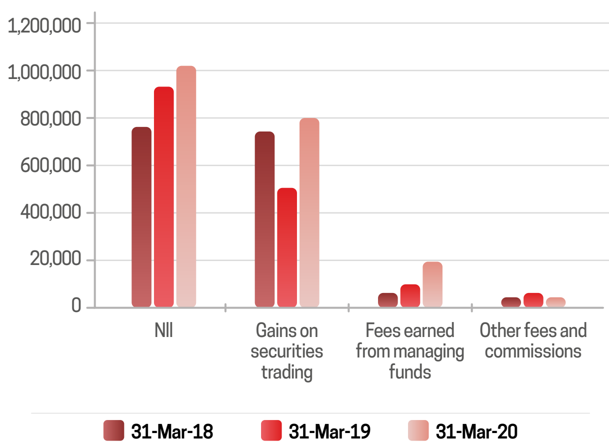


DOMINICAN REPUBLIC

COUNTRY OVERVIEW - FIVE YEAR HIGH

For the 2019/20 financial year, the Group's operations in the Dominican Republic yielded its best results in the past five years. This was underpinnned by a relaxed monetary policy stance by the Central Bank. In the fourth quarter, however, the onset of the COVID-19 pandemic resulted in a marked deterioration in investor sentiment and business confidence.

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



The Dominican Republic entities' contribution to Group operating revenue for the year ended at J$2.14B which corresponded to growth of 34% when compared to the prior period. This was due to growth in all revenue lines with the exception of other fees and commissions. Notably, bond trading gains increased by 59% to J$801.8M while NII grew by 10% to J$1.02B and fees earned from managing funds increased by 107% to J$205.2M.

SEGMENT RESULTS

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

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

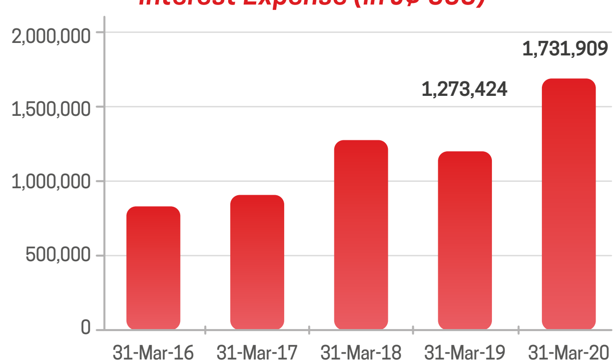
INVESTMENT MANAGEMENT

The Investments Business Line in the Dominican Republic posted operating profit of J$320M and saw an increase in net operating revenue of 36% due to the growth in performance of the Treasury Management business line. Total funds under management (FUM) grew by 20% as both on and off balance sheet products reflected strong growth. The funds business line (JMMB Sociedad Administradora de Fondos de Inversión, S.A.) in particular, experienced robust growth on account of the performance of its off-balance sheet funds solutions which, in turn, brought the business line to break even for the first time since its launch in 2017.

OPERATING RESULTS

Operating Revenue

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

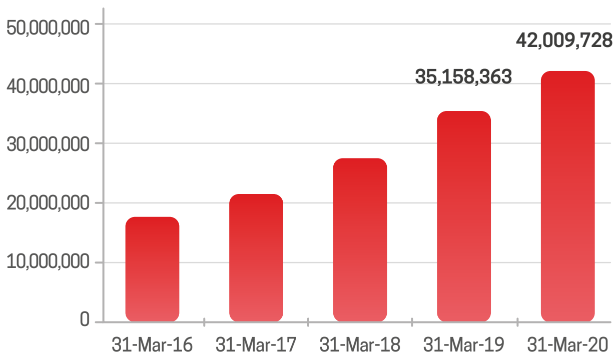


The Investment Management segment reported net operating revenue of J$1.73B for the financial year. This reflected growth of 36% and was due largely to the Treasury Management business line and, to a lesser extent, the Asset Management business line.

Asset Management

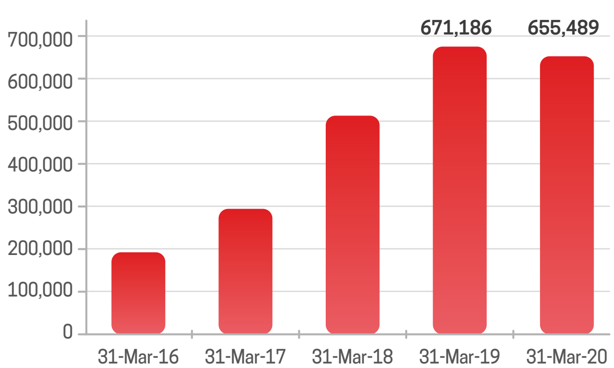
The Asset Management business line includes on balance sheet funds that generate NII and off-balance sheet funds which provide fee income.

Total Funds under Management (in J$'000)



This business experienced another strong year against continued growth in the economy. There continued to be a strong appetite for our suite of products in spite of the onset of the COVID-19 pandemic in the fourth quarter. This was evidenced by growth in the client base which ranged between 8% and 15% over the past three years. As a result, total clients' funds under management (FUM) grew by 20% to J$42.01B and this was largely driven by off-balance sheet FUM.

Net Interest Income (in J$'000)



On-balance sheet FUM increased by 6% or J$1.68B to J$30.03B, however NII declined by 2% to J$655.5M. This was on account of a smaller investment portfolio in the latter part of the fiscal year in anticipation of changes in market conditions due to presidential and congressional elections.

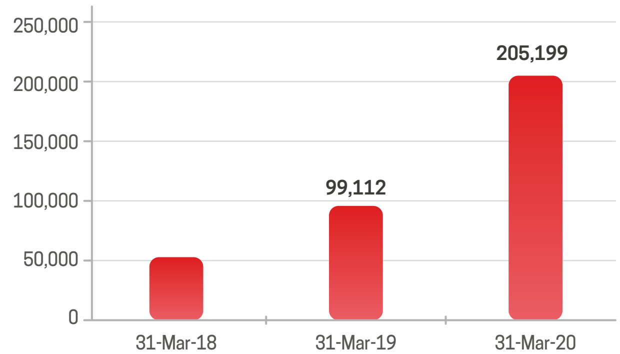
Off-Balance Sheet FUM

Off-balance sheet FUM increased by 76% as the team continued to support clients with fulfilling their long-term financial goals. As such, fees earned from managed funds reflected a 107% growth ending the year at J$205.2M.

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

In alignment with the team's commitment to maximize value for clients whilst ensuring that they are purposefully positioned to meet their needs, the team launched Phase II of the Real Estate Investment Trust (REIT) in the fourth quarter. There was evident demand for this tranche as there was full subscription ahead of the launch. Given this, CIS FUM increased 50% or J$1.89B to J$5.65B and reflected clients' demand and confidence in the value proposition of our range of CIS.

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



At the end of the year, the team had five (5) funds geared towards varying investment objectives.

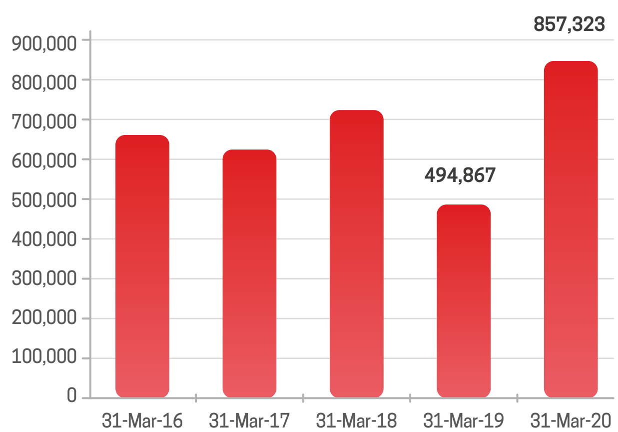
Pensions – Highest Return in the Sector

For the 2019/20 financial year, pension FUM increased by 109% or J$3.30B to J$6.33B. Further, there was an 86% growth in the client base as the team continued to focus on the transfer of team members from our strategic partners' businesses. Notably, the pension business line had the highest return for clients in 2018 and 2019 in the pension fund sector in the Dominican Republic.

TREASURY MANAGEMENT

The Treasury Management business line reflects trading of the proprietary bond portfolio. Financial year 2019/20 was a record year with revenue growth of 73% or J$361M ending at J$856M. This was predominantly due to gains from bond trading. Strong growth in bond trading gains was facilitated by aggressive economic expansion policies by the Central Bank which improved market conditions.

Gains on Securities Trading (in J$'000)



BANKING

Overview - Fastest Growing Bank in its Category

The banking segment reported an operating loss of J$107M. This was due to the increased provisioning for credit losses due to the onset of COVID-19. The entity, however, remains the fastest growing savings and loan bank in the market posting loan portfolio growth of 53%.

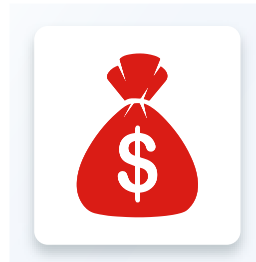
Small and Medium Enterprises (SMEs) - Innovating Partnership

In the Dominican Republic, the execution of the Group's SME strategy saw the team focusing on:

1. Creating tailored solutions to meet the needs of SMEs in target sectors.

2. Improving the team's productivity.

3. Establishing a more dominant presence in the market.



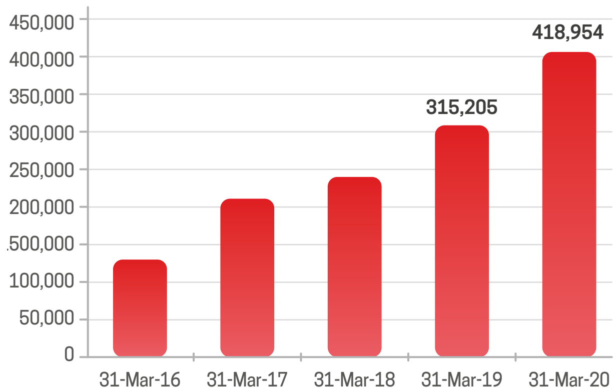
The big win for the year was the launch of the medical equipment, inventory collateral and renewable energy loan solutions. Under the renewable energy loan solution, the team forged a partnership with the five (5) main renewable energy equipment sales companies in the DR to provide an innovative financing solution making the acquisition of renewable energy equipment more accessible and affordable. The team also, through partnership with companies to which JMMB Bank in the DR offers payroll services, developed a loan solution for employees of these companies. The team also rolled out a medical equipment loan facility for individual doctors and medical centres as well as the inventory loan program which gives SMEs financing for working capital through the collateralization of their inventory.

Further work on the execution of the SME strategy in the DR will kick into high gear in the coming year as the team benefits from the implementation of a new core banking and online banking platform which should improve productivity, broaden the solution sets available and improve clients' ability to serve themselves online.

OPERATING RESULTS

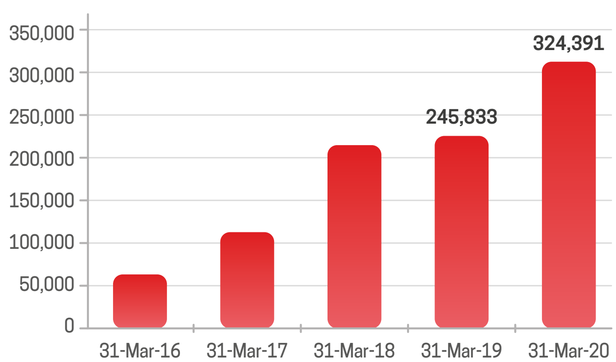
Net operating revenue for the 2019/20 financial year increased by 33% to J$419M and was due mainly to strong growth in net interest income (NII) and FX trading. As a consequence, core revenues which consist of NII, banking fees and foreign currency trading, grew by 39% to J$421.3M when compared to the prior period.

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



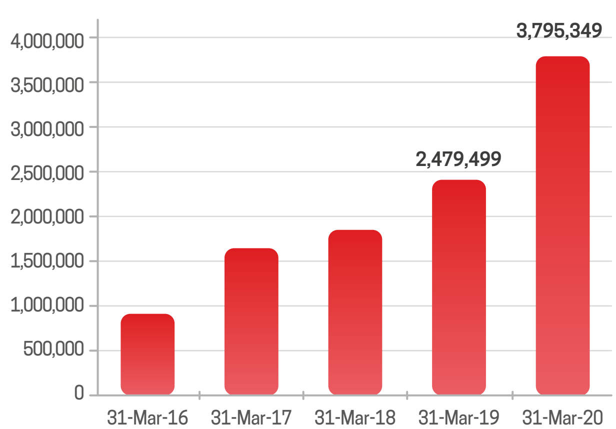
NII increased by 32% to J$324.4M compared to J$245.7M in the prior period. This was due to strong growth in the loan portfolio.

Net Interest Income (in J$'000)



Over the year, net loans increased by 53% to J$3.8B. This was driven mainly by lending to the commercial sector (predominately small and medium size enterprises) and, to a lesser extent, payroll loans and retail lending.

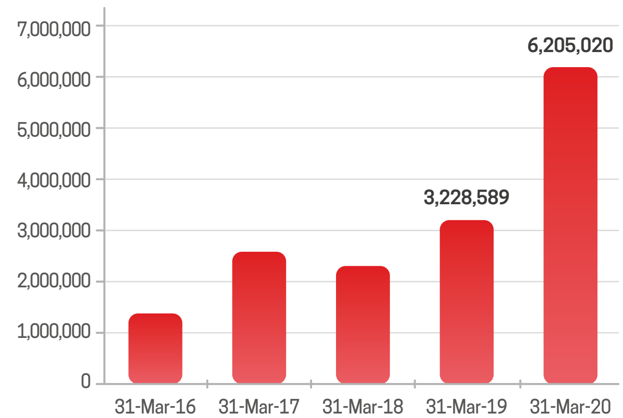
Net Loans (in J$'000)



The credit quality of the portfolio remained high and the delinquency ratio was one of the lowest in the industry. This demonstrated our ability to aggressively grow the business while maintaining a healthy portfolio.

Loan growth was funded predominantly by significant growth of the deposit base. At the end of March 31, 2020, the deposit base totaled J$6.21B which was a 92% increase over the prior period. This was due in part to strong growth in our corporate segment. This deposit growth rate was also the highest growth among the banks in the savings and loans sector.

Deposits (in J$'000)



GROUP EXECUTIVE LEADERS

Keith Duncan

GROUP CHIEF EXECUTIVE OFFICER

Keith is the CEO of the JMMB Group, a position which he has held since 2012. His success as CEO and Deputy Managing Director of JMMB made him the best candidate to take the group of companies into previously unchartered territories which led it to new levels of success. He is a director of most of the subsidiaries. Keith currently serves as Vice President of the Private Sector Organisation of Jamaica and is a former President of the Jamaica Securities Dealers Association. Keith is also the Co-Chair of the Economic Programme Oversight Committee established by the GOJ to monitor the fiscal, monetary and financial sector indicators under the Precautionary Standby Arrangement entered into by the GOJ and the International Monetary Fund. He holds the Chartered Financial Analyst 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 four years and has already established a standard of excellence in the overall strategy and execution of internal audits across the Group. She has 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 brings a wealth of knowledge from his experience in economics, financial sector supervision, financial analysis and risk management. As Group Chief Investment Officer, he is responsible for managing the performance of the proprietary investments across the Group, leading the treasury functions and the strategic deployment of capital.

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

Carolyn DaCosta J.P.

GROUP CHIEF COMPLIANCE OFFICER

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

GROUP EXECUTIVE LEADERS

Donna Duncan-Scott

GROUP CHIEF CULTURE & HUMAN DEVELOPMENT OFFICER

Donna is passionate about building and maintaining the love based culture which creates the group's sustainable competitive advantage. As an authentic, principled and love based leader, she works with the Culture and Human Development Team (CHDT) in creating and implementing the people-operating frameworks, people policies, processes and practices that develop and maintain our unique culture. The CHDT supports team members and teams to "realize the greatness within, to the benefit of themselves, our clients, the organisation and the society" (Our Vision of Love). She also has extended this transformational thinking to the development of Conversations for Greatness programme aimed at providing individuals with the tools for mindset change to increase the experience of love and possibility thinking in the world. She holds a Bachelor's degree in Industrial Engineering, as well as a Masters in Business Administration from the Richard Ivey School of Business at the University of Western Ontario in Canada. She also holds the prestigious international 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. Patrick serves in the capacity of Chairman for Sociedad Administrado de Fondos de Inversiones, as well as Alternate Director for JMMB Bank (T & T) Limited.

Paul Gray

GROUP CHIEF EXECUTIVE, SPECIAL PROJECTS OFFICE OF CEO

With over 25 years of experience in the financial industry including the Dominican Republic, 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 or 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 and has received 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 in the financial services sector, Julian currently operates as JMMB's Group Chief Investment Strategist. In addition to his position at JMMB, he has played a significant role in the development of Jamaica's capital market. His experience includes positions at Dehring, Bunting and Golding Limited (now Scotia Investments Jamaica Limited) and JMMB. A former Managing Director of Lets Investment Limited, his leadership resulted in the boutique operation becoming a global player in the trading of internationally issued securities.

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

GROUP EXECUTIVE LEADERS

Dereck Rajack

GROUP CHIEF RISK OFFICER

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

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

Kerry-Ann Stimpson

GROUP CHIEF MARKETING OFFICER

Kerry-Ann is a career financial services marketer, whose track record of excellence spans 18 years. Having garnered a wealth of expertise from her tenures with other financial institutions in the sub-sectors of banking, investments, insurance brokering and remittances; she now leads the marketing function of the JMMB Group, which includes the areas of marketing strategy, digital marketing, public relations and corporate communications and client insight. She possesses a passion for employing out-of-the-box thinking, in a way that allows for the efficient and effective deployment of marketing resources, to both build and maintain brand dominance and drive revenue growth.

Kerry-Ann holds a Master of Business Administration (MBA), with a specialization in marketing, from the Robert H. Smith School of Business, at the University of Maryland (College Park), as well as a Bachelor of Science (BSc) degree, with a major in Management Studies and minor in Economics, from the University of the West Indies, Mona.

Kerry-Ann is also a business communication coach, speaker and (her personal favourite) a summer camps counsellor to teenaged girls.

Claudine Tracey

GROUP CHIEF STRATEGY OFFICER

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

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

HEADS OF ENTITIES
JAMAICA

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 23 years ago as a Trading Assistant. Keisha has been promoted through the ranks of the trading department where she successfully traded JMMB's portfolios. Prior to her current role as CEO, she was Head of Trading and Treasury. Keisha provides leadership and oversight in the development and execution of the Trading and Treasury strategy for JMMB, JMMB Fund Managers Ltd., JMMB Insurance Brokers Ltd. and JMMB Securities Limited. She is charged with the responsibility for the growth and development of these companies through its stock brokerage offerings, cambio services, unit trust offerings, insurance offerings, portfolio management offerings, as well as the overall asset management business line of the company.

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

Sharon Gibson
CHIEF EXECUTIVE OFFICER – JMMB MONEY TRANSFER LTD.

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

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

Sheron Gilzean

CHIEF EXECUTIVE OFFICER – JMMB INSURANCE BROKERS 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 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

CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR – JMMB BANK (JAMAICA) LTD.

Jerome is a seasoned financial expert with an esteemed 25-year career in banking in the Caribbean and North America and fueld by a vision to lead a team dedicated to providing solutions to clients' needs based on their unique situation via a client-centered banking experience that is second to none.

He joined the JMMB Group team in 2012 as the CEO of the then JMMB Merchant Bank Limited. 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 diverse experience in banking have come to bear being charged with planning and directing of the Bank's operations in alignment with JMMB Group's strategic goals and objectives. Under his stellar leadership, he successfully guided the bank through the application process for the upgrade of its merchant banking license to a commercial banking license and, with innovation and technology at the forefront of his mandate.

Jerome holds an MBA and a Bachelor's degree in Business & Professional Management from the H. Wayne Huizenga Business School, Nova Southeastern University, Florida, USA. He is also a fellow of the Institute of Canadian Bankers and completed executive training at The University of Pennsylvania's Wharton Business School. Jerome currently serves as the 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 was also recently elected to serve on the Board of his Alma Mater, Munro College.

HEADS OF ENTITIES
JAMAICA

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 23 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.

HEADS OF ENTITIES
TRINIDAD AND TOBAGO

Ronald Carter

CHIEF COUNTRY OFFICER AND CHIEF EXECUTIVE OFFICER - JMMB BANK (T&T) LTD.

Ronald's extensive experience in financial services and investment management spans 25 years across the Caribbean and the United States. In addition to being a successful entrepreneur, he has held several senior positions in a number of top-tier global financial institutions and has successfully led businesses in wealth and investment management, capital markets and corporate banking. He is responsible for the leadership and strategic oversight of JMMB's operations in Trinidad & Tobago. Ronald holds a BSc (Honors) degree in Business Management with a major in Accounting from the University of the West Indies and a Master of Business Administration with a concentration in Finance from the New York University Leonard N. Stern School of Business.

Elson James

CHIEF EXECUTIVE OFFICER – JMMB EXPRESS FINANCE (T&T) LTD.

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

Elson has held several management positions at financial giants such as Citibank, American Express, Ryder Systems and Unicomer, and brings valuable multi-national working experience gained in the Caribbean, the United States and Asia. With more than 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

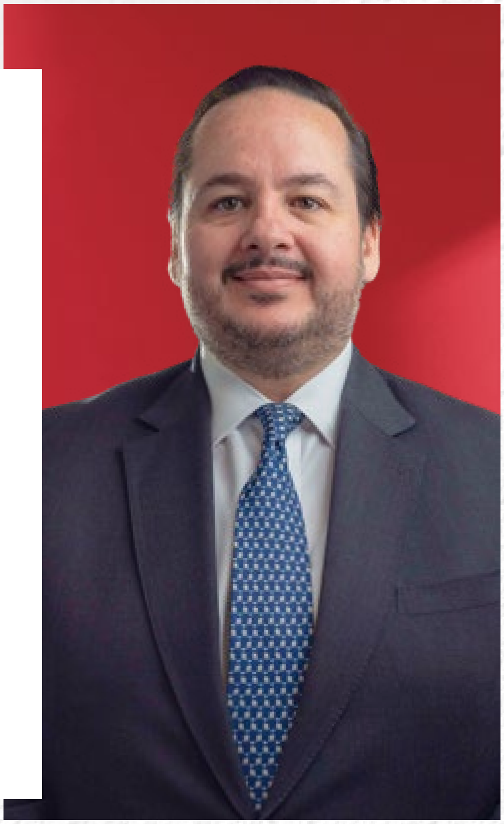
HEADS OF ENTITIES
DOMINICAN REPUBLIC

Juan José Melo Pimentel
CHIEF COUNTRY OFFICER DOMINICAN REPUBLIC AND
CHIEF EXECUTIVE OFFICER, JMMB PUESTO DE BOLSA S.A.

Juan over 15 years of experience in the Dominican financial market specializing in banking and investments. As Chief Country Officer for JMMB Dominican Republic, he has oversight of the operations of the four companies that make up the group: JMMB Bank, JMMB Puesto de Bolsa, AFP JMMB BDI and JMMB Funds (SAFI).

Prior to his appointment as Chief Country Officer in June 2019, Juan served as Chief Executive Officer of Banco de Ahorro y Crédito JMMB Bank, S.A. .

He holds an Industrial Engineer degree from the Pontificia Universidad Católica Madre y Maestra, and a Masters in Finance from the Universidad de Comillas in Madrid, Spain.



Jesus Cornejo
CHIEF EXECUTIVE OFFICER, JMMB FUNDS (AFP)

With 25 years' experience, Jesus has deep financial knowledge of the Banking and Securities market in the Dominican Republic and Mexico. Previous experience includes Risk, Treasury and Client Partnership leadership positions in 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

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


TOGETHER, WE CAN
ACHIEVE more!


THE
JMMB
GROUP LTD

CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDING MARCH 31, 2020

JMMB Group Limited and its directors are committed to maintaining a high standard of governance in line with the laws, regulations and best practices in the jurisdictions in which the Company, its subsidiaries and associated companies operate.

Governance can make or break a business. Having robust governance processes have helped the Company to achieve and maintain profitability, mitigate potential challenges and focus on growth to create long-term value for its stakeholders. It is, therefore, important that those in senior leadership positions continue to act honestly and with integrity. It is also important that they have the time and skills to dedicate themselves to their roles – and sufficient oversight to avoid the prioritization of short-term or personal gain.

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

Below are the Core principles that drive our approach and the ways in which they are practiced:

Conduct and culture	By setting the tone from the top, the board champions JMMB Group's values of love, trust, openness, integrity and good governance ▪ Champion JMMB Group values, as set out in our Vision of Love ▪ Oversee our culture of integrity in dealing with clients, communities and others, in working together, in how we do business and in safeguarding entrusted assets ▪ Promote a respectful environment where colleagues can speak up and challenge behaviours that do not align with JMMB Group values
Stewardship	Directors as stewards of the Company exercising independent judgement and safeguarding the interest of shareholders ▪ Establish appropriate structures and procedures to allow the board to function effectively and independently ▪ Review and implement corporate governance principles and guidelines ▪ Monitor best governance practices ▪ Approve policies

Risk oversight	The Board oversees the frameworks, policies and processes to identify and manage the risks faced by the Group. ▪ Oversee and approve the Group's risk appetite framework ▪ Oversee the Group's strategic risk management by approving risk management frameworks and policies and monitoring conduct risk ▪ Promote a strong risk culture and ensure conduct adheres to the enterprise-wide risk management framework ▪ Approve the quarterly and annual financial reports ▪ Oversee compliance with applicable law , regulations and guidelines
Independence	Independence from management is fundamental to the Board's effective oversight, and mechanisms are in place to ensure its independence
Strategic oversight	Directors are key advisors to management, advising on strategic direction, objectives and action plans, taking into account business opportunities and the JMMB Group's risk appetite. ▪ Oversee our strategic direction, plans and priorities and ensure they align with the Group's risk appetite ▪ Discuss and challenge enterprise strategy with management and monitor the implementation of strategic initiatives ▪ Annually approve the strategic plan, taking into account the opportunities and risks of the businesses ▪ Approve the Group's financial objectives and operating plans, including significant capital allocations, expenditures and transactions that exceed delegated authorities ▪ Review and approve the JMMB Group organizational structure ▪ Review the results of the annual assessment of business performance risk management ▪ Oversee and approve our risk appetite framework ▪ Oversee our strategic risk management by approving risk management frameworks and policies and monitoring conduct risk
Continuous improvement	The board is committed to continuously improving its corporate governance principles, policies and practices.
Accountability	Transparency is a hallmark of good governance. The board is committed to clear and comprehensive financial reporting and disclosure, and constructive shareholder and stakeholder engagement.

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

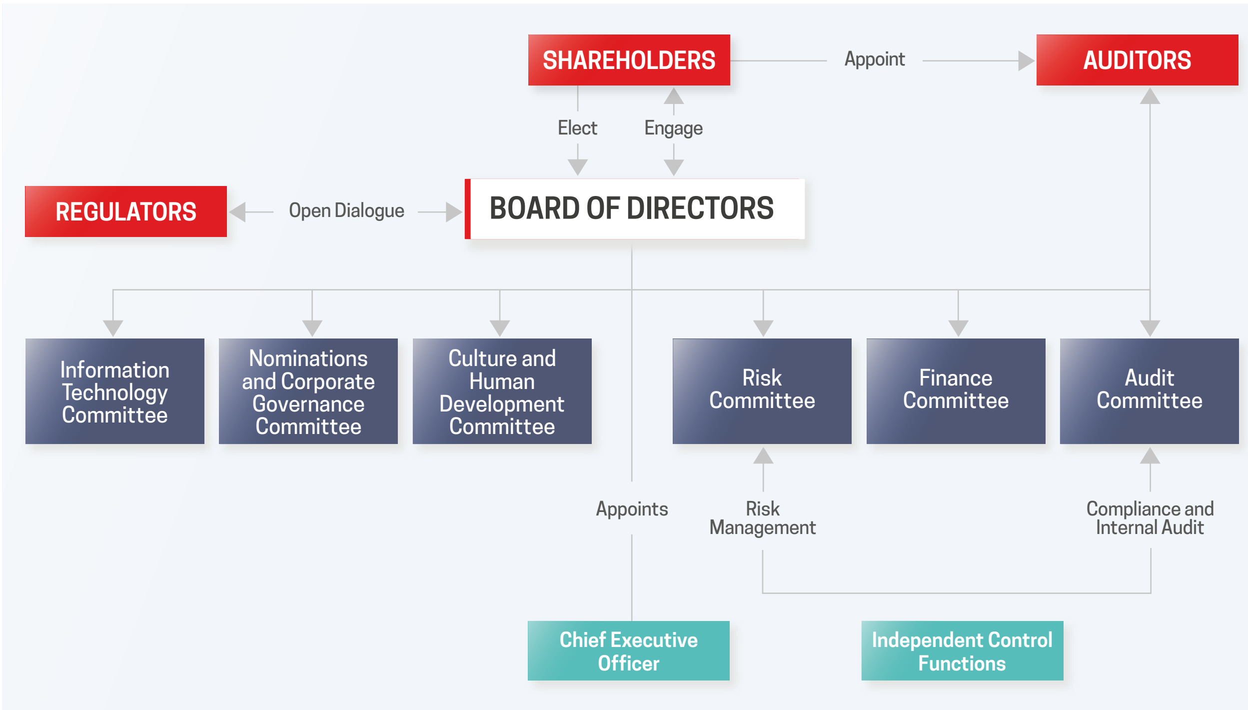
The Corporate Governance Policy applies to all companies in the JMMB Group. The JMMB Group Limited Board of Directors and its committees have oversight responsibility for the subsidiaries' Boards and their committees. The Board of Directors proactively adopts governance policies and practices designed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

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

OUR GOVERNANCE STRUCTURE

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

GOVERNANCE STRUCTURE



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

For the Financial year 2019/20, the Board deliberated on several matters, including but not limited to the following:

- Group strategies and strategic direction
- Financial performance
- Bank Standardization
- Centralization
- Investment / Portfolio decisions
- Review of capital structure and dividend
- Review and approval of Policies
- Operational performance
- Governance and compliance matters
- External financial reporting
- Changes in regulatory environment and impact on the Group
- Changes in information technology
- Risk Management
- Corporate Culture
- Human Resources and leadership development
- Review of Group organizational structure
- Corporate Social Responsibility

ROLE OF THE BOARD OF DIRECTORS

The JMMBGL Board makes major policy decisions, participates in strategic planning and reviews management's performance and effectiveness. The board is guided by the laws and regulations of the various jurisdictions in which the Group operates. The Board reviews and makes decisions about strategic directions and delegates other decisions to its board committees or management using a board approved decision rights matrix. Our policies make provision for board approval for some matters that are material, which could have significant impact on the JMMB brand.

ROLE OF THE BOARD CHAIRMAN

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

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

The Board Chair:

1. advises the CEO on major issues and liaises between the Board and senior management

2. participates in the orientation of new directors and the continuing development of current directors

3. along with the Nominations and Corporate Governance Committee Chair, conducts the Board's effectiveness evaluation and plans board succession and recruitment

4. interacts with directors and senior executives on a regular basis
5. meets with regulators, shareholders and stakeholders on behalf of the board when needed, and

6. meets periodically with independent directors of our subsidiaries.

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

OUR APPROACH TO SUBSIDIARY GOVERNANCE

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

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

Our overall policies are determined at the group level with consultation at the various country level on subsidiary boards which enhances our strong governance. Active and engaged subsidiary boards play a key role in overseeing our entities in the various jurisdictions. Our subsidiaries' boards are comprised of independent directors with specific skills and experience to assist the Board in challenging management and furthering the strategic priorities of JMMBGL and its subsidiaries.

We continue to accelerate diversity on our subsidiary boards and to leverage the subsidiary boards' experience to build talent for growth across the Group. Continuous and open dialogue with shareholders and other stakeholders is a key priority for us. The Board encourages all stakeholders to provide timely and meaningful feedback.

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

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

OUR CODE OF ETHICS AND CONDUCT

The Board sets and expects the highest standards of conduct at JMMB Group to build and maintain the trust of our clients, shareholders, colleagues and the community. The Board, with management, sets the tone from the top and promotes an open and transparent culture at JMMB 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. To that end, our Nominations and Corporate Governance Committee oversees the management of conduct. It continues to enhance board and committee reporting on conduct and culture matters – including client outcomes, employee conduct and risk culture as well as the impact to the integrity, soundness and resilience of financial markets and to our reputation – and monitor emerging trends and best practices to help refine a holistic approach to overseeing these critical issues.

We also encourage our team members to help shape and maintain our culture by speaking up and challenging behaviour that does not align with our values.

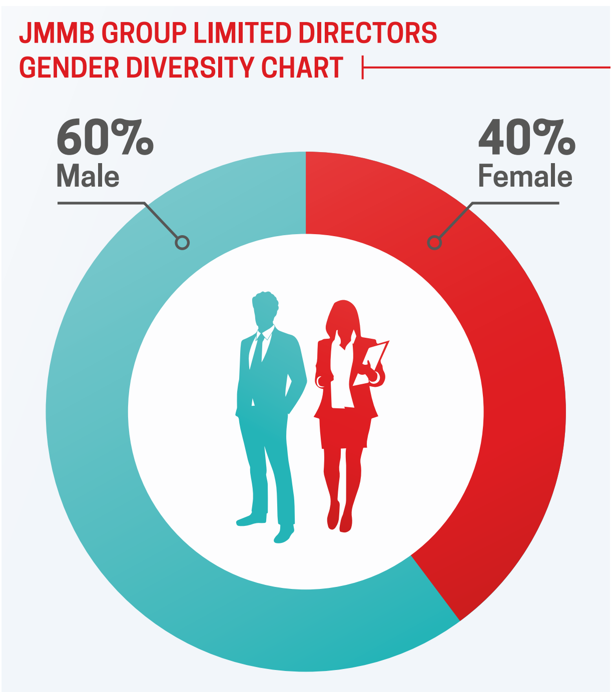
The JMMB Code of Ethics and Conduct ("the Code") promotes standards of desired behaviour that apply to directors, senior management and all team members. It includes the responsibility to be truthful, respectful to others, to comply with laws, regulations and our policies, and to engage in practices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

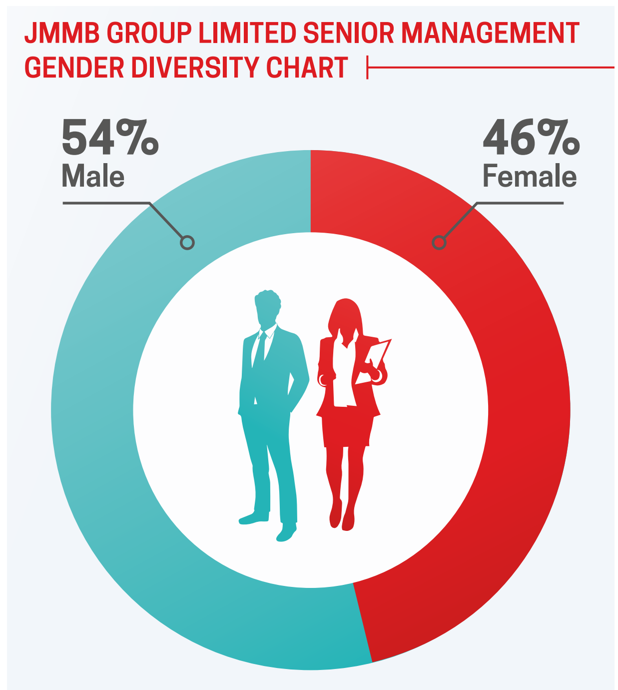
The company has adopted the Code of Ethics and Standards of Professional Conduct of the Association for Investment Management and Research (AIMR®) and each new team member is trained in this area during orientation. JMMB Group claims compliance with the CFA Institute Code of Ethics and Standards of Professional Conduct. However this claim has not been verified by CFA Institute. There is also a mandatory annual refresher course for all team members and directors.

CONFLICTS OF INTEREST

In practice, conflicts of interest can arise as a result of professional and contractual arrangements, directorships and other business interests. Where 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 the meeting. In the event of a conflict of interest, the director or executive officer in question will leave the meeting when the issue is being discussed, and in the case of a director, will not vote or participate in the decision.

COMMITMENT TO DIVERSITY





EXPECTATION OF DIRECTORS

Our directors' effectiveness framework identifies the key characteristics and behaviours that are considered essential for each director to fulfil their role successfully.

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

2. DEDICATION
- Commits fully to the accountability and success of the Board and JMMBGL

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

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

BOARD INFORMATION

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

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

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 the back drop of a dynamic market place and evolving regulatory landscape. As the matrix shows, the directors bring a diverse range of expertise, 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.

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

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 plays 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.	✓			✓			✓		✓	✓	✓	✓	✓	✓	✓
Communications and marketing experience is relevant to the group as it seeks to develop new markets, products and services.		✓		✓									✓		

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
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 strategy.	✔	✔	✔		✔	✔	✔	✔	✔	✔		✔	✔	✔	✔
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

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

Number of Meetings held for the year		Eleven (11)	Four (4)	Seventeen (17)	Five (5)	Three (3)	Four (4)	Eleven (11)
NAMES	POSITION	GROUP BOARD	AUDIT	RISK COMMITTE	CULTURE & HUMAN DEVELOPMENT COMMITTEE	NOMINATIONS & CORPORATE GOVERNANCE	INFORMATION SYSTEMS COMMITTEE	FINANCE COMMITTEE
Andrew Cocking	Independent	11						11
Dr. Anne Crick	Independent	10			5	3		
Dr. Archibald Campbell	Independent	11				3		
Audrey Deer-Williams	Independent	6		14	5			
Audrey Welds	Independent	9				3		
Dennis Harris	Independent	8	*1	17	*2	2		*6
Donna Duncan-Scott	Executive	9						
Reece Kong	Independent	11		16			4	
H. Wayne Powell	Independent	11	*1		5			*3
Hugh Duncan	Executive	9						
Keith Duncan	Executive	11						
Patria-Kaye Aarons	Independent	9						
Patricia Dailey-Smith	Independent	11	4					11
V. Andrew Whyte	Independent	11	4	15				9
Wayne Sutherland	Independent	11	4			3	4	

* Dennis Harris resigned from Committes on June 7, 2019
H. Wayne Powell was appointed on July 18, 2019

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

BOARD EVALUATION

Annual evaluations of the Board and each committee are supplemented with input from members of the group executive on areas such as board and committee processes, interaction with management and overall effectiveness.

We review our evaluation and effectiveness frameworks annually to align them with best practices and regulatory guidance. Updates on priorities and action plans are provided to the Board and committees by the Board Chair and Committee Chairs on a regular basis throughout the year. This approach creates an effectiveness evaluation that is an ongoing, dynamic part of the functioning of the Board.

For the financial year under review, our annual board evaluation was conducted by an independent consultant.

THE EVALUATION PROCESS

Feedback	Analysis	Outcome
▪ Feedback is collected through questionnaires as well as one-on-one meetings ▪ The Board Chair is evaluated by all directors ▪ The Committees and Committee Chairs are evaluated by committee members	▪ An independent consultant analyses the feedback and prepares the reports ▪ The Nominations and Corporate Governance Committee reviews the reports ▪ The full Board reviews the report	▪ Priorities and action plans are developed for the Board and the Board committees as well as the various chair persons ▪ Development opportunities are identified, as required, for each director ▪ Board is kept updated on action items

DIRECTORS' COMPENSATION

Experienced, focused and talented directors are essential to the achievement of our strategic objectives and to provide 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' compensation, taking into account the:

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

JMMB Group compensates its directors fairly and responsibly in alignment with the Group's strategy. For the financial year a total of JA$128,395,000 was paid to the directors across the Group in Jamaica, Trinidad and Tobago and the Dominican Republic, an increase of approximately 28% over last year's figure of JA$100,323,000. For the Company, the amount paid for the financial year was J$45,999,000 an increase of JA$7,033,000.00. The increase in fees is due to inflationary costs as well as additional meetings required for discussions on critical activities such as capital market transactions. Additional Public Offer and the acquisition of shares in Sagicor Financial Company Limited by JMMBGL.

DIRECTORS CONTINUING PROFESSIONAL EDUCATION

The Directors attended various training sessions including:

Organisation	Topic
Caribbean Governance Training Institute	Role of the Audit Committee Chairman 1 day Course Audit Committee Certification
Columbia Business School Executive Education	Governance before and after the financial crisis
Price Water House	Governance and transparency
Jamaica Chamber of Commerce	Sexual Harassment in the Me Too era
Jamaica Bankers Association	AML / CFT breakfast session
Euromoney Training	Corporate Governance
JIFS	AML for CEOs and Board of Directors
JMMB Internal Training	Cyber Security
JMMB Internal Training	AML/ CFT Training

Committee Reports

1. REPORT OF THE NOMINATIONS & CORPORATE GOVERNANCE COMMITTEE

The Committee is satisfied that its activities over the fiscal year have fulfilled its mandate. Over the financial year, the Committee met to conduct the following;

- Review and recommendation of directors to the Dominican Republic and Trinidadian subsidiaries
- Review board procedures to ensure best practices and trends
- Engage independent consultant to conduct board evaluation
- Review the Annual General Meeting and discussed changes that would enhance subsequent meetings
- Review Board revision rights matrix
- Review the JSE Corporate Governance Index and agree on actions to be taken.

The Nominations and Corporate Governance Committee is responsible for periodically determining the appropriate skills, perspectives, experience and characteristics required of Board candidates, considering the Group's needs and Board composition, this is done on an on-going basis.

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

Three (3) meetings of the Committee were held for the year.

2. REPORT OF THE AUDIT COMMITTEE

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

The Group's internal audit assessment of internal controls is based on the standards set by the control criteria framework of the Committee of Sponsoring Organisations of the Treadway Commission (COSO Internal Control Framework). This model evaluates the internal control measures adopted by management. All audits are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. In its oversight of the internal audit function, the Group Audit Committee reviews Internal Audit's assessment of the adequacy and effectiveness of the Group's internal controls, compliance with legal, statutory, regulatory and other requirements. The Committee during the course of its activities, also reviews management reports on regulatory, risk and fraud-related matters. Additionally, some members of the Group Audit Committee also sit on the Audit Committees of subsidiary companies.

The Group Audit Committee Chairman reports to the JMMBGL Board on all significant issues considered by the Committee. During the financial year under review, the Committee achieved the following:

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

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

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

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

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

- Reviewed all relevant related party transactions to ensure they are in compliance with the policy on Related Party Transactions.

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

There were four (4) meetings for the year.

3. REPORT OF THE CULTURE AND HUMAN DEVELOPMENT COMMITTEE

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

During the year, the Committee focused on:

- harmonizing the Group's people polices,

- training and development of team members,

- leadership training, succession planning and

- implementation of our Human Resources Management Information Systems; and

- implementation of Pandemic Protocol Response.

There were five (5) meetings for the year.

4. REPORT OF THE FINANCE COMMITTEE

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

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

The Committee met and reviewed the following:

- Audited and unaudited financials for the year under review;

- The impact of IFRS 16 requirements;

- Review of potential acquisitions;

- Assessed the financial impact of COVID-19 on the group; and

- Implementation of Oracle Cloud Financial Management System which will improve financial reporting for the Group as well as Cost Accounting.

Auditor independence

During the year ended March 31, 2020, the Committee reviewed the external auditor's independence, the scope of non-audit services and independence safeguards with KPMG Chartered Accountants, the Group's external auditor.

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

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

There were eleven (11) meetings for the year.

5. REPORT OF THE INFORMATION TECHNOLOGY COMMITTEE

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

- Guiding the Group as to the future of technological developments;

- Linking IT strategy and goals to the business strategy and goals;

- Leading the development of a process framework, based on generally accepted practices that align, control and measure IT activities;

- Ensuring that there is consistent and relevant communication between IT and the business on strategic and operational activities, issues and opportunities;
- Directing the development and implementation of a performance measurement mechanism to monitor IT-related strategic and operational activities across the Group; and

- Leading the development of a robust IT risk management framework with clearly defined and articulated responsibilities across the Group.

- Providing oversight to ensure that IT policies are adhered to and procedures exist to reinforce defined policies

During the year the Committee focused on the following areas:

- Aligning IT Strategy to ensure the capacity to operationalize the overall Group strategy

- Reviewing and aligning planned infrastructure upgrades needed to enhance regional integration

- Aligning Group capacity to handle Standardization and conversion to Visa Debit Card initiative

- Aligning Group IT to an effective Service Model and Service Level Agreement needed to drive regional IT efficiencies
- Activated the Information Technology business continuity plan to deal with the impact of COVID-19 on the Group's operations

- Reviewing change in development standards to ensure more disciplined and effective development methodologies

There were four (4) meetings for the year.

6. REPORT OF THE RISK COMMITTEE

The Group has an enterprise wide risk management framework in place to identify, assess, manage and report risks and risk adjusted returns on a consistent and reliable basis.
The role of the Board Risk Committee is to ensure that a comprehensive risk management framework is enacted by Management and to promote an appropriate risk management culture, on behalf of the Board. The Board Risk Committee's oversight responsibilities with regard to the risk management framework and the underlying compliance monitoring and governance structure include overseeing risk exposures and strategies in relation to the following:

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 its risk appetite statement, including risk limits, which is 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:

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

During the year, the Board Risk Committee executed the following;

- Monitored Management's compliance with the Group risk management framework including policies and limits
- Reviewed and made recommendations to the Board of Directors on key policies for ratification relating to capital (that underpin the Internal Capital Adequacy Assessment Process), liquidity, credit and other material risks. These are overseen and reviewed by the Board mostly on an annual basis.
- Reviewed significant transactions that could impact the overall financial strength or reputation of the Group and subsidiaries

- Discussed preparations to address the anticipated changes in the regulatory framework and industry conditions over the next few years.

- Assessed the impact of COVID-19 on the capital of the group

The Board Risk Committee met a total of sixteen (17) times to review policies, deliberate on capital market transactions, significant and transactions and oversee the general risk framework.

REGULATORY COMPLIANCE

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

The Board is satisfied that compliance issues raised during the financial year have been properly addressed and resolved and that there are no material unresolved issues, as evidenced by the independent AML audit that was conducted.

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:

- Maintain open communication with the regulators;

- Comply promptly and fully with requests for information as required by law;

- Keep 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

- Ensure that there is annual training of all team members and directors on the Proceeds of Crime Act, Code of Ethics, 'Know Your Client and Employee' and any new regulations.

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

JSE CORPORATE GOVERNANCE INDEX

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

CORPORATE SOCIAL RESPONSIBILITY

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

JMMB Group through the JMMB /Joan Duncan Foundation has also made contribution via an Endowment Fund to the University of the West Indies in the amount of US$1,000,000 over seven years .

SHAREHOLDER ENGAGEMENT AND COMMUNICATION

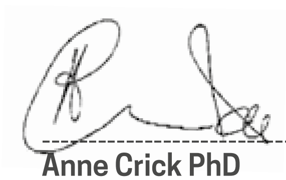
Members of the Board of Directors make themselves available to engage with shareholders and encourage them to express their views. The Board is committed to maintaining and improving dialogue with shareholders in order to ensure that the objectives of both the Group and the shareholders are understood.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

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

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

YOUR VIEWPOINT IS IMPORTANT

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



Anne Crick PhD
Chairman Group and
Group Nominations and Corporate Governance Committee
July 20, 2020

RISK MANAGEMENT

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

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

MAJOR RISK RELATED DEVELOPMENTS FOR FY 2019/20

The FY 2019/20 can be characterized by significant market volatility particularly in the commodity markets reflecting economic uncertainty and heightened geopolitical risks. Moreover, the global economy continues to weather the impact of the spread of COVID-19 as nations around the world have taken extraordinary steps to mitigate the impact of the dual public health and financial crises.

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

GLOBAL

- Central banks around the world cut interest rates in an attempt to mitigate the negative effects of a trade war and the economic fallout from the pandemic. After raising rates in 2018, the U.S. Federal Reserve abruptly changed course and cut rates three times in 2019 on fears of an economic slowdown. Many other central banks followed the same path, while the European Central Bank took rates further into negative territory.

- Heightened geopolitical risk became the new normal, with uncertainty surrounding policy, international relations and political leadership now a driving force behind financial market volatility and sentiment as increased trade tensions between the world's two largest economies- China and the United States resulted in increased market volatility in global equity and fixed income markets.

- Trade tensions between OPEC and Russia and an earlier attack on Saudi Arabia's oil reserves by forces loyal to Iran resulted in significant volatility in mid-2019 and sharp decline in oil prices in Q4 FY 2019/20. The concurrent fall in global demand due to the pandemic-based lockdowns triggered an oil glut on global markets sending may crude future contracts into negative territory.

- In December 2019, a novel coronavirus subsequently named COVID-19 emerged in Wuhan, China. At the time of writing the virus has infected 4.8 million globally and resulted in over 318,000 deaths with the numbers continuing to grow. Despite the quick sharing of the virus's DNA code, a vaccine remains elusive and not anticipated for another 12 to 18 months. Governments in response have closed borders, thus restricting travel and applying a large shock to the global supply chain.

JAMAICA

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

- However, market factors reflected slightly elevated currency and liquidity risk given demand from local and international corporates retooling and expanding throughout the year. This was fuelled by increasingly large corporate capital market transactions resulting in pressures on both system liquidity and the exchange rate at times.

- As a result of slowdown fears, the US Fed cut rates in 2019 to provide monetary support to US markets which many central banks including the Bank of Jamaica utilized to bolster domestic economies. The upward pressures on EM yields was ameliorated by continued reductions in Jamaica's sovereign risk premium.

- The BOJ significantly increased system liquidity despite seasonal withdrawal at the end of the financial year 2019/20 to support the financial system through a suite of monetary policy measures and a bond buying program.

- Standard and Poor's Ratings Agency (S&P), on September 27, 2019, upgraded the Government of Jamaica's long-term foreign and local currency rating to "B+" from "B" and affirmed the 'B' rating on the short-term foreign and local currency sovereign credit ratings. The rating upgrade reflected the country's prudent fiscal policy stance, improving macroeconomic and strengthening regulatory environment. Despite revising its rating outlook to negative given the onset of the pandemic, S&P projects that the economic contraction is likely to be more moderate than in many Caribbean sovereigns due to the relatively higher level of diversification of the Jamaican economy.

- The BOJ implemented the Liquidity Coverage Ratio (LCR) in October 2019 to enhance its liquidity regulatory framework.

DOMINICAN REPUBLIC

- The economy continued to reflect positive macroeconomic indicators with periods of elevated currency depreciation risk, as the Central Bank aimed to maintain its commitment to conducting monetary policy, with a view towards achieving its inflation target and controlling its local currency devaluation.

- Up to the onset of the crisis, the economy was growing close to potential with inflation within the central bank's target range, unemployment was near historical lows and the external current account deficit narrowing. Like other regional jurisdictions, Dominica Republic was impacted by the spread of the virus resulting in over 12,000 cases and 434 deaths (at the time of writing).

- In recognition of the risk to the economy that limited public medical resources and facilities pose, the government increased spending to offset the fallout. However, higher spending by the government in the wake of lower revenue intake will lead to the widening of the fiscal deficit and the impact of rising debt levels could become a concern on its future economic impact.

- The local regulator has implemented the LCR framework for the puesto industry aimed at broadening the suite of regulatory tools as part of the local push to improve the financial system including corporate governance and risk factors.

TRINIDAD AND TOBAGO

- The economic conditions continue to be challenged in Trinidad. The sharp decline in oil prices triggered by the fall in demand and geopolitical tensions among major oil producing nations caused the global oil glut increased pressure on the local currency and threatens to worsen fiscal accounts. The government estimates the country could lose between TT$6 billion and TT$8 billion due to the plunge in global oil prices.

- S&P rating agency downgraded Trinidad's long-term foreign and local currency sovereign credit ratings to 'BBB-' from 'BBB', and its short-term foreign and local currency sovereign credit ratings to 'A-3' from 'A-2' citing the country's weakening resilience against external shocks.

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

- In December 2019, CBTT announced several material changes to the Basel II framework, which will result in a more conservative calculation of the capital adequacy ratio.

Top Emerging Risk

GLOBAL MACROECONOMIC RISK

A synchronized slowdown in global economic growth resulted from the pandemic risk as nations around the world have taken extraordinary steps to mitigate the impact of the dual public health and financial crises. As a result of the pandemic-driven economic recession, the IMF is projecting the global economy to contract sharply by –3 percent in 2020, much worse than during the 2008–09 financial crisis. Other emerging risks include Britain's exit from the European Union, high debt in some countries rising to unsustainable levels, trade tensions between economic and oil giants and a general sense of unease in financial markets.

HEALTH RISK

The spread of the COVID-19 virus -an infectious disease that causes respiratory illness- and the lack of an effective treatment has created a great deal of uncertainty across the globe. While most persons recover following mild symptoms, some persons with underlying medical issues are highly likely to develop complication from the infection. The virus has spread to many parts of the world, infecting upwards of 4.8 million persons and resulting in the death of more than 318,000 and counting. To reduce the rate of infection and cauterize the spread of the disease, several countries have closed their international borders and/or have instituted measures to curtail movement of persons within their borders.

GEOPOLITICAL RISK

Political risks in Europe particularly as it relates to UK/EU trade negotiations and the US with its divided houses of Congress risk political gridlock as voters choose a President in November 2020. The political impasse in these jurisdictions which could potentially reflect an inability to respond to economic challenges in the context of an economic slowdown. The seemingly chaotic response from OPEC and non-OPEC members to the fall in demand for oil resulted in a historic oil glut which is expected to keep prices depressed for the near term.

IT & CYBER RISK

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

REGULATORY RISK

Some central banks and regulators within the region continue to improve the regulatory environment with the implementation of Basel II & III and the introduction of liquidity risk measurements such as the Liquidity Coverage Ratio.

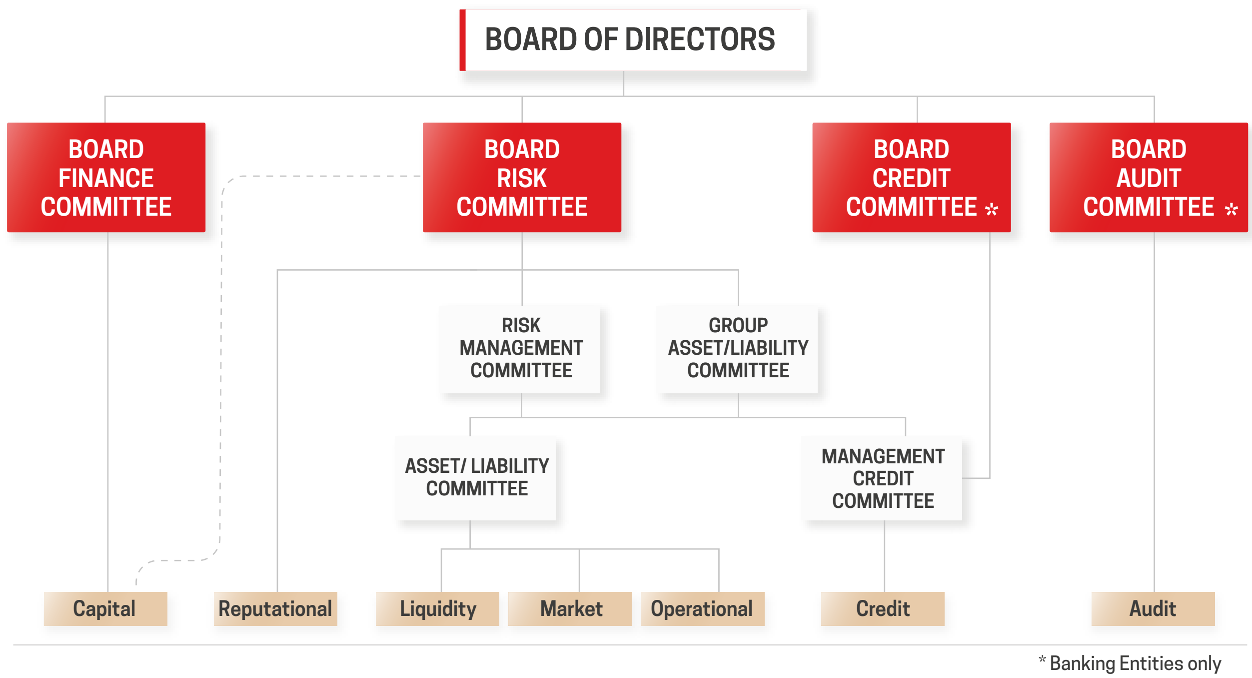
The JMMB Group continues to adjust its financial and investment profile and actively manage its risk exposures, to position itself to take advantage of market opportunities and ensure resilience, even if significant adverse market conditions should develop in global markets, or in any of the jurisdictions 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. Since 'we always keep the customers' best interest at heart, the JMMB Group invariably takes proactive measures to safeguard the best interest of our stakeholders. This is within the context of a robust capital and risk management framework whereby the risk universe is accurately identified; and material risk factors are then continuously measured, monitored, controlled and reported. The limit and breach escalation system provides a mechanism for risk control, with limits based on the risk appetite for each major risk approved by the Group Board of Directors and having been reviewed and approved by the Group Board Risk Committee. This also occurs in the context of the Internal Capital Adequacy Assessment process (ICAAP) where strategy is assessed on an annual basis and the capital requirements necessary for maintaining an acceptable risk profile is determined. This is a central component of the organization's strategy for managing risk to create value.

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

Figure 1. The JMMB Group Risk Management Hierachy



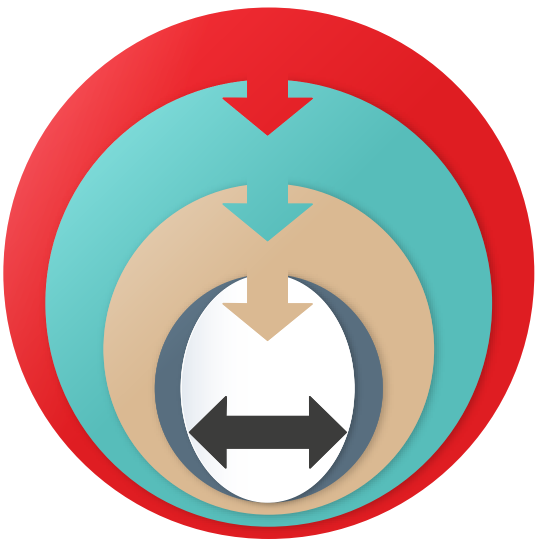
The Board Risk Committee (BRC) is directly supported by other committees within the Group. These include the Risk Management, Credit Management and Asset Liability Management Committees which convene regularly and more closely monitor the risk exposures of the Group and its subsidiaries against the limits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

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

GENERAL STATEMENT OF RISK APPETITE

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

Risk Appetite Framework Components



●	Risk Capacity
●	Risk Appetite
●	Risk Limits and Key Risk Indicators
○	Risk Profile
●	Risk Posture

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

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

THE JMMB GROUP RISK POLICY OVERVIEW

The JMMB Group risk policy is the overarching document that formally outlines the risk management approach of the overall Group. The policy explores the principal risk exposures of the JMMB Group from an enterprise level and further outlines a process for the determination and management of new 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. It also outlines an enterprise-wide risk management process that supports the effective identification and management of risk.

RISK MANAGEMENT PRINCIPLES AND CULTURE

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

i. There is full Board ownership of risk governance and this oversight responsibility is enhanced by the specific focus of a Board Risk Committee.

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

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

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

v. All entities within the Group are adequately capitalized to protect against the effects of major shocks.

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

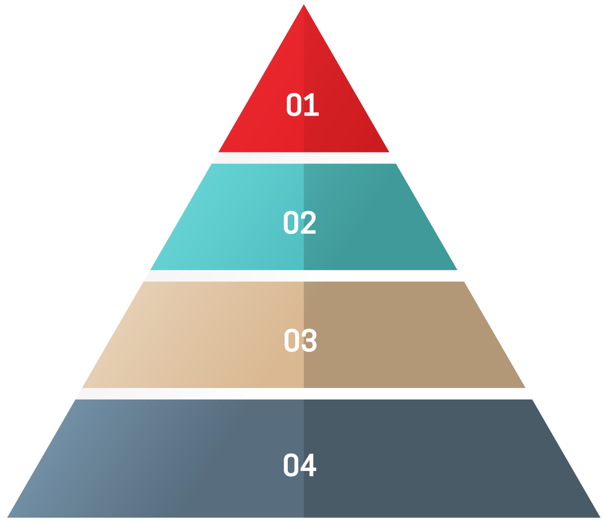
vii. The operating environment for each jurisdiction is taken into consideration and risk management techniques are tailored to adequately support each entity.

RISK MEASUREMENT, CONTROL AND REPORTING

The assessment of the material risk exposures includes both quantitative and qualitative approaches, thus ensuring 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) market risk, II) credit risk, III) liquidity risk IV) operational risk V) regulatory risk and VI) reputational risk



Macroeconomic	▪ Systemic
Strategic	▪ Legal and Regulatory ▪ Competition ▪ Strategic ▪ Reputational
Execution	▪ Operational ▪ Regulatory
Transactional	▪ Market ▪ Credit ▪ Liquidity

TOOLS USED TO MEASURE RISK

I. MARKET RISK

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

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

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

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

Note 31 (d) provides details of VaR levels throughout the financial year.

The JMMB Group also utilizes non-statistical risk measures and other sensitivity techniques such as duration which reflects an instrument's sensitivity to interest rate risk as well as repricing gaps which approximate the potential change in net interest income. Likewise, scenario based stress tests comprising of both specific and systematic risks are conducted in line with the near and long-term strategy.

Note 31 (d) (i) provides additional details on our foreign currency exposures.

II. CREDIT AND COUNTERPARTY RISK

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

Using internally developed quantitative and qualitative models, fundamental research, and where practicable, third-party research, we assign ratings and determine exposure limits to counterparties arising from lending, investment and funding activities.

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

III. LIQUIDITY RISK

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

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

The JMMB Group commits to:

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

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

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

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

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

Key liquidity metrics monitoring 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 conditions and liquidity conditions.

IV. OPERATIONAL RISK

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

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 oversight of business continuity falls largely within the sphere of Risk Management.

The objectives of the Group's BCP are to:

(a) Protect human life;

(b) Identify processes critical to the operations of the Group and safeguard the Group's assets;

(c) Provide tested plans which, when executed, will permit timely and efficient recovery and resumption of the Group's critical business functions;

(d) Minimize the inconvenience and potential disruption of service to internal and external customers;

(e) Describe the organizational structure necessary for executing the plan;

(f) Identify the equipment, procedures and activities for recovery.

(g) Ensure that the reputation and financial viability of the Group is maintained at all times and

(h) Ensure compliance with regulatory requirements.

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

V. REGULATORY RISK

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

Given the expansion of the Group geographically, we take steps to ensure that the team understands the nuances in regulations across jurisdictions in standardizing reporting frameworks across the Group to ensure regulatory compliance is maintained at all times.

VI. REPUTATIONAL RISK

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

Reputational risk is a key consideration in all activities that the Group undertakes. The Group has various policies, systems and controls in place to ensure proactive identification, assessment and management of reputational risk issues that can arise from internal or external sources.

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 the 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 reflects management's strategies and tactics while ensuring compliance with Board's expressed risk tolerance.

Appendix: Relevant Regulation FY 2019/20

Country	Regulation
JAMAICA	The Bank of Jamaica (BoJ) initiated their Liquidity Coverage Ratio (LCR) in Jamaica (For licensees under the Banking Services Act) in October 2019. The requirement of 75% comes into effect in October 2019 with the full 100% requirement coming into effect in October 2020.
	Implementation of the RRMR 20% limit which was due to start in March 2020 will be delayed for 3 months.
DOMINICAN REPUBLIC	LCR was initiated in March / April 2020 with a target limit of 90%
	Mark to Market (MTM) rules are due to be implemented in Jan 2021.
TRINIDAD AND TOBAGO	The Central Bank took into consideration the impact of Covid-19 on the financial system and decided to delay the implementation of elements of Phase 2 specifically Pillar 3 (Market Disclosures) of the Basel II/III framework. Specifically, regulations related to the leverage ratio, the capital conservation buffer and the capital add-on for domestic systemically important financial institutions were delayed to January 2022.

ENVIRONMENTAL SUSTAINABILITY REPORT

"The JMMB Group is committed to life in all its abundance. In keeping with this we are committed to being concerned with the conservation, preservation and sustenance of the natural environment in order to ensure sustainable development."

Excerpt from the JMMB Group's Vision of Love

JMMB Group has always been concerned about the environment as evidenced in our vision of love document, which is a guiding philosophy of the company's culture. It was written and established by legacy team members to capture the essence of the kind of organization they would dedicate themselves towards working for and building up. A true depiction of the company's culture of love for each other, the wider society, and the natural environment in which we all live and strive.

Our strategy for environmental protection is focused on long-term goals as well as short-term wins or low hanging fruits. This happens both in the assessment of our environmental impact as well as the development and implementation of solutions to reduce same.

We believe that sustainability and sound environmental protection is best achieved when we all play our role in upholding environmental priorities and values. We also recognize that this is an integral commitment in our pursuit of being good corporate citizens.

JMMB Group is therefore committed to the following:

1. Conducting responsible and sustainable business practices that benefit the environment and the communities in which we operate and contribute to their long-term success and resiliency.

2. Complying with all relevant environmental legislation and regulations that are applicable to our operations and business services wherever we are established.

HIGHLIGHTS:

5.6mil
Average yearly savings (including 9 Haughton)

23%
Average reduction in oil dependency

124k
Clean electricity to be generated per year (including Haughton)

3. Reducing our carbon footprint by reducing the impact of our commercial activities on the environment through capitalizing on opportunities to reduce, reuse and recycle.

4. Providing training and engagement opportunities for our team members in sustainability practices, environmental stewardship and responsibility.

5. Integrating environmental protection and sustainability considerations into all our applicable business operations across the organization and holding ourselves accountable.

6. Facilitating investments that enable/assist the movement from a high-carbon economy to a low-carbon economy through our business activities.

7. Seeking to form business relations with partners, suppliers, and subcontractors who maintain similarly high environmental standards.

8. Providing support to causes and efforts that promote environmental sustainability.

9. Sharing our environmental protection and sustainability strategies and key initiatives with our stakeholders and monitoring our progress for continuous improvement of our environmental performance.

10. Regularly updating our practices to incorporate new developments in environmental protection and sustainability management that may be relevant to our business, and reporting our progress annually to our employees and shareholders.

The JMMB Group Management Team stands by these commitments and will continuously endeavor to play our part in the sustainable management of the environment, which in turn fulfils the company's vision of love.

ENVIRONMENTAL ACCOMPLISHMENTS FY 2019/20

Global warming is the long-term increase in surface temperatures that has an effect on climate systems and therefore is a major aspect of climate change being experienced across the globe. While these changes occur naturally, human activities - primarily the burning of fossil fuels, have elevated them to record high levels.

This causes an increase in greenhouse gas levels which trap heat in earth's atmosphere. This is evidenced by rising sea levels among many other environmental challenges such as the depletion of the ozone layer which protects us from the harmful rays of the sun.

When facilities are built and operated to provide services they typically add to the increase of carbon emissions or greenhouse gases through the burning of fossil fuels for cooling and heating and other operational functions. Therefore by extension these facilities add to the deleterious effects of global warming and climate change. JMMB is no exception and has therefore taken steps as a company towards reducing its carbon footprint through energy reduction and fostering other environmentally sustainable strategies.

Environmental sustainability is a key part of JMMB's corporate and social responsibility and is a journey of continuous improvement and developments to establish and update our policies, goals, objectives, and practices which guide our operations.

In 2012, JMMB embarked on an exploratory mission of its operational activities to determine areas of concern, which could be systemically altered over time to reduce their environmental impact. This led to an Energy Audit of all its facilities and the formulation of a strategic plan, to tackle the highlighted issues and make recommendations. This plan formed a part of the JMMB's overall GO GREEN strategy for which solutions are continuously being refined and executed to reduce our energy consumption and overall environmental impact.
The following are environmental achievements for the FY 2019/20:

REDUCTION OF ENERGY CONSUMPTION & SUBSEQUENT CARBON EMISSIONS

- Employment of an alternative energy solution to reduce the dependence of the electrical grid and subsequent burning of fossil fuel to provide the required energy to power our facilities.
  - Installation of Solar Photovoltaic (PV) system at 17 ½ Phoenix Avenue

- Installation of Inverter air condition units
  - Our mandate is to replace all a/c units that are at end of life to new inverter technology
  - over 35 new inverter air conditioner units were installed island wide during the financial year, as a result of replacement exercises as well as, new buildings and renovations of existing spaces
- Installation of LED Lights
  - LED lights were installed in all facilities acquired or renovated within the FY
- Use of Energy star appliances
  - All new appliances bought inclusive of televisions and refridgerators are energy efficient.

WATER CONSERVATION - RAIN WATER HARVESTING AND IRRIGATION SYSTEM

- We embarked on a rainwater harvesting program, which was kick started with a pilot in January 2020 at our Phoenix Avenue location. Water was harvested to assist with maintenance of green spaces during the drought period.
- Other locations were identified for rolling out this program for the next FY. These locations will be assessed and appraised with the intention of implementing at least one system within FY

2020/21 which will incorporate lessons learned from the pilot.

GREEN SCAPING & AIR QUALITY IMPROVEMENT

- Green areas were incorporated at two (2) locations, one near the head office on Haughton Terrace and another on Phoenix Avenue. These green areas assisted with water run-offs and absorption, increasing shading and absorbtion of carbon dioxide which promotes clean air.

- We utilize plants in all our locations, which not only adds to the aesthetics, but also improve indoor air quality.

WASTE REDUCTION

- Reduction in paper usage and printing

  - Ongoing investment in electronic channels such as Moneyline, ATMs and our client care centre, reduced some paper generation activities within our branches and simultaneously reduced carbon emissions from clients driving to our locations to complete these transactions.

  - Increase in the generation and distribution of electronic statements, annual reports and other documents for our clients has significantly reduced printing needs, there saving trees.

- Increase in electronic file storage capacity has reduced the need for printing of documents, as was the case in previous years.

- All suppliers are required to submit electronic payment information thus reducing the need for printing cheques.

RENEWABLE ENERGY LOANS

- Support the move to reduce carbon emission by extending loan facility to our client base

  - JMMB continues to offer loan products to its clients at a competitive rate in support of pursuing alternative energy options for their homes or businesses. This will cover up to 70% of the investment.

SUPPORTING ENVIRONMENTAL SUSTAINABILITY INITIATIVES WITHIN THE COMMUNITY

- JMMB gives back to the communities in which we operate, every year by adopting an environmentally responsible initiative such as tree planting or coastal cleanup, as our annual team member activities.

Wickie Wackie Beach cleanup was undertaken for Labour Day 2019

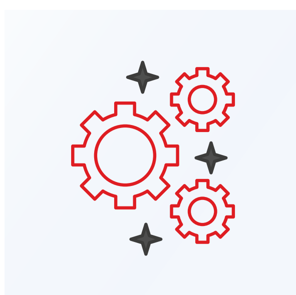
JMMB remains committed and earnestly seeks to continue playing our part on every level of this global push towards reducing the environmental impact on, lives and livelihood, as we aim to create a more sustainable world.

GROUP INFORMATION TECHNOLOGY AND CHANGE SUPPORT SERVICES REPORT

PARTNERING FOR BIG GROUP WINS

The Information Technology (IT) and Change Support Services (CSS) teams have played a major role in the execution of projects which support the Group's continued focus on streamlining operations, systems and technology across territories and business lines. Financial year 2019/20 was particularly significant as the teams partnered to lead thirty (30) deployments across the Group. These deployments, spanning system changes, major projects, process changes and improvements, as well as user experience upgrades all served to secure the Group's technology framework, enable big wins for clients and stakeholders, support the Group's strategic direction and prepare it for future growth.

4 Strategic Projects Closed



11 Business Process Improvements Completed

4 Major Online Banking Upgrades Completed for Retail & Corporate Clients

Much of the year's success is attributable to an improved cross-functional and collaborative work flow between the CSS and IT teams. For the IT team, minor internal re-structuring and measures to increase capacity were implemented to bolster the digital services IT team. This derived the benefit of reduced time-to-market for critical digital initiatives. Improvements were made to portfolio governance, communication and resource allocation which yielded benefits of improved schedule and budget management for projects closed during the year. The teams also improved partnership in the approach to achieving quick client and business wins implemented in the previous financial year. This resulted in fixes which yielded efficiencies at the product and business line levels, an improved ease of doing business with the Group as well as compliance with critical regulatory requirements.

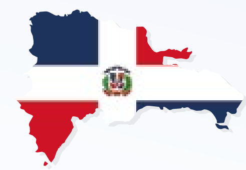
BANK STANDARDIZATION – ONE GROUP. ONE CLIENT. ONE EXPERIENCE.

Work on the Group's standardization project continued in earnest during the financial year. This extensive Group wide project is aimed at streamlining operations, service delivery, experience and technology for the banking business line. For the IT team this entailed a laser focus on the continued strengthening of the backbone of the Group's IT infrastructure, as the project will result in all three banks utilizing a single standardized platform. It is anticipated that the Group will realize cost efficiencies in technology arising from the use of the single platform and resultant changes to team structure and operations.

BANK STANDARDIZATION WINS 2019/2020

- Core Banking Technology Upgrade
- Group Visa Debit Card Implemented
- ETMs Converted to Bank ATMs

BANK STANDARDIZATION WINS 2020/2021



- Core Banking Technology Implementation
- Group Visa Debit Card Upgrade (TT) and Implementation (DR)
- Online Banking Standardization to Moneyline

The big win under this project was the successful launch of the Group's Visa Debit card and the conversion of proprietary Electronic Transaction Machines (ETMs) to Automated Teller Machines (ATMs) in Jamaica. This brings Phase I of the project to a close Phase II, which includes the implementation of a new core banking platform and new online banking services via Moneyline and upgrade of the debit card service in the Dominican Republic and Trinidad and Tobago. Phase 2 will include the implementation of a new core platform.

While standardization and other major projects dominated the year, the team was equally focused on ensuring that the Group's security, network and overall technology infrastructure remained in class, to standard and competitive. To this end, the Group has been seeking to leverage cloud capabilities to derive greater capacity, enhanced security and availability and the ability to scale on-demand. This journey commenced with specific applications being delivered to the Group via Software as a Service (SaaS). The project will continue in the coming year and will result in the Group's own homegrown platforms being migrated to the cloud. The build out of the Group's data warehouse was additionally completed during the year and, as new business lines and requests are added, those changes will be incorporated into the data warehouse's architecture and capabilities moving forward. The warehouse is expected to bring to the Group, data analytics capabilities and will support activity-based costing and profit optimization all in an effort to strengthen the ability to deliver tailored solutions and improve the Group's overall operating efficiency.

LEVERAGING STRATEGIC PARTNERSHIPS TO DRIVE INNOVATION

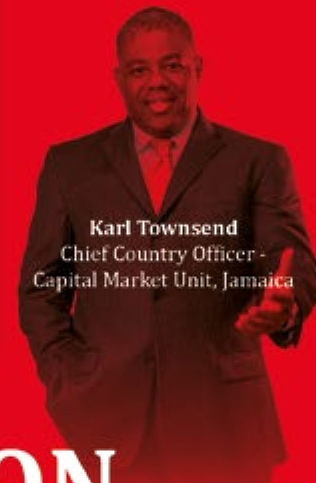
We continue to leverage our partnership with the Innovate10X team to enhance the Group's ability to identify and capitalize on the latest trends in technology and banking. Through this partnership, the Group was able to derive key insights which allowed us to improve our clients' experiences on our digital channels and make interaction with us an easier and more enjoyable experience. We anticipate this partnership to birth new and innovative digital channels and solutions for the Group in the coming year as the two teams work to deploy applications developed in the previous year.

IT SECURITY AND OUR NEW REALITY, LOOKING AHEAD

Security continues to be a major focus for the Group particularly in light of the COVID-19 pandemic. With the onset of the pandemic, the Group's focus on safety for our teams and improved accessibility for clients was intensified. This has had the impact of our teams fast tracking already planned digital initiatives which, in turn, increase the risk of cyber-attacks. This heightened risk is in line with trends identified before and after the COVID-19 pandemic in which the level of fraud (e.g. phishing attacks) is expected to increase globally. Against that background, our team remains vigilant and continues to harden the security protocols which protect against these potential threats. Our security team on an ongoing basis, reviews the current and evolving threats to identify risks and implements processes and systems where applicable to protect the Group and its clients.

JMMB GROUP CAPITAL MARKETS UNIT

Julian Mair
JMMB Group Chief Investment Strategist



Karl Townsend
Chief Country Officer - Capital Market Unit, Jamaica

We know investment banking

OVER J$59 BILLION IN TRANSACTIONS

Debt Capital Markets | Equity Capital Markets | Leveraged Finance and Mezzanine Finance | Mergers and Acquisitions Advisory Services

DIVERSIFIED GROUP
J$ 2,300,000,000
Fixed Rate Secured Notes due 2023
LEAD BROKER AND SELLING AGENT
APRIL 2019

STRUCTURED FINANCE
US$ 12,310,000
Preference Shares due 2022
LEAD BROKER AND PLACEMENT AGENT
JULY 2019

TECHNOLOGY COMPANY
US$ 3,100,000
Fixed Rate Secured Notes due 2020
LEAD BROKER AND SELLING AGENT
JULY 2019

TECHNOLOGY COMPANY
US$ 15,000,000
Preference Shares due 2029
LEAD BROKER AND SELLING AGENT
SEPTEMBER 2019

FINANCIAL SERVICES COMPANY
J$ 1,350,000,000
Fixed Rate Secured Notes due 2022
LEAD BROKER AND SELLING AGENT
SEPTEMBER 2019

THE JMMB GROUP
J$ 12,400,000,000
Additional Public Offer of Ordinary Shares of 325,000,000 Ordinary Shares
LEAD BROKER AND SELLING AGENT
NOVEMBER 2019

LARGE IMPORTER
J$ 1,075,000,000
Fixed Rate Unsecured Notes due 2023 & 2029
LEAD BROKER AND SELLING AGENT
DECEMBER 2019

STRUCTURED FINANCE
US$ 8,000,000
Fixed Rate Unsecured Notes due 2023
LEAD BROKER AND SELLING AGENT
DECEMBER 2019

THE JMMB GROUP
J$ 9,520,000,000
Fixed Rate Unsecured Notes due 2022 & 2026
LEAD BROKER AND SELLING AGENT
DECEMBER 2019

THE JMMB GROUP
US$ 48,000,000
Fixed Rate Unsecured Notes due 2022 & 2026
LEAD BROKER AND SELLING AGENT
DECEMBER 2019

JABLUM
J$ 1,825,000,000
8.00% Senior Secured JMD Fixed Rate Bond
LEAD BROKER AND SELLING AGENT
DECEMBER 2019

NiQuan ENERGY
US$ 52,452,000
Fixed Rate Secured Notes due 2021
JMMBITT CO-BROKER AND SELLING AGENT
FEBRUARY 2020

STRUCTURED FINANCE
US$ 25,000,000
Note Receivable due 2023
ARRANGER AND SELLING AGENT
FEBRUARY 2020

TRANSJAMAICAN HIGHWAY
J$ 14,100,000,000
IPO of 10,000,000,000 Ordinary Shares
CO-BROKER AND SELLING AGENT
MARCH 2020

NiQuan ENERGY
US$ 9,000,000
Fixed Rate Notes due 2021
JMMBITT CO-BROKER AND SELLING AGENT
MARCH 2020

The JMMB Group's Capital Markets Unit continues to create winning tailored investment banking and capital markets solutions for clients. You can depend on us to deliver solid results with our value-added services and expertise in equity capital markets; debt capital markets; and mergers and acquisition advisory services.

JMMB SECURITIES LTD
A Member of the Jamaica Stock Exchange

Transactions occurred during the period April 1, 2019 and March 31, 2020. This advertisement appears as a matter of record only.

MARKETING REPORT

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

The 2019/2020 financial year manifested itself as another success for the JMMB Group marketing function. Our marketing strategies and plans were driven by three primary strategic imperatives: (1) building awareness and strengthening the equity of the JMMB brand; (2) facilitating the organization's financial growth, by strengthening revenue generation; and (3) supporting exceptional client experiences. While the specific marketing strategies and plans in each of the three countries in which we have operations (the Dominican Republic, Jamaica and Trinidad and Tobago), differ they are all fundamentally designed to best support each country's growth objectives and brand management needs. Of note at the end of the financial year, all three countries had shifted particular aspects of their marketing strategies, as a result of the impact of the COVID-19 pandemic, through the greater utilization of digital and content marketing strategies and tools.

KEY MARKETING HIGHLIGHTS

JAMAICA

In the 2019/2020 financial year, the JMMB Group in Jamaica continued its thrust to enhance its digital marketing and client insight capabilities, in order to meet our clients' financial needs, by reviewing their portfolios and offering additional financial solutions, across our business lines, where we identified an unmet need. That would help our clients meet their financial goals. The JMMB Group in Jamaica launched several initiatives including: the JMMB Bank Visa Debit Card, providing our banking clients with greater conveniences, in a borderless and technologically

driven global environment, enhancements to JMMB Moneyline (our online banking portal, allowing clients to apply for shares offered through Initial Public Offerings and Additional Public Offers).

The second staging of JMMB Group Elevate, an annual event that forms a part of the company's goal getter series of events, took place in quarter 4. JMMB Group Elevate seeks to provide financial education to its clients, and the public, on how to achieve their financial goals, by pairing lifestyle-related topics with financial matters, with a focus on motivating and inspiring them to achieve their financial goals, while connecting and living balanced lives.

Our marketing metrics continue to indicate that JMMB remains a leading brand in the market, and enjoys very positive sentiment as a financial services partner, among individuals and businesses.

TRINIDAD & TOBAGO

Clients' "Life Goals" was the marketing focus for financial year 2019/2020 in Trinidad and Tobago. This approach supported the integration of the country's brands – JMMB Bank, JMMB Investments and JMMB Express Finance. This Marketing Campaign positioned the JMMB brand as an integrated solutions provider. The campaign was also instrumental in the Group's lead generation and customer acquisition activities. With the utilization of traditional, digital and social media strategies, there was an overall increase in brand visibility in the market.

The re-launch of the JMMB International Access Online trading offering, as well as, a collaboration with Trinidad and Tobago IVF and Fertility Centre to offer specialized financing for fertility loans, were also undertaken over the last financial year.

In addition, the country continued to support entrepreneurship through its Planting Seeds Sponsorship and other initiatives that provided financial education, as well as sound financial advice to the budding entrepreneurs and small businesses throughout the country.

JMMB Group Trinidad and Tobago enjoyed the distinction of topping its peers with the highest Net Promoter Score in the Industry, which was reported in the recently concluded Commercial Banks Customer Satisfaction Survey 2019.

THE DOMINICAN REPUBLIC

The key marketing initiative for the year was the launch of the "Amor Por Tus Logros" campaign. The campaign's objective was to position JMMB as an integrated financial services provider and a one-stop-shop for the clients' financial and life goals. This campaign served as a platform for the integration of the country´s business line offerings (Investment and Banking solutions). This was the largest campaign launched in the country and was supported by the utilization of traditional, digital, public relations and relational marketing strategies, which led to an increase in brand visibility and engagement.

Another major initiative for the FY 19-20 was the launch of the new Santiago Integrated Branch, accompanied by a digital campaign among other events such as a series of financial wellness seminars, a promotional campaign to support the inclusion of the new business lines and the integrated Life Goals Centre concept in the region. Publicity gained from these activities positively influenced brand awareness.

To support our major strategic imperatives of brand positioning, revenue generation and exceptional client experience, we embarked on a series of initiatives including:

a) Improving our communication style by creating relatable and more relevant digital content (infographics, quizzes, blogs, Live sessions "JMMBTeVe", life goals calculators)
b) Hosting interactive events (Mixology & Finance, Fashion & Finance, Rum & Pensions)
c) Initiating a Public Relations program with the goal of positioning internal spokespersons as experts in their field.

In addition, we embarked on an efficiency journey taking the first steps towards marketing automation by implementing a virtual assistant to facilitate lead qualification, resulting in an improved marketing to sales funnel and an increase in conversion rate. Also we have taken the first steps to automate the client´s information update by implementing a workflow to facilitate data collection and registry of client´s information resulting in improved efficiencies and data quality.

The 19/20 financial year was a success, having exceeded all the marketing key performance indicators. For the 20/21 financial year we will continue our strategic focus on building out a digital ecosystem.

DIGITAL INNOVATION

For the Financial year 2019/20 the JMMB Group focused on introducing and improving our digital solutions that were easy, enjoyable and having our client's best interest at heart. To support a successful digital transformation, the Group created the Digital Services Unit. The objective of this unit is to have a client–centric approach to digital innovation.

The Group also established a dedicated cross-functional digital steering committee that provides advice, ensures delivery of client-centric digital solutions on a timely manner;

ACHIEVEMENTS FOR THE YEAR INCLUDED THE FOLLOWING:

JMMB MONEYLINE (ONLINE TRANSACTION PORTAL) SELF-REGISTRATION

A self-registration feature was added to JMMB Moneyline, allowing our clients to enroll in the service online, at their convenience, without coming into a branch or contacting our Client Care Centre. This initiative supports the Group's thrust of migrating our clients to our digital platform. Not only did it lead to a significant number of clients enrolling in JMMB Moneyline but it also increased efficiency in our operations.

APPLICATION FOR PUBLIC OFFERS ONLINE

JMMB Moneyline was upgraded to include a digital process for the application and processing of both Additional Public Offers (APO) and Initial Public Offers (IPO). The APO of JMMB Group Limited Ordinary Shares was the largest in Jamaica's history raising J$19.05B in capital. Through JMMB Moneyline, we were able to accept and process approximately 50% of JMMB client applications, making the process easier and more seamless for our clients as well as becoming more operationally efficient. The JMMB Moneyline enhancement also allowed clients to participate in other IPO's brokered through JMMB Securities, such as the TransJamaica Highway Limited IPO, where 80% of applications were processed through JMMB Moneyline.

VISA DEBIT

JMMB Bank (Ja.) Limited launched a Visa Debit Card in Jamaica and our electronic teller machines (ETMs) were converted to JMMB Bank Automatic Teller Machines (ATMs), giving clients access to both VISA network (all VISA certified ATMs and Point-of-Sale debit or credit card payment terminals island wide) as well as JMMB Bank's dual currency ATMs. The introduction of the Visa Debit Card also offered clients increased benefits such as online shopping.

ONLINE CHAT

Employing a multichannel digital experience online chat was launched, thereby creating another channel to service our clients.

STRATEGIC OUTLOOK

As we continue our digital transformation journey, and expand our digital capabilities, we will be delivering more value-added digital solutions to enhance our client experience across the Group in the 2020/2021 financial year. These capabilities include:

- Real-Time Trading
- Intelligent ATM's
- Client Onboarding Portals
- JMMB Group Mobile App
- Expanding partnerships with payment gateways like VISA

As the JMMB Group moves to expand its foot print in the digital world, this is being done with the focus being on our clients needs.


THE JMMB GROUP LTD.
LOVE MAKES
SUCCESS
Possible

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 each other, and represents an important link in a chain of LOVE, serving each other, sharing ideas, building each other. Hence the JMMB vision is shared by all team players.

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

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

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

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

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

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

DECLARATION

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

GROUP CULTURE AND HUMAN DEVELOPMENT

We believe that we at JMMB are a family of love, care and joy that flows one to the other.

We believe that a fun-loving atmosphere stimulates good working relationships and fosters the spirit of joy and creativity in accomplishing each task.

We believe that our company and our products are unique and worthwhile, and that we can sustain these genuine qualities with an ongoing commitment to innovation and creativity.

We believe that we have a responsibility to cultivate the most comfortable relationships possible with our co-workers, customers, owners, agents, suppliers, and our community.

We believe in providing employees with a safe and fulfilling work environment, and an opportunity to grow and learn.

We believe that our company can be financially successful while behaving in a socially responsible and environmentally sensitive manner.

We believe that we are responsible for the building-up of each other by our words, attitudes and actions in the development of team spirit and team love.

We believe that we can operate in an environment of ease and support, free of organizational politics.

Statement of Beliefs (written by Joan Duncan – 1994)

It is undeniable that the JMMB Group fosters a family environment through our people policies, cultural activities, learning and development opportunities all intended to manifest the Vision of Love. It is for this reason we are proud of the strong bonds and partnerships that are the foundation for our JMMB Family.

STRONGER TOGETHER ...

... BY BEING ENGAGED

Consistent with our Family Success Model, we are committed to keeping our team members' best interest at heart, and we are happy to see this evidenced in the results of our last Group-wide Team

Member Satisfaction and Engagement Survey. The questions are answered using a 5-point scale from strongly disagree to strongly agree, so 100% would represent all respondents strongly agree. The percentage score for each statement in the diagram below represents the strength of agreement of team members.

JMMB FAMILY SUCCESS MODEL

... BY CREATING A LEARNING CULTURE

JMMB is committed to supporting our team leaders in realizing their full potential, and we are excited to celebrate **111 Graduates** across the Group who successfully completed our first comprehensive in-house Leadership Development Programme:

- Jamaica: 57 Team Leaders
- Trinidad and Tobago: 41 Team Leaders
- Dominican Republic: 13 Team Leaders

The programme provided them with the tools needed to strengthen their leadership competencies and fulfil their leadership mandate. It included elements targeted at building the skills necessary to support personal growth and mind-set shifts, intended to provide the platform to propel them to increased levels of extraordinary love-based leadership and to bring us closer to the family success model.

PARTICIPANTS FEEDBACK

LEARNING CENTRE

As we continue to strengthen our commitment to investing in the development of our team members. In Jamaica, we have built out a fully equipped Training Lab with fully equipped training rooms. This has significantly reduced the costs associated with renting venues to facilitate training sessions. Approximately 80% of all training is now hosted at the JMMB Training Lab. The facility is also used to augment our agile work spaces by making additional work stations available to team members.

... BY INVESTING IN OUR WELL-BEING

INCREASING ENGAGEMENT

WELLNESS PROGRAM

EXPECTED OUTCOMES:

Wellness of TMs supported and encouraged through communications and activities

PERFORMANCE OUTLINE:

- Yoga day
- Monthly wellness tips
- Quarterly wellness articles
- Health awareness week
- Financial education
- Wellness challenge

PROGRAM STATUS:

On track

SYNERGY PROGRAM

EXPECTED OUTCOMES:

Teams are cohesive and synergic

PERFORMANCE OUTLINE:

- Work session with each department based on 5 dysfunctions of a team, along with department Team Members satisfaction & Survey results
- Action plan follow-up

PROGRAM STATUS:

On track

... WHEN WE COME FROM LOVE

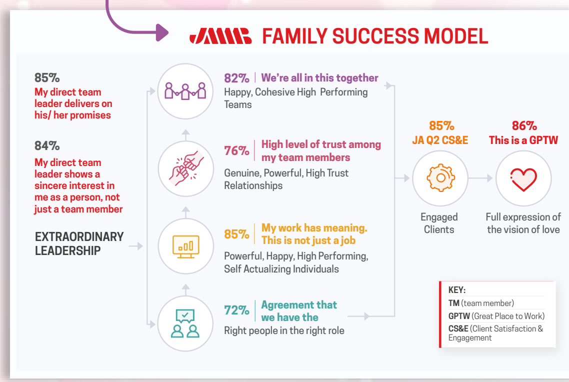
JMMB's ultimate goal is to help everyone experience love, and to realize the greatness in themselves, their families and their communities. To achieve this, we anchor our being in our values of love, care, integrity, honesty and openness.

We have introduced the use of Gary Chapman's 5 Love Languages to improve both our personal and work relationships:

1. **Words of Affirmation:** *Encourage, affirm, appreciate, empathize and listen actively.*
2. **Physical Touch:** *Use body language and touch to emphasize love.*
3. **Receiving Gifts:** *Giving thoughtful gifts and gestures. Small things matter in a big way.*
4. **Quality Time:** *Create special moments together.*
5. **Acts of Service:** *Use action phrases like "I'll help ..." Go out of your way to help others.*

Help us know
your language of
appreciation

WHAT'S YOUR
LOVE
LANGUAGE?



Your **LOVE LANGUAGE** will help us undersand each other better as we grow, connect and intentionally build **ONE TEAM**

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.

Excerpt from the Vision of Love


THE
JMMB
GROUP LTD.

COUNTRY HIGHLIGHTS

JAMAICA

Partnerships

Fun

Leadership Development Programme

The leadership team in Jamaica pose for a team pic after completing a wall sized team puzzle, symbolic of the critical role that each person plays in creating a powerful outcome.

KB Cocktails & Conversations

JMMB's Nadine Thomas (right), manager, client partnership at Knutsford branch and colleague, Kemoy Russell (second right) pause to engage their clients, Rochelle (left) and Dr. Bernadette Frankson, in conversation at the client recent event dubbed, "Cocktails & Conversation," which took place at Chillin' Restaurant and Bar.

Team Building

JMMB team members in Jamaica build comrade by 'jumping rope' as part of the JMMB Group Leadership Development Programme.

Celebrating Child's Month

Motivational superhero, Captain I-Can and his sidekick, Mrs. Sonshine share in a selfie moment with the children at the JMMB nursery following the presentation made by the motivational duo recently (May 22). The event forms part of the Child's Month activities organized by the nursery team under the theme, 'Encourage, Enable & Include Me'.

JMMB Group Limited AGM

Marcia Griffiths, cultural icon, had JMMB Group team members and shareholders dancing to one of her classics, 'Electric Slide' during her performance at the JMMB Group Limited annual general meeting held at the Jamaica Pegasus Hotel.

Wigton IPO

Karl Townsend (left), chief country officer, JMMB Capital Markets and Tania Waldron-Gooden (right), director of Investment Banking, Mayberry Investments Limited 'inks the deal', under the keen eye of Mckoy Jackson, senior manager of investment banking at Mayberry at that company's head office. The agreement will see JMMB Securities being listed as one of the selling agents of the Wigton Windfarms initial public offering (IPO), with Mayberry Investments Limited as the main broker.

Loveship Client Mixer

DJ Narity had JMMB clients and team members dancing the night away at the JMMB Personal Portfolio Management (PPM) Centre client mixer.

Ample Work Space

JMMB Group's introduces a co-working space for team members, dubbed the LIFT Lounge, will allow the JMMB team to boost their productivity, creativity and enjoy greater collaboration, in a more relaxing environment.

AFWUI Chancellor Award

JMMB received the AFUWI Chancellor's Award for Excellence in Business Leadership and a proclamation from the city of New York. From left: Donna Duncan Scott, group executive director, culture& human development, JMMB; and Archibald Campbell, chairman, JMMB Group; Diane Jaffee, group managing director and senior portfolio manager, TCW Group; Congresswoman Yvette Clarke; and Larry Quinlan, principal, Deloitte.

Kick Start your Goals

These ladies decided to kick start their goals with JMMB at JMMB's annual event - ELEVATE

Blood Drive

JMMB team member, Kerri-Ann Ferguson, is all set to give blood at the company annual blood drive.

Learn & Vibe

Mark Gayle, Kerry-Ann Stimpson, David Rose, Khaliah Reynolds and Simon Johnson take a group shot after an insightful fireside chat at JMMB's Learn & Vibe event.

Bon Fire Client Mixer

JMMB Investments, Client Partnership Manager, Vivienne Duncan, chats with clients at a client appreciation event.

Haughton Terrace Client Mixer

Fornia Young, General Manager, Client Partnership and Rockann Clarke Crawlle, Client Partnership Manager, enjoy the company of two special clients

COUNTRY HIGHLIGHTS

TRINIDAD AND TOBAGO

Partnerships

Fun

International Women's Day

In collaboration with the founder of We Inspire Women, We Inspire Girls Jamaica, Cortia Bingham, JMMBTT celebrated International Women's Day with a Brunch at the Hyatt Regency.

Leadership Development Programme

JMMB team members in Trinidad & Tobago build comrade by 'jumping rope' as part of the JMMB Group Leadership Development Programme

Blood Drive

We partnered with the Society for Inherited and Severe Blood Disorders (SISBD) to host a Blood Drive.

Carbon Zero Initiative

Proud Supporters of the Carbon Zero Initiative. JMMBTT distributed Moringa trees to clients as part of the 1000 tree challenge.

Vision Boarding

Young girls were shown an example of how to create a vision board for their goals at a International Women's Day brunch.

New Branch Opening

Some of the team celebrating the opening of the fifth JMMB Express Finance branch in our sister isle Tobago.

COUNTRY HIGHLIGHTS

DOMINICAN REPUBLIC

Partnerships

Fun

Leadership Development Programme

The leadership team in the Dominican Republic celebrate the completion of the JMMB Leadership Development Programme training, which is geared at developing our leaders.

Team Buidling Activity

JMMB Team members get ready for a team building activity in the Dominican Republic.

Safety Training

Fire Station Visit

As part of our commitment to safety, some of our team members received special training by brigade members from the Santo Domingo fire department to learn how to prevent and put out fires.

Expanding Operations

Chairman of the Board and the CEO of the JMMB Group Ltd. DR, Archibald Campbell and Keith Duncan, respectively joined the Chief Country Officer of JMMB Dominican Republic, Juan José Melo Pimentel and other Group heads in cutting the ribbon heralding the expansion of JMMB operations in Santiago with the opening of our new JMMB Bank and JMMB Funds offices.

Spreading the Word

Chief Country Officer, Juan José Melo Pimentel, talks with a radio station host about the growth of JMMB in the 13 years it has been in the DR and all its products.

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

As responsible corporate citizens, team members are involved in outreach initiatives geared towards the empowerment of people and their communities facilitated by the network of branches island wide. We remain steadfast in our commitment to national transformation, and continue to deliver on our promise to develop, support and partner on initiatives in education and entrepreneurship that will impact at the individual, community and national levels. Our initiatives and partnerships continue to integrate practical tools and knowledge with a transformational mindset leading to tangible impact and sustained results.

Given the JMMB Group's regional footprint and international diversification, we remain committed to deepening our relationships in all the territories within which we operate, focused on the vision of the Foundation. *"The Positive Transformation of Lives and Nations, To Support the Creation of Oneness and the Realization of Greatness".*

NATIONAL PROJECTS

CONVERSATIONS FOR GREATNESS (CFG)

Continuing to tap into the greatness of school teachers, administrators and staff, as of March 2020, 105 schools have been touched by this transformative project. Of note, are the newly rolled out CFG Transformational Leadership & Accountability Workshops through which nearly 80 school leaders have been equipped with additional tools to provide exceptional leadership and to build high functioning teams.

“Purpose-Filled,” “Operating From Love”- these are two terms that come to mind for Mrs. Sandra Buchanan, Principal of Buff Bay High, when describing the profound impact that the Conversations for Greatness programme has had on the school community. Expressing deep gratitude for the support of her CFG coach and the resultant impact that this has had on improving staff relations, empowering student leaders and building school spirit, she stated, “I am now operating from a place of love where I can accept persons for who they are. I have no fears in allowing my staff to lead and to use their gifts to impact the lives of all members of the school community.” CFG continues to inspire school leaders to be extraordinary in their lives.

In February 2020, approximately 700 school leaders, school staff, transformational training recipients and volunteers participated in the first annual Conversations for Greatness conference under the theme “Writing Our One Love Story.” Participants were inspired to commit to standing for the greatness of themselves, their communities and Jamaica, land we love. Permanent Secretary of the MOEYI, Dr. Grace McLean endorsed the conference through the presentation of awards to schools and school staff across the island, who were honoured for their commitment to empowering their school communities, standing for love and being transformational leaders.

With the COVID-19 pandemic leading to school closure, the CFG team, through various forms of virtual engagement, has remained committed to providing the resources to facilitate transformational conversations and to support school communities to use the CFG tools to maintain a positive mindset, to be solution-oriented and to stand for the greatness of their teams in the face of challenges. We remain steadfast in the mission and vision of CFG to provide the tools for positive transformation of our thinking and being, leading to extraordinary results for our nation.

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

MULTICARE YOUTH FOUNDATION (M.Y.F./ Y.U.T.E.)

The MultiCare Youth Foundation's (MYF) YUTE & YOU annual mentorship training programme is primarily funded by the JMMB Joan Duncan Foundation. The programme facilitated six (6) training workshops benefitting a total of forty-four (44) mentors and sixty-four (64) mentees, in Kingston, during the period April 2019 to March 2020.

A total of thirty-six (36) matches were established between caring adult mentors and mentees, who have committed to developing trusting, supportive and enduring relationships for a minimum period of one year.

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

CHILD RESILIENCY PROGRAMME

The JMMB Joan Duncan Foundation continues to support the programme operations of the Child Resiliency Programme in Kingston, Montego Bay and Falmouth. In Kingston, 12 primary schools (including four new schools) from violence prone communities meet at the Kingston YMCA and Boys Town centres. The Foundation provides cooked meals for each of the 120 referrals from Grade five who are identified as vulnerable and "at risk" for violence and facilitates transportation to and from the centres. Additional support was also provided to purchase materials for the literacy, IT, Sports and Cultural activities as well as for the life skills training, parenting seminars and staff development seminars. Support to the programme in Montego Bay located at SSTC and in Falmouth at FAA included contributions to the provision of transport and meals for 100 students for the academic year 2019-2020 from 10 feeder schools. Due to COVID 19 and the closure of all schools, the Child Resiliency Programme transitioned into a "Reading and Feeding" programme for the summer term. Funds were reallocated from transport into the provision of care packages for all 220 families including basic food items and reading books being distributed every three weeks. Further to this, funds were reallocated to the provision of internet data to all facilitators and families, to be able to continue small WhatsApp groups, video teaching and parent phone support and counseling. These needs arose out of a phone survey conducted among 220 parents currently registered for this year at the outset of COVID 19 in March. All 44 staff and facilitators have remained actively engaged throughout the period and the families have extended their sincere gratitude to the Foundation for the support!

EDUCATION

SCHOLARSHIPS

To ensure upcoming generations are equipped to fully contribute to a prosperous society, academic scholarships and bursaries were provided to several individuals ranging from primary to university levels, as well as summer camps. Over one hundred (100+) students received financial assistance during the academic year to pursue their educational dreams.

JOAN DUNCAN SCHOOL OF ENTREPRENEURSHIP, ETHICS & LEADERSHIP

The 6th Annual Joan Duncan Memorial Lecture was, this year, delivered by Ms. Jeanette Calder, civil society advocate and Executive Director of the Jamaica Accountability Meter Portal (JAMP). The lecture theme of *"Reducing Corruption and its impact on Jamaica's Development"* was attended by a large gathering of educators, students and a host of persons from the private and public sectors.

The Joan Duncan Memorial Lecture honours the vision, mission and passion of our late corporate leader and JMMB co-founder, Joan Duncan, for whom the Joan Duncan School of Entrepreneurship, Ethics and Leadership has been named.

The 6th Annual Joan Duncan Memorial Lecture

UWI ENDOWMENT

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

READ ACROSS JAMAICA

We are pleased to have once again participated in Read Across Jamaica Day. Team members from all branch locations read to students at various schools in the parishes where we have operations, demonstrating to the young minds the importance of reading and literacy to overall development. Books were also donated to the school or class library.

JFF COACHING EDUCATION PROGRAMME

In the May 2019 - February 2020 period, the JMMB Joan Duncan Foundation continued to be the title sponsor for the coaching education programme of the Jamaica Football Federation.

The JMMB/JFF/UTech, Jamaica Coaching School resumed with a CONCACAF D License course. Thirty (30) Primary school level coaches participated in this course. This course is seeking to tackle coaching certification at the grassroots level.

A 'Safeguarding Children in Sport Workshop' was held in June 2019. It was an initiative taken on by the Caribbean School of Sport Sciences. The school partnered with the JMMB Joan Duncan Foundation, JFF and CONCACAF for the delivery of a series of six professional development workshops held across the island.

In July, the 24th cohort of the JMMB/JFF/UTech, Jamaica Advanced Level 1 Coaching Course began with twenty-nine (29) coaches from across the island participating. All participants were successful in their exams.

In February 2020, the JFF began its efforts to decentralise its coaching education program with an Advanced Level 1 course beginning in the South Central Zone. The courses were held over four weekends in three parishes: St. Elizabeth, Manchester and Clarendon. A total of thirty-one (31) coaches participated.

AUGUST TOWN SPORTS DEVELOPMENT

Acknowledging the importance of sports as an intervention strategy in community development, the Foundation's relationship with the August Town Sports Development Foundation continues with the support of their summer and Christmas football camp programmes designed to keep at-risk youth involved in positive extra-curricular activities. Programme Director, Kenneth Wilson, shared that the camps are violence interrupters as to date, his informal research indicates that none of the participants have become gang members.

ENTREPRENEURSHIP

UWI Vincent Hosang Venture Challenge

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. This year, the JMMB Joan Duncan Foundation supported both the UWI Vincent Hosang Venture Challenge and the UTech Jamaica Business Model competitions. The participation of teams and individuals from broad cross section of business categories allowed for very rich discussions amongst students in the competition.

PRIVATE SECTOR ORGANISATION OF JAMAICA PARTNERSHIP

Expanding our involvement with Entrepreneurship through partnership with the Private Sector Organisation of Jamaica, the Foundation supported the PSOJ's Access to Finance Facilitation Panel (AFFP) thrust to increase awareness and education around the reforms needed for the Micro, Small and Medium Enterprises (MSMEs).

The main objective of the project is to increase awareness of what currently exists for MSMEs by the financial sector, and to raise awareness around the work being done to increase financial access, and how entrepreneurs can prepare themselves to access what exists and what is to come. The PSOJ AFFP hosted 2 workshops which attracted high public visibility and brought together all the stakeholders in the ecosystem in tackling the challenges faced by the MSME sector.

COMMUNITY INVOLVEMENT

JMMB Joan Duncan Foundation joined forces with Panache Digital Media

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

The primary category of volunteer activities for the 2019-2020 financial year was 5Ks. Team members across the island participated in 10 different events, accepting the challenge to embrace healthier lifestyles while making a positive social impact. The Sagicor Sigma Corporate Run had the most team member participants at 107 (traditionally the largest event of its type in the Caribbean). Other notable levels of participation included the ICWI Pink Run (in aid of Breast Cancer Awareness support), Digicel Night Run (for Special Needs) and the Food for the Poor 5K (for which the focus was on providing homes for persons living in poverty.) Apart from Kingston & St. Andrew, team members in Montego Bay and Mandeville also participated in 5Ks in their region.

In championing community development, the JMMB team supported Labour Day initiatives by cleaning up Mackie Beach in Kingston and sprucing up Ebenezer Home in Mandeville, as well as additional community based projects around the island.

CUMI – COMMITTEE FOR THE UPLIFTMENT OF THE MENTALLY ILL

The JMMB Joan Duncan Foundation continues to be a strong and consistent supporter of this gem of a programme. The support received has enabled and empowered the CUMI Rehabilitation Day Centre Programme to maintain its stability and consistency in keeping its' clients services, uplift their wellness and create a positive impact in re-structuring the clients life coping skills whilst dealing with their mental health challenges and reaching out to remove stigmas that impact the lives of persons with mental health issues.

CUMI rehabilitation activities and programmes facilitated 3,464 client visits, ratio - male to female 7:3, with 6,443 meals served (3,141 breakfast & 3,302 lunches) for the 18-month period April 2018 – October 2019.

The Foundation continues to be a major sponsor of the annual fundraising event CUMI 'Come Run' event in September, which saw the participation of several team members.

TRANSFORMATIONAL TRAINING

The JMMB Group at its core has the belief that everyone has greatness and that each of us has a part to play in creating the future that we desire. Our Vision of Love serves as an ongoing reminder of JMMB's commitment to have a positive impact on individuals, communities, the nation, and the world.

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

Individuals from all walks of life have benefited from the one-day CFG. From community-based organizations, to sports coaches to academic scholarship recipients, the CFG One-day Module has touched the lives of over 3700 individuals. The resulting mindset transformation and practical tools shared have positively impacted families, communities and organizations and will have a ripple effect in the lives and communities of our people.

CONVERSATIONS FOR GREATNESS CONFERENCE

The highlight this year was by far our inaugural **Conversations for Greatness Conference** - Writing your *One Love Story*. Created to bring together persons previously exposed to Conversations for Greatness, the day was envisioned to:

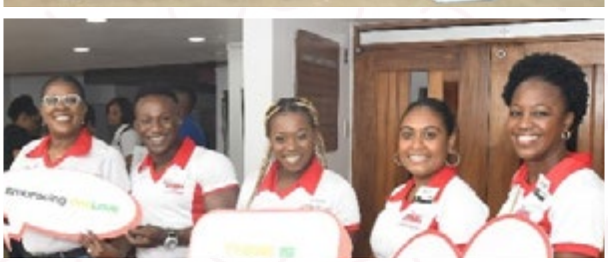
- Inspire participants into action for
  - personal transformation
  - education
  - community activism, and
- Deepen the relationships between attendees, such that we transform education and the communities that we serve.

This one-day event was held on February 1st 2020 at the Jamaica Conference Centre and saw almost 700 persons in attendance. The JMMB Joan Duncan Foundation team united their efforts to stand for what would become an amazing event for all who attended. Its success was due in large part to the support of 33 JMMB Volunteers, 34 Volunteer Facilitators, and 9 sponsors and of course our committed team at the Foundation.

At the end of the conference, participants were expected to commit or reconnect to the vision that they have for their lives, standing in a place of possibility for themselves and their sphere of influence, dubbed their 'One Love' Story.

The main speaker at the conference was Mrs. Patricia Sutherland, Chairman of the Foundation, and in addition there were testimonials from Mr. Collington Powell, Principal of Friendship Primary and Mr. Awah Muirhead, a 2017 JMMB JDF Scholarship Awardee. All three were engaging and well received. Entertainment for the day was provided predominantly by our beneficiaries, culminating with a performance by gospel artiste Rondell Positive, whose music was perfectly themed, and cemented the day's activities.

The JMMB Joan Duncan Foundation remains committed to our partners and recipients and will continue the implementation of projects that impact the lives of our fellow Jamaicans.



JMMB

Women's INSPIRATION NETWORK (JMMB WIN)

As the JMMB Group celebrate its 27th Anniversary on November 6th 2019, another pivotal milestone was achieved with the launch of JMMB WIN, its Women's Inspiration Network. The purpose of establishing this Network was to bring together the extraordinary women at all levels of JMMB, with a common passion and purpose to connect and to help each other grow. JMMB WIN is also intended to foster the ongoing growth in JMMB's Leadership diversity and to use this leadership to positively impact our families and our wider community. The women of JMMB WIN are resolute in their mandate to support the best interest of all regardless of gender.

The launch event brought together female team members, team leaders, and directors from across the territories in the Group, (many of the office locations in Jamaica), Dominican Republic and Trinidad and Tobago. Our Group's Chairman – Archibald Campbell was on hand to congratulate the founding team Lisa-Maria Alexander (Trinidad & Tobago – Interim President), Virginia Henriquez (Dominican Republic) and Althea Walters (Jamaica). Donna Duncan-Scott Executive Director – CHDT was one of the featured speakers whose tremendous words of inspiration we are pleased to share in this report. Lizette Solano – Director JMMB Bank DR and Diana Morgan-Burgess – CHDT Consultant shared greetings with the members of JMMB WIN.

Membership is open to all women in the JMMB Group including team members, leaders, directors and special inductees. The Network's various Committees include - Induction & Inclusion, Communications, Entrepreneurship, Finance and Governance, Meetings/Fundraisers and Administration and the Social/Educational Missions Committee.

JMMB WIN is part of a wider mandate of gender diversity and inclusion across the JMMB Group. In furtherance of our gender diversity and Inclusion goals, JMMB Group has also received an Advisory Services Grant from the Inter-American Development Bank (IDB) 2020 for the purpose of building JMMB's capacity to design its own gender action plan with the provision of training and advisory support. As JMMB WIN and the Group's Diversity and Inclusion Programme becomesembedded throughout the organization, we anticipate big things ahead!

Congratulations JMMB WIN!

Dear Lisa-Maria and each and every Extraordinary Woman who showed up at our inaugural meeting!

I am truly overwhelmed by the choice that so many women across the Group, regardless of role, have made to come together to build up and inspire each other. Thanks again from the bottom of my heart to Lisa-Maria whose brainchild this is and those who shared the vision – Virigina, Georgia, Allison & Althea and the TT Marketing Team!!!

As women, based on our conditioning, we have a vital role to play in the JMMB Team being true to our values and moving our expression of the Vision of Love (what is possible when we love God, ourselves and each other) to a totally different realm.

The energy was delicious – the possibilities are endless.

We declare that today is a special day in the life of JMMB, and marks the beginning of a new era. We declare that God's Spirit will inhabit every part of this initiative and all who associate with WIN will honour our purpose, all will give and experience unconditional love. By God's grace, we will midwife the greatness in each other, as we grow together in the manifestation of the power within, in the best interest of ourselves, our families, JMMB, our community and our world!

Love, love, love in abundance
Donna K

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED MARCH 31, 2020

The Directors of JMMB Group Limited are pleased to present their report for the year ended March 31, 2020, and submit the Consolidated Income Statement and the Consolidated Statement of Financial Position.

GROUP RESULTS

Operating revenue net of interest expense was **J$21.52 billion (2019 J$18.04 billion)**

The profit before income tax was **J$7.22 billion (2019: J$4.87 billion)**

The profit attributable to equity holders of the parent after income tax was **J$6.99billion (2019: J$3.82billion)**

Shareholders' equity was **J$41.2 billion (2019: J$31.1 billion)**

DIVIDENDS

The Directors recommend that the interim dividend paid on December 20, 2019 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 Mr. Andrew Cocking, Dr. M. Anne Crick, Mrs. Patricia Dailey-Smith, Ms. Patria-Kaye Aarons and Mr. H. Wayne Powell 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 ,2020

Carolyn DaCosta
Corporate Secretary

FINANCIAL REPORTS

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Chartered Accountants
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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 182 to 288 which comprise the Group's and Company's statements of financial position as at 31 March 2020, 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 2020, and of the Group's and Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. *Fair value of investments*

Key Audit Matter [see notes 17 and 32(a)]	*How the matter was addressed in our audit*
92.4% (2019: 93.7%) of the Group's investment securities are measured at fair value, 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 require inputs such as market yields obtained from established yield curves. The COVID-19 pandemic has resulted in volatility of prices in various markets, the uncertainty of which has increased estimation risk for prices used in determining fair values.	Our procedures in this area included the following: • Assessing and testing the design and operating effectiveness of the Group's controls over the determination and computation of fair values. • Challenging the reasonableness of yields or prices by comparison to independent third party pricing sources. • Assessing the reasonableness of significant assumptions used by such third-party pricing sources. • Involving our own valuation specialists to determine 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.

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 judgement and assumptions. The key areas requiring greater management judgement include the determination of significant increase in credit risk ('SICR'), probabilities of default, losses given default, exposures at default and the application of forward-looking information. The economic impact of COVID-19 on financial assets has resulted in increased judgement in the following: - The identification of SICR, which now includes COVID-19 related qualitative factors. - The incorporation of forward-looking information, reflecting a range of possible future economic conditions which are highly uncertain.	Our procedures in this area included the following: • Obtaining an understanding of the models used by the Group for the calculation of expected credit losses, including governance over the determination of key judgements and assumptions. • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key data inputs into the IFRS 9 impairment models. • Testing the completeness and accuracy of the data used in the models to the underlying accounting records on a sample basis. • Involving our financial risk modelling specialists to evaluate the appropriateness of the Group's impairment methodologies, including the SICR criteria used, and independently assessing the assumptions for probability of default, loss given default, exposure at default and the incorporation of forward-looking information.

KPMG

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 an appropriate model used in the measurement of the expected credit losses. The use of these judgements and assumptions increases the risk of material misstatement and is therefore an area of increased audit focus.	Our procedures in this area included the following (continued): • Assessing the adequacy of the disclosures of in relation to ECL, including key assumptions and judgements.

3. *Acquisition of associate*

Key Audit Matter [see note 19]	*How the matter was addressed in our audit*
On December 5, 2019, the Group acquired 22.47% of Sagicor Financial Company Limited for a consideration of $34.4 billion. We considered this an area of increased audit focus due to the size and complexity of the transaction.	Our procedures in this area included the following: • Involving our own valuation specialists in challenging the valuations produced by the Group and the methodology used to identify the fair value of assets and liabilities of the investee; in particular: - The methodologies adopted and key assumptions used in valuing insurance liabilities

KPMG

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (continued)

3. Acquisition of associate (continued)

Key Audit Matter *[see note 19]*	*How the matter was addressed in our audit*
The accounting for this transaction required the use of significant judgements and assumptions; including the appropriate weighted average cost of capital, to determine the identification and measurement of the fair value of tangible and intangible assets acquired and liabilities assumed.	Our procedures in this area included the following (continued): - The key assumptions used to determine the fair value of significant identifiable intangible assets - The appropriateness of the discount rate used in measuring assets and liabilities of the investee. • Evaluating the adequacy of the financial statements disclosures in relation to the investment and share of comprehensive income.

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.

KPMG

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (Continued)

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 180-181, forms part of our auditors' report.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Cynthia Lawrence.

KPMG

Chartered Accountants
Kingston, Jamaica

July 14, 2020

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.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 $'000	2019 $'000
Net Interest Income and Other Revenue			
Interest income from securities, calculated using the effective interest method	6	19,694,118	17,583,697
Interest expense	6	(10,413,780)	(8,745,236)
Net Interest Income		**9,280,338**	**8,838,461**
Fee and commission income		2,108,102	1,424,885
Gains on securities trading, net		6,170,340	4,097,335
Net (loss)/gain from financial assets at fair value through profit or loss (FVTPL)		(267,978)	130,179
Fees earned from managing funds on behalf of clients		1,412,834	1,143,140
Foreign exchange margins from cambio trading		2,812,855	2,402,406
Operating Revenue Net of Interest Expense		**21,516,491**	**18,036,406**
Other income			
Dividends		48,463	54,851
Other		7,001	44,939
		21,571,955	**18,136,196**
Operating Expenses			
Staff costs	7	(9,416,676)	(7,126,972)
Other expenses	8	(6,513,134)	(5,862,270)
		(15,929,810)	(12,989,242)
		5,642,145	**5,146,954**
Impairment loss on financial assets	9	(1,405,505)	(278,615)
Share of profit of associate	19	195,206	-
Gain on acquisition of associate	19	2,799,034	-
Gain on disposal of property, plant and equipment		(14,357)	2,210
Profit before Taxation		**7,216,523**	**4,870,549**
Taxation	10	(150,036)	(1,002,143)
Profit for the Year		**7,066,487**	**3,868,406**
Attributable to:			
Equity holders of the parent		6,993,567	3,820,119
Non-controlling interest	30	72,920	48,287
		7,066,487	**3,868,406**
Earnings per stock unit	11	**$3.99**	**$2.34**

The notes on pages 193 to 288 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 $'000	2019 $'000
Profit for the Year		**7,066,487**	**3,868,406**
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)		134,601	505,276
Items that may be reclassified to profit or loss:			
Unrealised losses on debt securities at FVOCI		(12,361,895)	(617,447)
Related tax	23	3,048,090	(49,968)
Foreign exchange differences on translation of foreign subsidiaries		757,909	(390,836)
Total other comprehensive loss, net of tax		(8,421,295)	(552,975)
Total comprehensive (loss)/income for the year		**(1,354,808)**	**3,315,431**
Total comprehensive income attributable to:			
Equity holders of the parent		(1,223,122)	3,377,770
Non-controlling interest	30	(131,686)	(62,339)
		(1,354,808)	**3,315,431**

The notes on pages 193 to 288 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 $'000	2019 $'000
ASSETS			
Cash and cash equivalents	13	42,636,000	30,726,396
Interest receivable		3,504,722	3,733,190
Income tax recoverable		618,210	238,441
Loans and notes receivable	14	98,841,073	67,947,268
Other receivables	15	6,992,662	5,314,152
Securities purchased under agreements to resell	16	5,999,962	-
Investment securities	17	192,270,521	205,972,359
Interest in associate	19	35,009,306	-
Investment property	20	621,232	489,616
Intangible assets	21	2,205,549	1,757,568
Property, plant and equipment	22	3,639,993	3,283,332
Deferred income tax assets	23	5,508,584	360,893
Right-of-use assets	24	1,849,321	-
Customers' liability under acceptances, guarantees and letters of credit as per contra		525,491	213,042
		400,222,626	**320,036,257**

The notes on pages 193 to 288 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 $'000	2019 $'000
STOCKHOLDERS' EQUITY			
Share capital	25	14,115,924	1,864,554
Retained earnings reserve	26(a)	9,605,055	9,605,055
Investment revaluation reserve	26(b)	(6,919,287)	2,114,147
Cumulative translation reserve	26(c)	317,731	(499,014)
Retained earnings		23,107,548	16,981,202
		40,226,971	30,065,944
Non-controlling interest	30	952,183	1,038,332
		41,179,154	**31,104,276**
LIABILITIES			
Customer deposits		104,183,074	63,947,279
Due to other financial institutions		210,605	190,888
Securities sold under agreements to repurchase	27	179,589,980	163,907,891
Notes payable	28	45,087,432	37,036,156
Lease liabilities	24	1,948,668	-
Redeemable preference shares	25	17,116,952	16,348,615
Deferred income tax liabilities	23	49,778	175,180
Interest payable		1,633,703	1,602,491
Income tax payable		1,920,743	1,464,064
Other payables		6,777,046	4,046,375
Liabilities under acceptances, guarantees and letters of credit as per contra		525,491	213,042
		359,043,472	**288,931,981**
		400,222,626	**320,036,257**

The financial statements on pages 182 to 288 were approved for issue by the Board of Directors on 14 July 2020 and signed on its behalf by:

Archibald Campbell	Chairman	Keith P. Duncan	Group Chief Executive Officer

The notes on pages 193 to 288 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Year ended 31 March 2020

(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
Adjusted balances as at 1 April 2018		**1,864,554**	**9,605,055**	**2,144,629**	**(87,147)**	**13,943,748**	**27,470,839**	**1,100,671**	**28,571,510**
Total comprehensive income for 2019									
Profit for the year		-	-	-	-	3,820,119	3,820,119	48,287	3,868,406
Other comprehensive income:									
Unrealised losses on investment securities at FVOCI, net of tax		-	-	(30,482)	-	-	(30,482)	(131,657)	(162,139)
Foreign exchange differences on translation of foreign subsidiaries' balances		-	-	-	(411,867)	-	(411,867)	21,031	(390,836)
Total other comprehensive loss		-	-	(30,482)	(411,867)	-	(442,349)	(110,626)	(552,975)
Total comprehensive income		-	-	(30,482)	(411,867)	3,820,119	3,377,770	(62,339)	3,315,431
Transactions with owners of the Company:									
Dividends paid to ordinary stockholders	12	-	-	-	-	(782,665)	(782,665)	-	(782,665)
Balances at 31 March 2019		**1,864,554**	**9,605,055**	**2,114,147**	**(499,014)**	**16,981,202**	**30,065,944**	**1,038,332**	**31,104,276**
Total comprehensive income for 2020									
Profit for the year		-	-	-	-	6,993,567	6,993,567	72,920	7,066,487
Other comprehensive loss:									
Unrealised losses on investments securities at FVOCI, net of tax		-	-	(9,033,434)	-	-	(9,033,434)	(145,770)	(9,179,204)
Foreign exchange differences on translation of foreign subsidiaries' balances		-	-	-	816,745	-	816,745	(58,836)	757,909
Total other comprehensive loss		-	-	(9,033,434)	816,745	-	(8,216,689)	(204,606)	(8,421,295)
Total comprehensive income		-	-	(9,033,434)	816,745	6,993,567	(1,223,122)	(131,686)	(1,354,808)
Transactions with owners of the Company:									
Shares issued during year	25	12,251,370	-	-	-	-	12,251,370	-	12,251,370
Dividends paid to ordinary stockholders	12	-	-	- -	-	(867,221)	(867,221)	-	(867,221)
Paid in capital		-	-	- -	-	-	-	45,537	45,537
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**

The notes on pages 193 to 288 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 March 2020
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 $'000	2019 $'000
Cash Flows from Operating Activities			
Profit for the year		7,066,487	3,868,406
Adjustments for:			
Interest income	6	(19,694,118)	(17,583,697)
Interest expense	6	10,413,780	8,745,236
Share of profits of associate	19	(195,206)	-
Gain on acquisition of associate	19	(2,799,034)	-
Income tax charge	10	150,036	1,002,143
Impairment loss on financial assets	9	1,405,505	278,615
Amortisation of intangible assets	21	228,679	242,857
Depreciation of property, plant and equipment	22	469,821	417,195
Depreciation of right-of-use assets	24	314,675	-
Fair value gain on investment properties	20	(102,484)	-
Loss/(gain) on sale of property, plant and equipment		14,357	(2,210)
Dividend income		(48,463)	(54,851)
Unrealised loss/(gains) on trading securities		267,978	(130,179)
Foreign exchange losses on lease liabilities		42,673	-
Foreign currency translation losses/(gains)/		(119,412)	(104,661)
		(2,584,726)	(3,321,146)
Changes in operating assets and liabilities:			
Income tax recoverable, net		(379,769)	761,170
Loans and notes receivable		(32,071,040)	(12,914,319)
Other receivables		(1,680,455)	(3,263,781)
Securities purchased under agreements to resell		(6,000,000)	1,120,001
Customer deposits		40,235,795	11,782,213
Due to other financial institutions		19,717	(157,060)
Other payables		2,730,671	867,639
Securities sold under agreements to repurchase		15,682,089	5,740,602
		15,952,282	615,319
Interest received		19,922,586	17,279,622
Interest paid		(10,264,730)	(8,528,568)
Taxation paid		(1,918,360)	(1,402,557)
Net cash provided by operating activities (Page 188)		**23,691,778**	**7,963,816**

The notes on pages 193 to 288 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)
Year ended 31 March 2020
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 $'000	2019 $'000
Cash Flows from Operating Activities (Page 187)		**23,691,778**	**7,963,816**
Cash Flows from Investing Activities			
Investment securities, net		4,656,819	(11,192,454)
Dividend received		274,399	54,851
Purchase of intangible assets	21	(678,639)	(395,905)
Purchase of property, plant and equipment	22	(794,604)	(483,363)
Investment property	20	(29,132)	-
Acquisition of interest in associate	19	(34,401,946)	-
Proceeds from disposal of property, plant and equipment		998	2,210
Net cash used in investing activities		**(30,972,105)**	**(12,014,661)**
Cash Flows from Financing Activities			
Redemption of redeemable preference shares, net	25	-	(1,495,142)
Proceeds from the issue of shares	25	12,251,370	-
Proceed from issue of notes payable, net		8,051,276	9,474,450
Payment of lease liabilities	24	(375,839)	-
Dividends paid to ordinary stockholders	12	(867,221)	(782,665)
Net cash provided by financing activities		**19,059,586**	**7,196,643**
Effect of exchange rate changes on cash and cash equivalents		130,345	(256,675)
Net increase in cash and cash equivalents		11,909,604	2,889,123
Cash and cash equivalents at beginning of year		30,726,396	27,837,273
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	**42,636,000**	**30,726,396**

The notes on pages 193 to 288 are an integral part of these financial statements

COMPANY STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 $'000	2019 $'000
Net Interest Income and Other Revenue			
Dividends	29(ii)	2,191,889	906,033
Foreign exchange gains/(losses)		143,201	(306,697)
		2,335,090	599,336
Operating Expenses	8	(218,238)	(129,862)
		2,116,852	469,474
Interest income	6	1,509,782	1,281,822
Interest expense	6	(1,964,019)	(1,289,331)
Impairment reversal/(loss) on financial assets	9	208,636	(139,546)
Profit before Taxation		1,871,251	322,419
Taxation	10	-	(192)
Profit for the year, being total other comprehensive income		**1,871,251**	**322,227**

The notes on pages 193 to 288 are an integral part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 $'000	2019 $'000
ASSETS			
Cash and cash equivalents	13	12,068	17,046
Interest receivable		223,365	218,538
Income tax recoverable		197,633	112,767
Loans and notes receivable	14,29(i)	21,860,210	22,148,784
Other receivables	15	183,185	224,275
Securities purchased under agreements to resell	16	1,146,789	941,084
Investment securities	17	4,033	19,556
Interest in associate	19	34,401,946	-
Interest in subsidiaries	18	13,533,508	11,776,407
Property, plant and equipment	22	-	313
		71,562,737	35,458,770
STOCKHOLDERS' EQUITY			
Share capital	25	14,115,924	1,864,554
Retained earnings		1,010,578	6,548
		15,126,502	1,871,102
LIABILITIES			
Notes payable	28	30,220,403	8,277,541
Redeemable preference shares	25	17,116,952	16,348,615
Interest payable		517,429	182,802
Due to subsidiary	29(i)	8,553,473	8,768,350
Other payables		27,978	10,360
		56,436,235	33,587,668
		71,562,737	35,458,770

The financial statements on pages 186 to 292 were approved for issue by the Board of Directors on 14 July 2020 and signed on its behalf by:

Archibald Campbell — Chairman

Keith P. Duncan — Group Chief Executive Officer

The notes on pages 193 to 288 are an integral part of these financial statements

COMPANY STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	Share Capital $'000	Retained Earnings $'000	Total $'000
Adjusted balances at 1 April 2018		**1,864,554**	**466,986**	**2,331,540**
Profit, being total comprehensive income for the year		-	322,227	322,227
Transaction with owners of the Company:				
Dividends paid to ordinary stockholders	12	-	(782,665)	(782,665)
Balances at 31 March 2019		**1,864,554**	**6,548**	**1,871,102**
Profit, being total comprehensive income for the year		-	1,871,251	1,871,251
Shares issued during the year	25	12,251,370	-	12,251,370
Transaction with owners of the Company:				
Dividends paid to ordinary stockholders	12	-	(867,221)	(867,221)
Balances at 31 March 2020		**14,115,924**	**1,010,578**	**15,126,502**

The notes on pages 193 to 288 are an integral part of these financial statements

COMPANY STATEMENT OF CASH FLOWS

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2020 $'000	2019 $'000
Cash Flows from Operating Activities			
Profit for the year		1,871,251	322,227
Adjustments for:			
Interest income	6	(1,509,782)	(1,281,822)
Interest expense	6	1,964,019	1,289,331
Impairment (reversal)/loss on financial assets	9	(208,636)	139,546
Loss on disposal of property, plant and equipment		313	-
Dividend income	29(ii)	(2,191,889)	(906,033)
Foreign exchange (gains)/losses		(143,201)	306,697
		(217,925)	(130,054)
Changes in operating assets and liabilities:			
Income tax recoverable, net		(84,866)	(78,707)
Loans and notes receivable		1,553,846	(17,363,763)
Other receivables		41,090	(187,942)
Other payables		17,618	(12,353)
Securities purchased under agreements to resell		(120,189)	9,168,331
Due from subsidiary		-	(94,826)
Due to subsidiaries		(366,059)	556,614
		823,515	(8,142,700)
Interest received		1,504,955	1,169,791
Interest paid		(1,629,392)	(1,221,583)
Net cash used in operating activities		**699,078**	**(8,194,492)**
Cash Flows from Investing Activities			
Dividends received		2,191,889	906,033
Investment securities, net		15,523	-
Investment in subsidiaries		(1,757,101)	-
Acquisition of interest in associate		(34,401,946)	-
Net cash (used in)/provided by investing activities		**(33,951,635)**	**906,033**
Cash Flows from Financing Activities			
Proceeds from issue of shares, net		12,251,370	-
Proceeds from issue of notes payable		21,863,430	8,361,240
Issue/(redemption) of redeemable preference shares	25	-	(274,160)
Dividends paid	12	(867,221)	(782,665)
Net cash provided by financing activities		**33,247,579**	**7,304,415**
Net (decrease)/increase in cash and cash equivalents		(4,978)	15,956
Cash and cash equivalents at beginning of year		17,046	1,090
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	**12,068**	**17,046**

The notes on pages 193 to 288 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020
(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 its associate which are listed below. The Company and its subsidiaries are collectively referred to as "the Group".

Name of Subsidiary and Associate	% Shareholding Held by Parent/Subsidiary		Country of Incorporation	Principal Activities
	Parent	Subsidiary		
Jamaica Money Market Brokers Limited and its subsidiaries	100		Jamaica	Securities brokering
JMMB Securities Limited		100	Jamaica	Stock brokering
JMMB Insurance Brokers Limited		100	Jamaica	Insurance brokering
JMMB Real Estate Holdings Limited		100	Jamaica	Real estate holding
Capital & Credit Securities Limited		100	Jamaica	Investment holding and management
JMMB Fund Managers Limited		99.8	Jamaica	Fund management
JMMB International Limited		100	St. Lucia	Investment holding and management
JMMB Bank (Jamaica) Limited	100		Jamaica	Commercial banking
JMMB Money Transfer Limited	100		Jamaica	Funds transfer
Jamaica Money Market Brokers (Trinidad and Tobago) Limited and its subsidiaries	100		Trinidad and Tobago	Financial holding company
JMMB Investments (Trinidad and Tobago) Limited and its subsidiary		100	Trinidad and Tobago	Securities brokering
JMMB Securities (T&T) Limited		100	Trinidad and Tobago	Stock brokering
JMMB Bank (T&T) Limited and its subsidiary		100	Trinidad and Tobago	Commercial banking
JMMB Express Finance (T&T) 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 (see note 19)	22.5		Bermuda	Life and health insurance. pension, banking and investment management

During the prior year, Jamaica Money Market Brokers Limited transferred ownership of JMMB Holding Company, SRL to the Company. The transfer was 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").

This is the first set of the Group's annual financial statements in which IFRS 16, *Leases* has been applied. The changes to significant accounting policies are described in note 4.

Details of the Group's significant accounting policies are included at note 36.

(b) Basis of preparation:

The financial statements are prepared on the historical cost basis, except for certain financial instruments and investment properties which are measured at fair value.

(c) Functional and presentation currency:

The financial statements are presented in Jamaica dollars, which is the functional currency of the Company, and are expressed in thousands of dollars unless otherwise stated.

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 3.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities in the next financial year and judgements that have a significant effect on the amounts recognised in the financial statements, include the following:

(a) Key sources of estimation uncertainty

(i) Impairment of financial assets

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and fair value through other comprehensive income (FVOCI) is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020
(expressed in Jamaican dollars unless otherwise indicated)

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 expected credit loss (ECL), such as:

- Determining criteria for significant increases in credit risk with qualitative factors incorporated for 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 36(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 obtained from a yield curve. The yield curve is, in turn, obtained from a pricing source which uses indicative prices submitted to it by licensed banks and other financial institutions in Jamaica. There is significant uncertainty inherent in this approach, 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 17 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 21).

(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 requires management to make certain judgements on its business operations.

3. **Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)**

(b) Critical accounting judgements in applying the Group's accounting policies (continued)

(2) Impairment of financial assets:

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit losses (ECL) and selection and approval of models used to measure ECL requires significant judgement.

4. **Changes in Significant Accounting Policies**

The Group initially applied IFRS 16 *Leases* from 1 April 2019. A number of other new standards are also effective from 1 April 2019 but they do not have a material effect on the Group's financial statements.

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in the statement of financial position at 1 April 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under IAS 17, *Leases* and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

(a) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease contained in note 36(e).

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 April 2019.

(b) As a lessee

As a lessee, the Group leases properties. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet (note 24).

For leases of properties the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under IAS 17

Previously, the Group classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019 (see note 24). Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020
(expressed in Jamaican dollars unless otherwise indicated)

4. Changes in Significant Accounting Policies (Continued)

(b) As a lessee (continued)

Leases classified as operating leases under IAS 17 (continued)

The Group tested its right-of-use assets for impairment on the date of transition and concluded that there was no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

(c) Impact on transition

On transition to IFRS 16, the Group recognised right-of-use assets and lease liabilities. The impact on transition is summarised below.

	The Group 1April 2019 $'000
Right-of-use assets – property	1,639,357
Lease liabilities	1,639,357

For the impact of IFRS 16 on profit or loss for the period, see note 24. For the details of accounting policies under IFRS 16 and IAS 17, see note 36(e).

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is for the Group 5.98%.

	1 April 2019 The Group $'000
Operating lease commitments at 31 March 2019 as disclosed under IAS 17 in the Group's consolidated financial statements	2,348,602
Discounted using the incremental borrowing rate at 1 April 2019	1,521,180
Recognition exemption for lease with less than 12 months of lease term at transition date	(163,433)
Extension options reasonably certain to be exercised	281,610
Lease liabilities recognised at 1 April 2019 (note 24)	1,639,357

5. Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group's activities are organised into three main business segments:

(i) Financial and related services which include securities brokering, stock brokering, portfolio planning, funds management and investment advisory services.

(ii) Banking and related services which include taking deposits, granting loans and other credit facilities, foreign currency trading and remittance and related services.

(iii) Other represents insurance brokering, investment and real estate holding.

	The Group				
	2020				
	Financial & Related Services	Banking & Related Services	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	21,059,518	10,714,733	211,484	-	31,985,735
Inter-segment revenue	4,836,961	193,319	9,255	(5,039,535)	-
Total segment revenue	25,896,479	10,908,052	220,739	(5,039,535)	31,985,735
Segment results	4,039,147	1,457,449	145,549	-	5,642,145
Impairment loss on financial assets					(1,405,505)
Share of profits of associate					195,206
Gain on acquisition of associate					2,799,034
Gain on disposal of property plant and equipment					(14,357)
Profit before tax					7,216,523
Taxation					(150,036)
Profit for the year					7,066,487
Total segment assets	332,501,293	149,546,697	2,020,815	(83,846,179)	400,222,626
Total segment liabilities	294,764,092	133,947,546	1,841,512	(71,509,678)	359,043,472
Interest income	12,051,669	7,636,261	6,188	-	19,694,118
Interest expense	7,709,266	2,704,514	-	-	10,413,780
Operating expenses	9,449,908	6,386,402	155,981	-	15,992,291
Depreciation and amortisation	555,031	447,315	10,829	-	1,013,175
Capital expenditure	920,726	289,146	320,687	-	1,530,559

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020
(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Reporting (Continued)

	The Group				
	2019				
	Financial & Related Services	Banking & Related Services	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	17,829,152	8,864,792	187,488	-	26,881,432
Inter-segment revenue	1,860,662	67,205	-	(1,927,867)	-
Total segment revenue	19,689,814	8,931,997	187,488	(1,927,867)	26,881,432
Segment results	3,146,495	1,964,770	35,689	-	5,146,954
Impairment loss on financial assets	(278,615)	-	-	-	(278,615)
Gain on disposal of property plant and equipment	2,210	-	-	-	2,210
Profit before tax	2,870,090	1,964,770	35,689	-	4,870,549
Taxation					(1,002,143)
Profit for the year					3,868,406
Total segment assets	290,101,882	107,566,733	1,633,943	(79,266,301)	320,036,257
Total segment liabilities	260,553,825	94,105,957	1,571,582	(67,299,383)	288,931,981
Interest income	11,592,016	5,985,539	6,142	-	17,583,697
Interest expense	6,847,633	1,897,603	-	-	8,745,236
Operating expenses	7,934,697	4,896,049	158,496	-	12,989,242
Depreciation and amortisation	413,365	235,368	11,319	-	660,052
Capital expenditure	466,904	345,259	67,105	-	879,268

6. Net Interest Income/(Expense)

	The Group		The Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Interest income, calculated using the effective interest method				
Cash and cash equivalents	79,261	52,222	2	-
Loans and notes receivable	7,117,630	5,507,218	1,446,878	952,446
Resale agreements	24,943	40,887	62,902	329,376
Investment securities	12,472,284	11,983,370	-	-
Total interest income	**19,694,118**	**17,583,697**	**1,509,782**	**1,281,822**
Interest expense				
Repurchase agreements	6,277,934	5,177,315	-	-
Notes payable	1,270,405	1,229,144	967,111	272,742
Customer deposits	1,750,695	1,171,182	-	-
Lease liabilities	117,838	-	-	-
Redeemable preference shares	996,908	1,167,595	996,908	1,016,589
Total interest expense	**10,413,780**	**8,745,236**	**1,964,019**	**1,289,331**
Net interest income/(expense)	**9,280,338**	**8,838,461**	**(454,237)**	**(7,509)**

7. Staff Costs

	The Group	
	2020 $'000	2019 $'000
Salaries and benefits, including profit-related pay	7,490,106	5,580,652
Statutory payroll contributions	491,267	445,104
Pension costs (note 33)	255,381	228,492
Training and development	141,919	150,343
Other staff benefits	1,038,003	722,381
	9,416,676	**7,126,972**

8. Other Expenses

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Marketing, corporate affairs and donations	855,987	547,849	86,428	44,573
Depreciation and amortisation	1,012,175	660,052	-	-
Directors' fees	128,395	100,323	45,999	38,966
Irrecoverable – GCT	366,016	339,762	-	-
Insurance	144,158	152,452	-	-
Auditors' remuneration	129,483	126,519	8,113	6,937
Asset tax	524,835	476,121	-	-
Information technology	721,375	606,606	70	-
Legal and professional fees	1,082,957	911,904	71,394	28,050
Repairs and maintenance	199,074	192,079	-	-
Travel and entertainment	101,994	89,847	875	5,492
Motor vehicle	29,389	49,897	-	-
Office rental	96,604	370,920	-	-
Security	190,216	190,064	4,844	5,489
Stationery, printing and postage	148,438	122,418	-	-
Utilities	282,492	258,932	-	-
Bank charges	204,904	334,864	78	322
Other	294,642	331,661	437	33
	6,513,134	**5,862,270**	**218,238**	**129,862**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020
(expressed in Jamaican dollars unless otherwise indicated)

9. Impairment Losses on Financial Assets

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Charged/(credited) for the year on:				
Investment securities at amortised cost (note 17)	8,956	(7,516)	-	-
Investment securities at FVOCI	217,331	53,478	-	-
Loan and notes receivable (note 14)	1,177,235	230,456	(207,121)	165,533
Securities purchased under agreement to resell (note 16)	38	-	(1,515)	(25,987)
Other receivables (note 15)	1,945	2,197	-	-
	1,405,505	**278,615**	**(208,636)**	**139,546**

10. Taxation

(a) Income tax for the Company is computed at 25% on the profit for the year adjusted for tax purposes. Income taxes for all other subsidiaries are based on statutory income tax rates prevailing in each jurisdiction.

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Green fund and business levy	30,527	12,999	-	-
Current income tax	2,317,391	1,548,809	-	60
Prior year under provision	27,121	11,970	-	132
	2,375,039	1,573,778	-	192
Deferred income tax (note 23)				
Origination and reversal of temporary differences	(2,241,216)	(556,718)	-	-
Tax benefit of losses carried forward	16,213	(14,917)	-	-
	(2,225,003)	(571,635)	-	-
	150,036	**1,002,143**	-	**192**

10. Taxation (Continued)

(b) The tax on profit differs from the theoretical amount that would arise using the statutory rate of 25% as follows:

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Profit before taxation	7,216,523	4,870,549	1,871,251	322,419
Tax calculated at 25% (2019: 25%)	1,804,130	1,217,637	467,813	80,605
Adjusted for the effects of:				
Income not subject to tax	(2,195,336)	(864,162)	(467,813)	(80,413)
Disallowed expenses	502,211	690,930	-	-
Tax losses not recognised	-	4,866	-	-
Tax losses recovered	(12,635)	(78,210)	-	-
Effect of taxation under different tax regime	-	14,362	-	-
Deferred tax not recognised	-	(931)	-	-
Green fund and business levy	17,353	14,343	-	-
Other	7,192	(8,662)	-	-
Prior year under provision	27,121	11,970	-	-
	150,036	**1,002,143**	-	**192**

(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 $3,526,287,000 (2019: $2,880,734,000) for the Group and $310,737,000 (2019: $218,029,000) for the Company.

11. Earnings per Stock Unit

Earning per stock unit ("EPS'') is computed by dividing the profit attributable to stockholders of the parent of $6,993,567,000 (2019: $3,820,119,000) by the weighted average number of ordinary stock units in issue during the year, numbering 1,749,541,603 (2019: 1,630,552,532).

12. Dividends paid to Ordinary Stockholders

	The Group and the Company	
	2020 $'000	2019 $'000
Final dividend in respect of 2019 @ 23.0 cents per stock unit	456,555	-
Interim dividend in respect of 2020 @ 20.0 cents per stock unit	410,666	-
Final dividend in respect of 2018 @ 27.0 cents per stock unit	-	440,249
Interim dividend in respect of 2019 @ 21.0 cents per stock unit	-	342,416
	867,221	**782,665**

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13. Cash and Cash Equivalents

	The Group		The Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Cash	32,102,661	24,312,765	-	-
Balances with Central Bank	8,859,527	4,602,038	-	-
Cash equivalents	1,673,812	1,811,593	12,068	17,046
	42,636,000	**30,726,396**	**12,068**	**17,046**

Cash equivalents of the Group include $1,617,100,000 (2019: $1,663,917,000) 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 (2019: $7,859,000) deposited at an interest rate of 0.5% (2019: 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.

14. Loans and Notes Receivable

	The Group		The Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Corporate	46,322,794	35,881,450	-	-
Financial institutions	5,330,162	444,248	21,920,734	22,416,429
Individuals	50,226,573	33,475,218	-	-
	101,879,529	69,800,916	21,920,734	22,416,429
Less: allowance for impairment	(3,038,456)	(1,853,648)	(60,524)	(267,645)
	98,841,073	**67,947,268**	**21,860,210**	**22,148,784**

Allowance for impairment:

	The Group		The Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Balance at 1 April	1,853,648	1,320,736	267,645	-
Adjustment on initial application of IFRS 9	-	362,338	-	102,112
Charge for year (note 9)	1,189,911	283,934	(207,121)	165,533
Recoveries	(12,676)	(53,478)	-	-
Write-offs	(31,797)	(64,672)	-	-
Translation gains	39,370	4,790	-	-
Balance at 31 March	**3,038,456**	**1,853,648**	**60,524**	**267,645**

14. Loans and Notes Receivable (Continued)

Notes receivable for the Company represents loan advances to subsidiaries repayable on 14 January 2024. Interest is payable monthly at a fixed rate of 6.0% and 7.5% per annum.

Notes receivable include the balance on an interest-free revolving advance of $2,458,548,605 (2019: $807,037,000) to the trustees of the Group's Employee Share Ownership Plan (ESOP), the repayment date for which has not been fixed. The number of stock units held by the ESOP at 31 March 2020 was 172,681,449 (2019: 159,076,085).

15. Other Receivables

	The Group		The Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Receivable from related parties	3,054,939	2,421,937	-	-
Other receivables	3,304,342	2,338,613	183,185	224,275
Staff loans	641,925	560,201	-	-
	7,001,206	5,320,751	183,185	224,275
Less: allowance for impairment	(8,544)	(6,599)	-	-
	6,992,662	**5,314,152**	**183,185**	**224,275**

Allowance for impairment:

	The Group		The Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Balance at 1 April	6,599	1,719	-	-
Adjustment on initial application of IFRS 9 (note 4)	-	2,683	-	-
Charge for year	1,945	2,197	-	-
Balance at 31 March	8,544	6,599	-	-

16. Securities Purchased Under Agreements to Resell

	The Group		The Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Denominated in Jamaica dollars	6,000,000	-	-	556,944
Denominated in United States dollars	-	-	647,049	385,665
Denominated in Trinidad and Tobago dollars	-	-	499,750	-
	6,000,000	-	1,146,799	942,609
Less: allowance for impairment	(38)	-	(10)	(1,525)
	5,999,962	-	**1,146,789**	**941,084**

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16. Securities Purchased Under Agreements to Resell (Continued)

Allowance for impairment:

	The Group		The Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Balance at 1 April	-	-	1,525	-
Adjustment on initial application of IFRS 9	-	-	-	27,512
Charge/(credit) for year	38	-	(1,515)	(25,987)
Balance at 31 March	38	-	10	1,525

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 27).

At the reporting date, the fair value of the securities obtained and held under resale agreements was $6,168,318,000 (2019: $Nil) and $1,740,490,000 (2019: $942,609,000) for the Group and Company, respectively.

17. Investment Securities

	The Group		The Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Debt securities at amortised cost:				
Certificates of deposit	25,953	258,927	-	648
Government of Jamaica securities	7,647,759	7,939,660	-	-
Other sovereign bonds	270,881	250,207	-	-
Corporate:			-	-
Government of Jamaica guaranteed	2,316,972	2,471,738	-	-
Other	635,816	-	-	-
	10,897,381	10,920,532	-	648
Debt securities at fair value through other comprehensive income:				
Government of Jamaica securities	72,141,507	98,693,970	-	-
Certificates of deposit	12,716,403	10,830,000	-	-
Government of Jamaica guaranteed	2,988,926	299,493	-	-
Corporate bonds	56,806,509	37,808,278	-	-
Other sovereign bonds	30,495,342	43,302,644	-	-
	175,148,687	190,934,385	-	-
Equity securities at fair value through other comprehensive income:				
Quoted securities	2,430,995	1,229,794	-	-
Balance carried forward to page 34	188,477,063	203,084,711	-	648

17. Investment Securities (Continued)

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Balance brought forward from page 33	188,477,063	203,084,711	-	648
Other securities at fair value through other comprehensive income:				
Other	4,033	22,465	4,033	18,908
Debt securities designated at fair value through profit or loss:				
Corporate bonds	1,330,315	1,235,863	-	-
Other sovereign bonds	438,808	494	-	-
	1,769,123	1,236,357	-	-
Equity securities at fair value through profit and loss:				
Quoted securities	1,535,251	1,107,947	-	-
Other securities at fair value through profit and loss:				
Units in unit trusts	433,323	622,969	-	-
Money market funds	325,079	178,944	-	-
Unquoted securities	17,251	-	-	-
	775,653	801,913	-	-
	192,561,123	206,253,393	4,033	19,556
Less: allowance for impairment losses for investments at amortised cost	(290,602)	(281,034)	-	-
	192,270,521	**205,972,359**	**4,033**	**19,556**

Allowance for impairment for investments at amortised cost:

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Balance at 1 April	281,034	362,868	-	-
Adjustment on initial application of IFRS 9	-	49,109	-	-
Reclassification of allowance on securities reclassified on initial application of IFRS 9	-	(123,279)	-	-
Charge/(credit) for the year	8,956	(7,516)	-	-
Recoveries	612	(148)	-	-
Balance at 31 March	**290,602**	**281,034**	**-**	**-**

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17. Investment Securities (Continued)

Investments mature, from the reporting date, as follows:

	The Group		The Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Government of Jamaica securities:				
Within 3 months	-	3,110,467	-	-
From 3 months to 1 year	1,546,481	3,679,396	-	-
From 1 year to 5 years	15,737,792	15,059,818	-	-
Over 5 years	62,481,083	84,756,439	-	-
	79,765,356	106,606,120	-	-
Certificates of deposit:				
Within 3 months	13,383,663	11,088,927	-	648
From 1 year to 5 years	25,953	-	-	-
	13,409,616	11,088,927	-	648
Sovereign and corporate bonds:				
Within 3 months	2,666,966	2,572,610	-	-
From 3 months to 1 year	6,007,743	8,244,555	-	-
From 1 year to 5 years	40,146,753	21,302,954	-	-
Over 5 years	45,542,020	52,995,074	-	-
	94,363,482	85,115,193	-	-
Other [see (c) below]	4,732,067	3,162,119	4,033	18,908
	192,270,521	**205,972,359**	**4,033**	**19,556**

(a) Government of Jamaica securities and certain other bonds are pledged as security for repurchase agreements (note 27) and notes payable (note 28).

(b) Government of Jamaica securities having an aggregate face value of $620,000,000 (2019: $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 includes quoted equities, unit trust holdings and interest in pooled money market fund, for which there are no fixed maturity dates.

18. Interest in Subsidiaries

	The Company	
	2020	2019
	$'000	$'000
Shares at cost:		
Jamaica Money Market Brokers Limited	1,864,054	1,864,054
JMMB Bank (Jamaica) Limited	6,085,176	4,885,176
JMMB Money Transfer Limited	50,789	50,789
Jamaica Money Market Brokers (Trinidad and Tobago) Limited	4,054,726	3,497,625
JMMB Holding Company, SRL and its subsidiaries	1,478,763	1,478,763
	13,533,508	**11,776,407**

19. Interest in Associate

	The Group	The Company
	2020	2020
	$'000	$'000
Acquisition cost	34,401,946	34,401,946
Share of profits	195,206	-
Gain on acquisition	2,799,034	-
Dividends received	(225,936)	-
Movement in other reserves	(2,160,944)	-
At end of the year	35,009,306	34,401,946

The Group acquired 33,213,764 common shares of Sagicor Financial Company Limited (SFC) on 5 December 2019, upon the immediate conversion of 33,213,764 Class B shares of Alignvest Acquisition II Corporation (Alignvest), on a one-for-one basis.

The Group purchased the Class B shares from Alignvest, by way of a private placement, at CAD$10.00 per Class B share, totalling CAD$332,137,638 based on a subscription amount of US$250,000,000 converted on date of closing. Sagicor as the resulting issuer, thereafter issued the common shares upon conversion, in connection with Alignvest's qualifying transaction with Sagicor Financial Corporation Limited, through a statutory plan of arrangement and the continuance of Alignvest to Bermuda, under the name "Sagicor Financial Company Limited, (SFC)".

As a result of this transaction, the Group now owns and controls 22.52% of the issued and outstanding common shares of SFC.

The Group has accounted for this investment as an associate and has applied the equity method. 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.

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19. Interest in Associate (Continued)

The following table presents the summarized 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 2019 adjusted for its unaudited results for the three months to 31 March 2020.

	2020
Percentage ownership	**22.5%**
	$'000
Total assets	1,133,078,557
Total liabilities	(916,938,919)
Net assets	216,139,638
Revenue	71,106,043
Profit from continuing operation	867,583
Other comprehensive income	(12,637,926)
Total comprehensive income	(11,770,343)
Group's share of profit (22.5%)	195,206
Group's share of other comprehensive income	(2,843,533)
Group's share of total comprehensive income	(2,648,327)
Net assets of the associate – 100%	216,239,638
Pre-acquisition goodwill and intangible assets	(12,068,099)
Non-controlling interests	(75,739,912)
Adjusted net assets	128,431,627
Group's share of adjusted net assets (22.5%)	28,897,116
Intangible assets recognised on acquisition	6,238,343
Translation loss	(126,153)
Carrying amount of interest in associate	35,009,306

The carrying value of SFC and the value indicated by price quoted on the Toronto Stock Exchange (''TSE Indicative Value'') as at 31 March is as follow:

	The Group		**The Company**	
	Carrying Value	**TSE Indicative Value**	**Carrying Value**	**TSE Indicative Value**
	2020	**2020**	**2020**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Sagicor Financial Company Limited	34,893,824	21,312,222	34,401,946	21,312,222

19. 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 value of the underlying asset and determined that no impairment in the carrying values has occurred.

20. Investment Property

	The Group	
	2020	2019
	$'000	$'000
Balance as at 1 April	489,616	489,616
Acquisitions	29,132	-
Fair value gain	102,484	-
	621,232	489,616

The properties are measured at fair value, as appraised by professional, independent valuers every three years and in the intervening years by the directors. The valuation model considers the present value of the net cash flows that can be generated from the property, the condition of the buildings and their location (prime vs secondary), in addition to recent market transactions in the same proximity.

Investment properties generated revenue of $Nil (2019: $916,000) and incurred expenses of $14,775,000 (2019: $18,698,000) for the year.

The fair value of the Group's investment properties is categorised as Level 3 in the fair value hierarchy as described in note 32.

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.

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21. Intangible Assets

	The Group					
	Computer Software	Customer List and Core Deposits	Licence	Goodwill	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
31 March 2018	1,670,757	603,948	283,629	28,301	357,157	2,943,792
Additions	395,905	-	-	-	-	395,905
Exchange rate adjustment	(1,370)	1,732	(197)	969	1,266	2,400
31 March 2019	2,065,292	605,680	283,432	29,270	358,423	3,342,097
Additions	678,639	-	-	-	-	678,639
Exchange rate adjustment	(6,671)	17,662	15,418	40	10,365	36,814
31 March 2020	2,737,260	623,342	298,850	29,310	368,788	4,057,550
Accumulated Amortisation						
31 March 2018	770,022	293,769	-	-	277,488	1,341,279
Charge for the year	181,805	61,033	-	-	19	242,857
Exchange rate adjustment	(1,088)	215	-	-	1,266	393
31 March 2019	950,739	355,017	-	-	278,773	1,584,529
Charge for the year	187,533	41,146	-	-	-	228,679
Exchange rate adjustment	(148)	28,576	-	-	10,365	38,793
31 March 2020	1,138,124	424,739	-	-	289,138	1,852,001
Net Book Value						
31 March 2020	**1,599,136**	**198,603**	**298,850**	**29,310**	**79,650**	**2,205,549**
31 March 2019	**1,114,553**	**250,663**	**283,432**	**29,270**	**79,650**	**1,757,568**

Impairment testing for intangible assets with indefinite useful lives

Licences recognised in JMMB (Trinidad & Tobago) Limited and JMMB Holding Company Limited, SRL

The recoverable amounts of the cash generating units (CGUs) in which the licences are included were based on value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGUs. The licences were valued using "with-and-without" (WOW) method which compares the present value of the cash flows "with the asset" in place to the present value of cash flows "without the asset."

The key assumptions used in the estimation of the recoverable amounts were as follows:

	2020	**2019**
Discount rate:	14.5%; 17%	14.5%; 17.0%
Long-term growth rate	3%	3%
Time to obtain licence	3-4 years	3-4 years

21. 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 were post-tax measures determined based on rates used for similar assets in the relevant countries, business risks and other company specific risks.

The cash flow projections include specific estimates for ten and eleven years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compounded annual growth rates, consistent with assumptions that a market participant would make. The ten and eleven year cash flow projections are considered reflective of a stabilized level of earnings to estimate terminal value.

The estimated recoverable amounts of the CGUs were estimated to be higher than their recoverable amounts and no impairment was identified.

22. 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 2018	**2,041,347**	**814,276**	**56,437**	**1,091,478**	**2,159,808**	**6,163,346**
Additions	177,698	32,490	16,404	94,231	162,540	483,363
Reclassification	(43,842)	3,232	-	-	40,610	-
Disposals	-	-	(4,397)	-	-	(4,397)
Exchange rate adjustment	546	(795)	(5,545)	519	5,743	468
31 March 2019	**2,175,749**	**849,203**	**62,899**	**1,186,228**	**2,368,701**	**6,642,780**
Additions	345,642	78,041	38,469	239,048	93,404	794,604
Transfer	(73,760)	4,837	-	5337	63,586	-
Reclassification	(60,407)	27,605	-	848,364	(815,826)	(264)
Disposals	-	(144,139)	(12,966)	(164,188)	(44,213)	(365,506)
Exchange rate adjustment	6,102	36,564	53	3,459	86,116	132,294
31 March 2020	**2,393,326**	**852,111**	**88,455**	**2,118,248**	**1,751,768**	**7,203,908**

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22. 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 2018	**205,360**	**496,261**	**37,501**	**796,471**	**1,409,876**	**2,945,469**
Charge for the year	33,271	67,514	7,207	145,475	163,728	417,195
Disposals	-	-	(4,397)	-	-	(4,397)
Exchange rate adjustment	-	(2,611)	(233)	(1,236)	5,261	1,181
31 March 2019	**238,631**	**561,164**	**40,078**	**940,710**	**1,578,865**	**3,359,448**
Charge for the year	34,079	78,992	9,102	190,848	156,800	469,821
Reclassification	-	(40)	(8,438)	780,981	(780,941)	(8,438)
Disposals	-	(143,826)	(45)	(162,828)	(43,452)	(350,151)
Exchange rate adjustment	-	22,813	15	328	70,079	93,235
31 March 2020	**272,710**	**519,103**	**40,712**	**1,750,039**	**981,351**	**3,563,915**
Net Book Value						
31 March 2020	**2,120,616**	**333,008**	**47,743**	**368,209**	**770,417**	**3,639,993**
31 March 2019	**1,937,118**	**288,039**	**22,821**	**245,518**	**789,836**	**3,283,332**

	The Company			
	Leasehold Improvements	Furniture, Fixtures and Equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000
Cost				
Acquired on group reorganisation and balance at 31 March 2018 and 31 March 2019	10,271	3,493	45	13,809
Disposal	(10,271)	(3,493)	(45)	(13,809)
31 March 2020	-	-	-	-
Depreciation				
Acquired on group reorganisation and balance at 31 March 2018 and 31 March 2019	9,958	3,493	45	13,496
Disposal	(9,958)	(3,493)	(45)	(13,496)
31 March 2020	-	-	-	-
Net Book Value				
31 March 2020	**-**	**-**	**-**	**-**
31 March 2019	**313**	**-**	**-**	**313**

23. Deferred Income Tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same fiscal authority on either the taxable entity or a different taxable entity where there is an intention to settle the balances on the net basis.

Deferred income tax is calculated in full on temporary differences under the liability method using the principal tax rate applicable to the jurisdictions in which the temporary differences arise.

Deferred tax assets and liabilities recognised on the statement of financial position are as follows:

	The Group	
	2020	2019
	$'000	$'000
Deferred income tax assets	5,508,584	360,893
Deferred income tax liabilities	(49,778)	(175,180)
	5,458,806	**185,713**

Deferred income tax assets and deferred income tax liabilities are due to the following items:

	The Group		The Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Deferred income tax assets -				
Investments	4,094,599	910,738	-	-
Unrealised foreign exchange losses	1,067,945	-	-	-
Property, plant and equipment	22,163	-	-	-
Other payables	55,263	27,374	-	-
Interest payable	405,417	430,109	-	-
Tax losses carried forward	124,790	141,003	-	-
Notes receivable	172,887	-	-	-
Lease liabilities	11,602	-	-	-
	5,954,666	1,509,224	-	-
Deferred income tax liabilities -			-	-
Unrealised foreign exchange gains	-	810,606	-	-
Property, plant and equipment	-	24,824	-	-
Interest receivable	495,860	488,081	-	-
	495,860	1,323,511	-	-
Net deferred income tax assets	**5,458,806**	**185,713**	-	**-**

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23. Deferred Income Tax (Continued)

The movement for the year in the net deferred tax is as follows:

	2020			
	The Group			
	Balance at Beginning of Year	Recognised in Income	Recognised in Other Comprehensive Income	Balance at End of Year
	$'000	$'000 (note 10)	$'000	$'000
Tax losses carried forward	141,003	(16,213)	-	124,790
Investments	910,738	135,771	3,048,090	4,094,599
Accounts payable	27,374	27,889	-	55,263
Property, plant and equipment	(24,824)	46,987	-	22,163
Interest payable	430,109	(24,692)	-	405,417
Unrealised foreign exchange loss	-	1,067,945	-	1,067,945
Unrealised foreign exchange gains	(810,606)	810,606	-	-
Notes receivable	-	172,887	-	172,887
Lease liabilities	-	11,602	-	11,602
Interest receivable	(488,081)	(7,779)	-	(495,860)
	185,713	**2,225,003**	**3,048,090**	**5,458,806**

	2019			
	The Group			
	Balance at Beginning of Year	Recognised in Income	Recognised in Other Comprehensive Income	Balance at End of Year
	$'000	$'000 (note 10)	$'000	$'000
Tax losses carried forward	126,086	14,917	-	141,003
Investments	(316,624)	1,277,330	(49,968)	910,738
Accounts payable	20,433	6,941	-	27,374
Property, plant and equipment	52,063	(76,887)	-	(24,824)
Interest payable	387,395	42,714	-	430,109
Unrealised foreign exchange loss	1,916	(1,916)	-	-
Unrealised foreign exchange gains	(12,694)	(797,912)	-	(810,606)
Interest receivable	(594,529)	106,448	-	(488,081)
	(335,954)	**571,635**	**(49,968)**	**185,713**

24. Leases

Leases as lessee

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 shows the following amounts relating to leases:

	The Group
	2020
	$'000
Right-of-use assets - properties:	
Recognised at 1 April [(note 4(c)]	1,639,357
Additions	460,093
Charge for the year	(314,675)
Exchange rate adjustment	64,546
Balance at 31 March	**1,849,321**
Lease liabilities:	
Current	303,300
Non-current	1,645,368
	1,948,668

(ii) Amounts recognised in the profit and loss account show the following amounts relating to leases:

2020 – Leases under IFRS 16

	The Group
	2020
	$'000
Depreciation charge of right-of-use assets	314,675
Foreign exchange loss on lease liabilities	42,664
Interest expense on lease liabilities	117,838
Expense relating to short-term and low-value leases (included in administration expenses)	90,335

2019 – Operating leases under IAS 17

	The Group
	2019
	$'000
Lease expense	283,764

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24. Leases (Continued)

Leases as lessee (continued)

(iii) Amounts recognised in the statement of cash flows

	The Group
	2020
	$'000
Total cash out flows for leases	375,839

(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 $1,137,014,000.

25. Share Capital

	2020	**2019**
	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	6,000,000	6,000,000

	2020	**2019**
	Number of Shares	**Number of Shares**
	('000)	**('000)**
Issued ordinary share capital:		
Ordinary stock units in issue at no par value	1,955,552	1,630,552

25. Share Capital (Continued)

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Stated capital:				
1,955,552,532 (2019: 1,630,552,532) ordinary stock units	14,115,924	1,864,554	14,115,924	1,864,554
9,434,000 7.25% cumulative redeemable preference stock units	14,151	14,151	14,151	14,151
1,827,548,000 7.50% cumulative redeemable preference stock units	1,827,548	1,827,548	1,827,548	1,827,548
213,500 5.75% cumulative redeemable preference stock units	42,901	40,038	42,901	40,038
42,783,500 US$ 6.00% cumulative redeemable preference stock units	5,731,278	5,348,793	5,731,278	5,348,793
32,177,000 7.00% cumulative redeemable preference stock units	64,354	64,354	64,354	64,354
1,848,937,000 7.25% cumulative redeemable preference stock units	3,697,874	3,697,874	3,697,874	3,697,874
155,000 US$ 5.50% cumulative redeemable preference stock units	41,527	38,756	41,527	38,756
21,265,000 US$ 5.75% cumulative redeemable preference stock units	5,697,319	5,317,101	5,697,319	5,317,101
	31,232,876	18,213,169	31,232,876	18,213,169
Less: redeemable preference stock units classified as liability	(17,116,952)	(16,348,615)	(17,116,952)	(16,348,615)
	14,115,924	**1,864,554**	**14,115,924**	**1,864,554**

On 19 November 2019, the Company issued 325,000,000 ordinary shares at a price of J$38.00 and TT$1.90 per share, to existing and key shareholders and J$38.75 and TT$1.94 to other investors respectively, by way of an additional public offering. The shares rank parri passu with existing ordinary shares.

On 14 January 2016, the Company issued 9,434,000 and 1,827,548,000 7.25% and 7.50% variable rate cumulative redeemable preference shares and 213,500 and 42,783,500 5.75% and 6.00% fixed rate cumulative redeemable preference shares at a price of J$1.50, J$1.00, US$1.50 and US$1.00 per share, respectively, by public offering. The redeemable preference shares mature on 14 January 2024.

On 7 March 2018, the Company issued 32,177,000 and 1,848,937,000 7.00% and 7.25% JMD variable rate cumulative redeemable preference shares and 155,000 and 21,265,000 5.50% and 5.75% USD fixed rate cumulative redeemable preference shares at a price of J$2.00 and US$2.00 per share, respectively, by public offering. The redeemable preference shares mature 6 March 2025.

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25. 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 12).

(ii) Entitlement to one vote per share at meetings of the Company.

26. 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.

27. Securities Sold Under Agreements to Repurchase

	The Group	
	2020	**2019**
	$'000	**$'000**
Denominated in Jamaica dollars	60,876,875	52,123,498
Denominated in United States dollars	90,626,003	82,475,858
Denominated in Pound Sterling	1,262,252	2,498,943
Denominated in Euro	164,472	200,108
Denominated in Dominican Republic Peso	21,419,026	22,117,192
Denominated in Canadian dollars	51,728	415,461
Denominated in Trinidad and Tobago dollars	5,189,624	4,076,831
	179,589,980	**163,907,891**

27. 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 $186,673,921,000 (2019: $182,706,790,000) (notes 16 and 17).

28. Notes Payable

		The Group		The Company	
		2020	**2019**	**2020**	**2019**
		$'000	**$'000**	**$'000**	**$'000**
(i)	Senior Unsecured US$ Fixed Note	2,588,643	2,415,886	-	-
(ii)	Subordinated debt	1,999,000	1,868,000	-	-
(iii)	Subordinated debt	579,483	542,834	-	-
(iv)	Senior secured TT$ Fixed Note	2,218,890	2,096,083	-	-
(v)	Senior secured US$ Fixed Note	1,493,333	2,082,651	-	-
(vi)	Promissory Note US$ Note	1,071,680	1,000,160	-	-
(vii)	Promissory Note US$ Fixed Note	20,094,000	18,753,000	-	-
(viii)	Unsecured US$ Fixed Note	971,478	1,505,616	971,478	1,505,616
(ix)	Unsecured J$ Fixed Note	472,425	892,426	472,425	892,426
(x)	Unsecured J$ Fixed Note	5,879,500	5,879,500	5,879,500	5,879,500
(xi)	Unsecured J$ Fixed Note	3,500,000	-	3,500,000	-
(xii)	Unsecured US$ Fixed Note	3,349,000	-	3,349,000	-
(xiii)	Senior secured J$ Fixed Note	870,000	-	9,520,000	-
(xiv)	Secured US$ Index Bond	-	-	6,528,000	-
		45,087,432	**37,036,156**	**30,220,403**	**8,277,542**

(i) The note is unsecured and bears interest at 5.5% per annum, with prior interest payable on a quarterly basis and a maturity date of 15 June 2023.

(ii) This represents subordinated debts of TT$100M issued by a subsidiary for a term of eight (8) years, maturing on 28 March 2022, at a fixed rate of 4.5% per annum.

(iii) This represents subordinated debt of US$4,151,000 issued by a subsidiary for a term of (5) years, maturing on 29 June 2020, at a fixed rate of 7.0% per annum.

(iv) This represents a fixed rate debt issued in three tranches bearing interest at 3.25% and 3.70% per annum, payable on a semi-annually basis. These notes mature in November 2020, November 2021 and November 2022 and are secured by investment securities (note 17).

(v) This represents a fixed rate US$ indexed debt issued in two tranches bearing interest at 3.15%-3.55% per annum, payable on a semi-annually basis. These notes mature in November 2020, November 2021 and are secured by investment securities (note 17).

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28. Notes Payable (Continued)

(vi) This represents a short-term unsecured funding facility from Citibank N. A of US$8,000,000 at an interest rate of 4.52% for the period 20 March 2019 to 20 April 2019. The note was repaid subsequent to the reporting date.

(vii) This note is unsecured and bears interest at 2.5% per annum, payable quarterly. The note matures on 30 April 2021.

(viii) This represents unsecured fixed rate US$ debt issued in three tranches bearing interest at 5.5%, 5.65% and 5.80% per annum, payable on a quarterly basis. The first tranche matured on 20 December 2019 and was repaid. The remaining two tranches matures on 20 June 2020 and 21 December 2020 respectively.

(ix) This represents unsecured fixed rate J$ debt issued in three tranches bearing interest at 5.65%, 6.0% and 6.25% per annum, payable on a quarterly basis. The first tranche matured on 20 December 2019 and was repaid. The remaining two tranches matures on 20 June 2020 and 21 December 2020 respectively.

(x) This represents unsecured fixed rate J$ debt bearing interest at 6.75% per annum, payable on a quarterly basis. The note matures on 27 July 2020.

(xi) 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.

(xii) 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.

(xiii) This represents a fixed rate debt issued in two tranches bearing interest at 6.6% and 7.25% per annum, payable on a semi-annually basis. These notes mature in 23 December 2022 and 23 December 2026 and are secured by equity shares of the associate (note 19).

(xiv) This represents a fixed rate US$ indexed debt issued in two tranches bearing interest at 5.6% and 6.25% per annum, payable on a semi-annually basis. These notes mature in 6 December 2022 and 6 December 2026 and are secured by equity shares of the associate (note 19).

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.

29. Related Party Transactions and Balances (Continued)

(i) The statement of financial position includes balances, arising in the normal course of business, with related parties, as follows:

	The Group		The Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Directors-				
Loans and notes receivable	239,093	140,154	-	-
Interest payable	(1,104)	(279)	-	-
Customer deposits	(215,008)	(192,998)	-	-
Securities sold under agreements to repurchase	(1,351,676)	(72,431)	-	-
Major shareholders -				-
Notes receivable	2,458,549	807,037	-	-
Subsidiaries -				
Securities purchased under agreements to resell	-	-	1,146,789	941,084
Loans and notes receivable	-	-	21,860,210	22,148,784
Other receivables	-	-	130,230	218,538
Other payables	-	-	(8,553,473)	(8,768,350)
Managed funds -				
Cash equivalents	504,600	-	-	-
Accounts receivable	3,432,986	2,421,937	-	-
Accounts payable	(42,332)	(118,138)	-	-
Securities sold under agreements to repurchase	(814,852)	(22,028,424)	-	-
Notes payable	(20,094,000)	(18,753,000)	-	-
Customer deposits	(2,555,819)	(3,137,720)	-	-

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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	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Directors:				
Interest income	27,262	14,590	-	-
Interest expense	(4,037)	(1,614)	-	-
Subsidiaries:		-		
Dividend income	-	-	2,191,889	906,033
Interest income	-	-	-	1,281,822
Associated company				
Dividend income	225,936	-	225,936	-
Managed funds:				-
Gain on sale of securities	247,322	440,989	-	-
Fee income	892,180	759,351	-	-
Interest income	1,675	1,656	-	-
Interest expense	(847,561)	(478,903)	-	-

(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	
	2020	**2019**
	$'000	**$'000**
Directors emoluments:		
Fees (note 8)	128,395	100,323
Management remuneration	67,384	65,137
Other key management compensation:		
Short-term employee benefits	487,876	524,287
Post-employment benefits	16,261	17,769
	699,916	707,516

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:

	2020	2019
NCI percentage	20%	20%
	$'000	$'000
Total assets	33,998,848	32,323,353
Total liabilities	(30,920,601)	(28,873,049)
Net assets	3,078,247	3,450,304
Carrying amount of NCI	952,185	1,038,332

(b) Profit or loss account and other comprehensive income:

	2020	2019
Revenue	3,727,401	3,032,682
Profit	585,032	332,412
Other comprehensive income	706,120	51,996
Profit allocated to NCI, net	72,920	48,287
Other comprehensive income allocated to NCI	(131,686)	(62,339)

(c) Statement of cash flows:

	2020	2019
Cash flows from operating activities	1,651,504	2,948,745
Cash flows from investing activities	(576,592)	(3,750,294)
Cash flows from financing activities	-	996,000
Net increase in cash and cash equivalents	1,074,912	194,451

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

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31. Financial Risk Management (Continued)

(a) Introduction and overview (continued)

Risk management framework

The risks are managed through an established risk management framework for the Group, which involves the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board has established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee

The Risk Management Committee is a Board Committee responsible for the supervision of the overall risk management functions of the Group. The committee decides the policies and strategy for integrated risk management of the various risk exposures of the Group.

(ii) Board Credit Committees

The respective Bank Board Credit Committees are responsible for approving all credit requests above a specified threshold and ensuring that all lending facilities conform to standards agreed by the Board and embodied in the Credit Risk Policy. The committees are ultimately responsible for determining the composition and management of the credit portfolios and have available a number of measures they can employ in this respect, including making specific and general allowances against actual or potential impairment. The committees are supported in their work by the Management Credit Committee.

(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 World Health Organisation declared the novel Coronavirus (COVID-19) outbreak a pandemic on March 11, 2020 and the Government of Jamaica declared the island a disaster area on March 13, 2020. The pandemic and the measures to control its human impact have resulted in disruptions to economic activity, business operations and asset prices. In response to the pandemic, Management has adopted several measures specifically around financial risk management. These measures include:

(i) Enhanced monitoring of market movements by the Risk unit and tracking of the impact on the investment portfolios and the resulting impact on capital and liquidity to support timely decision making.

(ii) The Liquidity Management Committee and the Asset and Liability Committees within the Group meet bi-weekly to discuss strategies and plans around managing the liquidity and the capital needs of the Group.

(iii) Updating of the entity's recovery plan for securities dealers, which was required by the regulators. 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 description of the escalation and decision-making process to ensure that the plan can be executed in a timely manner.
- Communication plan to ensure that stakeholders (internal and external) are given timely and appropriate information during the firm's recovery process.

31. Financial Risk Management (Continued)

(a) Introduction and overview (continued)

Impact of Covid-19 (continued)

(iv) The implementation of measures to assist external clients during this crisis, such as:

- Payment holidays on loans. It is not expected that there will be reclassification of loans from Stage 1 to Stage 2 as these payment holidays should not trigger a significant increase in the credit risk (SICR) unless other criteria indicating SICR [see note 31(b)(vi)(i)] are identified.
- Special arrangements with clients, such as amending their collateral/margin requirements based on their needs and subject to approval by the appropriate committee.

(b) Credit risk

Credit risk is the risk of suffering financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. Credit risk arises mainly from, commercial and consumer loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as credit derivatives (credit default swaps), financial guarantees, letters of credit, endorsements and acceptances. The Group is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures') including non-equity trading portfolio assets and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements.

(i) Management of credit risk

Credit risk is a significant risk for the Group's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors and head of each business unit.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD).

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.

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(i) Management of credit risk (continued)

Key financial assets are managed as follows:

(i) Loans and notes receivable (including commitments and guarantees)

The Group has established a credit quality review process involving regular analysis of the ability of borrowers and other counterparties to meet interest and capital repayment obligations.

Exposure to credit risk is managed in part by obtaining collateral and corporate and personal guarantees. Counterparty limits are established by the use of a credit classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risk to which it is exposed and to take corrective action.

The Group assesses the probability of default of individual counterparties using internal ratings. Clients of the Group are segmented into rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class.

Rating grades	Description of the grade
1	Excellent
2	Good credit
3	Average credit
4	Acceptable
5	Marginal
6	Substandard
7	Doubtful

Loans and notes receivable that are cash-secured are included in the credit classification as Risk Rated 1, based on the Group's rating grades.

(ii) Investments and resale agreements

The Group limits its exposure to credit risk by investing in liquid securities with counterparties that have high credit quality. As a consequence, management's expectation of default is low.

The Group has documented investment policies which facilitate the management of credit risk on investment securities and resale agreements. The Group's exposure and the credit ratings of its counterparties are continually monitored.

(iii) Cash and cash equivalents

Cash and cash equivalents are held in financial institutions which management regards as strong and there is no significant concentration. The strength of these financial institutions is continually reviewed by the Risk Management Committee.

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31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis

The following table sets out information about the credit risk and the credit quality of financial assets measured at amortised cost and debt instruments measured a fair value through other comprehensive income (FVOCI). 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 14):

	The Group			
	2020			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Credit grade				
Standard monitoring	89,063,460	1,489,535	-	90,552,995
Special monitoring	3,883	5,660,300	-	5,664,183
Default	-	-	5,662,351	5,662,351
	89,067,343	7,149,835	5,662,351	101,879,529
Loss allowance [note 31(b)(vi)(v)	(930,166)	(300,961)	(1,807,329)	(3,038,456)
	88,137,177	6,848,874	3,855,022	98,841,073

	2019			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Credit grade				
Standard monitoring	60,317,484	776,092	-	61,093,576
Special monitoring	-	4,944,353	-	4,944,353
Default	-	-	3,762,987	3,762,987
	60,317,484	5,720,445	3,762,987	69,800,916
Loss allowance [note 31(b)(vi)(v)	(363,825)	(214,889)	(1,274,934)	(1,853,648)
	59,953,659	5,505,556	2,488,053	67,947,268

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis (continued)

Loans and notes receivable at amortised cost (note 14) (continued):

	The Group			
	2020			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Ageing of loans and notes receivable				
Neither past due nor impaired	80,711,497	1,738,632	-	82,450,129
Past due 1-30 days	8,355,846	647,879	-	9,003,725
Past due 31-60	-	2,975,633	-	2,975,633
Past due 61-90	-	1,787,691	-	1,787,691
More than 90 days	-	-	5,662,351	5,662,351
Total	89,067,343	7,149,835	5,662,351	101,879,529

	2019			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Ageing of loans and notes receivable				
Neither past due nor impaired	55,202,926	2,478,045	-	57,680,971
Past due 1-30 days	5,114,558	500,582	-	5,615,140
Past due 31-60	-	2,191,150	-	2,191,150
Past due 61-90	-	550,668	-	550,668
More than 90 days	-	-	3,762,987	3,762,987
Total	60,317,484	5,720,445	3,762,987	69,800,916

For financial assets not recognised at the reporting date:

	The Group	
	2020	2019
	Stage 1 $’000	Stage 1 $’000
Loan commitments	7,168,273	7,493,848
Guarantees and letters of credit	707,380	1,707,349
	7,875,653	9,201,197

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis (continued)

Loans and notes receivable at amortised cost:

	The Company	
	2020	**2019**
	Stage 1	**Stage 1**
	$'000	**$'000**
Credit grade		
Standard monitoring	21,920,734	22,416,429
Loss allowance [note 31 (b) (vi)(v)]	(60,524)	(267,645)
	21,860,210	**22,148,784**

	The Company	
	2020	**2019**
	Stage 1	**Stage 1**
	$'000	**$'000**
Ageing of loans and notes receivable		
Neither past due nor impaired	**21,920,734**	**22,416,429**

Debt securities at amortised cost (note 17):

	The Group	
	2020	**2019**
	Stage 1	**Stage 1**
	$'000	**$'000**
Credit grade		
Watch	10,897,381	10,920,532
Loss allowance [note 31 (b) (vi)(v)]	(290,602)	(281,034)
	10,606,779	**10,639,498**

	The Company	
	2020	**2019**
	Stage 1	**Stage 1**
	$'000	**$'000**
Credit grade		
Watch	**-**	**648**

31. **Financial Risk Management (Continued)**

(b) **Credit risk (continued)**

(ii) Credit risk analysis (continued)

Debt securities at FVOCI (note 17):

	The Group			
	2020			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Credit grade				
Investment grade	8,731,862	-	-	8,731,862
Watch	162,256,810	30,435	-	162,287,245
Speculative	3,462,731	521,150	-	3,983,881
Default	-	-	145,699	145,699
	174,451,403	**551,585**	**145,699**	**175,148,687**
Loss allowance [note 31 (b) (vi)(v)]	**900,518**	**121,292**	**2,273**	**1,024,083**

	2019			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Credit grade				
Investment grade	23,021,026	-	-	23,021,026
Watch	166,505,024	463,040	-	166,968,064
Speculative	885,857	-	-	885,857
Default	-	-	59,438	59,438
	190,411,907	**463,040**	**59,438**	**190,934,385**
Loss allowance	**604,544**	**3,025**	**20,576**	**628,145**

Securities purchased under agreement to resell at amortised cost (note 16):

	The Group	
	2020 Stage 1 $'000	2019 Stage 1 $'000
Watch	6,000,000	-

31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis (continued)

Securities purchased under agreement to resell at amortised cost (note 16) (continued):

	The Company	
	2020	**2019**
	Stage 1	**Stage 1**
	$'000	**$'000**
Watch	1,146,799	942,609
Loss allowance [note 31(b)(vi)(v)]	(10)	(1,525)
	1,146,789	**941,084**

(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 $149,388,000 (2019: $75,805,000).

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.

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				
	2020				
	Cash and cash equivalents	**Loans and notes receivable**	**Resale agreements**	**Investment securities**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Concentration by sector:					
Government of Jamaica	-	-	-	85,064,156	85,064,156
Other sovereign bonds	-	-	-	31,723,649	31,723,649
Bank of Jamaica	10,841,573	-	-	12,716,402	23,557,975
Corporate	-	45,960,449	-	61,981,994	107,942,443
Financial institutions	31,794,427	3,407,233	5,999,962	784,320	41,985,942
Retail	-	49,473,391	-	-	49,473,391
	42,636,000	**98,841,073**	**5,999,962**	**192,270,521**	**339,747,556**
Concentration by location:					
Jamaica	19,427,572	56,555,635	5,695,952	115,979,967	197,659,126
North America	4,193,158	921,456	-	4,454,356	9,568,970
Trinidad and Tobago	14,139,344	33,073,988	304,010	29,266,595	76,783,937
Dominican Republic	2,673,494	3,787,156	-	33,142,596	39,603,246
Other	2,202,432	4,502,838	-	9,427,007	16,132,277
	42,636,000	**98,841,073**	**5,999,962**	**192,270,521**	**339,747,556**

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31. Financial Risk Management (Continued)

(b) Credit risk (continued)

(iv) Concentration of credit risk (continued)

	The Group			
	2019			
	Cash and cash equivalents $'000	Loans and notes receivable $'000	Investment securities $'000	Total $'000
Concentration by sector:				
Government of Jamaica	-	-	106,906,110	106,906,110
Other sovereign bonds	-	-	45,444,766	45,444,766
Bank of Jamaica	5,567,657	-	10,830,000	16,397,657
Corporate	-	34,470,969	41,071,029	75,541,998
Financial institutions	25,158,739	444,137	1,720,454	27,323,330
Retail	-	33,032,162	-	33,032,162
	30,726,396	**67,947,268**	**205,972,359**	**304,646,023**
Concentration by location:				
Jamaica	16,523,548	39,557,518	129,568,371	185,649,437
North America	3,011,100	267,409	3,800,280	7,078,789
Trinidad and Tobago	9,347,246	24,846,078	18,475,493	52,668,817
Dominican Republic	1,754,315	2,932,385	29,815,733	34,502,433
Other	90,187	343,878	24,312,482	24,746,547
	30,726,396	**67,947,268**	**205,972,359**	**304,646,023**

	The Company				
	2020				
	Cash and cash equivalents $'000	Loans and notes receivable $'000	Resale agreements $'000	Investment securities $'000	Total $'000
Concentration by sector:					
Financial institutions	12,068	21,860,210	1,146,789	4,033	23,023,100
Concentration by location:					
Jamaica	12,068	20,386,650	647,039	-	21,045,757
Trinidad and Tobago	-	1,473,560	499,750	-	1,973,310
North America	-	-	-	4,033	4,033
	12,068	**21,860,210**	**1,146,789**	**4,033**	**23,023,100**

31. **Financial Risk Management (Continued)**

(b) **Credit risk (continued)**

(iv) Concentration of credit risk (continued)

	The Company				
	2019				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector:					
Financial institutions	17,046	22,148,784	941,084	19,556	23,126,470
Concentration by location:					
Jamaica	17,046	20,320,680	941,084	19,556	21,298,366
Trinidad and Tobago	-	1,375,220	-	-	1,375,220
Dominican Republic	-	452,884	-	-	452,884
	17,046	**22,148,784**	**941,084**	**19,556**	**23,126,470**

(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.

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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	
	2020	2019	2020	2019	2020	2019	2020	2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Against neither past due nor impaired financial assets:								
Cash secured	5,458,390	4,618,575	-	-	21,920,734	22,416,429	1,740,490	941,109
Property	28,513,217	18,147,160	-	-	-	-	-	-
Debt securities	19,887,457	5,309,734	6,168,318	26,365,983	-	-	-	-
Liens on motor vehicles	15,570,198	10,728,044	-	-	-	-	-	-
Equities	-	-	-	-	-	-	-	-
Other	2,430,794	2,221,039	-	-	-	-	-	-
Subtotal	**71,860,056**	**41,024,552**	**6,168,318**	**26,365,983**	**21,920,734**	**22,416,429**	**1,740,490**	**941,109**
Against past due but not impaired financial assets:								
Cash secured	833,755	642,589	-	-	-	-	-	-
Property	7,858,236	4,359,235	-	-	-	-	-	-
Liens on motor vehicles	2,034,305	349	-	-	-	-	-	-
Debt securities	529,804	301,986	-	-	-	-	-	-
Equities	-	2,188,287	-	-	-	-	-	-
Other	261,229	244,671	-	-	-	-	-	-
Subtotal	**11,517,329**	**7,737,117**	-	-	-	-	-	-
Against past due and impaired financial assets:								
Cash secured	25,213	4,652	-	-	-	-	-	-
Debts securities	106,929	250	-	-	-	-	-	-
Property	23,088,081	22,755,364	-	-	-	-	-	-
Liens on motor vehicles	465,578	323,672	-	-	-	-	-	-
Equities	162,319	-	-	-	-	-	-	-
Other	10,803,530	9,816,817	-	-	-	-	-	-
Subtotal	**34,651,650**	**32,900,755**	-	-	-	-	-	-
Total	**118,029,035**	**81,662,424**	**6,168,318**	**26,365,983**	**21,920,734**	**22,416,429**	**1,740,490**	**941,109**

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 instruments.

Generating the term structure of PD:

Credit risk grades are the primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by jurisdiction and by type of product and borrower as well as by credit risk grading.

The Group uses statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Determining when credit risk has increased significantly:

The Group assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower and the geographical region.

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 credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Group's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This is the case for exposures that meet certain heightened risk criteria such as placement on a watch list.

The Group considers that there is a significant increase in credit risk for its investment portfolio when there is a decrease in credit rating as follows: a three-notch downgrade from investment grade to non-investment grade (below BBB-); a two-notch downgrade within or outside the BB/B bucket; or a one-notch downgrade within or outside the B-, CCC, CC and C buckets.

Financial instruments for which it is determined that there is a significant increase in credit risk are transferred from stage 1 to stage 2 and impairment loss is measured based on lifetime expected credit loss.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently.

When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

(ii) Definition of default:

The Group considers the following quantitative and qualitative factors in determining whether a financial asset is in default:

- The borrower is more than 90 days past due on its obligation to the Group.
- A decrease in internal rating of RR6 or higher
- The borrower is unlikely to pay its obligation to the Group in full, without recourse by the Group to actions such as realising security. This may arise from instances such as bankruptcy, long-term forbearance, insolvency, breach of financial covenants, death and restructuring.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

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.

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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. The EAD of a financial asset is its gross carrying amount at the time of default.

Subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

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 has replaced the Vasicek model with 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 loss allowance by class of financial instrument:

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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 14):

	The Group			
	2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	363,824	214,888	1,274,936	1,853,648
Transfer from Stage 1 to Stage 2	(70,680)	70,680	-	-
Transfer from Stage 1 to Stage 2	(212,478)	-	212,478	-
Transfer from Stage 1 to Stage 2	-	(77,149)	77,149	-
Transfer from Stage 1 to Stage 2	7,454	(7,454)	-	-
Transfer from Stage 1 to Stage 2	-	650	(650)	-
Transfer from Stage 1 to Stage 2	3,722	-	(3,722)	-
Financial assets derecognised during period	(329,581)	(12,183)	(71,910)	(413,674)
New financial assets originated or purchased	789,356	35,831	98,605	923,792
Net remeasurement of loss allowance				
Paydowns	378,513	48,142	18,654	445,309
Increases	13,969	-	6,891	20,860
Foreign exchange and other movements	(13,912)	27,554	194,879	208,521
Balance at 31 March	930,187	300,959	1,807,310	3,038,456

	The Group			
	2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 31 March 2018 (IAS 39)	73,417	-	1,247,319	1,320,736
Remeasurement on 1 April 2018 (IFRS 9)	187,124	159,693	15,521	362,338
Financial assets derecognised during period	(13,827)	37,943	(60,153)	(36,037)
New financial assets originated or purchased	189,982	10,474	14,759	215,215
Paydowns	(89,730)	(166,462)	141,106	(115,086)
Foreign exchange and other movements	16,858	173,240	(83,616)	106,482
Balance at 31 March	363,824	214,888	1,274,936	1,853,648

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 14) (continued):

	The Company	
	2020	2019
	Stage 1 $'000	Stage 1 $'000
Balance at 1 April	267,645	-
Remeasurement on 1 April 2018	-	102,112
Net re-measurement of loss allowance	(207,121)	165,533
Balance at 31 March	60,524	267,645

Debt securities at amortised cost (see note 17):

	The Group			
	2020			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Balance at 1 April	90,589	-	190,445	281,034
Financial assets derecognised during period	(7,939)	-	-	(7,939)
New financial assets originated or purchased	20,500	-	-	20,500
Net remeasurement of loss allowance	(2,993)	-	-	(2,993)
Balance at 31 March	100,157	-	190,445	290,602

	The Group			
	2019			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Balance at 31 March 2018 (IAS 39)	49,144	-	313,724	362,868
Remeasurement on 1 April 2018 (IFRS 9)	49,109	-	-	49,109
Reclassification of allowance on initial application of IFRS 9	-	-	(123,279)	(123,279)
Recoveries	(148)	-	-	(148)
Financial assets derecognised during period	(11,383)	-	-	(11,383)
New financial assets originated or purchased	6,056	-	-	6,056
Net remeasurement of loss allowance	(2,189)	-	-	(2,189)
Balance at 31 March	90,589	-	190,445	281,034

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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 16):

	The Company	
	2020	2019
	Stage 1 $'000	Stage 1 $'000
Balance at 1 April	1,525	-
Remeasurement on 1 April 2018	-	27,512
Net remeasurement of loss allowance	(1,515)	(25,987)
Balance at 31 March	10	1,525

Debt securities at FVOCI:

	The Group 2020			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Balance at 1 April	604,544	3,025	20,576	628,145
Transfer from Stage 1 to Stage 2	(19,733)	19,733	-	-
Financial asset derecognized	(198,378)	(2,460)	(20,311)	(221,149)
New financial assets originated or purchased	573,736	120,156	1,997	695,889
Foreign exchange and other movements	(59,650)	(19,163)	10	(78,803)
Balance at 31 March	900,519	121,291	2,272	1,024,082

	The Group 2019			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Balance at 31 March 2018 (IAS 39)	-	-	-	-
Remeasurement on 1 April 2018 (IFRS 9)	574,292	-	-	574,292
Transfer from Stage 1 to Stage 2	(415)	2,969	-	2,554
Financial asset derecognized	(172,672)	-	-	(172,672)
New financial assets originated or purchased	272,214	-	20,576	292,790
Foreign exchange and other movements	(68,875)	56	-	(68,819)
Balance at 31 March	604,544	3,025	20,576	628,145

31. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Liquidity risk is the risk that the Group is unable to meet the payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil loan commitments.

A Liability Risk Management Committee sits as needed, on occasions where management considers that heightened monitoring and coordination of liquidity exposures across the Group is warranted.

The Group is exposed to daily calls on its available cash resources from overnight placement of funds, maturing placement of funds and loan draw-downs. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of investment of maturing funds can be predicted with a high level of certainty.

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 impact of Covid-19 has resulted in customers withdrawing funds at a higher rate. The Group has implemented a liquidity risk response strategy, including stress testing for entities within the Group that have higher liquidity risk exposures.

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.

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:

	2020				
	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	47,659,303	54,252,707	3,636,090	105,548,100	104,183,074
Due to other banks	-	47,308	231,953	279,261	210,605
Securities sold under agreements to repurchase	138,788,945	42,268,359	-	181,057,304	179,589,980
Notes payable	6,066,933	14,488,605	31,124,963	51,680,501	45,087,432
Lease liabilities	102,982	308,760	1,999,098	2,410,840	1,948,668
Redeemable preference shares	1,061,676	2,259,129	23,016,661	26,337,466	17,116,952
Interest payable	1,633,703	-	-	1,633,703	1,633,703
Payables	6,777,046	-	-	6,777,046	6,777,046
	202,090,588	113,624,868	60,008,765	375,724,221	356,547,460

	2019				
	The Group				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Customer deposits	25,543,862	36,321,671	2,928,492	64,794,025	63,947,279
Due to other banks	-	7,657	228,675	236,332	190,888
Securities sold under agreements to repurchase	118,522,104	41,900,303	5,214,515	165,636,922	163,907,891
Notes payable	24,500,096	2,031,981	10,624,617	37,156,694	37,036,156
Redeemable preference shares	181,979	1,637,810	21,279,233	23,099,022	16,348,615
Interest payable	1,602,491	-	-	1,602,491	1,602,491
Payables	4,046,375	-	-	4,046,375	4,046,375
	174,396,907	81,899,422	40,275,532	296,571,861	287,079,695

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):

	2020				
	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	110,815	7,365,937	29,508,555	36,985,307	30,220,403
Redeemable preference shares	182,025	1,638,227	20,774,273	22,594,525	17,116,952
Interest payable	517,429	-	-	517,429	517,429
Due to subsidiary	8,553,473	-	-	8,553,473	8,553,473
Payables	27,978	-	-	27,978	27,978
	9,391,720	9,004,164	50,282,828	68,678,712	56,436,235

	2019				
	The Company				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Notes payable	123,174	1,389,764	7,408,581	8,921,519	8,277,541
Redeemable preference shares	181,979	1,637,810	20,648,129	22,467,918	16,348,615
Interest payable	182,802	-	-	182,802	182,802
Due to subsidiary	8,768,350	-	-	8,768,350	8,768,350
Payables	10,360	-	-	10,360	10,360
	9,266,665	3,027,574	28,056,710	40,350,949	33,587,668

(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.

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31. Financial Risk Management (Continued)

(d) Market risk (continued)

The principal tool used to measure and control market risk exposures within the Group is Value at Risk (VaR). The VaR of a portfolio is the estimated loss that will arise on the portfolio over a specified period of time (the holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Group is based on a 99 percent confidence level and assumes a 10 day holding period. The VaR model used is based mainly on the Monte Carlo simulation model. Taking account of market data from the previous year and observed relationships between differences in market prices, the model generates a wide range of plausible future scenarios for market price movements.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations, including the following:

- A 10 day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a reasonable assumption, but may not be the case in situations in which there is severe market illiquidity for a prolonged period;
- A 99% confidence level does not reflect losses that may occur beyond this level. Even within the model used, there is a one percent probability that losses could exceed the VaR;
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day;
- The use of historical data to determine the relationships between different market prices may not cover all possible scenarios, as these relationships may break down in times of market stress; and
- The VaR measure is dependent on the Group's positions and volatility of market prices. The VaR of an unchanged position reduces if the market prices volatility declines and vice-versa.

The Group uses VaR limits for its overall portfolio and for sub-portfolios. The overall structure of VaR limits is subject to review and approval by the Board Risk Committee. VaR is measured at least once daily. Daily reports of utilization of VaR limits are prepared by the Risk department and regular summaries submitted to the Board Risk Committee.

A summary of the VaR position of the Group's overall portfolio as at 31 March 2020 and during the year then ended is as follows:

	31 March	Average for Year	Maximum during Year	Minimum during Year
	$'000	$'000	$'000	$'000
2020 Overall VaR	18,247,038	19,948,529	22,747,933	18,247,038
2019 Overall VaR	6,373,322	4,493,718	11,654,683	1,589,781

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 significant market volatility which has increased the Group's market risk. The downgrading of credit ratings and/or the outlook for investment securities has resulted in increased trading and liquidity risk.

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	
	2020	2019
	$'000	$'000
United States dollars	(16,307,169)	6,669,933
Great Britain Pounds	120,699	67,066
Euros	63,670	(4,091)
Trinidad and Tobago dollars	575,956	10,656
Canadian dollars	205,055	586,858

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			
	2020		2019	
	Change in Currency Rate	Effect on Profit	Change in Currency Rate	Effect on Profit
	%	$'000	%	$'000
Currency:		**$'000**		
USD	6	(978,430)	4	266,797
GBP	6	7,242	4	2,680
EUR	6	3,820	4	(164)
TT	6	34,557	4	426
CAD	6	12,303	4	23,474
		(920,508)		293,213

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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.

	2020					
	The Group					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash and cash equivalents	28,574,658	-	16,152	-	14,045,190	42,636,000
Interest receivable	-	-	-	-	3,504,722	3,504,722
Securities purchased under agreements to resell	5,153,732	846,230	-	-	-	5,999,962
Loans and notes receivable	15,879,238	26,911,683	2,762,143	51,981,714	1,306,295	98,841,073
Other receivables	-	-	-	-	6,992,662	6,992,662
Investment securities	20,558,590	10,711,125	1,183,552	154,940,074	4,877,180	192,270,521
Total financial assets	70,166,218	38,469,038	3,961,847	206,921,788	30,726,049	350,244,940
Financial Liabilities						
Customer deposits	70,271,104	13,909,599	16,714,193	3,288,178	-	104,183,074
Due to other financial institutions	-	-	46,025	164,580	-	210,605
Securities sold under agreements to repurchase	138,293,865	27,575,942	13,720,173	-	-	179,589,980
Notes payable	6,521,287	12,334,211	1,154,694	25,077,240	-	45,087,432
Lease liabilities	75,226	76,027	156,019	1,641,396	-	1,948,668
Redeemable preference shares	672,683	-	5,603,927	10,840,342	-	17,116,952
Interest payable	-	-	-	-	1,633,703	1,633,703
Other payables	-	-	-	-	6,777,046	6,777,046
Total financial liabilities	215,834,165	53,895,779	37,395,031	41,011,736	8,410,749	356,547,460
Total interest rate sensitivity gap	(145,667,947)	(15,426,741)	(33,433,184)	165,910,052	22,315,300	(6,302,520)
Cumulative interest rate sensitivity gap	(145,667,947)	(161,094,688)	(194,527,872)	(28,617,820)	(6,302,520)	-

31. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	2019					
	The Group					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash and cash equivalents	21,605,266	272,485	-	-	8,848,645	30,726,396
Interest receivable	-	-	-	-	3,733,190	3,733,190
Loans and notes receivable	14,585,952	16,614,061	2,560,888	32,874,895	1,311,472	67,947,268
Other receivables	-	-	-	-	5,314,152	5,314,152
Investment securities	30,361,689	8,208,913	6,548,609	157,849,810	3,003,338	205,972,359
Total financial assets	66,552,907	25,095,459	9,109,497	190,724,705	22,210,797	313,693,365
Financial Liabilities						
Customer deposits	45,004,036	3,624,937	13,730,326	1,587,980	-	63,947,279
Due to other financial institutions	-	-	7,478	183,410	-	190,888
Securities sold under agreements to repurchase	118,038,576	26,516,807	16,862,508	2,490,000	-	163,907,891
Notes payable	15,564,353	-	2,038,086	19,433,717	-	37,036,156
Redeemable preference shares	631,104	-	1,841,699	13,875,812	-	16,348,615
Interest payable	-	-	-	-	1,602,491	1,602,491
Other payables	-	-	-	-	4,046,375	4,046,375
Total financial liabilities	179,238,069	30,141,744	34,480,097	37,570,919	5,648,866	287,079,695
Total interest rate sensitivity gap	(112,685,162)	(5,046,285)	(25,370,600)	153,153,786	16,561,931	26,613,670
Cumulative interest rate sensitivity gap	(112,685,162)	(117,731,447)	(143,102,047)	10,051,739	26,613,670	

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31. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	2020					
	The Company					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash and cash equivalents	12,068	-	-	-	-	12,068
Interest receivable	-	-	-	-	223,365	223,365
Loans and notes receivable	854,598	6,443,362	-	14,562,250	-	21,860,210
Other receivables	-	-	-	-	183,185	183,185
Securities purchased under agreements to resell	1,146,789	-	-	-	-	1,146,789
Investment securities	-	-	-	-	4,033	4,033
Total financial assets	2,013,455	6,443,362	-	14,562,250	410,583	23,429,650
Financial Liabilities						
Notes payable	868,692	6,454,711	-	22,897,000	-	30,220,403
Redeemable preference shares	-	-	5,603,927	11,513,025	-	17,116,952
Interest payable	-	-	-	-	517,429	517,429
Other payables	-	-	-	-	27,978	27,978
Due to subsidiary	-	-	-	-	8,553,473	8,553,473
Total financial liabilities	868,692	6,454,711	5,603,927	34,410,025	9,098,880	56,436,235
Total interest rate sensitivity gap	1,144,763	(11,349)	(5,603,927)	(19,847,775)	(8,688,297)	(33,006,585)
Cumulative interest rate sensitivity gap	1,144,763	1,133,414	(4,470,513)	(24,318,288)	(33,006,585)	

	2019					
	The Company					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash and cash equivalents	17,046	-	-	-	-	17,046
Interest receivable	-	-	-	-	218,538	218,538
Loans and notes receivable	-	-	1,471,855	20,676,929	-	22,148,784
Other receivables	-	-	-	-	224,275	224,275
Securities purchased under agreements to resell	941,084	-	-	-	-	941,084
Investment securities	648	-	-	-	18,908	19,556
Total financial assets	958,778	-	1,471,855	20,676,929	461,721	23,569,283
Financial Liabilities						
Notes payable	-	-	1,019,115	7,258,426	-	8,277,541
Redeemable preference shares	-	-	1,841,699	14,506,916	-	16,348,615
Interest payable	-	-	-	-	182,802	182,802
Other payables	-	-	-	-	10,360	10,360
Due to subsidiary	-	-	-	-	8,768,350	8,768,350
Total financial liabilities	-	-	2,860,814	21,765,342	8,961,512	33,587,668
Total interest rate sensitivity gap	958,778	-	(1,388,959)	(1,088,413)	(8,499,791)	(10,018,385)
Cumulative interest rate sensitivity	958,778	958,778	(430,181)	(1,518,594)	(10,018,385)	

31. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable probably change in interest rates, with all other variables held constant, on the Group's interest income and gains recognised in other comprehensive income.

The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net profit, based on the floating rate financial assets and financial liabilities. The sensitivity of stockholders' equity is calculated by revaluing fixed and variable rate 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			
	2020		2019	
	Effect on Profit $'000	Effect on Equity $'000	Effect on Profit $'000	Effect on Equity $'000
Change in basis points				
JMD/USD				
-100 (2019: -100)	126,101	9,518,742	289,413	6,820,940
+100 (2019:+100)	126,102	(9,226,584)	257,814	(9,415,884)

(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% (2019: 10%) increase in quoted bid prices at the reporting date would result in an increase of $198,312,000 (2019: $225,717,000) and $76,763,000 (2019: $110,795,000) in equity and profit respectively. A 10% (2019: 10%) decrease in quoted bid prices would result in a decrease of $396,625,000 (2019: $225,717,000) and $153,525,000 (2019: $110,795,000) 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.

31. Financial Risk Management (Continued)

(e) Operational risk (continued)

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.

(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.

31. Financial Risk Management (Continued)

(f) Capital management (continued)

The regulated authorities require each regulated entity to:

(i) Hold the minimum level of the regulatory capital; and
(ii) Maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

Certain subsidiaries' regulatory capital is divided into two tiers:

(i) Tier 1 capital: share capital, share premium, retained earnings, investment revaluation reserve and cumulative translation reserve.
(ii) Tier 2 capital: redeemable preference shares and investment revaluation reserve.

The risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The regulated companies within the Group with prescribed capital requirements are Jamaica Money Market Brokers Limited (JMMB), JMMB Securities Limited (JMMBSL), JMMB Fund Managers Limited (JMMBFM), JMMB Insurance Brokers Limited (JMMBIB), JMMB Puesto de Bolsa, S.A., Banco Rio De Ahorro Y Credito JMMB Bank S.A (JMMBDR), JMMB Sociedad, S.A. (SAFI), 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 Broker (Trinidad and Tobago) Limited(JMMBTTH)

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 2020 and 31 March 2019.

	JMMB		JMMBSL		JMMBIB	
	2020 J$'000	2019 J$'000	2020 J$'000	2019 J$'000	2020 J$'000	2019 J$'000
Regulatory capital –						
Tier 1 capital	13,632,986	16,729,110	733,729	809,106	178,987	133,016
Tier 2 capital	9,401,406	11,273,855	-	-	-	-
Total regulatory capital	23,034,392	28,002,965	733,729	809,106	178,987	133,016
Risk-weighted assets –						
On-balance sheet	140,567,586	115,659,686	1,798,906	1,239,031	-	-
Foreign exchange exposure	25,585,935	2,982,335	169,216	247,219	-	-
Total risk-weighted assets	166,153,521	118,642,021	1,968,122	1,486,250	-	-
Actual regulatory capital to risk weighted assets	14%	24%	37%	54%	-	-
Required regulatory capital to risk weighted assets	10%	10%	10%	10%	-	-

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31. Financial Risk Management (Continued)

(f) Capital management (continued)

	JMMBETT		JMMBBTT		JMMBBJL	
	2020	2019	2020	2019	2020	2019
	TT$'000	TT$'000	TT$'000	TT$'000	J$'000	J$'000
Regulatory capital –						
Tier 1 capital	19,111	21,718	210,035	187,318	8,553,285	6,158,047
Tier 2 capital	1,324	4	98,083	92,743	489,810	332,398
Total regulatory capital	20,435	21,722	308,118	280,061	9,043,095	6,490,445
Total required capital	-	-	-	-	6,856,463	4,929,448
Risk-weighted assets –						
On balance sheet	105,064	34,962	1,690,752	1,405,724	62,148,246	42,658,102
Off balance sheet	-	-	-	-	4,950,922	5,671,853
Foreign exchange exposure	-	-	-	-	1,465,461	964,527
	105,064	34,962	1,690,752	1,405,724	68,564,629	49,294,482
Actual regulatory capital to risk weighted assets	19%	62%	16%	20%	13%	13%
Required regulatory capital to risk weighted assets	10%	10%	10%	10%	10%	10%

	JMMTTH		JMMBFM	
	2020	2019	2020	2019
	TT$'000	TT$'000	$'000	$'000
Tier 1 capital	300,610	262,082	689,394	780,577
Tier 2 capital	88,354	107,177	-	-
Actual regulatory capital	388,964	369,259	689,394	780,577
Required level of regulatory capital	-	-	171,332	104,742
Total risk-weighted assets	2,034,142	1,767,617	934,945	1,223,803
Ratio of total regulatory capital to risk-weighted assets	13%	12%	74%	64%

(i) The capital requirement for JMMBIB is to maintain a minimum capital base of $10 million.

(ii) The capital requirement for JMMB Puesto de Bolsa S.A. is RD$153 million.

(iii) The capital requirement of JMMB Investments (Trinidad and Tobago) Limited and JMMB Securities (T&T) Limited is to maintain a minimum capital base of TT15 million and TT6 million respectively.

31. Financial Risk Management (Continued)

(f) Capital management (continued)

(iv) The capital requirement for JMMB Sociedad Administradora De Fondos De Inversion, S.A. (SAFI) is to maintain a minimum capital base of RD$15 million or at least 1% of the ratio of total asset to funds under management (AUM/Capital).

(v) The capital requirement for AFP JMMB BDI S.A. is to maintain a minimum capital base of RD$10 million.

(vi) The capital requirement for Banco Rio De Ahorro Y Credito JMMB Bank S.A is to maintain a minimum capital to risk weighted asset (CAR) in excess of 10%. The company's CAR at 31 March was 17%.

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.

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.

32. Financial Instruments - Fair Value (Continued)

(b) Techniques for measuring fair value of financial instruments

Type of Financial Instrument	Method of estimating fair value
Cash and cash equivalents, other receivables, resale agreements, accounts payable, repurchase agreements, Bank of Jamaica certificates of deposit	Considered to approximate their carrying values, due to their short-term nature.
Quoted securities	Bid prices quoted by the relevant stock exchanges.
Units in unit trusts	Prices quoted by unit trust managers
Non-Jamaican sovereign bonds and corporate bonds	Estimated using bid-prices published by major overseas brokers.
Government of Jamaica securities:	
Traded overseas	Estimated using bid-prices published by major overseas brokers.
Other	Estimated using mid-market prices from the Jamaica Securities Dealers Association yield curve.
Interest in money market fund	Considered to be the carrying value because of the short-term nature and variable interest rate.
Loans and notes receivable	Considered to be carrying value as the coupon rates approximate the market rates.
Notes payable	Considered to be carrying value as the coupon rates approximate the market rates.

(c) Accounting classifications and fair values

The following table shows the classification of financial assets and financial liabilities and their carrying amounts.

Where the carrying amounts of financial assets and financial liabilities are measured at fair value, their levels in the fair value hierarchy are also shown. Where the carrying amounts of financial assets and financial liabilities are not measured at fair value, and those carrying amounts are a reasonable approximation of fair value, fair value information (including amounts, and levels in the fair value hierarchy) are not disclosed.

32. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

The Group

	2020						
	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	-	72,141,507	-	72,141,507	-	72,141,507	72,141,507
Certificates of deposit	-	12,716,403	-	12,716,403	-	12,716,403	12,716,403
Government of Jamaica guaranteed	-	2,988,926	-	2,988,926	-	2,988,926	2,988,926
Corporate bonds	-	56,806,509	1,330,315	58,136,824	-	58,136,824	58,136,824
Foreign Government Securities	-	30,495,342	438,808	30,934,150	-	30,934,150	30,934,150
Ordinary shares quoted	-	2,430,995	1,535,251	3,966,246	3,966,246	-	3,966,246
Units in unit trusts	-	-	433,323	433,323	-	433,323	433,323
Money market funds	-	-	325,079	325,079	-	325,079	325,079
Ordinary shares unquoted	-	-	17,251	17,251	-	17,251	17,251
Other	-	4,033	-	4,033	-	4,033	4,033
	-	**177,583,715**	**4,080,027**	**181,663,742**	**3,966,246**	**177,697,496**	**181,663,742**
Financial assets not measured at fair value							
Certificate of deposits	25,953	-	-	25,953	-	25,918	25,918
Government of Jamaica Securities	7,647,759	-	-	7,647,759	-	7,595,906	7,595,906
Sovereign bonds	270,881	-	-	270,881	-	21,433	21,433
Government of Jamaica guaranteed	2,316,972	-	-	2,316,972	-	2,329,660	2,329,660
Others	635,816	-	-	635,816	-	617,937	617,937
	10,897,381	-	-	**10,897,381**	-	**10,590,854**	**10,590,854**

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32. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Group						
	2019						
	Carrying amount				Fair value		
	Amortised Cost $'000	At fair value through other comprehensive income $'000	At fair value through profit or loss $'000	Total $'000	Level 1 $'000	Level 2 $'000	Total $'000
Financial assets measured at fair value							
Government of Jamaica securities	-	98,693,970	-	98,693,970	-	98,693,970	98,693,970
Certificates of deposit	-	10,830,000	-	10,830,000	-	10,830,000	10,830,000
Government of Jamaica guaranteed	-	299,493	-	299,493	-	299,493	299,493
Corporate bonds	-	37,808,278	1,235,863	39,044,141	-	39,044,141	39,044,141
Foreign Government Securities	-	43,302,644	494	43,303,138	-	43,303,138	43,303,138
Ordinary shares quoted	-	1,229,794	1,107,947	2,337,741	2,337,741	-	2,337,741
Units in unit trusts	-	-	622,969	622,969	-	622,969	622,969
Money market funds	-	-	178,944	178,944	-	178,944	178,944
Other	-	22,465	-	22,465	-	22,465	22,465
	-	**192,186,644**	**3,146,217**	**195,332,861**	**2,337,741**	**192,995,120**	**195,332,861**
Financial assets not measured at fair value							
Certificate of deposits	258,927	-	-	258,927	-	258,927	258,927
Government of Jamaica Securities	7,939,660	-	-	7,939,660	-	7,488,312	7,488,312
Sovereign bonds	250,207	-	-	250,207	-	96,683	96,683
Government of Jamaica guaranteed	2,471,738	-	-	2,471,738	-	2,612,571	2,612,571
	10,920,532	**-**	**-**	**10,920,532**	**-**	**10,456,493**	**10,456,493**

32. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Company	
	2020	
	Carrying amount	Fair value
	At fair value through other comprehensive income $'000	Level 2 $'000
Financial assets measured at fair value		
Other	4,033	4,033

	The Company	
	2019	
	Carrying amount	Fair value
	At fair value through other comprehensive income $'000	Level 2 $'000
Financial assets measured at fair value		
Other	18,908	18,908

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 the provisions of the Income Tax Act of Trinidad & Tobago section 134(6). Under the terms of employment, the entities are obligated to contribute on behalf of all eligible employees an amount of 10% of the employees' pensionable salary directly to the plan. In addition, all eligible employees contribute an amount of 5% of their pensionable salary to individual annuities.

33. Post-employment Benefits (Continued)

Eligible employees of the Dominican Republic subsidiaries contribute an amount of 2.87% of their pensionable salaries to various authorised pension plans. Employers contribute a corresponding 7.10%.

The contributions for the year amounted to $255,381,000 (2019: $228,492,000) for the Group.

34. Managed Funds

The Group acts as agent and earns fees for managing clients' and investment funds on a non-recourse basis under management agreements. This includes some of the assets of the Group's pension fund (note 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 2020, funds managed in this way by the Group amounted to $135,079,008,000 (2019: $132,635,677,000) which includes assets of the Group's pension fund (note 33), amounting to $4,075,222,000 (2019: $3,702,138,000). The Group's financial statements include the following assets/(liabilities) relating to the funds:

	The Group	
	2020	**2019**
	$'000	**$'000**
Investments	325,079	116,358
Interest payable	(820)	(10,696)
Securities sold under agreements to repurchase	(43,482,627)	(42,022,844)
Customer deposits	(3,111,184)	(3,166,390)
Notes payable	(20,094,000)	(18,753,000)

35. Commitment

The JMMB Group and the JMMB Joan Duncan Foundation established an endowment Fund ("the Fund") of US$1 million which was administered by the University of the West Indies and Mona School of Business and Management. The main purpose of the Fund is to provide scholarships, bursaries, student training and development, academic staff development and case writing. Disbursements to the Fund which was contractually scheduled over a six-year period was completed during the year.

36. 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 and its subsidiaries presented as a single economic entity.

36. Significant Accounting Policies (Continued)

The significant accounting policies below conform in all material respects to IFRS (continued).

(a) Basis of consolidation (continued):

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 financial and operating policies. Interest in associates are accounted for using the equity method.

36. 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.

36. 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 36(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.

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36. 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.

36. 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 36(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.

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36. 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.

36. 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:

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36. 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.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group’s right to receive payments is established.

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.

36. **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.

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36. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(v) Measurement and gains and losses (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 34(b)(vii)]; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans at a below-market interest rates, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

(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.

36. 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.

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36. 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 in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

36. 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.

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36. 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 lives 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.

(e) Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

36. Significant Accounting Policies (Continued)

(e) Leases (continued)

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

Policy applicable from 1 April 2019

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.

This policy is applied to contracts entered into on or after 1 April 2019.

As a lessee

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.

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36. Significant Accounting Policies (Continued)

(e) Leases (continued)

Policy applicable from 1 April 2019 (continued)

As a lessee (continued)

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.

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.

Policy applicable before 1 April 2019

As a lessee

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease.

(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.

36. Significant Accounting Policies (Continued)

(f) Foreign currency translation

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates at the reporting date.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences on non-monetary financial assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognised in profit or loss (applicable for trading securities), or within other comprehensive income if non-monetary financial assets are classified as available-for-sale. In the case of changes in the fair value of monetary assets denominated in foreign currency classified as available-for-sale, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in other comprehensive income.

(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.

36. Significant Accounting Policies (Continued)

(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.

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.

36. Significant Accounting Policies (Continued)

(i) Impairment of non-financial assets (continued)

(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.

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.

36. 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)

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.

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 or a fixed percentage of the assets value.	Revenue from investment banking related services is recognised at the point in time when the service is provided.
Portfolio and asset management services	The Group provides portfolio and asset management services to customers. Fees are calculated based on a fixed percentage of the value of the assets and are charged at various time intervals based on the investment agreement but at no time period exceeding twelve months.	Revenue from portfolio and asset management services is recognised at the point in time when the service is provided.

36. Significant Accounting Policies (Continued)

(j) Revenue recognition (continued)

(ii) Fees and commissions (continued)

Type of service	*Nature and timing of satisfaction of performance obligations, including significant payment terms.*	*Revenue recognition under IFRS 15.*
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.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020
(expressed in Jamaican dollars unless otherwise indicated)

36. Significant Accounting Policies (Continued)

(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

Certain new and amended standards and interpretations have been issued which are not yet effective for the current year and which the Group has not early-adopted. The Group has assessed the relevance of all such new standards, amendments and interpretations with respect to the Group's operations and has determined that the following are likely to have an effect on the financial statements.

(i) Amendments to *References to Conceptual Framework in IFRS Standards* is effective retrospectively for annual reporting periods beginning on or after 1 January 2020. The revised framework covers all aspects of standard setting including the objective of financial reporting.

The main change relates to how and when assets and liabilities are recognised and de-recognised in the financial statements.

- New 'bundle of rights' approach to assets will mean that an entity may recognise a right to use an asset rather than the asset itself;
- A liability will be recognised if a company has no practical ability to avoid it. This may bring liabilities on balance sheet earlier than at present.
- A new control-based approach to de-recognition will allow an entity to derecognize an asset when it loses control over all or part of it; the focus will no longer be on the transfer of risks and rewards.

The Group is assessing the impact that the amendments will have on its 2021 financial statements

36. Significant Accounting Policies (Continued)

(p) New and amended standards and interpretations issued but are not yet effective (continued)

(ii) Amendments to IFRS 3, *Business Combinations,* applicable to businesses acquired in annual reporting periods beginning on or after 1 January 2020, provides more guidance on the definition of a business. The amendments include:

(i) An election to use a concentration test by way of an assessment that results in an asset acquisition, if substantially all of the fair value of the gross asset is concentrated in single identifiable asset or a group of similar identifiable assets.

(ii) Otherwise, the assessment focuses on the existence of a substantive process. A business consists of inputs and processes applied to those inputs to create outputs.

The Group is assessing the impact that the amendments will have on its 2021 financial statements.

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

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

The Group does not expect the amendment to have a significant impact on its 2021 financial statements.

(iv) Amendment to IAS 1, *Presentation of Financial Statements* is effective for annual periods beginning on or after 1 January 2022 but with a possible deferral to 1 January 2023. An entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. The amendment clarifies that a right to defer exists only if the entity complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date. The settlement of a liability includes transferring a company's own equity instruments to the counterparty.

The Group's assessing the impact that the amendment will have on its 2023 or 2024 financial statements.

TOP 10 SHAREHOLDERS

AT 31 MARCH 2020

SHAREHOLDERS	SHAREHOLDINGS	ORDINARY SHARES 1,955,552,532 %
PROVEN INVESTMENTS LIMITED	391,310,525	20.010
TRUSTEES JMMB ESOP	169,950,023	8.691
COLONIAL LIFE INSURANCE CO (TRINIDAD) LTD	103,453,776	5.290
NATIONAL INSURANCE FUND	89,174,704	4.560
PANJAM INVESTMENTS LIMITED	68,071,220	3.481
SJIML A/C 3119	55,872,550	2.857
CONCISE E.I. LTD	48,438,366	2.477
JVF O.E. LTD	44,300,000	2.265
SAGICOR POOLED EQUITY FUND	43,141,378	2.206
JVF E.I. LTD	40,311,674	2.061
	1,054,024,216	**53.899**
	TTCD	3,345
	MAIN	102
	JCSD	24,469
	TOTAL	**27,916**

SHAREHOLDINGS OF DIRECTORS

AT 31 MARCH 2020

DIRECTORS	SHAREHOLDING - ORDINARY	CONNECTED PARTIES
Donna Duncan-Scott	7,678,110	ESOP
	71,700	
	37,041,951	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	
	48,438,366	CONCISE E.I. LTD
	40,311,674	JVF E.I. LTD
	846,745	ESOP
V. Andrew Whyte	200,000	
Wayne Sutherland	135,800	PATRICIA SUTHERAND
	1,800	JOSHUA & PATRICIA SUTHERLAND
	28,540,838	CONCISE R.I. LTD
Dennis Harris	493,277	
Dr. Anne Crick	5,234	
Hugh Duncan	4,828	
Reece Kong	-	
Audrey Welds	100,000	
Audrey Deer Williams	-	
Andrew Cocking	10,025,000	
	23,700	CHELSI COCKING
H. Wayne 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
	212,465,244	

SHAREHOLDINGS OF LEADERSHIP TEAM

AT 31 MARCH 2020

ETLS	SHAREHOLDING-ORDINARY	CONNECTED PARTIES
Donna Duncan-Scott	7,678,110	ESOP
	71,700	
	37,041,951	JVF O.N. LTD
	37,530,103	CONCISE O.N. LTD
Keith Duncan	20,591	
	846,745	ESOP
	48,438,366	CONCISE E.I. LTD
	40,311,674	JVF E.I. LTD
Carolyn DaCosta	260,544	
	74,640	ESOP
	3,357	CRAIG DACOSTA
	127,169	DERMOTT DACOSTA
	4,795	MERLINE DACOSTA
	5,237	AMANDA DACOSTA
Paul Gray	263,280	TEVERLY GRAY
	46,600	BRITTANY GRAY & TEVERLY GRAY
	27,300	TONI-ANN GRAY & TEVERLY GRAY
	763,731	ESOP

SHAREHOLDINGS OF LEADERSHIP TEAM CONT'D

ETLS	SHAREHOLDING-ORDINARY	CONNECTED PARTIES
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 Stimpson	780,032	ESOP
Claudine Tracey	908,000	ESOP
	60,900	
Peta-Gaye Bartley	847,260	ESOP
	11,000	SAMUEL BARTLEY
	178,853,686	

CORPORATE INFORMATION

Client Care Support

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1 (877) 533-5662
From the UK: 0 (800) 404-9616
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Email: info@jmmb.com
www.jmmb.com

JAMAICA

JMMB Investments

Jamaica Money Market Brokers Ltd.

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Kingston 10
Tel: (876) 998-5662
Fax: (876) 960-9546
OPENING HOURS:
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HAUGHTON AVENUE BRANCH

5 Haughton Avenue,
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Tel: (876) 998-5662
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OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.
Drive Thru
Monday – Friday:
9:00 am – 5:00 p.m.
Saturday: 10:00 a.m. – 2:00 p.m.

KNUTSFORD BOULEVARD BRANCH

11 Knutsford Boulevard,
Kingston 5
Tel: (876) 998-5662
Fax: (876) 960-3927 or (876) 960-4455
OPENING HOURS:
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JUNCTION AGENCY

Shop 2, Roye's Plaza,
Main Street, Junction
St. Elizabeth
Tel: (876) 998-5662
OPENING HOURS:
Monday – Friday:
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MANDEVILLE BRANCH

23 Ward Avenue,
Mandeville, Manchester
Tel: (876) 998-5662
Fax: (876) 625-2352
OPENING HOURS:
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MONTEGO BAY BRANCH

Suite 1,
Fairview Office Park,
Alice Eldemire Drive,
Montego Bay, St. James
Tel: (876) 998-5662
Fax: (876) 979-8985
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

MAY PEN BRANCH

Shop 28B, Bargain Village Plaza,
35 Main Street,
May Pen, Clarendon
Tel: (876) 998-5662
Fax: (876) 786-3660
OPENING HOURS:
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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:
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PORTMORE BRANCH

47 - 48 West Trade Way,
Portmore Town Centre,

Portmore, St. Catherine
Tel: (876) 998-5662
Fax: (876) 939-3207
OPENING HOURS:
Monday – Friday:
10:30 a.m. – 6:00 p.m.
Saturday: 10:30 a.m. – 2:00 p.m.

SANTA CRUZ BRANCH

Shop # 2 Oasis Plaza, Coke Drive,
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Tel: (876) 998-5662
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OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

BOARD OF DIRECTORS

Dr. Archibald Campbell – Chairman
Kisha Anderson
Audrey Deer-Williams
Keith Duncan
Dennis Harris (resigned June 7, 2019)
V. Andrew Whyte
H. Wayne Powell (appointed July 18, 2019)
Carolyn DaCosta – Corporate Secretary
Claudine Campbell-Bryan - Deputy Corporate Secretary

JMMB FUND MANAGERS LTD

6 Haughton Terrace,
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Kisha Anderson
Audrey Deer-Williams
Keith Duncan
Dennis Harris (resigned June 7, 2019)
V. Andrew Whyte
H. Wayne Powell (appointed July 18, 2019)
Carolyn DaCosta – Corporate Secretary
Claudine Campbell Bryan – Deputy Corporate Secretary

JMMB INSURANCE BROKERS

JMMB Insurance Brokers Ltd.

8 Dominica Drive, New Kingston
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BOARD OF DIRECTORS

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Kisha Anderson
Cecile Cooper
Keith Duncan
Paul Gray
Claudine Campbell Bryan – Corporate Secretary

JMMB SECURITIES LTD
A Member of the Jamaica Stock Exchange

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BOARD OF DIRECTORS

Dr. Archibald Campbell – Chairman
Kisha Anderson

CORPORATE INFORMATION Cont'd

BOARD OF DIRECTORS CONTINUED

Audrey Deer-Williams
Keith Duncan
Dennis Harris (resigned June 7, 2019)
Julian Mair
V. Andrew Whyte
Carolyn DaCosta – Corporate Secretary
Claudine Campbell Bryan – Deputy Corporate Secretary

JMMB Bank

JMMB Bank (Jamaica) Ltd.

HEAD OFFICE

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Monday – Friday:
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Saturday: 10:00 a.m. – 2:00 p.m.

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MONTEGO BAY CHURCH STREET BRANCH

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MONTEGO BAY FAIRVIEW BRANCH

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Saturday: 10:30 a.m. – 2:00 p.m.

BOARD OF DIRECTORS

Dennis Harris – Chairman
Vintoria Bernard
Dr. Archibald Campbell
Keith Duncan
Donna Duncan-Scott
Martin Lyn
H. Wayne Powell
Gregory Shirley
Jerome Small (appointed Nov 26, 2019)
Patricia Sutherland
V. Andrew Whyte
Carolyn DaCosta – Corporate Secretary
Claudine Campbell Bryan – Deputy Corporate Secretary

JMMB Money Transfer

JMMB Money Transfer Ltd.

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BOARD OF DIRECTORS

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Kisha Anderson
Maurice Barnes
Andrew Cocking
Keith Duncan
V. Andrew Whyte
Carolyn DaCosta – Corporate Secretary
Claudine Campbell Bryan – Deputy Corporate Secretary

DOMINICAN REPUBLIC

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

HEAD OFFICE

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CORPORATIVO 2010

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BOARD OF DIRECTORS

Dr. Archibald Campbell – President
Keith Duncan – Vice-President
Ricardo Ginebra – Treasurer
Guillermo Arancibia
Roberto Jimenez Collie
Donna Duncan-Scott
Julian Mair
Andrew Whyte
Jose de Moya Cuesta – Secretary

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

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www.jmmb.com
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BOARD OF DIRECTORS

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Juan Carlos Rodriguez Copello – Vice-President
Guillermo Arancibia
Keith Duncan
Hamlet Hermann
Rafael Medina Quiñones
Lizette Solano

CORPORATE INFORMATION Cont'd

BOARD OF DIRECTORS CONTINUED
Polibio Valenzuela
Ricardo Ginebra - Secretary

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

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BOARD OF DIRECTORS

Patrick A. Ellis - President
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Rodolfo A. Cabello Blanco
Juan Carlos País Fernández
Diego R. Sosa
Carlos A. Del Giudice - Secretary

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

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BOARD OF DIRECTORS

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Denisse Pichardo – Secretary
Lizette Solano
Keith Duncan
Alberto Fiallo
Roberto Arias

TRINIDAD AND 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.

SOUTH BRANCH
SouthPark, Tarouba Link Road, San Fernando, Trinidad
Tel: (868) 800-JMMB (5662)
(868) 665-4425
Fax: (868) 658-5662
OPENING HOURS:
Monday – Friday:
10:00 a.m. – 5:00 p.m.

BOARD OF DIRECTORS

Dr. Archibald Campbell - Chairman
Hugh Duncan

John Tang Nian
Keith Duncan
Lorraine Kam
Marjorie Nunez
Ronald Carter
Selby Oswald Wilson
Wayne Lincoln Sutherland
Catherine Kumar
Denise Roopnarinesingh – Corporate Secretary

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
86 Ramsaran Street,
Chaguanas, Trinidad
OPENING HOURS:
Monday – Friday:
9:00 a.m. – 4:00 p.m.

PORT OF SPAIN BRANCH
130 Charlotte Street,
Port of Spain, Trinidad
OPENING HOURS:
Monday – Friday:
9:00 a.m. – 4:00 p.m.

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

Dr. Archibald Campbell - Chairman
Hugh Vernon Wellesley Duncan
John Tang Nian
Keith Duncan
Lorraine Kam
Marjorie Nunez
Ronald Carter
Selby Oswald Wilson
Wayne Lincoln Sutherland
Denise Roopnarinesingh – Corporate Secretary

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

Dr. Archibald Campbell - Chairman
Keith Duncan
Wayne Lincoln Sutherland
Kisha Anderson
Julian Mair
Dr. Marlene Attzs
Catherine Kumar
Leonardo Ambrose
Carolyn DaCosta – Corporate Secretary
Denise Roopnarinesingh – Deputy Corporate Secretary

CORPORATE INFORMATION Cont'd

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

169 Tragarete Road,
Port-of-Spain
Tel: (868) 224-JMMB (5662)
Fax: (868) 224-5667

OPENING HOURS:
Monday – Friday:
8:00 a.m. – 4:00 p.m.
www.jmmb.com
Email: infott@jmmb.com

BOARD OF DIRECTORS

Dr. Archibald Campbell - Chairman
Keith Duncan
Wayne Sutherland
Kisha Anderson
Julian Mair
Dr. Marlene Attzs
Catherine Kumar
Leonardo Ambrose
Carolyn DaCosta – Corporate Secretary
Denise Roopnarinesingh – Deputy Corporate Secretary

CONTENTS NOT CHECKED

Signature

Date 9/7/2020 12:38 p.m.

COMMERCIAL DIVISION
JUN 25 2020
SUPREME COURT

FORMAL ORDER

IN THE SUPREME COURT OF JUDICATURE OF JAMAICA

IN THE COMMERCIAL DIVISION

CLAIM NO. SU 2020 CD 00227

FINANCIAL SERVICES COMMISSION
39-43 Barbados Avenue
Kingston 5, Jamaica, W.I.
Tel: (876) 906-3010-2/906-7264-6
Facsimile: (876) 906-3018/754-9584

12:38 p.m. 9/7/2020

IN THE MATTER OF THE COMPANIES ACT OF JAMAICA

AND

IN THE MATTER OF AN APPLICATION BY THE JAMAICA STOCK EXCHANGE FOR DIRECTIONS PURSUANT TO SECTION 130(2) OF THE COMPANIES ACT OF JAMAICA

RECEIVED
JUL 09 2020
TIME: 12:49PM
PER: S. Kellamar-Beary
COMPANIES OFFICE OF JAMAICA

IN CHAMBERS (BY ZOOM)

ON THE 24th DAY OF JUNE 2020

BEFORE THE HONOURABLE MR JUSTICE K. LAING

UPON the Fixed Date Claim Form filed on June 9, 2020 coming on hearing and **AFTER HEARING** Michael Hylton, Q.C., Kevin Powell and Melissa McLeod instructed by Hylton Powell, Attorneys-at-Law for the Applicant, Nerine Small, Catherine Williams and Novia Cotterell instructed by the Director of State Proceedings, Attorney-at-law for the Attorney General, and Marc Morgan, Attorney-at-Law for the Financial Services Commission of Jamaica with Marlene Street Forrest and Lance Hylton, representatives for the Applicant present, all by Zoom

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Notwithstanding the provisions of the Companies Act, the provisions of each of their articles of incorporation regarding the holding of annual general

COPY RECEIVED
DIRECTOR OF STATE PROCEEDINGS
NAME
DATE July 9, 2020 TIME 1:30

meetings and any notice of an annual meeting, information circular or other documents that may be or already have been disseminated by the companies identified in the Appendix to this Order ("the Companies") may call and conduct their 2020 annual general meetings ("the Annual Meetings", which term includes Annual Meetings conducted following an adjournment or postponement) in accordance with this Order and any Annual Meeting called or held in accordance with this order shall be valid.

2. Each Company is permitted to conduct its Annual Meeting by either:

(a) Holding a meeting with one or more shareholders present at a physical venue with a live stream or broadcast of the meeting by electronic means or software (including webcasting, videoconferencing, teleconferencing, a combination of these and/or other electronic means) which allows all shareholders access to see and hear the proceedings, ask questions in such reasonable order and manner as the chairman may allow, and to vote electronically including before the meeting or by a proxy chosen from among the persons the company indicates will be physically present at the meeting; or

(b) Holding a meeting entirely by live stream or broadcast of the meeting by electronic means or software (including webcasting, videoconferencing, teleconferencing, a combination of these and/or other electronic means) which allows all shareholders access to see and hear the proceedings, ask questions in such reasonable order and manner as the chairman may allow, and to vote electronically including before the meeting.

3. The Companies are permitted to provide their shareholders with notices of the Annual Meeting, resolutions, draft resolutions proposed to be passed,

circulars, proxy forms, financials including profit and loss accounts, balance sheets and auditor's reports and any other documents necessary or relevant for the conduct of an annual general meeting by one or more of the following means: electronic mail, pre-paid mail, posting links to access the documents on their respective websites and/or the Jamaica Stock Exchange's website

4. Any notice or document delivered in accordance with this order shall satisfy all requirements for serving documents for an Annual Meeting notwithstanding any provision to the contrary in the Companies Act or the Companies' articles of incorporation.

5. The failure or inability of a shareholder to attend or remain in an Annual Meeting held in accordance with paragraph 2 of this order as a result of mistake or of events beyond the control of a Company shall not constitute a defect in the calling of the Annual Meeting and shall not invalidate any resolutions passed or proceedings taken at that Annual Meeting.

6. Liberty to apply.

7. The Applicant's attorneys-at-law to prepare file and serve this order on the Attorney General, the Financial Services Commission of Jamaica and the Office of the Registrar of Companies.

BY THE COURT

LS Sgd C. Bennett

~~JUDGE~~ Registrar

TRUE COPY

REGISTRAR

FILED BY Hylton Powell, 11A Oxford Road, Kingston 5 in the parish of Saint Andrew for and on behalf of the Claimant whose address for service is that of its attorneys-at-law (Attention: Melissa S. McLeod, Att. No. 1611). Telephone number: 926-1672 and facsimile number: 929-7587.

APPENDIX

COMPANY NAME	
1.	Barita Investments Limited
2.	Berger Paints Jamaica Limited
3.	Caribbean Cement Limited
4.	FosRich Company Limited
5.	JMMB Group Limited
6.	Lasco Distributors Limited
7.	Lasco Financial Services Limited
8.	Lasco Manufacturing Limited
9.	Main Event Limited
10.	Mayberry Investments Limited
11.	Sagicor Group Jamaica Limited
12.	Supreme Ventures Limited
13.	The Jamaica Stock Exchange
14.	Trans Jamaica Highway
15.	Victoria Mutual Investments Limited
16.	Wigton Windfarm Limited

PROXY FORM

I/We -- of ---
\- being a member/members of JMMB Group Limited (the Company) hereby appoint either one of the following persons:

(circle applicable name) ***(a)*** *Dr Archibald Campbell* ***or*** ***(b)*** *Mr. Dennis Harris*

of JMMB Group Limited, 6 Haughton Terrace ***or***, failing him, I appoint ---

of--- as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held Thursday October 8, 2020 **at 10:30 A.M. (Jamaica)** in fully electronic form in accordance with the order of the Supreme Court of Judicature of Jamaica dated June 24, 2020 in Claim SU 2020 CD 00227 and at any adjournment thereof. **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, 2020.		
RESOLUTION 2 To ratify interim dividend payments and declare them final		
RESOLUTION 3 TO RE-APPOINT DIRECTORS **RESOLUTION 3 (A)** "THAT Dr. Archibald Campbell 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 Cocking 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 Dr. Anne Crick who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".		
RESOLUTION 3 (D) "THAT Mrs. Patricia Dailey-Smith who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".		
RESOLUTION 3 (E) "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 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, 2020, as remuneration for their services as Directors be and is hereby approved.”		

Dated this 24th day of July 2020

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.

THE JMMB GROUP

jm.jmmb.com